

SOCIAL INNOVATION IN JAPAN

DE FACTO SOCIAL INNOVATION AND ITS LIMITATIONS

The term social innovation is widely used in Japan, but the meaning is unspecific and open to interpretation. There is a lot of social innovation happening at different levels, although outside of Japan it is not known about. However, people's persistence to the old industrial growth model prevents these initiatives from scaling up fully in Japanese society.

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INTRODUCTION

As one of the first industrialized countries in Asia, and one in which more than 27% of the population is over the age of 65, Japan is characterized by some unique contexts. National debt accounts for over 230% of the GDP, partly because of the increasing cost of medical and elderly care, pension, and other types of social welfare. There is a severe labor shortage, particularly in agriculture, construction, and the care and service industries. Young people are leaving rural areas and these communities are in danger of disappearing. Since the burst of the 'bubble economy' in the 1990s, Japan has not found a substitute to take the place of the conventional manufacturing industry and overhaul its economic structure. All of these issues call for far-reaching changes to be made in Japanese society.

SOCIAL INNOVATION: SELF-ACKNOWLEDGED AND DE FACTO INNOVATORS

Social innovation is a fashionable expression in Japan, and a wide variety of organizations including businesses (Hitachi Co., Ltd.), foundations (The Nippon Foundation), and civil society organizations use it in their own ways. However, understanding is quite general, roughly seen as "innovations that tackle social issues." Because of language barriers, even scholarship on the subject, with a few exceptions (including [1, 2]), remains largely unaware of recent developments in social innovation concepts happening in other parts of the world.

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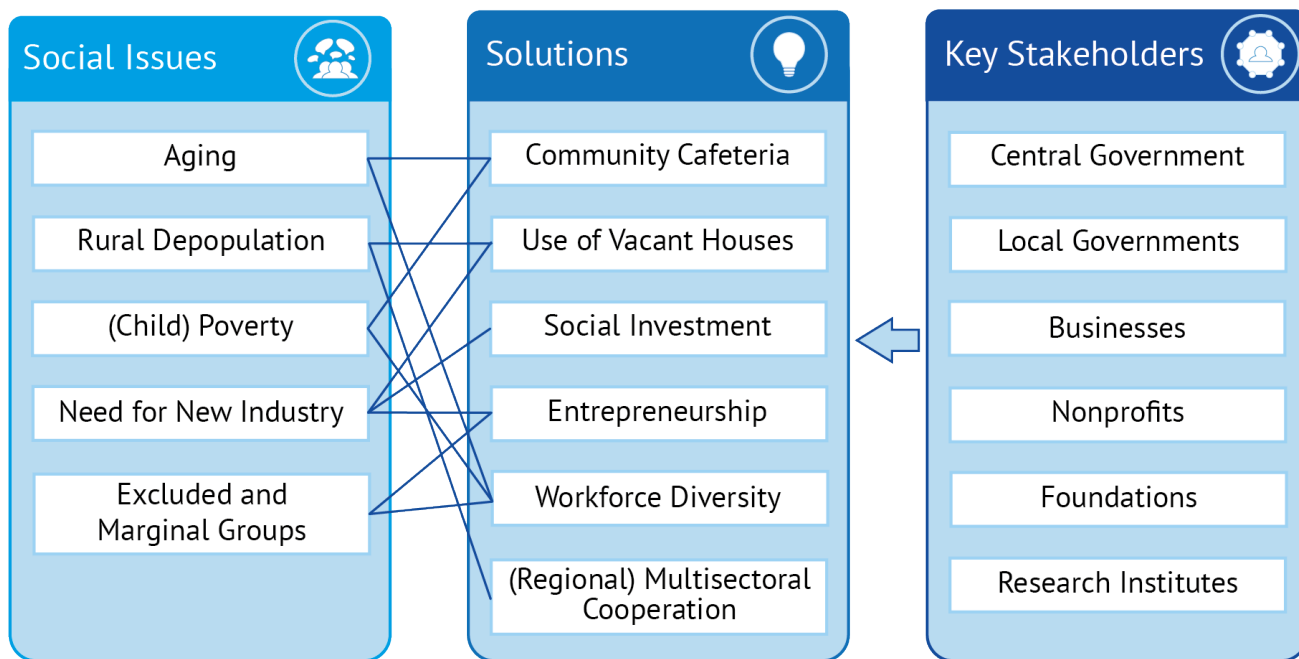
Therefore, it is worth mentioning that while many social innovators in Japan may not necessarily use the term social innovation, they are focusing on specific issues and creating real impact. Some examples of de facto social innovation areas and the related parties from different sectors are listed in the figure.

