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To cite this article: Alan Hao Yang , Po-Yu Lee & Tarco Yu Chang (2011) Does self-financing matter? Recalibrating the rationale of NGOs' self-reliance in search of sustainability, Journal of Asian Public Policy, 4:3, 263-278, DOI: [10.1080/17516234.2011.630218](https://doi.org/10.1080/17516234.2011.630218)

To link to this article: <http://dx.doi.org/10.1080/17516234.2011.630218>



Published online: 14 Dec 2011.



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RESEARCH ARTICLE

Does self-financing matter? Recalibrating the rationale of NGOs' self-reliance in search of sustainability

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Since the 1990s, the worldwide non-governmental organizations (NGOs) are faced with critical developmental challenges. Their survivals and finance resources *per se* have been influenced by drastic change in global economic recession. For international NGOs (INGOs) in particular, it is critical to make a balance between competing for external resources with other similar organizations by strengthening self-financing strategies, on the one hand, and maintaining a certain degree of publicness to ensure their core values. The study argues that the key to this is whether these INGOs are able to develop appropriate self-reliance strategies by recalibrating their rationale of sustainability in correspondence to dual goals. Therefore, this study is thus prompted to re-explore the theoretical rationale of such process which has been neglected in related literatures by contextualizing the causes, the challenges and the synergic model of self-reliance (SMSR) as best practices for international NGOs and non-profit organizations. A further analysis of the implementation and challenges faced by Peace Boat, founded in the 1980s with special focus on the global peace agenda and advocacy network, will be elaborated.

Keywords: international non-governmental organization; non-profit organization; self-reliance; Peace Boat; synergic model of self-reliance

Challenging NGOs: survival matters

The notable development of international and domestic non-governmental organizations (NGOs) in the context of globalization during the last few decades has reshaped the operation of the modern world.¹ Noticing the increasing numbers of international NGOs (INGOs) in global governance, research has been focused on the importance of transnational space and transnational politics by exploring the roles and functions of INGOs (Tarrow 2001, DeMars 2005, Richmond and Carey 2005). Moreover, much attention has been paid to the best practice of NGOs' governance and collaboration at both domestic and international levels for the purpose of organizational sustainability (Kovach 2006, Vernis *et al.* 2006, Unerman and O'Dwyer 2010). Clearly, both international and domestic NGOs have brought forth a variety of ideas and theorizing discourses on *global governance*, and they are also the agents that bring out the ingenuity of *good governance*. The existence of NGOs has been regarded as

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'a force for transformation in global politics and economics' (Edwards and Fowler 2002, p. 1).

Nevertheless, in recent years, the survival as well as the resource of individual NGOs depending mostly on public donations and government subsidies has encountered structural challenges. Due to the drastic change in the political and business environment worldwide in the twenty-first century followed by economic recession, countries all over the world have tightened their budget and reduced their support for non-profit undertakings. What is worse, the vicious cycle of recent economic tsunamis has led to reduced income for both businesses and individuals, to a certain extent, shrinking the amount of donations and financial supports from the grass roots and the private sector. The sustainability of NGOs is seriously endangered.

It is worth noting that given the competitive environment where resources are limited, some NGOs find themselves in a difficult position and are even dissolved due to insufficient resources. Under the threat of a financial shortage, NGOs begin to fight their own way to generate funds and develop strategies to boost revenues. Maintaining sustainability by realizing self-reliance strategies and self-financing efforts, or undertaking creative tactics of profitization, also known as commercialization, proves the theoretical hypothesis of 'cross-subsidize' (Weisbrod 1998, p. 48) and the best practice of organizational governance.² Evidently, once these non-profit-making NGOs begin to develop self-reliance strategies, that is, commercialization policy, their financial situation will be improved by transferring revenues generated through product selling, engaging in public-private collaboration and organizing mission-related programmes to fund the development of the organizations. However, the question is, would self-reliance with regard to commercialization erode the very fundamental 'public' principles of organizations and even induce 'accountability crisis', creating a predicament of 'misplaced mission and objective' between the non-profit attributes and profit-making of organizations (Weisbrod 1998)? As revenues become gradually increasing, would such NGOs be orientated as enterprises with self-interest thus distorting their original purpose? The inquiries above highlight a crucial concern for NGOs' sustainability, that is, the confrontation and coordination between the commercialization of organizational enduring maintenance and the legitimacy and publicness of organizational governance.

