

TITLE *“Emerging driving force for community planning in Japan. - “Community Fund”-”*

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1.Introduction

These days, I found the new driving force for community planning in Japan, which is “Community Fund”. This “Community fund” means the system to give financial support for community for their projects to improve their neighborhoods, and similar kind of system exists in U.S., such as Neighborhood Matching Fund in the City of Seattle.

I focus on the community funds by local government in this paper. The reasons why I focus on them are:

(1) Community funds by local governments have been dramatically increased since 2000

There are three reasons why it was increased after 2000:

1. Nonprofit Activities Promotion Law became effective in 1998: This Law was established after the Great Kobe Earthquake in 1995 when a lot of people went there to help the rehabilitation of Kobe as volunteers. Because of the incident, people got to be aware of the idea of voluntarism, and then they needed to establish some system to support their voluntary activities. The Law was established in response to their needs. After this law, a lot of Non-profit organizations have been established and became leaders of community activities. Local government cannot ignore their power in civic society, and the community fund was developed to support them.
2. The trend toward decentralization of government allows local governments to have their unique policy on autonomy of community: Traditionally, we have had a centralized government in Japan. Comprehensive laws on decentralization became effective in 2000, and then eliminated administrative functions imposed upon local governments by the central governments. In theory, local government started to have more responsibility on their local issues. This law gave local governments more freedom to establish ordinances. Then, "the freedom forced local government to develop the policy on autonomy and the system of citizen participation"1) to be more responsible for local governing. Then, local government needed to develop a system for local autonomy by community, and the funds are a part of the systems.
3. Many baby-boomers are retiring around 2007, and they start to get involved in community planning: Japan had first baby boom after WW2 from late 40's to early 50's. Since the most of companies require employees to retire when they turn to 60, many

baby-boomers start to retire from 2007. During the years of steep economic growth from 1960's to 1980's, these baby-boomers did not care their community issues because economic growth came first. Now, Japan has stable economic condition, and society get more mature than ever. So, retired baby-boomers are expected to get involved in community after the long-year-absence. So, the local governments develop the fund's system to support the new comers.

(2) The funds by local government are local-oriented and tied with local community.

There are other community funds by other sectors, but these funds are for broader area beyond jurisdictions. The funds by local governments are more local-oriented and tied with neighborhoods, which means it has more potential to change the way of Machidukuri (Community-Planning), most of them are area-based efforts, in Japan than other funds.

(3) Many local governments set the policy of "Working together" these days, and the funds can be a tool for the policy.

Local governments seek the way to build a "Partnership" with communities to tackle on the local issues together. The community fund is a part of the policy, "Working together".

In this paper, I studied cases of community funds by local governments and research what kind of issues we have now in Japan.

2. History of the community funds

People started to share the idea of "Machidukuri"(Community-planning) in 1980's and that is when the community funds are started. It is said that people started to use the term "Machidukuri" in 1952, 2) but it was not that common word until late 1980. The "Machidukuri" is everywhere now in Japan and the cases of community fund are increased to support it.

The purpose of the community fund has been changed as the society gets to be more mature through the time.

In 1990's, the purpose of community fund was mainly for helping people to have a sense of community in their neighborhoods. The case of community fund was few and the systems of the fund were simpler than today's ones.

In 2000's, the main purpose has been changed as the non-profit organizations and community groups are increased. The today's purpose of the funds are for supporting non-profit's activities, and for local government's administrative and financial reform. I categorized community fund into four types.

1) Fund for "working together": In the name of "Working together", and for the administrative

and financial reform, local government set the program to work with non-profit organizations. In this program, rather than non-profit organization does their own project alone, they work closely with one of departments or sections of city with the funds. In some cities, city set some conditions with funds to make applicants to work on particular issues with them. Sometime it became like the fund for subcontracting some of government's roles to non-profit organization in cheaper price.

