

## **Social Business and Social Capital**

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## Outline

1. Introduction & Overview of Research
2. Community Activities and Social Capital
3. Redevelopment of Social Capital by Social Businesses
4. Conclusion and Tasks

## 1. Introduction & Overview of Research

The long-term goal of this research is to study the process of the redevelopment of social capital through community activities and social business activities (social businesses, community businesses) in East Asian countries, and the tasks involved therein. Specifically, since the writer's focus is on "the redevelopment of social capital by social businesses," this year was spent conducting a fact-finding investigation of social businesses in Japan, and becoming familiar with social capital, community, social businesses, and community businesses, which are the key concepts of the research, as well as concepts relating to them.

Recent years have seen the emergence of so-called social businesses (community businesses), or business activities that tackle a variety of social and economic issues confronting an area, such as local environmental conservation and support for the socially vulnerable. This type of business places top priority on the resolution of social and economic issues, rather than on profit, and it takes in a variety of resources as it conducts its activities, such as volunteers, donations, and subsidies. In particular, the more local residents take a central role in carrying out locally-based activities, the greater the tendency becomes for social businesses to rely on a variety of shared resources, both implicit and explicit, in the local community. Also called "commons," examples of these resources include the area's human resources and its facility environment, donations and volunteers, subsidies, grants, and other networks of support from local residents, companies, and governments. As a result, the growth of social businesses

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improves not only the area's economy but also the trust and the norms (jointly held awareness) between the parties involved, as well as leading to the redevelopment and strengthening of the area's social relations (bonds and networks, etc.). In sum, it appears that the revitalization of commons by social businesses plays an important role in the redevelopment of social capital. However, not enough research has been accumulated about the form in which these businesses revitalize commons and contribute to the redevelopment of social capital, and the specific, detailed relationship between the two.

In light of these circumstances, this paper will first delineate the concepts of community and social capital and discuss the relationship between social capital and social businesses that tackle local issues. Next, it will study the systems of businesses that promote the redevelopment of social capital, looking specifically at social businesses in Ibaraki and Okayama prefectures.

## **2. Community Activities and Social Capital**

Now we will delineate the concepts of community and social capital, which are the central concepts in this study.

Community (local society) can be defined as "in general, a collective society (an aggregate) that has strong geographical limits (sphere of activity and home turf), that is linked in various aspects such as living area – i.e., citizenship of the same town and country – social and economic interests, culture, and religion, and that shares relations (mutual influence and involvement with each other)." In recent years, widespread research has been conducted on collective societies in virtual spaces such as Internet communities. But because this study is concerned with geographical, physical communities, it will not include Internet communities and the like in its discussion.

Community activities refer to a variety of collective efforts aimed at maintaining or strengthening the relations of a local society or solving its problems. Naoto Yamauchi established the "Civil Society Index," or CSI, as an index for evaluating community activities, and he uses it to measure community activities all over Japan.

The indexes in this study can be divided into three types.<sup>1</sup>

- ① NPO index: Market share of nonprofit organizations (NPOs) (based on data from the Establishment and Enterprise Census), number of employees
- ② Donation index: Donation propensity of families, donation propensity of the community chest, blood donation figures
- ③ Volunteer index: Ratio of volunteers, number of volunteer days, number of welfare volunteers

According to a study by Yamauchi (2003), the index for the Kyushu and Chugoku areas is relatively high, while the Kanto area's index is relatively low. Generally speaking, in areas where community activities thrive, the local society's performance is high in terms of education,

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<sup>1</sup> 山内直人 (2003) 「市民活動インデックスによる地域差測定の試み」 『ESP』 No.377.

public safety, and health, and it is thought that a stable local society has been constructed.