This study, accordingly, is aimed at articulating the ideational exploration of NGOs' sustainability by recalibrating the potential strategies of self-reliance. For NGOs, devising a series of self-reliance strategies that will strengthen their social influence and maintain their principle of non-profit-making simultaneously will be a direction that requires careful consideration. Based on this, the study will discuss the idea and practice of NGOs' self-reliance by first addressing the causes, connotations, and predicaments of NGOs' sustainability by differentiating self-financing from self-reliance; then, this study will suggest a synergic model of self-reliance (SMSR) to improve the enduring maintenance of NGOs. In terms of case study, a Japan-based INGO, Peace Boat, with its self-reliance strategies, will be further contextualized.

Self-reliance of NGOs: needs and deeds

Causes propelling the self-reliance strategies of NGOs

In the 1980s, scholars and activists of NGOs were noting the importance of self-reliance of NGOs. According to their arguments, being completely self-financing and being autonomous in mobilizing resource are imperative to reinventing NGOs' governance (Vincent and Campbell 1989, Holloway 2001, Fowler 2002). This is of particular

importance to NGOs in East Asian countries, including Taiwan (Hsiao 2000, pp. 125–127). In East Asia, the key sources of financial revenue for the NGOs came primarily from governmental subsidies and business donation. Nevertheless, resources from both public and private sectors are no longer sufficient for the maintenance of NGOs.

With regard to governmental subsidies, since the 1980s, the amount of financial input to NGOs has been drastically reduced due to transformation of the functions and role of the public sector following a succession of reinventing government. Therefore, the need for successful self-financing strategies that increase the income and fill up the financial deficiency propels domestic and international NGOs to adopt commercialization undertakings by tapping new resources and economize on expense to resolve the crisis of financial failures. In doing so, commercialization enables NGOs to continually provide public services to satisfy diverse social needs, resolving government failure in governance (Brinckerhoff 2000, Larson 2002, Bornstein 2004, Toepler 2006, p. 100).³

Moreover, the changing global economic landscape has transformed the role of private sectors in search of good governance. In addition to their continued pursuit of profits, businesses are paying more attention to corporate social responsibility with the hope of living up to the role of a good social citizen (Cramer 2005, van Huijstee and Glasbergen 2008). Some private sectors are actively acting as corporate citizen and go on to establish a diversified new relationship of trust and ethics with both the society and the market, devote themselves to problem-solving for the public and assume greater corporate social responsibility, thus affording corporate brands with more active and positive meanings (Willmott 2003). By initiating affiliated social foundation or engaging in socio-public affairs directly, the expanding role of private sectors in civil society with the decreasing amount of financial input into NGOs, without doubt, imposes paramount pressure on both domestic and international NGOs. Facing such competitive social environment, the strategies of being self-sustained for NGOs are closely related to undergoing marketization and commercialization for the purpose of self-financing development.

Such self-financing strategies are not limited in fundraising activities. Moreover, efforts are also undertaken in profit-generating commercial transactions so that the organizations may use such profits to maintain their daily operation and safeguard the public mission statement of the organizations (Dees *et al.* 2001, Thompson 2002, Kerlin 2006). Undoubtedly, the shortage of financial input from governmental sector and private sector is the main cause propelling the self-reliance strategies of NGOs. However, seeking for self-financing is not a panacea for self-reliance of NGOs; to a certain degree, it is only to fulfil the short-term goal of organizational sustainability which is aimed at securing and stabilizing.⁴ This study argues that the realization of NGOs' self-reliance should move beyond the narrow feature of financing capacity by introducing the synergic model with multiple internal self-enhancements and external collaboration.

