Flourishing social businesses and Renewing the non-profit organizations in Japan

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Abstract
In Japan, the background has two sides. Firstly, three sectors are causing a systems dysfunction. We need to make new systems. Secondly, currently, what has been attention is a trend of CSR. In this presentation, the purpose is to make a clear the features and nature of social business and that how are roles of NPOs changing. The method employed in this paper is based on triangulation. In addition, the analysis framework will use the actor network theory. The conclusion is that, by using the markets for the social issues, a lot of social issues have been solved innovatively in the market. To do it, the stakeholders need to change orientation through the consumption and investment. As will be described later, the stakeholder will be concerned to resolve the social issues through three steps; participating, cognition, learning. The most important function of social business is behaviour modification of everyone participating in social issues, regardless of it being undesired or desired.

Keyword
Social Business, Behaviour modification, Social responsible business,

Introduction
Social Business has been in use since the 2000’s. It has become well known since Muhammad Yunus, founder of Grameen Bank, won the Nobel Peace Prize. In Japan, social businesses been used as a form of business to solve the social issues since 2003 (ohmuro, 2011). The concepts of social businesses have been used for various concepts in a variety of countries (yunus, 2010; spear, 2001; tanimoto, 2010). In Japan, it has been used in many types of organizations, including non-profit enterprises, social ventures and social responsible business within companies (ohmuro, 2011). However, it cannot explain them in the concepts of social enterprise, specifically for profit organizations. In this paper, social business is defined as using a business to solve social issues by variety organizational forms.

In addition, as the result, competitors are increasing in the markets solving social issues, it has been difficult the management of non-profit organizations (NPOs). Therefore, the role of NPOs has needed and still needs to change. NPOs has been discussed in a variety of raison d’être so far. However, with the changes in the social environment, they have to change the raison d’être. The purpose of this article is to make a clear the features of social business, what kinds of meaning does the use of business to solve the social issues have, and how are roles of NPOs changing.

If we look at the conclusion first, by using the markets for the social issues, a lot of social issues have been solved innovatively in the market. To do it, the stakeholders need to change orientation through the consumption and investment. As will be described later, the stakeholder will be concerned to resolve the social issues through three steps; participating, cognition, learning.

Background
Socially background
Modern society is facing a budget deficit in many developed countries and is suffering from economic recession. In additional, our societies are experiencing many social issues and are beginning to realize the limitations of existing systems (institution, custom etc.). The reason for this is that social issues have become more diverse and complex. The market is the roots of the social issues have been discharged from the market that is homelessness, an environmental, an abandoned farmland by excessive pursuit of efficiency in the market. To stop social issues, we
need to change market society. Therefore, there has been an expansion in the scope of services requested from society, which has led to the emergence of organizations involved in social issues to use business such as social enterprises (Dees et al, 2004).

In Japan, The Law Concerning the Promotion of Specific Non-Profit Organization Activities (the NPO Law) was established in 1998. There are 45,000 organizations are currently registered in this Act. Certification organizations will be subject to tax deduction that is 252 organizations (2012/3/31). However, while many NPOs have been depending on the grants or subsidies (cabinet office, 2010), there are not many non-profit ventures¹. On the other hand, national government created the concept was declared of “New Public Commons” in 2010. The traits promoted by the “New Public Commons” are mutual support and social vibrancy. In brief, “New Public Commons” is, the only central and local government play a "public", aim to balance social welfare spending cuts by volunteers, NPOs, companies to share. Under such circumstances, the expectation is now involved that social business in particular, will provide a variety of support measures traditionally from local government but now also in a variety.

On the other hand, can social enterprises by themselves, bear the burden only to solve social issues? Not only social enterprises need to participate the NPOs for charity, corporations, governments and territorial organizations. While, existing organizations cannot vary simply according to the social environment, it is necessary to collaborate with other organizations and stakeholders. This paper, based on such a background, wants to clarify resolving of social issues by companies and the changing role of NPOs associated with it.