In recent years, a variety of NPOs have broadened their reach as parties taking responsibility for community activities. The emergence of social businesses working as businesses (for-profit enterprises) with a mission of solving social and economic problems is particularly notable. Among social businesses, those business activities in which local residents and local businesspeople, for example, play an active role in problem-solving in small-scale areas (at a city or town level) where they are deeply, personally involved, by virtue of living or working there, are generally called community businesses. Social business is undertaken by NPOs, private companies, and diverse other parties, and they take in a variety of area resources, such as volunteers, donations, and corporate or government subsidies and grants, to conduct their activities. As a result, the growth of social businesses is gaining attention as something that improves not only an area's economy but also the trust and the norms (jointly held awareness) between the parties involved, and promotes the redevelopment of social relations (bonds and networks, etc.), thereby contributing to a community's development and the redevelopment of social capital.<sup>2</sup>

Robert D. Putnam defines social capital as "features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit."<sup>3</sup> Putnam also says, "Social capital refers to social networks and the associated norms of reciprocity."<sup>4</sup> The OECD, meanwhile, defines the term as "networks, together with shared norms, values and understandings which facilitate cooperation within or among groups."<sup>5</sup>

If we extract the essential characteristics of social capital from these definitions, we can summarize them into the following three points.

- ① The promotion of cooperative action
  - It is a concept aimed at promoting cooperative action among the parties and organizations involved.
- ② Shared trust, norms, and networks
  - The sharing of trust, norms of reciprocity, and networks between the parties involved is necessary in order to foster cooperative action.
  - Those factors form the foundation and develop and accumulate mutual influence, leading to:
- ③ The improvement of society's efficiency
  - The efficient, effective resolution of social and economic problems becomes possible.

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<sup>2</sup> Some examples of investigative research about community activities and social capital include studies by the Cabinet Office; Hokkaido; Baron, Field & Schuller (2000); and *Social Capital*, Oxford.

<sup>3</sup> Putnam, Robert D. (1993), *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, 河田潤一訳『哲学する民主主義 - 伝統と改革の市民的構造 - 』2001年、NTT出版。

<sup>4</sup> Putnam, Robert D. (2000), *Bowling Alone – The Collapse and Revival of American Community*, Simon & Schuster, 柴内康文訳『孤独なボウリング』2006年、柏書房。

<sup>5</sup> Cote, S. & Healy, T. (2000), *The Well-being of Nations -- The role of human and social capital*, OECD.

In sum, we can say that social capital is a concept that describes the "relational structure (nature of relations)" between parties. In particular, the concept suggests that the shared structure of trust, norms, and networks plays an important role in the sense that it improves a society's efficiency. Within this structure, the parties involved share a wide variety of "resources," such as knowledge and experience, buildings and equipment, history and culture, and natural environment. The shared structure of these resources is called "commons." The word "commons" describes a concept with the original meaning of "shared land,"<sup>6</sup> but in this paper, it is defined as a broader concept, meaning "the resources that involved parties possess, manage, and use jointly, and the systems that facilitate that."<sup>7</sup> The resources and systems talked about here refer to the following elements.

- Resources: Natural resources, human resources, intellectual (information) resources, physical resources, economic resources, social relations (networks), etc.
- Systems: Rules (agreements within a group), roles (division of roles), tools (tools and means such as gatherings, festivals, ceremonies, places, etc.)

The revitalization of these "commons" and the creation of a system for that revitalization is thought to have a certain degree of influence on the growth of an area's economic society and the redevelopment of social capital. The next chapter will use specific case studies to discuss what kind of contribution the revitalization of commons by social businesses makes to the redevelopment of social capital.

### **3. Redevelopment of Social Capital by Social Businesses**

The next section will study systems of businesses that foster the redevelopment of social capital, looking specifically at social businesses in Ibaraki and Okayama prefectures.

(1) NPO Asaza Fund<sup>8</sup> (established in 1999, Ushiku city, Ibaraki prefecture)

The NPO Asaza Fund was established in 1999 as a business division operated by the Kasumigaura-Kitaura basin network organization, "Citizens Association for Improving Kasumigaura-Kitaura" (established in 1981). The association is currently operated by 14 groups and 50 individual members. In 1995 the Asaza Fund launched the "Asaza Project," the target of which is "A Kasumigaura-Kitaura Where Ibises Hover 100 Years from Now." The project engages in lake and basin environmental conservation activities and related community revitalization activities, and to date about 100,000 people have been involved in the project. The group calls its activities "citizen-initiated public works," and through these business activities residents are revitalizing the area's natural environment, culture, and industry and developing local networks that inspire area children to strive toward the dream of the revitalization of Lake Kasumigaura. The four main activities of the project are as follows.

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<sup>6</sup> Hardin, Garrett (1968), "The Tragedy of the Commons," *Science* 162:1243-1248.

