

Asia Confers 2 CAFO:
Giving with a Difference in Asia
Remarks: Session I—Role of Foundations

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It is my great honor to be invited to speak at “Asia Confers 2” of CAFO (Conference on Asian Foundations and Organizations). I have been hearing a great deal about CAFO in laudatory terms from many people including my staff, Deko Katsumata, Toshi Menju, and Mio Uchida, who have taken part in the CAFO meetings in the past. I also bring a salute and greetings from my colleagues of the Asia Pacific Philanthropy Consortium (APPC), which shares similar goals with CAFO, though we may be taking different approaches and have somewhat different target audiences.

I have been particularly impressed with CAFO’s efforts to improve the expertise and effectiveness of the professional staff of civil society organizations in Asia. I am also attracted by the notion of “Asia Confers,” as my professional commitment is to promote dialogue, particularly in Asia, as a critical means to enhance mutual understanding and cooperation among people and nations. I feel fortunate to have been able to be involved in such efforts over 30 years on a nongovernmental level, and am also grateful to the many people and institutions whose support, cooperation, and partnership have been vital for the survival of our institution, as well as for whatever accomplishments we may have achieved over these years. So, whenever people give us compliments for what we have done, I count my blessings for all the support and encouragement that we have been given.

The theme given to me this morning is “the Role of Foundations in Asia,” and I assume that I am supposed to deal with this within the overall conference theme of “Giving with a Difference in Asia.” I also noted a reference in the program to the “External Context” as a sub-theme of Day One, and I assume that I am expected to pay some attention to this element as well.

I. Changing Context

Let me, then, proceed to examine the changing context of Asia as it relates to the role of

foundations. It is quite risky to generalize about certain changes in this vast region of Asia, but I believe I can perhaps assume that the impact of globalization has brought about similar challenges in most of the countries in the region because of the sheer speed and magnitude of economic and sociopolitical changes that have been forced upon them by the formidable forces of globalization and because of the relatively recent history of nation-building, modernization, and opening to the world on the part of these countries in Asia.

(1) From governing to governance

The first challenge brought about by globalization that I wish to touch on is what I would characterize as the challenge of governance. Simply put, the emergence of complex and diverse issues in society as a consequence of globalization has made it impossible for the governments of these countries to be the sole arbiter of the public good. These governments and their bureaucrats, who used to base their legitimacy on their role in achieving economic development, have come under serious questioning as globalization started exposing other policy priorities such as environmental protection, social justice and human rights, and equal economic opportunity. It has become obvious in many societies, certainly including Japan, that government alone cannot deal with the increasing number and complexity of issues facing society. Citizens have begun to respond, filling the widening space of public needs that were being left unattended by the public sector. In many countries in Asia, we have witnessed the beginning of a power shift, with an attempt to redefine the relationship between government and citizens in the context of a new form of governance with greater participation by citizens in defining and sustaining the public good. But, as is the case with any attempt at a power shift, there is an inevitable tension in the public-private interaction.

(2) Civil society as a key national and regional actor

The second and related challenge that has manifested itself in Asia in recent years, as we all

know, is the dramatic emergence of civil society as a key actor in each country and territory, as well as in the broader regional context. This trend for citizens to come together to protect and promote the public interest is a strikingly new phenomenon in Asia, where the power of the state has been dominant and autocratic while governments pursued modernization and nation-building in earnest. The global trend toward the emergence of civil society—often encouraged by UN conferences, starting with the Rio Summit of 1994—fast growing global networks of civil society organizations, and the end of the Cold War (which neutralized the earlier tendency among those in the establishment to associate civil society with anti-governmental leftist movements) are among some of the key factors that have provided a strong impetus for the growth of civil society in the Asian region. Nevertheless, without broad enough underpinnings of public consciousness as “citizens”—similar to that found in Western civilization—the rapid growth of civil society in the region raises the challenge of how to build the necessary infrastructure for those organizations to operate as key actors in society.

(3) New exploration of a sense of Asian regional community and identity

What has been quite noticeable in civil society development in Asia, as has been the case in other parts of the world, is the growth of networks of civil society organizations on the basis of the common goals and common challenges they share. Such regional grouping have been enhanced by recent phenomena such as environmental degradation, the spread of epidemic diseases such as HIV, and the growing number of refugees. Partly because these issues often transcend national boundaries and partly because they require more concerted cooperation among like-minded people and organizations, civil society organizations have developed very close collaborative networks of many kinds in the Asian regional framework. There also has been a broader political background that may have further prompted this development, such as initiatives by some governments and private groups in the region to call for the

building of a regional community. Such initiatives have often been made in response to the global trend toward regional groupings, most dramatically shown by European integration, as well as the close regional association of North American nations through NAFTA and other regional arrangements. There also has been a view that a certain sensitivity, or even values, are shared by Asians that make them feel that they are part of a community. Values or patterns of behavior that are common to Asian countries and people, such as an emphasis on consensus, communitarianism rather than individualism, and social order and harmony may be considered to provide a basis for a regional community. On the other hand, it can be argued that such Asian values can be a liability unless they adapt to transparency and accountability, and that a community built on such shared values is of a dubious nature.