Review

Here, we will review previous studies of social business, to extract the framework of case analysis. First, let us look at the definition and the entity of social business. Professor Yunus of Grameen Bank, was awarded the first Nobel Peace Prize Noverre, he created the most famous social business model has been thank the subject of social business has been the corporation of non-profit distribution and has been defined as a social business to business by a not-for-profit corporation. He said, "Social business is a new business form, it is quite different from traditional businesses to maximize profit and NPOs. More recently, it is often heard that it was quite different from words like “social work “, “social entrepreneurial”,” socially responsibility business”. These are generally, not just a paraphrase of the company to maximize profits that maximize profit and NPOs social purpose (Yunus, 2010). He assumes the form of a company with an emphasis on the investor and owner, as a non-profit organization with a different form. This discussion has been limited to a narrow range of business form a social business as compared in this paper.

In the U.S., business style, is referred to as social business in this paper, be almost discussed from organizations or individuals that social enterprise social entrepreneur, social venture; however the phrase about social business is rarely seen. While the corporate business has actively shown social responsibility, corporate business has activity shown social responsibility. This is referred to as main points of this paper, this has been called “socially responsible business”, where there has been distinct “social enterprise or social entrepreneur”. However, socially responsible business is different from social business in this paper. For example, Dees et al (2004) was

¹According to the Organization for Small and Medium Enterprises and Regional Innovation (2009), 40% of registered organizations believe that non-profit venture is.
defined as “A socially responsible business achieves commercial success in ways that respect ethical values, people, communities, and the environment”. On the other hand, social business in the corporates do not purpose the commercial, a part of business is to purpose to solve the social issues. Central to their discussion is the balance of social and business (Dees, 1998), as a result, they can’t conclude how it balances.

As the closest discussion, there is a concept of corporate social entrepreneurship (CSE). This is the latest move to make strategic and innovative techniques, they are beyond the traditional philanthropy and corporate social responsibility (CSR) (Austin, 2006). There is creation of shared values (CVE) as an argument that considered the strategy of the company even more. This is a strategic push towards CSR, the best feature is the perspective to create value in a joint enterprise and community (Porter et al, 2011). This discussion has the notion that business should be based on the maximization of profit, but actively engaging in CSR.

Let me also simply describe the discussion in Japan. The Social Business Group used the concept of social business for the first time. (Chair: Waseda University, Kanji, Tanimoto, June 2003-March 2004). Doi (2004) has as a full-fledged discussion is. He defined social business as business entities related to social widely as social enterprise, which they are directly tied to income-generating activities for both business and social mission. In Doi (2009), he concluded that the company is an entity, while the general followed the definition and requirements described above. However, he only the 6 features that put the focus on solving the social issues: to have the target area of the business in social and public areas; to be in pursuit of Double Bottom Line (social, and economic efficiency), to be the form of organization that is diverse, to diffuse and shares social value through business. Discussion of social business has just begun in a global perspective as well; the research process to discuss the creation of social nature and business has made little progress.

Next, let us confirm the raison d'être of the non-profit organizations. The discussion of it can divide into three periods (Ohmuro, 2003). Discussion of the first generation is a government failure (Wiesbrod, 1975) and market failure (Hansmann, 1980; Young, 1983) that target the NPO for charity, mainly from the 1970s to the mid-1980s. Discussion of the second generation is a supply-side (James, 1987) and market failure (Ben-Ner, 1986; Krashinsky, 1987; Ostrom et al, 1987) that mainly target NPO activities on the boundary of non-market and market, from the mid-1980s and early 1990s. Discussion of the third generation is a commercialization (Emerson, 1996; Dees, 1998), transformation of Natural goods (Ben-Ner, 2002; Enjorlas, 2002), social value creation (Dees et al, 2004) that activities mainly targets non-profit venture to market, since the early 1990s.

**Methodology**

The perspective taken in this study is the interaction between stakeholders and organizations. There are three reasons. Firstly, to solve social issues it is necessary to understand stakeholders. Secondly, a social business requires collaboration amongst stakeholders (for difficult rather than normal business matters, the small market size and the sales of high-cost products; for example fair-trade). More specifically, we look at, how social business born through their interaction, or how social value spread. Thirdly, innovation research applications in recent years have focused on the interaction with stakeholders (von, Hipple, 2005; Prahalad, 2004).