<sup>7</sup> 財団法人日本生産性本部編 (2009) 『地域経営の生産性向上に向けて－ソーシャルキャピタルを高める社会基盤としてのコモンズ構築－』。

<sup>8</sup> <http://www.kasumigaura.net/asaza/>

- ① Lake revitalization project via school education: It partners with 170 elementary schools in the vicinity of the lake to preserve and cultivate aquatic plants (like asaza, or floating hearts) using a biotope, thereby revitalizing the lake. The project is commissioned by the Ministry of Land, Infrastructure, Transport and Tourism. It also receives subsidies from private companies and conducts environmental education projects (on-demand classes, etc.) for elementary schools in the basin.
- ② Zero-waste local society development project: It partners with area fishermen (fishery cooperatives) to exterminate non-native fish and process them into fishmeal. By way of a partnership with agricultural cooperatives, it then has local farmers use the fishmeal thus made as fertilizer or feed to grow organic vegetables and the like. The vegetables that are harvested are then sold at local Kasumi grocery stores, labeled as "Mizuumi ga yorokobu yasai," which translates as "Vegetables that make the lake happy." This helps to earn the understanding and support of local residents for area businesses who are working to protect the environment.
- ③ Water source conservation: With volunteers consisting mostly of local residents and the support of private companies, the group protects the area around the lake and the basin's satoyama, which can be defined as fringe areas of nature that are sustained by human activity, such as villages, wooded areas, fields, or grasslands near a city. It also grows brewer's rice in idle rice fields and partners with local sake manufacturers to make and sell local sake. With the help of aid from the Ministry of Land, Infrastructure, Transport and Tourism and partnerships with foresters (forest cooperatives) in the surrounding area, it assembles wood that is thinned from felled forests and designs breakwaters (fascine breakwaters) in the lake's shallow waters, conserving the lake's shores and the habitats of small fish and animals. Also, by way of a partnership with an IT company, it built a water level observation system for the lake and the basin and is working on environmental conservation and safety management for the basin. In addition, it acquires support for activities such as conservation of satoyama and water sources, for example, from employees of private companies serving as volunteers.
- ④ Town development project linked with environmental learning: It carries out comprehensive educational activities in areas such as the environment, history, and culture, working together with surrounding municipalities and educational institutions in the form of collaborative or commissioned projects.

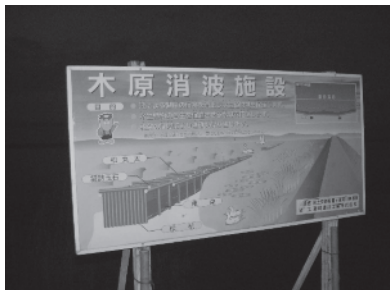


Photo 1: Breakwater



Photo 2: "Vegetables that Make the Lake Happy"

Upon analyzing the activities of the Asaza Fund from the perspective of social business activities conducted by environmental NPOs and the redevelopment of social capital, the findings suggest the following points.

Asaza utilizes a variety of commons through the cooperation of diverse parties in the related area, and by commercializing those commons it operates as a business, thereby building up a system that facilitates ongoing environmental conservation activities. Some of the parties involved with Asaza include: elementary school students involved in the care and cultivation of aquatic plants, volunteers and private companies engaged in environmental conservation of the lake and satoyama, fishermen carrying out the elimination of non-native fish, farmers carrying out organic cultivation with fishmeal, the local grocery stores that sell those organic vegetables, foresters who utilize thinned wood for breakwaters and the Ministry of Infrastructure, Land, Transport and Tourism that subsidizes that work, sake manufacturers who make local sake with rice harvested in the satoyama, and the IT company that provides satoyama temperature sensors and basin control technology, among others.