(4) Increasing attention to human security

I wish to add the growing emphasis given to the concept of “human security” as the fourth changing regional context that may well be a critical element for the future role of foundations, although the concept is yet to be fully articulated or understood. It was the Asian financial crisis that revealed the limits of the strategy of economic development as a panacea for social problems. It also revealed the failure of governments to pay attention to human suffering coming from social and economic dislocations as a consequence of excessive, if not exclusive attention to economic development. The Asian financial crisis dramatically highlighted the fact that individuals are threatened not only by wars but by all of the menaces that threaten the survival, daily life, and dignity of human beings.

Although Asians do not have a monopoly on the concept of human security, the fact that it was initially advocated by the late Prime Minister Keizo Obuchi, and the fact that Amartya Sen and Sadako Ogata, both Asians, were selected to head the Human Security Commission, I do not believe are merely coincidences. The emergence of this concept is an important contextual change in Asia in our discussion on the role foundations because in

order to address this area of threats that directly affect the lives of human beings, the activities of citizens, through civil society organizations and other avenues, are most effective.

Moreover, the fact that the human security concept points to the inter-relatedness of issues that can adversely affect human well-being reinforces the need to develop a close partnership among diverse sectors, including governments, international organizations, civil society, and others.

II. Roles and Priorities for Foundations in Asia

Given these changes in Asia in recent years, what are the roles of private foundations, both grant-giving and operating, and what may be the emerging priorities for their activities? Some of the answers to these questions are self-evident from my discussion thus far, as I've pointed to the challenges to which private foundations must respond.

(1) Closing the widening gap between the supply side and demand side of civil society

The first possible task for private foundations is closing what I regard to be a growing gap between the demand side and supply side of civil society. Though most Asian countries have witnessed a remarkable surge of civil society in the past ten years or so, it is clear that much of the gain is accounted for by the growth of so-called NGOs and NPOs without a great deal of financial resources. On the other hand, the growth of grant-making foundations has been limited, and even though countries like Japan saw a rapid growth of corporate foundations in the 1970s and 1980s, they have pretty much lost steam in the past couple of decades. Thus, the growth of civil society in Asian countries can be regarded most impressive in recent years, but its full fledged development has to be questioned. Closing this gap between the demand side and the supply side is a major priority of private foundations.

(2) Strengthening the institutional infrastructure of civil society

This naturally means that another area of highest priority for private foundations is to strengthen the institutional infrastructure of civil society organizations in terms of a stronger financial base and the professionalization of their staff. This is urgently needed simply because of increasing calls for civil society organizations to meet the social needs. In order for NGOs and NPOs to serve these purposes, they need competent professional staff. There are some who argue that volunteers do not need much salary, but they simply do not understand the reality of the fields in which these volunteers can be put to use. Professional staff are indispensable even in the effective mobilization of volunteers, and they have to be paid and trained adequately. Building a stronger financial base of these civil society organizations and making sure that they are staffed with professionals should be one of the highest priorities of private foundations.

(3) Maintaining autonomy in the relationship with the public sector

The third priority area for private foundations is to make sure that the autonomous character of civil society will be maintained and promoted despite a growing trend for government agencies to regard these NGOs and NPOs as their subsidiaries. Such a trend has become more pronounced since civil society has gained greater public recognition for its ability to effectively respond to social needs. Government funding for these civil society organizations has often undermined the autonomous character of these organizations. Providing support and incentives for reform-oriented and innovative professional civil society staff may be one of the approaches to be taken by private foundations.

(4) Improving the transparency and accountability of civil society organizations

The fourth possible role of the highest priority for private foundations is to help civil society organizations respond to the need to improve their organizational effectiveness through enhancing their transparency and accountability. Such a need has come about due to the

sudden prominence of these organizations, which has prompted increasing questions about the legitimacy of these self-appointed actors in the area of public interest, particularly in light of recent revelations of scandals among civil society and the violent activities of some NGOs at international meetings, such as the WTO meeting in Seattle. In order to maintain their autonomous position in their relationship with the government, the promotion of greater self-discipline on the part of civil society organizations has become extremely important.