2) Funds for reforming subsidy system: In the effort of the administrative and financial reform, community fund play a role for reforming subsidy system, challenging vest interests. In the city of Abiko, mayor eliminated the entire subsidy, and set a fund, which is basically open to everyone to apply, with open review process.

3) Funds for reforming neighborhood associations: We have neighborhood associations, traditional area-based association, in Japan. Some of them became exclusive and it is not good for promoting "Machidukuri". So, local government tries to create new type of neighborhood associations with funding, which is expected to be new leaders for Machidukuri.

4) Funds for non-profit organizations and community groups' own projects: Local government set various type of fund's system to encourage people to involve with local issues. The system has been improved to get involved more people not only as applicants, but also as donors for the funds.

3. The current situation of community funds by local governments

I researched the community fund's system by local governments. To research them, I looked up the word "fund" in the each city's web page and I sent out questionnaires to the 73 local governments and 114 cases in 2005. 65 local governments, 87 cases were returned, and I interviewed persons who were in charge of some of characteristic funds. I found the following characteristic case studies from the research. (See Figure 1)

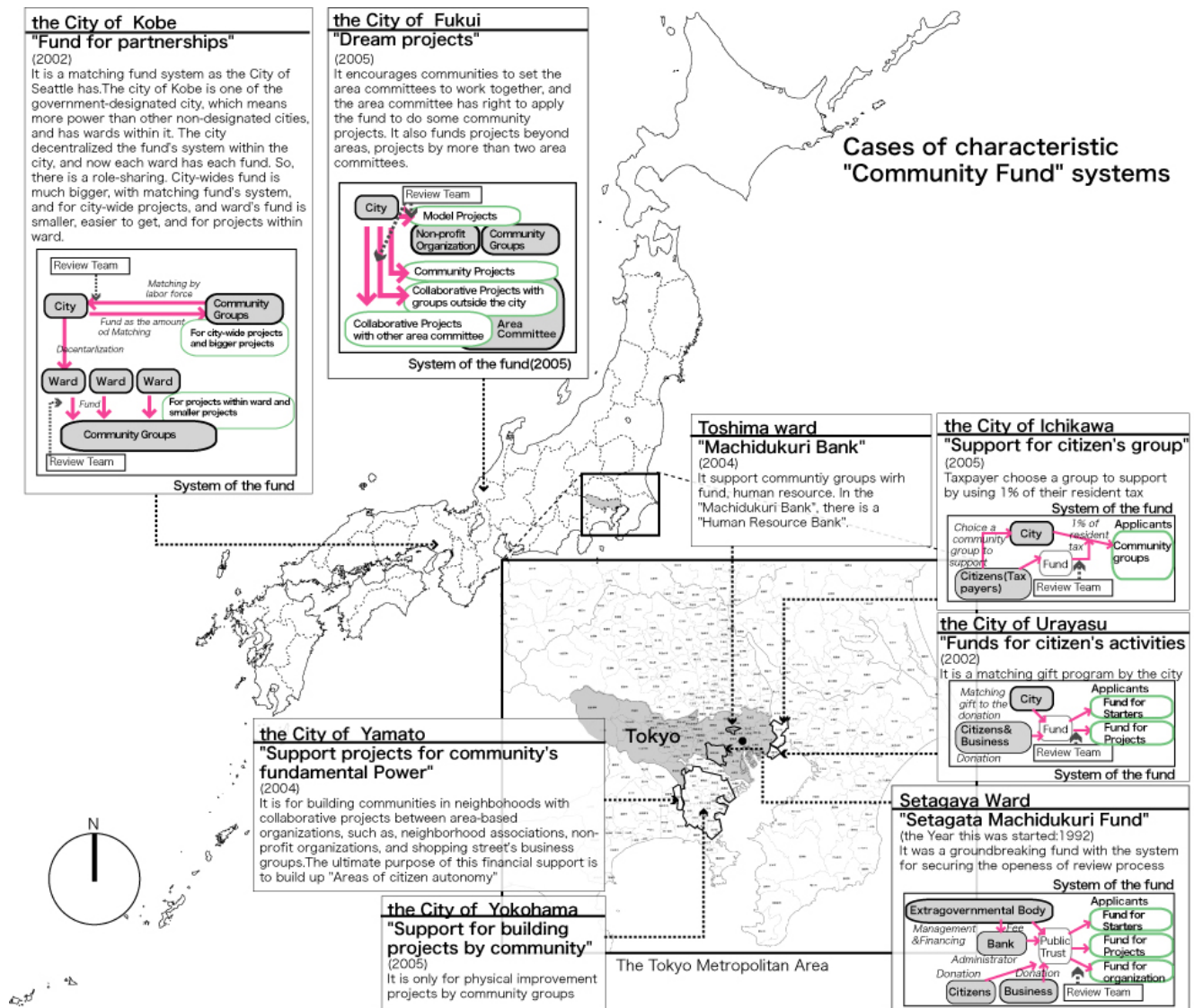


Figure 1: Cases of characteristic community fund system

CASE1: System for securing openness of review process: Setagaya Ward: "Setagaya Machidukuri Fund"

The community funds use tax money, so the review process need to be open to public. This was started from 1992, and a groundbreaking fund with the system for securing the openness of review process. Many local governments copied the Setagaya's open review process. The review process has two open meetings, which are meeting for reviewing, and for reporting. In the meeting for reviewing, applicants make presentations of what they plan to do in front of judges

and community members. The review processes by judges are open to public. And, in the meeting for reporting, the community groups who used funds make presentations of what they did with the funds.

Issues: It has been fifteen years since it was started, so now a working team tries to renew the system. The working team said "We face the decline of donation and lack of community leaders." and "We need to renew the fund as the society has changed."3)

CASE2: Seeking for new type of area-based association:

Japan has had traditional area-based association, neighborhood association. The neighborhood association's membership became rigid and aging. The fund can be a breakthrough of the situation.