These parties possess some of the commons in the form of human resources and intellectual resources. The cultivation of aquatic plants and the lake revitalization project conducted by way of the basin's elementary schools plays a large role in comprehensively conserving the large lake and basin. Also, the environmental conservation activities by the elementary school students allow the students themselves to conserve and inherit the area's environment and way of life, as well as serving to give them a certain degree of clout in the local society. The specialized knowledge and experience, as well as IT and other technology, that local farmers, foresters, fishermen, and private companies possess offer advanced insight and expertise for managing and utilizing natural resources such as the lake, farmland, and satoyama. Not only that, but involved parties such as these also play a part in utilizing the non-native fish, organic vegetables, brewer's rice, etc. that are harvested from natural resources such as Lake Kasumigaura-Kitaura and the basin's satoyama, in the form of economic resources. In particular, the fact that they contribute to the local economy and environmental conservation by converting negative resources (bads) such as non-native fish into positive resources (goods) such as fertilizer and feed, and then generating another product, organic vegetables, from those resources can be considered a valuable example of the utilization of commons among related parties. Also, the government and private companies, for example, play a role in supporting the redevelopment of the area's social and economic relations by way of subsidized and commissioned projects. This is a situation in which a variety of stakeholders in the area are involved in environmental conservation activities for the basin surrounding the lake, and the area's commons are utilized by the networks that are formed through those partnerships, collaborations, and subsidized and commissioned projects. If we organize the parties involved in Asaza and summarize the way they utilize commons (their roles and tools), it can be depicted with the following diagram.

Diagram 1: Parties Involved in Asaza Fund and the System Thereof

Parties Involved	Roles (Activities)	Tools (Places and Means)
Students (Elementary schools)	Aquatic plant cultivation and lake revitalization	School education, biotope, aquatic plants, lake
Volunteers	Environmental conservation of lake and <i>satoyama</i>	Lake, <i>satoyama</i> , civic voluntary action
Fishermen (Fishery cooperative)	Extermination of non-native fish	Lake, non-native fish, fishing boats and equipment, fishing experience and technology
Farmers (Agricultural cooperative)	Cultivation of organic vegetables with fishmeal	Farm land, farm equipment, organic vegetables, farming experience and technology
Forestry (Forestry cooperative)	Felling of thinning materials and breakwater construction	<i>Satoyama</i> , equipment, thinning materials, forestry experience and technology
Grocery stores	Sale of organic vegetables	Organic vegetables, store network and sale service around lake
Sake manufacturer	Local sake production	<i>Satoyama</i> , brewer's rice, brewing facilities, brewing experience and technology
IT-related company	Basin monitoring system	Lake basin, IT technology, employee support
Government and private companies	Support for environmental conservation of lake and basin	Lake, <i>satoyama</i> , subsidized projects, commissioned projects

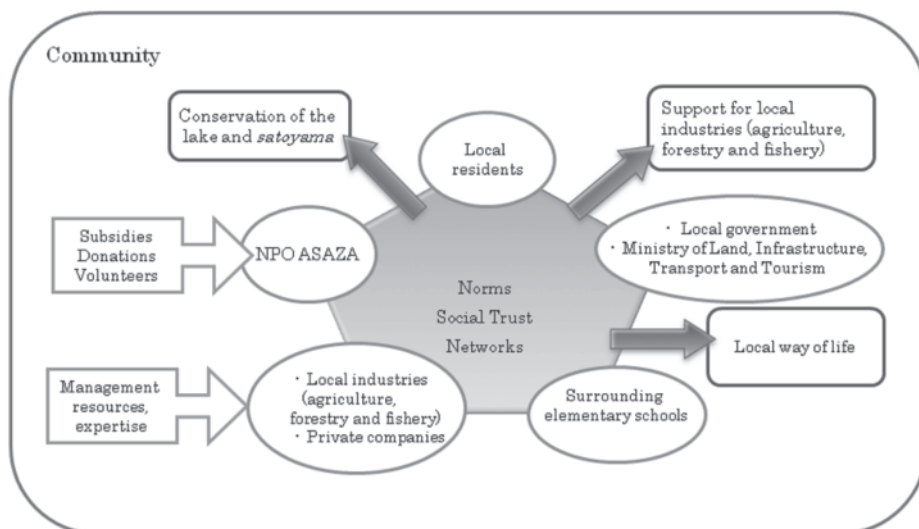
By way of the networks formed by this diverse range of involved parties in the area, the commons in the area surrounding Kasumigaura are being recycled. Diagram 2 summarizes what positions these parties hold in terms of relational patterns.