The method employed in this research is based on triangulation, for example, cases studies and questionnaire. In addition, the analysis framework will use the actor
network theory that, even to only human, not only to the network also can be reduced, it is composed of a series of elements of human and non-human entity in a certain mutual time frame. In this paper, we will watch the interactions, not only of the human, as entrepreneur or consumer, but also non-human as products, organizational form or business model and so on.

This study utilizes empirical research methods, conducting a qualitative case study and conducting quantitative survey to validate the dissemination of social value thought the changing behaviour of stakeholders. The research methodology used interviews, participant observation, non-contact survey (paper, books, articles, records of interviews and lectures) and questionnaire survey. The reasons for the need to clarify the aspects of this qualitative research are to validate the dynamics process to resolve social issues using business (yin, 1994) and to mitigate bias by hearing single person. In addition, we are the clear to modification of consumer by questionnaire survey. Using questionnaire, we try to modify how the consumer interaction with social oriented business. The reason of the using both methods is to mitigate bias (Eisenhadt et al, 2007).

We conduct two case studies. I have conducted case studies of the NPOs successful model, and that HGF is a type has social oriented enterprises. In addition, I have conducted a cases study at Saradakosumo, co.ltd as a case in the social business of a corporation. NPO Hokkaido Green Fund (HGF) understands firstly the real nature of social businesses. The reason for using HGF is the non-profit venture that various stakeholders have recognized. The reason for using Saradakosumo is because of the increased profit by starting the social business and president's opinions and behaviour has been changed since the deployment of social business.

The reason to use two cases, here, is in order to more easily observe contrasting patterns in the data. It is important to use polar types in using theoretical sampling approach (Eisenhadt et al, 2007). Why they are polar type is that Saradakosumo has been close from profit to social mission and HGF has been close from social mission to profit. Become as shown in Figure 1 to illustrate this.

Figure.1 Extreme of cases

<table>
<thead>
<tr>
<th>Profit oriented</th>
<th>Saradakosumo</th>
<th>HGF</th>
<th>Social oriented</th>
</tr>
</thead>
</table>

We are going to make clear to the variety of subject and the origin of social business through the two cases. First, let me see an overview of the organizations as the Figure 2.

Figure.2 Organizational Overview

<table>
<thead>
<tr>
<th>name</th>
<th>SARADAKOSUMO,CO.LTD</th>
<th>NPO HOKKAIDO GUREEN FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>address</td>
<td>Nakatugawa-shi,Gifu,Japan</td>
<td>Saporoshi,Hokkaido,Japan</td>
</tr>
<tr>
<td>Main business</td>
<td>Agricultures(sprouts),</td>
<td>prevention of global warming, spread of natural energy</td>
</tr>
<tr>
<td>Social business</td>
<td>Business to contribute through the domestic production of chicory endive, improvement of food self-sufficiency rate, the effective</td>
<td>Construction and operation of wind power plants that use public investment</td>
</tr>
</tbody>
</table>
Flourishing social business

Here are showing the four points that was made a clear form case study; the diversity entity of social business, why have they used business for solving social issues, the constraints of social business, and the feature of social businesses.

The diversity subject of social business

To resolve of social issues has no monopoly on non-profit organization. As you can see these cases, making the concept of social business is to need the clear that why have profit-oriented corporations been to entry to solve social issues, although still a minority, in this area. The reason of entering corporate is the progress of CSR and the need of society. The CSR has been booming since 1990’s. However, in specifically SMEs (small and medium enterprise), the introduction is not sufficient. Currently, their corporations that are not involved in CSR have been became age will not be evaluated from stakeholder. However, corporations cannot only introduce a CSR of social contribution. Therefore, CSR is difficult to tackle regardless of the profit. Now the strategies of corporations required both social contribution and profit (Porter et al, 2011). As the Saradakosumo, corporations are begging to recognize to capture reputations and to lead innovations by participating in the business contributing to society (Ohmuro, 2011). Corporations are not only A and C of CSR in Figure 1, they are beginning to consider seriously the introduction of social business in the dimension that is B. As described in more detail in the subsequent stage, the corporations to enter the social business are not only contributing to society, which leads to innovation.

In addition, the government (Ministry of Economy, Trade and Industry, Kyoto-city, for example) in terms of policy has been supposed to boost its entry into the resolution of social issues of profit-oriented enterprise. Ministry of Economy, Trade and Industry has established the "Law for the Promotion of business support economic and social issues", you are trying to fund assistance.