(1) The City of Yamato: "Support project for community's fundamental power"

It is for building communities in neighborhoods with collaborative projects between area-based organizations, such as, neighborhood association, non-profit organizations, and shopping street's business group. The ultimate purpose of this financial support is to build up new type of area-based associations, which is called "Areas of citizen autonomy". So the fund offers two type of fund, one is for starters who are trying to collaborate with other organizations within an area (300,000 Yen (\$2,500) limits), and the other is to build "Areas of citizen autonomy" after collaborative projects. (500,000Yen(\$4,100) limits)

Issues: There is uncertainty of sustainability of the fund and policy. Now this year's project is pending because mayor was changed.

(2) The City of Fukui: "Dream projects"

The fund is for building 43 area-based associations, which is called "Area committee" with traditional neighborhood associations. This fund encourages communities to set the area committees to work together, and the area committee has right to apply the fund to do some community projects. It also funds for projects beyond areas, projects by more than two area committees.

Issues: Its goal is for building new area-based associations, with partnership between neighborhood associations and non-profit organizations, and other groups. However, the traditional neighborhood association is powerful, so most of the area committees are created based on neighborhood associations.

CASE3: Unique fund-raising efforts:

These fund-raising system is for getting citizens involved as a part of resource providers. The system is mostly for making citizens more conscious about Machidukuri, and volunteer

activities.

(1) The City of Urayasu: "Funds for citizen's activities"

It is a matching gift program by the city. The city will fund as much as the amount of donation from citizens and business. (If there is \$100 donation from citizens, city will fund \$100 as well. The source of the fund will be \$200.) The city of Urayasu reformed its subsidy system as the fund was developed.

Issues: Decline of donation and applicants.

(2) The City of Kobe: "Fund for partnerships"

It is a matching fund system as the City of Seattle has. (the City of Kobe is a sister city of Seattle) The city of Kobe is one of the government-designated cities, which means more power than other non-designated cities, and has wards within it. The city decentralized the fund's system within the city, and now each ward has each fund. So, there is a role-sharing, like city-wide fund is much bigger, with matching fund's system, for city-wide projects, and ward's fund is smaller, easier to get, and for projects within ward.