While on the one hand, the Asaza Fund serves as a liaison that collects support such as subsidies and other financial aid, donations, and volunteers, on the other hand it invests those resources into environmental activities and revitalization projects for the area. The resources that are thus invested generate a variety of outputs, such as organic vegetables, local sake, and breakwaters, and have a certain impact on the local society. In other words, new resources are created by way of the personal, intellectual, physical, and economic commons linking up with the area's natural resources, and through that production and those transaction activities, the involved parties strengthen ties between themselves and enhance the norms, cooperative



mindset, and trust with regard to environmental conservation and community revitalization, thereby promoting the development of networks.

Diagram 2: Cyclical Formation of Commons by the Asaza Fund



(2) Tabula Rasa<sup>9</sup> (established in 2000, Okayama city, Okayama prefecture)

The NPO Tabula Rasa is an organization that was approved as an NPO in 2004. It has 94 members, and several companies within Okayama prefecture are corporate members. Its activities began in 2003 with the planning and operation of an event called Candle Night, held at Nishikawa Ryokudo Park in Okayama city. With community revitalization as the goal, they carry out a participatory project in which artists and ordinary residents come out bringing works they have created. This "Art + neighborhood" endeavor converts the city center into an art space.



Photo 3: Nishikawa Candle Night ①



Photo 4: Nishikawa Candle Night ②

<sup>9</sup> <http://www.nporasa.or.jp/index2.php>

In the course of working on community events, they became aware that they were creating large amounts of garbage, so in the winter of 2004 they introduced a program for recycling tableware. In 2006, they held "Nishikawa Candle Night," which combines the charm and the environmental friendliness of the Nishikawa neighborhood. And from that, a plan called "Eco-suma" began, proposing a smart lifestyle that gives consideration to the global environment. With the goal of casually enjoying environmentalism and a slow life, and at the same time "making Okayama more fun," they are working on enhancing neighborhood appeal in a variety of ways.

The main projects of Tabula Rasa are ①Candle Night, ②recycling tableware, and ③sales of select goods. Candle Night is held in Okayama city's Nishikawa Ryokudo Park during the extended Golden Week holiday in May every year. For a few hours starting at sundown, the event offers residents an opportunity to think about the global environment and their modern lifestyle, for instance, as they spend time listening to music by candlelight. In the wake of Nishikawa Candle Night's success, now the group produces various Candle Nights in Okayama city in the form of commissioned projects. In addition, they have set up a mobile website (virtual shopping center) that lists restaurants in the Nishikawa area. Called the "Nishikawa Sampo Michi (Nishikawa walking path)" project, it promotes area businesses and fosters interaction.

Tabula Rasa acts as a local chapter of the Re-Use Network<sup>10</sup>, which partners with NPOs and others around the country. In this capacity, it works to popularize the recycling of tableware through sports, music, art, and other events held in Okayama city and the surrounding area. Through activities such as these, the organization not only promotes a sustainable society, by way of the events, but also coordinates and provides expertise to other organizations that are adopting the Re-Use program and increases the number of organizations that accept recycled tableware. By partnering with other organizations, it also shares information about the Re-Use program and builds cooperative relations aimed at solving problems that arise in the course of the activities. At the event sites, the group runs a cafe that uses recycled tableware. It adds a 100 yen deposit to drinks that it sells, and customers are refunded the 100 yen when they return their cups. The cups, etc. that are returned are cleaned and sterilized by Pole Pole Mura, a social welfare corporation in the city, and then recycled (at a cost of 10 yen per item).



Photo 5: Recycled cups



Photo 6: Recycling tableware for the Re-Use program

<sup>10</sup> Re-Use Network: <http://www.reuse-network.jp/index.html>

In addition to "Re-Use," Tabula Rasa conducts an activity called the "Happy Share Candle" project, in which it recycles candles used in weddings and then makes them into commemorative wedding gifts or sells them at department stores, for example, in an attempt to "share the happiness." The candles used in weddings are expensive and high-quality, but after being used once they are normally thrown away. Based on the idea that that was wasteful, this project is what they came up with as a way to use them.