Figure.3 the three dimension of CSR
On the other hand, non-profit organizations are begging to change. This is non-profit organization has become to take advantage of the corporation style. Currently in Japan, as the Hokkaido Green Fund (Figure 3), the non-profit organization owned corporations are increasing. 10% of non-profit organization, has been registered The Law, owns the other organizations such as the corporation. NPOs for charity also have social businesses by owning corporations. We are referred to as portfolio organization a combination of such organizations (Ohmuro, 2011). Therefore, resolution of social issues has no monopoly on non-profit organization.

Figure 4 Organizational Portfolio of Hokkaido Green Fund

The entity of social business is non-profit venture, non-profit for charity, socially oriented company, and corporation. Diversity of the subject discussed in this section is as the Figure 4, when you plot because of business and society.
**Why have they used business for solving the social issues?**

There are three reasons; to limits the national or local government, social issues that occur from the market, the diversity of subject, models and the resource.

Firstly, as described above, the limits of governments are not to solve the social issue from monopoly and outside of markets provided by social services. In addition, management system cannot change to robust the systems, for example, such as bureaucratic systems. So that currently the management system of government need “the public govenance” that participate and govern by diversion subjects to public dimension.

Secondly, the social issues have been centred on the market. Because the social issue, as a environment and homeless, casued in the markets, they cannot solve social issues on the outside of markets. Therefore, there is a need to transform itself from the inside of market to solve the root of social issues. The currently social issues are need to solve from within the market to use the businesses.

Thirdly, to use business for solving social issues provide the diversity of subjects and model. Conventional solving subjects are only the NPOs and governements, the method for solving also is constrains, specificaly based non-market actions. But to participate corporation is involvement them. Specificaly, the participate of corporation is important. For the resolution of social issues, the use of business has become as essential thinging. In additin, as the discuss before (biesbrod, 1998), the financial resorce are diversity by using the market. It is the diversification of income sources, not depending on specific funds.

Here confirm the third and forth reasons, as the Figure.5.

**Figure.5 Using the business to solve the social issues in this case**

<table>
<thead>
<tr>
<th>Making the social issue form within the market, because the social issues resolve within the market</th>
<th>Saradakosumo</th>
<th>HGF</th>
</tr>
</thead>
<tbody>
<tr>
<td>the women of farmer, elders, faretrade through the market</td>
<td>the changing the environmental awareness to citizens through investment of citizens to build a windmill</td>
<td></td>
</tr>
</tbody>
</table>

Diversification subject, model, resource

| Showed that companies can contribute to solving social issues, through business and | Showed a new entity and new solutions model, through that the NPO own |
The new business model

The company

The constraints of social business

The social business have the various issues to introduce successfully the business. there is the three point; market constraints, management constraints, stakeholder constraints. the market constraints is that the markets are smaller than usual business; for example, environment issue, and cannot give the payments from cussummer; for example, homeless, disadvantage people. To approach there this issue need the newly-devised, however they have the difficult. The management constraints is cost fully than usual buseness. The reason is need to make arrangement for socially vulnerable as in fair trade. Stakeholder constrains is not only to targete socially oriented stakeholder, but also to paticipate in the innovation and to be learn the social value in stakeholders.

On the other hand, as the Dees et al (2003) point out, to conduct social business is provided to acknowledge the new business opputinity. By researcher is not major difference between corporation and social venture in the buseness sucessesful(Simon-Maya et al, 2012). However, the social business is reality a fact to be difficut and complex rather than the useal business. The social business have the several constrain.