Connotations of SMSR in NGOs

Internal self-enhancements: profitization and industrialization of mission statement

For NGOs, the financial viability is relevant to the sources and activities of fundraising, the revenues collected from service and products and the efficiency of financial management system. With regard to the core attribute of self-financing, much attention has been paid to the income generated from the 'profitization' of NGOs. NGOs will develop businesses based on the features and mission statement of the organizations to carry out profit-making commercial transactions. Unlike the business sector, NGOs re-invest profits generated from transactions into the operation of the organizations, making them the sources of income

for the operation of the organizations. In reality, a research carried out by Salamon (2002) discovers funding sources that NGOs in the United States rely upon, between 1977 and 1996, have reached 54% for commercialization, 36% for government subsidies and 10% for public donations. Income generated through commercialization has indeed become a rather significant internal self-enhancement in NGOs' financing.

Strategies of commercialization, therefore, become a trend with which relevant organizations both at home and abroad are highly concerned. Tactics and strategies of commercialization can be found in different cases of domestic and international NGOs. For example, a drive behind the so-called venture philanthropy is occurring across Europe and America, which assists NGOs to establish social philanthropies. The purpose of this is to solve the widespread issue of financial deficit that plagues NGOs (Anheier and Wolfgang 2001, Borzaga and Defourny 2001). In this regard, Christine Letts, William Dyer and Allen Grossman (1997, pp. 2–7) explored the concept of venture philanthropy in *Harvard Business Review* (1997). They believe non-profit sector needs to be able to manipulate the skill of strategic investment and can no longer rely on the innovation of how to invest resources in activities and programmes, like the model of operation of conventional foundations. The management paradigm of *knowledge* and *innovation* is crucial to the commercialization of NGOs during organizational reinvention (Powell 1987, Weisbrod 1998, Wagner 2002).

Other commercializing practices such as the increase and mobilization of economic resource by collecting revenues from service delivered and products sold or receiving the rent from asset leased are regarded as alternative feasible strategies for financial self-fulfilment. According to the empirical research by Salamon (2002, p. 12), the US Federal Government had reduced 25% of its financial and other subsidies to the third sector during the Reagan Administration in the 1980s. To a certain degree, this is partially due to the active encouragement of participation of profit-making organizations in the model of contract out by local governments in the United States, which causes profit-making organizations of all kinds to enter public service domains traditionally run by NGOs or government departments.

When exploring commercialization strategies of NGOs, the greater part of the focus would be on the various kinds of business activities they promote. As the business activities of NGOs expand to that of profit-making organizations, the latter would also expand their activities to domains previously controlled by relevant organizations, thus complicating the competition between the two sectors. This signifies that the commercialism of non-profit sector is not necessarily limited to competitions among businesses, but there is also the scenario of co-development between non-profit sector and private businesses. In addition, the strategy of acquiring more external resources through business transactions is deemed as a necessary evil in the implementation of commercialization or industrialization of NGOs; however, the profit making sector responds to the business activities of non-profit sector.

The reason the commercialization undertakings of NGOs is referred to as a 'necessary evil' is because such sector is supposed to be free from the operating model of business profit-making to prevent self-interest from distorting the principle of organizations as a result of commercialization. In regard to this, Tuckman (1998) advocates whether the action of generating profit through sales is in line with, or at least not against, the principle of an organization is crucial to NGOs balancing resources acquirement and maintaining publicness. That is, in order to promote self-financing through profitization, NGOs must be very cautious not to work against the publicness of mission statement.

Since there are numerous commercialization undertakings that NGOs can adopt, the question is, why are there still a huge amount of relevant organizations incapable of self-sustaining? Apparently, self-financing through profitization cannot fully account for organizational self-reliance in the globalizing era. In order to ensure that NGOs are capable of being competitive among other NGOs for receiving sufficient resources and against strong businesses for commissioning contracts from the government, they have to re-structure, re-orientate, improve their governance structure, advance their operating capacity and service marketing strategies, which may facilitate NGOs to move from purely commercialization with limited focus on profitization for self-financing to a genuine industrialization of prevailing mission statement that empowers the organization *per se* to self-sustain.