Also, on Shiraishi Island, one of the Kasaoka islands belonging to Kasaoka city, Okayama prefecture, the organization is involved in the "Shiraishi Island Revitalization Project," which utilizes the organic cotton that is a traditional industry of the island. Shiraishi Island is located about 35 minutes away via regular service from Kasaoka port. With an area of 2.96 km<sup>2</sup>, the island's circumference is some 10 km, and while its population in the early 1960s reached about 2,000, it was home to just 670 people (350 households) as of March 2009, thanks in part to a population aging rate of 58%. In the Edo era, it prospered as a stopping point along the coastal route of the Seto Inland Sea, and a fishing industry was carried out as well as the production of salt and cotton by way of a land reclamation project. After that, stone processing and pyrethrum cultivation was carried out, but now the main industries are fishing (such as trawling and set net, and aqua farming of laver seaweed) and tourism. Local agriculture consists mostly of dry-field farming, with the majority of the output consumed on the island. In the tourist industry, the Shiraishi dance performed on the beach by islanders is, along with sea swimming, one event that draws visitors in the summertime. The Shiraishi dance is said to have started as a way of consoling the spirits of those who were killed in the Genpei War's Battle of Mizushima. In modern times it has been handed down as an Obon event to mourn ancestors, and it was designated as one of the country's significant intangible folk cultural assets. Due to the shrinking and aging of the population, a decline in tourists, and a decrease in fishery yields, the island's economy is in fact being maintained at more of an occupational level than an industrial level.

In the Kasaoka islands, the NPO Kasaoka Shima-zukuri Kaisha is engaging in community revitalization. In Kasaoka city, in order to deepen cooperation between the islands and strive for greater development in the islands as a whole, the "Shima-okoshi Kaientai" (island revitalization sea cheering squad) was organized in 1998 as a cheering squad composed of city officials and dedicated exclusively to the islands. Based on the islands, it built a framework for developing the islands in conjunction with island residents. The Shima-okoshi Kaientai acquired corporate status in 2002 under the new name of "Kasaoka Shima-zukuri Kaisha." The organization works to improve the islands' independence and partnerships, as well as carrying out activities such as immigration promotion as a project to fill vacant houses, a "Shimaben" project using foods grown on the islands, a medical and welfare project that supports the health of the elderly, and a project to revitalize area resources using a closed school.

On Shiraishi Island, the group cultivates organic cotton on the site of a closed elementary and middle school, where they are reusing the school's auditorium as a studio for weaving cotton dyed with plants and also developing it in the form of a tourist business that lets visitors experience weaving. Kasaoka Shima-zukuri Kaisha has reclaimed 42 acres as dry fields for

cotton cultivation, with the aims of passing down the island's traditional culture, providing lifelong learning for the elderly, and effectively utilizing idle land. It is using that land for a cultivation plan that it drew up with an eye to selling cotton goods. For this project, Tabula Rasa acquired support from the Fukutake Education and Culture Foundation in the form of a cultural activity grant, and it is carrying out the work as a joint project. Based on the theme of "designing the island with organic cotton," this is an attempt to foster community interaction and revitalization by passing down the traditional culture of Shiraishi Island while designing not only fabric but also the island itself and transmitting information. As a small island in the Seto Inland Sea, Shiraishi Island had never had a development project involving major players before, which is partly the reason that it does not have anything that could be called a central industry. As a result, even though it is a marginal community, it has nevertheless managed to maintain a prosperity that is immeasurable by financial (economic) indicators. Preserving the laid-back lifestyle of the islanders while passing down the ways of life that remain on the island and deepening community interaction are the overarching goals as well as challenges for this series of revitalization projects for Shiraishi Island.



Photo 7: Weaving demonstration



Photo 8: Organic cotton

Upon analyzing the activities of Tabula Rasa from the perspective of social business activities conducted by an NPO involved in community revitalization and the redevelopment of social capital, the findings suggest the following points.

Much like the Asaza Fund discussed earlier, Tabula Rasa utilizes a variety of commons through cooperation between various parties in the area, and by operating as a business, it is creating a system that can facilitate ongoing environmental conservation activities and community revitalization activities.

The parties involved in Tabula Rasa can be organized as depicted in Diagram 3. In the various kinds of community event projects, such as Nishikawa Candle Night, that promote an environmental orientation through recycling tableware, those parties include the local residents who participate as volunteers, the restaurants in the vicinity of Nishikawa that cooperate with the event, the Re-Use Network that supports the popularization of recycled tableware, the social welfare organization that washes the tableware, and the government and companies that support these activities. In the Shiraishi Island revitalization projects, the parties include the islanders

who work to hand down traditional culture by making cotton, Kasaoka Shima-zukuri Kaisha and Kasaoka city, which support the island's revitalization and community interaction through that cotton production, and companies in Okayama prefecture that support such efforts with subsidies and the like.