Figure.6 the thress constraints of the social issues in this case

<table>
<thead>
<tr>
<th>Saradakosumo</th>
<th>HGF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market constrain</td>
<td>Investmest markets of the citizens for social bisuenn is low: fairtrade markets are a few.</td>
</tr>
<tr>
<td>Management sonstrain</td>
<td>The soybean Purchased from Argentina and Peru was sold at a price of 1.5 times of the normal to processing companies in Gifu Prefecture. However, the deficit was followed by five years for wholesale prices were higher.</td>
</tr>
<tr>
<td>Stakeholder constraint</td>
<td>Many citizen participation</td>
</tr>
</tbody>
</table>

The management feature of social businesses

We referent two points; entrepreneur team, and gathering stakeholders, the two innovations; business innovation and social innovation. Dees et al(2003) pointed out, an entrepreneur team is important in order to balance social and business. However, they only pointed out to bulid the team by bring togther pepole from each side(social, business). In addition, they mention that attracting people with skills valued in the

\[^2\] Dees et al (2003) referenced cost saving, serving neglected markets, targeting socially oriented customer. However, they could not research deeply.
business world can be difficult. A fact found in this paper is that the entrepreneurial team has been function to gather stakeholders. This has contributed to the spread of social value and the creation of innovation. This is not simply good if you collect each type person of business and social orientation. The team with the heterogeneity knowledge have been contributed to resource mobilization and knowledge creation by gatherd the stakeholders (Ohmuro, 2012).

Another feature is that they are established at the same time both the Social Innovation Business Innovation.

For social issues what meaning does the use of business have?

In the preceding clause from the results of cases studies, we discusse the feature of social business. As the based it, we want to approach the real nature of social business. In this disccusion, we will think that what kinds of meaning does to use the business to solve the social issues have? To think it, we have confirmed the following two points from casestudies. The first is ordinary citizens don’t know how to participate in helping with social issues or buy their products or services. But by using the market systems, for example, buying, investing and so on, ordinary citizens can participate in social issues, regardless of the presence or absence of interest. Using business to help solve social issues encourages consumer who have no interest to paticipate for pepole who have different orientations, For example want to participate but do not have the resourses or not interested in social issues but interested in the business. In two cases, the pople involved in the business of are both not only are interested in the social issues, but also are not interested in social issues from a perspective of the good product or good investment, have paticipated. Accordingly, unlike non-profit organization, without regard to social issues, social business is a systems where all pepole can participate to social issues. This point directly contribute to solve social issues by dissolving the managemet restriction; for example, market expanshion. We will explain the reason in next paragraph.

It cannot root out the social issues that the pople only participate. To do so, we need to change the buying behavior, specifcally the pople that are interesting in social issues, in market. And changing behaviour of stakeholders need to continue the relationship and consern within social issues. it will solve that the people buy environmentally friendly products such as eco-cars. Therefore, to solve the first issues we have to change the orientation of both consumers and stakeholders. Because, we need to modificate consumer’s action using some method. That method is the change to use the market, that all people have experience to use and it is the system

<table>
<thead>
<tr>
<th>Saradakosumo</th>
<th>HGF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneur team</td>
<td>It is the same industry, management of five people with the same ambition and foreign experience</td>
</tr>
<tr>
<td>Gathering stakeholders</td>
<td>Gathering the investors, former and modification action</td>
</tr>
<tr>
<td>Two innovation</td>
<td>To change from factory(B2B) to shop(B2C), to develop the Citizen wind mill system, the new investment method of local contrubution</td>
</tr>
</tbody>
</table>
where all people are participating. Conventionally, the NPOs and the governments conducted only the entitlement or provided the learning opportunities, they cannot be effect uninterested people and be sustainable. But the markets are possible to participate all people without a resistance and an intention, and to be behavior modification. to change the behavior of people involved the social business has been confirmed (Ohmuro et al., 2012).

Let us briefly show them in the case of the HGF. The investors have the possible to obtain a paying dividend by investing the citizen windmill, and they can learn about the environmentally friendly activity through investing and sustaining involvement. As a result, after investing the windmill, investors better understand the environment issues, and their attitude towards them changes through investing. This behavior modification is confirmed quantitative research through the following structural equation modeling as the figure 10.

In the analysis, using SPSS, the main factor method and promax rotation conducted exploratory factor analysis for each indicator of each configuration concepts. Identification of the observed variables was performed.

In the process of analysis will remove the item factor loadings after the rotation is less than 0.4 even for which factor analysis was performed again. As a result, it can be clear that the motivation when invest was consisted of three factors and that the behavior modification after the investment was consisted of two factors. The motivations in investment was named "Social contribution", "Confidence in the organization" and "motivation to understand the business" (figure 8). The behavior modification after the investment was named "Action of making daily life better", "more participation to social" (Figure 9).