External collaboration: realizing industrialization from inside-out

In addition to internal self-enhancement, it is imperative for NGOs to build upon a strategic cross-sectoral alliance to work in concert. For domestic NGOs, the coordination and collaboration among like-minded organizations can be facilitated easily through government-funded projects or activities (X in Figure 1), business-sponsored arrangements in search of corporate social responsibility (Y in Figure 1) and the advocacy network among domestic NGOs. By contrast, links between international NGOs and their potential domestic counterparts are far more different and intricate (Z₁, Z₂ and Z₄ in Figure 1), which can be a radical case for the scrutiny of NGOs' self-reliance and a new agenda for theoretical investigation (Lewis and Opoku-Mensah 2006). This study argues that there are at least three operating predicaments for sustainability of INGOs based on the perspective of external collaboration.

The first predicament is the limitation of *supportability* (Bebbington 2005). Unlike domestic society, there does not exist a central government above state level in the international community (Waltz 1979), which makes it difficult for INGOs to receive official subsidies from a designated government or from countries in the event of resource shortage. Though it is also difficult for INGOs to strive for funding or financial supports from foreign

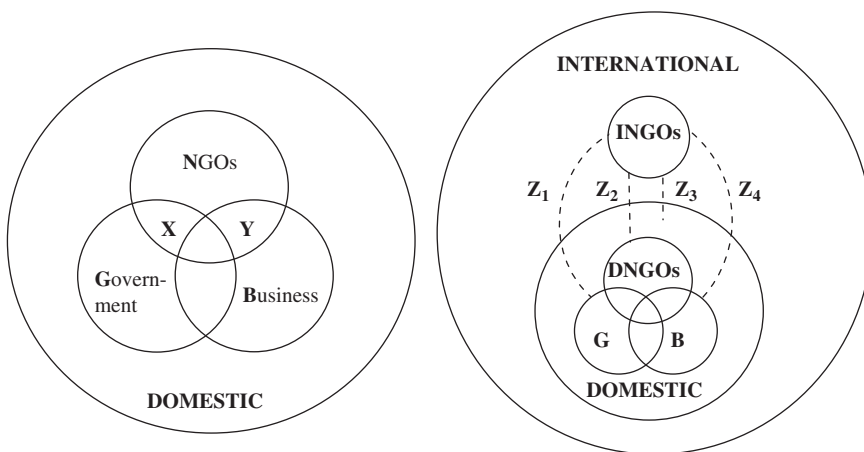


Figure 1. Domestic/international structure of cross-sectoral collaboration.

governments (Z_3 in Figure 1), they would prefer the diversification of resource mobilization, rather than dependency on designated source (Fowler 2002, p. 375). In this regard, the connection between INGOs and domestic governments is relatively frail. The second predicament is about *competitiveness* (Teegen *et al.* 2004, p. 467). With the increasing amount of INGOs established with similar mission statement, the competition for limited, albeit inadequate, resources, chiefly financial, among these NGOs is far fiercer than that among domestic NGOs (Z_2 and Z_4 in Figure 1). Only INGOs that are of larger scale, longer history or wider reputation will receive greater resource input (Aldashev and Verdier 2009). Therefore, a careful integration of enduring ideal or more encouraging mission statement with industrialization strategies will make the sustainability possible. Last but not the least, the third predicament in accordance with NGOs' external collaboration is *popularity*. Clearly, NGOs can be well positioned to understand the specific needs from the local as well as in transnational space (Teegen *et al.* 2004, DeMars 2005). The quest of INGOs, however, is often transnational, trans-regional and even global, which, due to limited availability of resources, hampers their effective penetration into every country and society to allow people to get to know these key players who drive social changes or prompt the development of global civil society. This in turn causes the number of general public who truly understand or know the INGOs far lower than their knowledge of domestic NGOs, which will hinder further transnational collaboration initiated by INGOs (Z_3 in Figure 1).