(5) Facilitating institutional adjustments and reforms in response to rapid social changes

Given the rapid social changes in Asia in recent years, how institutional reforms can be accelerated and how innovations may be effectively introduced would constitute the fifth possible priority for private foundations. In particular, how innovative approaches may be supported to accelerate effective reforms should be given attention by private foundations.

The autonomous character of private foundations will make them less vulnerable to political pressures to forestall reform efforts.

(6) Acting as catalysts for cross-sectoral partnership

Because of the increasingly complex social issues that cannot be adequately handled by government agencies alone, and because an increasing number of issues transcend national boundaries as discussed before, multisectoral cooperation is often forged to address a common agenda. Supporting such efforts will be the sixth priority task for private foundations.

There are an increasing number of social issues that require partnership among diverse actors such as government agencies, international organizations, corporations, civil society, and others. Because of its independent character, private foundations can act as catalysts in forging a partnership among diverse sectors in order to address their common agenda.

III. Humanizing Private Foundations—An Asian Approach?

Thus far, I have discussed the role of foundations in Asia in the changing social, political, and economic context of the region. In order for me to be relevant to your discussion in the next two-and-a-half days and to stimulate the dialogue this morning while I have the chance to participate, I would like to make some remarks on the ways in which foundations should implement those expected roles. In the spirit of provoking a debate, I wish to submit to you that it is essential for foundations to humanize themselves if they are to play an active role in the changing environment in this region and in this new era.

I wonder if I am the only one who is bothered by the traditional image of foundations. In Japanese, the term for foundation is “*zaidan hojin*” which can be translated as a legal person with financial resources, or “*kikin*,” which can be translated as a monetary base. In any case, these names somehow evoke an image of bundles of money. Another image of a “foundation” seems to be related to a group of rich and influential people making up the board of trustees or directors (*riji* in Japanese) or chairman of the board (*rijicho*) who sit in high office rooms behind a big mahogany desk. It would be unfair to say that many board members or directors of foundations are like that, but still, the image is that they are detached from where the needs are and where the human suffering is taking place. Given these images, it is important to humanize the activities of foundations by bringing them closer to people, making them more responsive to people’s needs and more human-centered in their activities.

This brings me back to one aspect of the changing social context in Asia that I mentioned earlier, which is the growing attention given to “human security,” where a human-centered approach is advocated. In her recent speech, Sadako Ogata made this point eloquently. “‘Human security’ represents a paradigm shift from the traditional resort to state as the provider of security. First of all, by focusing on the people who are victims of today’s security threats, you come closer to identifying their protective needs. Secondly, by

examining the people with their diverging interests and relations with each other, you uncover the social, economic, and political factors that promote or endanger their security.” (“State Security—Human Security,” The Fridtjof Nansen Memorial Lecture, Tokyo, December 12, 2001.)

As I have discussed, the financial crisis in Asia exposed a failure of government and leaders in Asia to pay attention to people’s voices and their needs. I wish to argue here that it is imperative for foundations to be human-centered and people-oriented for them to be effective. For foundations to be able to become more human-centered, and thus be able to respond more effectively to changing social needs, foundations have to humanize themselves. This obviously involves the task of getting their staff, their program officers, to be more centrally involved in the process of setting priorities and determining the funding strategy. I am not saying all this not just because I am speaking to a group primarily made up of program officers. I believe that that if we are to address the contemporary social issues this will be an indispensable process.

There are many reasons why professional staff should move out of the office to meet people. There should be meetings with like-minded people from other sectors, such as government agencies, municipal governments, corporations, media, and civil society. Such networking has become essential in responding to many issues which require multisectoral participation. These professional staff should also be meeting their colleagues from other foundations and civil society organizations. Such networking leads to collaborative relationships or coalition-building. At the very least, they can be empowered by rethinking issues together and by joining in an action-oriented dialogue.

As I meet with and talk with you, and as I work with my colleagues from APPC (Asia Pacific Philanthropic Consortium), I have a feeling that there may be more networks and dialogues among civil society and philanthropic foundations here in Asia than in other parts

of the world. I have heard a couple of Americans making similar comments. Though we do not have any empirical evidence to prove the point, I believe that this kind of human interaction, or human-oriented approach, is bound to contribute to the more effective operation of our foundations. Perhaps, in this way, we are making a difference in Asia. Again, this kind of dialogue among us under the name of “Asia Confers” can contribute the betterment of our professional activities.

I am happy to close my modest contributions to this dialogue by sharing with you my professional belief about the value of dialogue:

Dialogue promotes mutual understanding.

Dialogue fosters friendship and cooperation.

Dialogue is a catalyst for change.

Dialogue is enriching and empowering.