Figure 8 factor that you want to invest in owns business

<table>
<thead>
<tr>
<th>Motivation</th>
<th>Factor 1 Social contribution</th>
<th>Factor 2 Confidence in the organization</th>
<th>Factor 3 Motivation to understand the business</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 Wanted to stave off even a little global warming</td>
<td>0.755</td>
<td>-0.021</td>
<td>0.028</td>
</tr>
<tr>
<td>X2 Want to create a society that does not depend on nuclear energy</td>
<td>0.674</td>
<td>-0.009</td>
<td>0.020</td>
</tr>
<tr>
<td>X3 Want to invest in useful purpose to society</td>
<td>0.495</td>
<td>-0.005</td>
<td>-0.095</td>
</tr>
<tr>
<td>X4 Trust the organization has been planning the project implementation</td>
<td>0.082</td>
<td>0.782</td>
<td>0.027</td>
</tr>
<tr>
<td>X5 Evaluate the achievements of citizen wind turbine business so far</td>
<td>-0.095</td>
<td>0.704</td>
<td>-0.042</td>
</tr>
<tr>
<td>X6 It was easy to understand the</td>
<td>0.013</td>
<td>0.072</td>
<td>0.724</td>
</tr>
</tbody>
</table>

3 The process of this survey was configured four steps. First step is first questionnaire, term: June-July, 2008, subject: n=119 living in Hokkaido, response rate: 56%. This survey was conducted for finding someone who interviewed to be clear what happen investor in citizen windmill. Second step is interview survey. This survey was conduct to be clear the behaviour modification of investor and to make a second questionnaire. Here were surveyed 13 persons. A third step is second questionnaires, term: February-March, 2009, subject: n=596 in Japan, response rate 55%. Fourth step is factor analysis and covariance structure model analysis.
mechanism of investment and dividend

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>X7</td>
<td>The entire contents of the public business is easy to understand</td>
<td>-0.055</td>
</tr>
</tbody>
</table>

Figure 9: Its components have changed after the investment behavior

<table>
<thead>
<tr>
<th>Behaviour</th>
<th>Factor 1 Action of making daily life better</th>
<th>Factor 2 More participation to society</th>
</tr>
</thead>
<tbody>
<tr>
<td>X8 Began to buy environmentally friendly products Reduce, Reuse, Recycle</td>
<td>0.933</td>
<td>-0.045</td>
</tr>
<tr>
<td>X9 Began to buy the products of companies that are environmentally friendly activities actively</td>
<td>0.926</td>
<td>-0.066</td>
</tr>
<tr>
<td>X10 Frequently turn off the switch of electrical appliances, began to conserve electricity</td>
<td>0.775</td>
<td>-0.030</td>
</tr>
<tr>
<td>X11 Began to discuss energy issues with a familiar person</td>
<td>0.612</td>
<td>0.202</td>
</tr>
<tr>
<td>X12 Began to participate in the activities of the social problems to deal with non-environmental</td>
<td>0.050</td>
<td>0.706</td>
</tr>
<tr>
<td>X13 Began to think to tackle environmental issues, and want to launch the NPO and Company, etc. needed</td>
<td>-0.109</td>
<td>0.702</td>
</tr>
<tr>
<td>X14 Are you starting to think you want to find employment</td>
<td>-0.036</td>
<td>0.597</td>
</tr>
<tr>
<td>X15 Began to participate in community activities to address environmental issues</td>
<td>0.209</td>
<td>0.508</td>
</tr>
</tbody>
</table>

In order to examine the scale of centralized, confirmatory factor analysis was conducted using the AMOS. For goodness of fit of the model, the motive for investment is GFI=0.986, AGFI=0.966, CFI=0.991, and RMSEA=0.033. Behavior modification after the investment is GFI=0.953, AGFI=0.912, CFI=0.961, and AMSEA=0.086. We determined that this model meeted the goodness of fit that GFI, AGFI, CFI is not less than 0.9 and RMSEA is less than or equal to 1. In addition, in the factors obtained from these results, using the Cronbach based on the items that have been standardized coefficient α, reliability analysis was performed. As a result, the social contribution that make up the investment motive was 0.661, Confidence in the organization was 0.692, Motivation to understand the business was 0.649. About behavior modification after investment, Action of making daily life better was 0.888, More participation to society was 0.734. Through this analysis, we could deteminate secured reliability for each values were obtained from any of 0.6 or more (Bagozzi, 1994).