These three structural predicaments indicate the following research questions for the quest of self-reliance for INGOs. First of all, the limitation of supportability means: *What kind of internal enhancing strategies must the INGOs develop to obtain rich and steady resources, such as economic capital and social capital?* Second, the limitation of competitiveness means: *How do INGOs foreground their uniqueness regarding the particular public subject of debate in which they devote themselves in a highly competitive social environment with limited resources?* Finally, the limitation of popularity implies: *How do INGOs improve the external enhancing undertakings to realize the industrialization from inside-out by collaborating with like-minded organizations or entities?* The questions raised above suggest the need for SMSR. For NGOs and INGOs *per se*, the model makes much sense of self-reliance with both internal and external enhancements, rather than the narrow feature of commercialization and self-financing.

Recalibrating the rationale of self-reliance: the logic of SMSR

SMSR, as an ideal type of self-reliance, embraces five elements, that is, legitimacy, publicness, uniqueness, autonomy and collaboration. First, *legitimacy* is the criteria to ensure the connectedness and intimacy between public mission statement and prevailing values. The aim of this is to certify that when an INGO promotes programmes and activities by profitizing undertakings, the legitimacy of existence of such organization is not lost as a result of distortion of its original aim due to business interest or personal interest. Moreover, whether an INGO is able to maintain or not its publicness when having to choose between economic incentives and public interest, its mission statement in accordance with prevailing and enduring values will assure the process and outcomes of profitization to follow the orbits of publicity.

Second, *uniqueness* refers to the peculiar feature or mission and distinctive enterprise of NGOs that can justify the irreplaceable *raison d'être*. For INGOs, the peculiar feature is the mission of the organization since its establishment that allows the INGO to operate in the international society and sets it apart from other local or INGOs. Accordingly, the

distinctive enterprise is related to the primary strategy of the organization in its pursuit of self-reliance, such as the recruitment of resources through existing activities and action plans. In other words, any undertaking of self-reliance must be attached to the uniqueness of the INGO.

The third element of SMSR is *autonomy* which fundamentally ensures the political and financial independence of the organization. There are two connotations of being autonomous. First, any INGO should not be exploited by a specific country, political party or group, and it must be free from the influence of particular ideologies, political parties or interest groups. This also signifies that the INGO must regard carefully the role played by groups or individuals with specific aim(s) and their effect during its implementation of profitization or industrialization. Second, the organization needs to explore any potential self-financing opportunities and implement relevant strategies to maintain its independence. Frequently, the idea and practice of self-financing constitutes the realization of autonomy.

Subsequently, the last element of SMSR is the expansion of *collaboration*. On the premise of limited resources, if INGOs of identical nature can organize a co-operative network both internationally and domestically, the degree of self-reliance of a single organization would be boosted through synergy. The strategy of transforming competition into co-operation can also be applied on the co-operative planning or policy advocacy alliance of INGOs of dissimilar nature but concerned about the same mission (Sell and Prakash 2004), which will be beneficial in the advancement of self-reliance strategies of individual INGO.

Accordingly, theoretical SMSR could be put into practice by incorporating internal enhancements activated by self-financing undertakings (*autonomy*) and integrating prevailing values (*legitimacy*) and peculiar enterprise (*uniqueness*) into industrialization. In addition, with the promotion and expansion of international and domestic collaborative network, NGOs could strengthen their capacity aimed at surmounting the structural predicaments of supportability, competitiveness and popularity (Figure 2).

In accordance with the above discussion of SMSR, this following discussion will reiterate self-financing as only a part of self-reliance by analysing the transformation process of the Japan-based Peace Boat, an INGO, from a domestic NGO to that of an international one based on the experience from actual participation and observation. The self-reliance strategies Peace Boat developed in the face of the dilemma of limited resources will thus be explored along with the logic of SMSR highlighted.