CASES

To briefly introduce a few cases of social innovation happening in Japan, the Hokkaido Green Fund is a well-known example of a nonprofit that builds windfarms by collecting funding from the general public. Especially after the 2011 Fukushima nuclear disaster and the introduction of the feed-in-tariff (FIT) scheme the number of community-based renewable energy initiatives, including ones led by local municipalities (Iida city for solar and Shimokawa village/Maniwa city for forest biomass energy), is increasing, despite facing technical and financial challenges.

Integrating people with various disabilities (physical, mental, intellectual, and developmental disorders) into the workforce is another major field. Innovators include Litalico, a company providing assistance for people with disabilities to work in companies. Other examples are Swan Bakery and Yamato Transport, which provide workplaces for people with disabilities, and The Japan Sun Industries, a social welfare organization working with large companies such as Omron, Honda, and Mitsubishi Corporation by setting up joint ventures to provide employment in manufacturing or computer system development.

For local communities and governments in danger of disappearing, it is critically important to attract more (younger) people and to create local businesses. Some famous examples are Ama town, an island that is luring in an influx of young people and students, and Benesse / Fukutake



Issues, solutions, and stake-holders of social innovation in Japan [1, 2, 3, 4]

Foundation's efforts to revive the Setouchi inland sea region as a center of contemporary art. Another interesting case is Kyoto city, the ancient town well known both for its conservatism and for its eagerness to incorporate new things. In 2015, the city launched the 'Social Innovation Cluster Concept' and since then has been cultivating social businesses through its own certification system, incubation and consultation support, and training programs under an umbrella organization called Social Innovation Laboratory Kyoto (SILK). The city government, local businesses, and academia including Professor Nobuyoshi Ohmuro (also the Director of SILK) as well as the Social Innovation Course at Doshisha University have formed a distinctive regional ecosystem to support this initiative.

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As a country that was once (if not still) proud of the idea that all Japanese people are middle class, poverty is a sensitive topic which many people are not happy to even acknowledge as a problem. However, social activists, scholars, and philanthropists have worked to raise awareness of the fact that many people are already in a difficult situation due to

unstable employment conditions, and that over 16% of children are living below the poverty line, defined as households living on less than half of the national median income. There are now community cafeterias run by nonprofit organizations and local volunteers to help these children and other needy groups, operating in collaboration with local governments, schools, and food stores. In Saga prefecture, the money to support these cafeterias is collected by the prefectural government through tax-exempt crowd funding and distributed to community groups.

These are only a few examples of social innovation initiatives happening in Japan, though little is known to the outside world due to the limited availability of information in English or other non-Japanese languages. Throughout these cases, we can observe some distinctive features of Japanese social innovation initiatives:

1. Diversity of services provided based on community needs;
2. Successful multi-sectoral collaborations happening often on local / municipal levels;
3. Innovative methodologies applied for fundraising including crowd funding, collective investment by the general public, and taxation diversion schemes to support specific projects, though still only in a limited number of cases;
4. Initiatives often stay small, focusing on a specific geographic area, or a limited number of stakeholders such as a certain beneficiary group with a particular issue.

WHAT IS PREVENTING FULL-SCALE SOCIAL INNOVATION IN JAPAN

But then, what are the problems facing social innovation in Japan? Ironically, it is the lingering nostalgia for the 'golden age' when Japan was enjoying rapid economic growth as one of the export-oriented industrial giants from the 1960s to the 1980s. Policymakers' hopes of reviving Japan with the conventional growth model may be helpful for manufacturers, but this approach also keeps so-called 'zombie companies' alive and misses out on the opportunity to replace them with new industries and companies. Without a clear vision and a paradigm for the future post-industrial Japanese society, these individual social innovation initiatives may have difficulty 'scaling' beyond a limited level of success and impact, and remain beautiful but small in scale, like a bonsai (an ornamental miniature potted tree).

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