Issues: The idea of "Matching Fund" is too complicated for community members to understand, and there is decline of applicants. The matching fund's idea is exchanging resource between government and community, but community confused like, "We can get a money as we prepare labor force."



Figure2: One of project funded by the "Fund for Partnership" by the city of Kobe. (Plants along the alley)

(3) The City of Ichikawa: "Support for citizen's group"

This system is based on Hungarian's donation system. Taxpayers choose a community group to support by using 1% of their resident tax. City thought it would be mass appeal because citizens need not donate their money from their wallet. If taxpayer does not have any particular preferences, the money goes to fund.

Issues: It became like popularity votes. For example, kid's baseball team could get more money than other community groups in 2006.

CASE4: Providing human resources besides funds: Toshima Ward: "Machidukuri Bank"

Financial support is not enough to foster leaders in communities. In the "Machidukuri Bank", there is a "Human Resource Bank". It supports community groups not only with fund, but also human resource. It matches between community group and human resource if necessary.

CASE5: Supporting only physical improvements by community: The City of Yokohama: "Support for building projects by community"

It is only for physical improvement projects by community groups. It is groundbreaking because most of community funds in Japan are too small to support physical improvements. The city of Yokohama, the biggest city in Japan with more than 3.6 million people, decided to fund community groups as much as 5million Yen (\$ 40,000) each.

3. Issues

The issue of the community funds that I found from the research is decline of applicants and donors. Even many community groups need money for their activities, it is happened. The reasons why it is happened are:

1. Lack of publicity: People simply do not know that. There is not enough outreach programs.
2. There is mismatch between the expectation for the funds by providers and demands by communities: For example, most of fund does not allow them to use overhead costs.
3. Lack of empowerment process to foster leaders in community: There are not enough supports, such as technical support, other than financial support.
4. The system is too complicated to apply: Such as matching fund in Kobe, the systems of community funds are too complicated to apply. The review process is also complicated, and takes too long time only for small funds. It is troublesome for community groups if they do not have any full-time staff.

If this kind of situation continues, it is difficult to secure the continuity of the funds.

4.For the future:

We need to secure the fund's system to foster the community planning with communities. For the future, to tackle the issues as I described, we need to have coordinators and intermediaries to connect between local governments and communities.

Intermediaries are for empowering community leaders, for publicity, and for involving more various sectors for securing the sustainability of community funds. Coordinators should run intermediary, and they can help people to apply and carry out projects.

In the city of Sendai, there is a groundbreaking system of community fund. It is not by local government, but collaboration between intermediary, local government, and private sectors. This Intermediary, Sendai /Miyagi support center, is a non-profit organization, and develop the community fund's system working with local private sectors. The fund system provide not only grant but also some materials, such as computers, to community groups, and the resource is coming from private company. Then, local government (Miyagi Prefecture) had an eye on the system, and asked them to make the prefecture join. Now the system has grants both from local government and private companies. Besides the fund system, the intermediary set a "Library of non-profit organization's information". It stocks many non-profit organizations' information, which registered to the system. The purpose of it is to guarantee the non-profit organizations from reliable resources. Only registered organization can apply the fund. So, in Sendai, intermediary became a center of fund's system to network all sectors, and an agency of guarantee for non-profit organizations.



Figure3: Information of non-profit organizations is stocked in Sendai/Miyagi support center.

This is one of the future visions for the growth of community fund with various sectors and intermediary. This kind of system is going to secure the sustainability of collaborative society in Japan.

Notes:

1)See MATSUSHITA (2004) p.5

2)See WATANABE(1997)

3)See "Setagaya Trust Machidukuri" web page,

<http://www.setagayatm.or.jp/trust/emergence/manifesto/projects.html>

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