The self-reliant Peace Boat: from the perspective of SMSR

Founded in the 1983, the Japan-based Peace Boat is a non-profit organization launched by a group of Japanese university students. It is a representative of NGOs in Japan devoted to international peace education and the establishment of a global peace advocacy network. During the 1980s, the Japanese government attempted to erase its aggressive militaristic behaviour during the Second World War from history textbooks. This caused uproar of criticism and scepticism within the country. Among the conflicting atmosphere fuelled by the opposition, a group of Japanese university students led by Yoshioka Tatsuya was actively putting forward the opinions of young Japanese on the past war. The central argument that Yoshioka (2008, p. 318) supported during the 1980s is 'let's go abroad, meet the Asian people, see the reality of their lives, and learn what they think about history. If we can cooperate with other Asians, we should do something.' Based on such straight but persuasive ideal, the group began to plan joint events in the early 1980s in the hope of uncovering

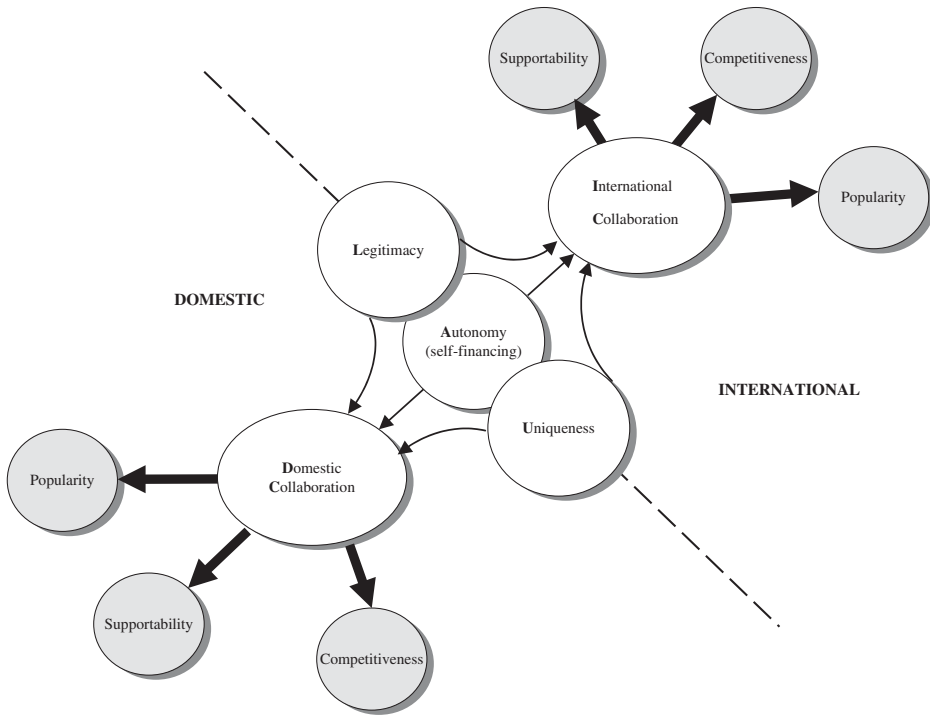


Figure 2. The logic of SMSR.

Note: SMSR, synergic model of self-reliance.

the truth from the past to reconcile the conflicts in domestic and global society. Travel, in terms of educational tourism, has been regarded as a useful tool to unveil the political truths and also as a sociocultural mechanism for close observation of social and political changes throughout the world. The organization has been engaging in promoting the trip of global sustainability and peace for two decades.

A unique and legitimate mission statement of peace promotion

Clearly, the existence of Peace Boat heavily depends on the idea of peace and international social justice since its establishment as highlighted in SMSR. In the initial stage, transnational actions undertaken by the abovementioned group included field visits to the countries which have been invaded by Japan as well as people-to-people interaction for the purpose of communication with residents who have undergone the war. The mission statement of Peace Boat with specific focus on peace and justice is straight, unique and cutting edge. On the one hand, Yoshioka Tatsuya and his fellow students had hoped to, through transnational visits and communication, personally witness the facts and action of Japanese invasion of Asia-Pacific countries during the Second World War as well as its remains, while, on the other, they hoped to achieve people-to-people reconciliation through the review, reflection and settlement of these unfortunate past events. Most importantly, these young adults hoped to break through the chronic cover-up by the Japanese government and bring the 'truth' back to their country with actual action. They hoped that this force, which originated from the grass roots of the civil society and related practices, would extend the vision of more

and more young Japanese adults to beyond schools and textbooks during their participation of the event and enable them a better grasp of actual international circumstances.⁵