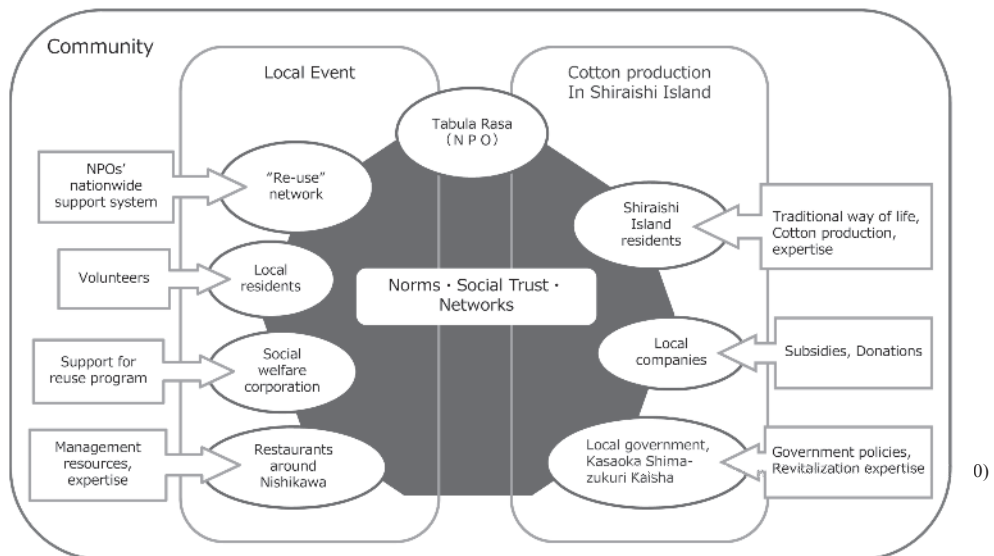
Diagram 3: Parties Involved in Tabula Rasa and the System Thereof

Parties Involved	Roles (Activities)	Tools (Places and Means)
Volunteers	Participation in events	Nishikawa Ryokudo Park, civic voluntary action
Restaurants around Nishikawa	Participation in and cooperation with events	Nishikawa Ryokudo Park, food and drink service
Re-use Network (Nationwide NPO)	Partnerships and information sharing about “Re-Use” program, development of collaborative relationships for problem solving	Nationwide network of NPOs, etc., expertise and support system for “Re-Use” program, community events
Social welfare corporation	Washing recycled tableware	Dishwasher, workforce of disabled people
Shiraishi Island residents	Passing down way of life through cotton cultivation, information transmission and community interaction	Closed school site on Shiraishi Island, cotton cultivation, traditional culture, civic voluntary action
Kasaoka Shima-zukuri Kaisha	Support for cotton cultivation, information transmission and promotion of interaction	Closed school site on Shiraishi Island, cotton cultivation, traditional culture, support activities of Kasaoka city officials
Government and companies within prefecture	Support for environmental activities and community action	Provision of equipment, subsidized projects, commissioned projects

Through its community revitalization projects, Tabula Rasa is setting the stage for a diverse range of involved parties and commons to link up. With events such as Nishikawa Candle Night, they foster the participation and cooperation of local residents and companies with the help of subsidies, commissioned projects, and other support, thereby creating an event space that is conducive to community revitalization and environmental conservation. Because it links up the area's human, intellectual, physical, and economic commons, this event space becomes a stage for sharing values and an awareness of norms with regard to community revitalization and environmental conservation, and one that enhances mutual trust and fosters additional interaction and the development of networks. Through the cotton production on Shiraishi Island,

the organization collaborates with islanders and with the Kasaoka Shima-zukuri Kaisha's activities and shares an awareness of norms – namely, that of respecting the island's way of life – thereby deepening relationships of trust with the islanders. Through the stage that Shiraishi Island offers, Tabula Rasa plays the role of forming and nurturing norms, trust, and networks among the islanders, the government, and supporters from outside the island. The basic structure that is common to the community events and the cotton production is a relationship which, thanks to Tabula Rasa's setting the stage for a diverse range of the area's commons to link up, fosters the redevelopment of social capital. Diagram 4 summarizes this relational structure.

