Solidarity-based Economy in Japan: Concepts, Actual State and Perspective of the Future

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In the time of the world-wide financial depression, while the market-based globalization has been confronting serious deadlocks, the grass-root based non-profit business practices have been progressing all over the world. Japan is not the exception.

According to the classical definition of Karl Polanyi on the economic transaction of humankind, the modern human economic behavior is divided into power-based/controlled economy, market-based/profit-oriented economy and grant-based/non-profit economy. In the modern age, these economic behaviors clearly appeared in distinguished form and, in particular, two precedent forms of economic behavior, the state-based controlled economy and market-based profit-oriented-economy pulled and promoted the system of capitalist development. The third form of economic behavior, the grant-based non-profit economy was largely neglected in the surface of capitalist development, however, this tradition has survived largely in the underwater of capitalist development in the West and, in particular, in the large sector of rural community in the Third World. It was in the late-nineteenth century, when the “failures” of market system had caused serious social phenomena of poverty, misery, bankruptcy, unemployment and huge rich-poor gaps, the notion of associational or solidarity economy was advanced in the social movement based on labor class, which took mostly the form of cooperatives.

Now, in the beginning of the twenty-first century, when the world-wide market-based globalization has progressed since decades, which has brought serious North-South and South-South gaps, poverty and unemployment/underemployment as well as environment deterioration issues, which attacks mostly lower sectors of the society, on the world-wide scale, again, the notion of the solidarity-based economy has been advanced in the gatherings of the World Social Forum, assembly of the grass-root and civil society organizations who criticize the practices and effects of the globalization.

The solidarity economy covers the area of social enterprises, community business, non-profit finance including micro-credit system, fair trade, caring, promotion of local and neighborhood economy, advocacy for social regulation of market system, etc. In Japan, through the “lost decade” of the 1990s, these new style of economic practices have developed hugely, which resulted in the 1989 Law on Non-Profit Organizations, which for the first time officially recognized NPOs/NGOs as legal subject. Since then, the number and activities of NPOs in Japan have constantly been developing in this country.

As a member of the Asian Forum for Solidarity Economy, the Japanese Forum for Solidarity Economy organized in November 7-10, 2009, the Second Asian Forum for Solidarity Economy in Tokyo at the United Nations University U Thant International Conference Hall. In this conference, the author had the opportunity to present a country report on the “Solidarity-based Economy in Japan”, where he reviewed the progress in this country of social enterprises, community business, workers cooperatives, non-profit social banking, fair trade, LETS as well as civil society’s efforts of advocacy to the public policy aiming at social regulation of ill-effects of globalization which have become apparent since deregulation and privatization operated in the last decade, together with the advocacy for the promotion of corporate social responsibility/socially responsible investment.
The author will have the opportunity to confront these Japanese examples of solidarity economy with those of other Asian countries, thus he expects to clarify the characteristics of Japanese-based solidarity economy, in comparison of other Asian solidarity-based economic practices.

In this way, the author expects to clarify the concepts and the actual state of solidarity-based economy in Japan and to examine the possible perspective of solidarity economy in this country in the near future.

References