While the legacy of initial mission statement remains inspiring, the operation of Peace Boat has been reinforced by prevailing global values of peace as well as the emerging needs of sustainability. For example, in 2004, Peace Boat released a statement, concerning Prime Minister Koizumi Junichiro's responsibility for the Japanese hostage killed in Iraq. Moreover, the declaration strongly urged the Koizumi Administration to immediately withdraw the Self-Defense Forces (SDF) from Iraq (Peace Boat 2004). Another timely response to global emerging concerns is the 2009 statement of 'Global Warming Is a Threat to Peace'. When the UN Conference on Climate Change (COP15) met on 7 December in Copenhagen, Peace Boat declared a statement on 10 December. Philippines and Patagonia, as mentioned in the statement, are places to which Peace Boat paid field visits, whose people are suffering catastrophic natural hazards. Based on direct engagement in aid assistance to local communities abovementioned, Peace Boat called for institutional arrangement against global warming which has eroded the foundation of global peace (Peace Boat 2009). In 2011, right after the earthquake struck northeastern Japan on 11 March, Peace Boat has mobilized resources and volunteer group to help deliver the aid and launched a blog to share the experiences of volunteers during the emergency support (Peace Boat 2011a).

Through the perspective of SMSR in accordance with the evolution of organization and the expansion of its involvement in global peace agenda, Peace Boat has well positioned to address its legitimate mission statement and its unique role in global peace advocacy network by continuing to promote peace-oriented activities and by incorporating the peace-sustainability nexus into the missions.

Maintaining autonomous through financial self-sustainability

Peace Boat has six key principles, namely, 'cooperation and solidarity', 'work based on civil society movement', 'financial self-sustainability', 'participatory and horizontal working system', 'support and promotion of volunteerism' and 'independence from any political party or religious affiliation' (Peace Boat 2011b). Financial self-sustainability, to Peace Boat, is the fundamental element for its practice of SMSR and this is where the greatest difference in development is found between Peace Boat and other INGOs. The reason is the cost of its operation is far higher than other institutions, inclusive of ship maintenance and navigation expense.

Back in the 1980s, the exchange rate between US dollars and the Japanese yen was 1:260, making transportation costly and the initial operation of the Peace Boat financially challenging. To overcome the financial difficulty, the then 150 members of the organization decided to borrow money and visit neighbouring Asia-Pacific countries, such as China, Vietnam and Philippines, with a hired ship (Yoshioka 2008, p. 318). Tracing back to its initial voyages, the first nine trips between 1983 and 1989, Peace Boat conducted visits to particular areas based on specific themes, such as the Pacific War review, the Vietnam War review, contemporary Southeast Asia and Anti-Nuclear Weapon Tournament, which were primarily in Asia.

The progress of Peace Boat is actually related to the trend of economical and political development in Japan after the 1980s. At that time, the economy of Japan was fast developing and the wealth of its people greatly improving. The well-off Japanese became the primary source of income for overseas visits as well as the voyages initiated by Peace Boat. Though Japan has suffered the economic depression, the public are still willing to spend

time and money on activities that enrich the mind and spirit in the post-materialist society. In particular, as more and more elderlies are reaping the benefits of post-war economy boom, and with an abundance of wealth and free time at retirement, they are happy to travel overseas. Another cause that propels the development of Peace Boat is the thriving volunteerism. The collapse of the permanent job system founded in the previous generations has resulted in the inclination of the younger generation to take works of greater diversity, either in nature or in location. The number of people with more free time is increasing, while more youngsters make a living doing part-time or temporary work, which becomes a motivation for trying different jobs and life experience. Younger generations are more animated, independent and willing to devote to voluntary and NGO activities. In this regard, Peace Boat strategically calls for the participation of young Japanese as well as foreign students as if it is recruiting volunteers, and a great number of volunteers are introduced, including interpreters and language teachers, as key members to support the peace trips.⁶