Based on the results for the above, to verify the hypothesis about the behavior modification of this study, covariance structure analysis was carried out. For goodness of fit of the model, the chi-square value was 210.053, degrees of freedom was 81, significance probability was 0.000, GFI=0.921, AGFI=0.890, CFI=0.916, and RMSEA=0.073 first. We could confirm to be adapted this model from this result that the value of GFI, CFI from that more than 0.9, the value of the RMSEA is less than or equal to 1, more than 0.8 the value of AGFI. In Figure 10, the value of the coefficient shows the solution paths are standardized by the solid line shows what became significant at 5%, which is indicated by a dashed line had significant thing.
Through the analysis, “motivation to understand the business” when invest, is no impact on behavior modification, it became clear that “social contribution” and “confidence in the organization” have influenced “action of making daily life better” and “more participation to society”. “Social contribution” is the motivation to invest in windmill citizen. “Confidence in an organization” is the motivation that trust to the HGF and its track record so far of HGF. What action of making daily life better” is to solve social issues carried out in a private space of investors including the purchase of environmentally friendly products, and to participate in social activities also participate in the activities of the NPO that means a change in behavior in public space, such as. Given this result, we can be point out, that the trust in the organization itself and actual investor or entrepreneur had invested in stakeholders, that motivation leads to behavior modification across the public and private.

Meaning resulting from this result is that the stakeholders does not cause a behavioral modification in investment behavior by understanding only the business. That is, by having a concrete business or organization is involved directly in resolving social issues, that is causing the behavior modification. so that, it is the sustainable experience participating to solve social issues. This is most important reason that we use social business to solve social issue, revealed that this point is the contribution of this paper.

As a conclusion, the most important function of social business is behavior modification of everyone participating in social issues, regardless of it being undesired or desired. Therefore, everyone moves on to solve the social issues. This mechanism is, to participate through consumptions and investment, the cognition to be concerned with social issues through participating, to learn the possibility to solve the social issues, and the participator’s behavior is modified to be socially friendly.

**The change role of non-profit organization**

**The changing of environment**
As we have discussed so far, the social businesses is affecting the active region of non-profit organization, specifically corporations. In addition, because the policy of small government has been reduced the grants or commission non-profit organizations to do the social service, the activity of non-profit organizations have been facing difficult. In this situation, the environments around non-profit originations have changed greatly.

On the other hand, the national or local governments in Japan are changing their management style. The governments have recommended partnership between the governments and non-profit organizations, however, their partnership have remained a formality. If we use extreme words, government is merely a subcontractor with the NPO. Nevertheless, the governments, giving the money, continue to utilize well. In this situation, the NPOs are moving forward because of dependence on governments. NPOs are necessary to change the environment like this and to rethink the reason for their existence.

**Re-thinking raison d'etre of NPOs**

To flourish the social businesses is forced to compete NPOs in the market. On the other hand, the social issues cannot resolve in the market only. In addition, the small oriented of governments is being the luck of social services. Social business is within the markets, but social issues can be in, out or on the border of the markets. As the result, NPOs has recursively the reason for existence in 1980’s. The trend of non-profit ventures in 2000’s will stop, and it will move the flow of the NPOs to charity.

On the other hand, however NPOs that are in the area of the non-market cannot involved with the various stakeholders, but it can be solved one by one on social issues we faced. The social business that cannot be solved in the market can be seen as a unique area of NPOs. Difference between the roles of social businesses is it.

**Conclusion**

In conclusion, social business has the tools that can fundamentally and directly solve social issues. On the one hand, NPOs, specifically charity types, can contribute to directly resolving social issues, because the market is small and there is no fee for the consumers. Such a trend has emerged in the form of amendments to laws related to non-profit organization in Japan. This is intended to ease the requirements for qualified NPOs. It means that they can contribute to solving social issues without taking advantage of the market. With the emergence of such social businesses, NPOs are required to support social issues with a non-market approach. The purpose of NPOs has become clear compared to their previous roles in Japan. Thus, social business will be expanding more into private sector-led public.

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