

A Framework for the Use of Non-Profit Organizations in Family Support Service: A Case Study

ABSTRACT

As one of the countermeasures against a lower birth rate and the projected fewer workers/tax-payers in the future labor market, the Ministry of Labor launched a grant program to provide assistance for local governments and Non-Profit Organizations (NPOs) to initiate a "family support service" program. This program is based on a model of mutual support between those with day care needs and those who wish to offer day care support in exchange for reasonable compensation. The family support service center coordinates the needs of both parties. As for financing this service, the national government offers the contracted organization half of the total cost, and the prefectural and municipal governments each pay a quarter of the total cost. One of the unique features of this program is that the eligibility for the grant extends not only to local government branch offices and related quasi-NGOs but also to public corporations that are defined under article 34 of the Civic Law. Since the so-called NPO Law passed the Diet in December 1998 and was enacted as of April 1999, the implication is that incorporated NPOs are eligible for this grant program. In order to strengthen Japan's third sector, each government's decision to outsource their services to NPOs is crucial. A contract-based government grant will provide one stable financial resource for NPOs. At the same time, if NPOs can demonstrate that they can offer social services at a low rate with a comparable degree of effectiveness and efficacy, tax-payers will benefit. Based on four case studies, this paper examined what type of support local governments need to provide to NPOs in order to strengthen the partnership between the two. It was recommended that NPOs play a more active role educating local government administrators about their missions and activities, and that the best way to do so is to involve NPOs in the decision making process at the earliest stage of program planning.

Key words: Non-Profit (Not for Profit) Organization, lack of management, support by government and partnership.