Diagram 4: Linkage Relations Among Commons by Tabula Rasa



#### 4. Conclusion and Tasks

Under the theme of the redevelopment of social capital by social businesses, this paper delineated such concepts as social capital and community and social businesses, and it conducted case studies of social businesses in Ibaraki and Okayama prefectures. The two case studies revealed the importance of setting in place a system that fosters the revitalization of commons, and in particular their linkage and circulation, by social businesses. Creating such a system results in the strengthening of trust, norms, and networks among the various parties who are involved in the community.

The main points relating to the process of the redevelopment of social capital by social businesses can be summarized as follows.

- ① By linking a variety of the area's commons, social businesses help with the formation of networks among various involved parties.
- ② Most of all, setting a stage for utilizing commons based on "markets, reciprocity, and

redistribution" and creating a system for circulation promotes the formation of networks (partnership and collaboration) among involved parties.

As the term is used here, "market" refers to the mutual transfer of resources based on the assumption of equivalence between given parties – more specifically, commercial transactions (market exchanges) where money is involved. Cases that fit this pattern are those carried out as for-profit businesses in which area resources are commercialized, such as the cotton goods produced in Shiraishi Island and the feed from fishmeal made by processing the non-native fish of Kasumigaura. Transactions involving products that utilize commons not only provide funding for the parties that produce them, but they also garner local support and understanding for social businesses and serve as a valuable medium for broadening the networks of the supporters. Reciprocity refers to a mutual transfer (a chain of transfers over a long period of time) of resources, between not just two parties but multiple parties, that is standardized and systematized. It is a transfer relationship in which the parties provide money, goods, or services such as gifts, donations, volunteers, and the like to one another based on an area's personal relations. This relationship is different in nature from the market transactions that tie together a business relationship and settle payments based on a contract, and from government redistribution of wealth. Redistribution refers to cases where resources are transferred to or accumulated by a specific, central party (the government, etc.) and then re-transferred to another party (residents, etc.). By virtue of the social, public nature of their business activities, not only do social businesses receive redistributions (aid or subsidies) from the government, but also, by relying on community networks with reciprocity-based resident participation, they can mobilize a wide range of commons.

For example, in the case of Tabula Rasa, the organization carries out its projects based on aid, subsidies, and donations, etc. from municipalities and companies within Okayama prefecture. In the "Happy Share Candle" project, by processing candles that are given to the group from wedding halls and selling them as products, it encourages people to reflect on their throwaway society and also allots the profits to funding for its activities. When the organization uses recycled tableware at events, it gets help from volunteers and commissions the work of cleaning the tableware to a local welfare corporation. The dishwasher used for that work is purchased from Hoshizaki Electric Co., Ltd., a professional business in the city, and since they struggled with a place to keep the large dishwasher, the staff of Tabula Rasa persuaded Hoshizaki Electric to let them keep it in the business's showroom and only take it out for events. On a daily basis in the showroom, there are signs, etc. next to the dishwasher indicating that it is used in a variety of local environmental events, and whenever the dishwasher is taken out for an event, a notice saying "Out for an event" is left in the spot where the machine sat. In other words, since Tabula Rasa lacks funds for its activities, instead of paying a usage fee for the showroom, it offered the electric company an arrangement that publicizes the company's environmental activities, and it collaborates with the company to carry it out. This kind of approach can be considered a reciprocal relationship in which an NPO and a company help each other.

This paper demonstrated that as social businesses utilize various area commons to carry out their projects, social capital is redeveloped. Social businesses utilize a variety of the area's commons and play the role of fostering the building of mutually dependent relationships by way of networks, partnerships, and collaboration between involved parties. This is thought to ultimately result in the advancement of the conservation, recycling, and revitalization of area commons such as health and welfare, the relationships (bonds) in the local society, and the ecosystem, as well as the redevelopment of social capital.

However, since the basic concepts used for this paper's analysis were insufficiently elaborate, it could not go so far as to comment about the specific, detailed relationship between social businesses and social capital. Therefore, in terms of future research tasks, it will be necessary to analyze in more detail, describe, and elaborate on the systems that link commons (ways of creating linkage and circulation), as well as to develop and universalize the analysis concepts, including measurement methods and indexes, for studying the extent to which social capital is redeveloped by the mutual influence between commons.

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