Since the 1990s, when the regional voyages have expanded into global ones,⁷ which were also confirmed as regular quarterly journeys, Peace Boat began to hire the vessel to activate its peace educational tourism globally.⁸ The 10th voyage in 1991 was the first global peace trip around the world to extend beyond Asia. About 1000 passengers are recruited for each overseas peace trip with a frequency of 3–4 times annually. Each self-funding passenger pays from US\$13,000 to US\$57,000 for the trip.⁹ These fees make up the primary source of funds for operation and overseas peace trips (Yoshioka 2008, p. 320). This prompts Peace Boat to initiate more action plans from trans-regional to global and expand its operation via combining regular voyages of cruise travel with peace itinerary. Even though the number of sites during voyage arranged and visited has increased, Peace Boat assures its legitimate arrangement for global peace voyages by affirming that ‘socio-political considerations rather than commercial interests largely determine our choice of destinations’ (Peace Boat 2011b).

While the global peace voyage has been regularly operated, it has become a steady source of income to fund its operation from ferrying general passengers during its voyages while carrying out peace education that Peace Boat promotes.¹⁰ Such process of transformation re-defined the orientation of Peace Boat and turned it from a local NGO in Japan to an influential INGO that promotes the mission statement of global peace and sustainability. A self-reliant Peace Boat is hence self-sufficient financially, and it is also due to its financial stability and independence that the organization is able to safeguard its ideal and shield it from political or religious influence.¹¹ In this regard, the self-financing autonomy incorporated by tourism (economic resource and source of income) and peace promotion and education (publicness) has facilitated the self-enhancements for Peace Boat.

Enhancing collaboration for self-reliance: domestic and international

Following the successful operation of overseas peace trips and its expanding influence, it is imperative for Peace Boat to acquire greater resource network to drive regular large-scale peace communication and education plans. The organization therefore began to set up collaborative networks for international cooperation and facilitation as well as domestic connection and resource mobilization which constitute multiple outreaches of SMSR. Regarding its domestic collaborative network, there are seven Peace Centres around Japan for networking and advocating peace agenda to Japanese people. Moreover, due to the costly foreign co-operative plans of humanitarian aid, in particular, in terms of the collection, organization, delivery and distribution of materials, the organization therefore domestically raised resources for foreign aid plans, including computers, commodities,

education materials and medical supplies. Thus, Peace Boat may deliver these resources raised through domestic co-operative network to different parts of the world during the global trips.

In effect, there are two important features for the construction of domestic collaborative network. The first feature is to reduce cost for resource mobilization. The quantity and cost of humanitarian aid are colossal, the recruitment of which can reduce the cost of direct purchase of resources by the organization. Domestic resources can be integrated and then effectively used, thus becoming the driving force behind the system of industrialization of peace enterprise for Peace Boat, and will overcome the hurdle of supportability. Second, such network may increase the income of Peace Boat. That is, humanitarian aid operations have great moral appeal because they aim to improve the life of local residents, upgrade medical quality and enhance education standards, which is why Peace Boat is able to continuously attract passengers from post-materialist society such as Japan, Europe and America to join the global peace trips.

A recent successful practice for networking locally is the engagement in emergency relief operations during the March earthquake in Japan. Peace Boat conducted its first disaster relief in the Hanshin earthquake in Japan in 1995 and then continued its efforts in Turkey, Algeria, Mid-Niigata, Sri Lanka, Pakistan, the United States, Indonesia and Korea. After the earthquake, Peace Boat facilitated more than 300 volunteers to help the local residents, deliver hot meals and take care of local people. Such participation from inside-out is transformed into funds that support the sustainable operation of the organization, thus stabilizing its financial condition, increasing its popularity and strengthening its competence among relevant NGOs.

Besides domestic expansion, Peace Boat strives to build a globe-wide collaborative network which is aimed at effecting the implementation of industrialization strategies on peace enterprise. The strategy adopted by Peace Boat is, first, to facilitate the expansion of categories of organizational activities and enhance its legitimacy; second is a diverse collaborative plan provided by overseas partnership that can enrich the itinerary of global trips, thus boosting the competitiveness in the realization of profitization. In this regard, Peace Boat began to exert its influence in the global peace education and promotion as an international NGO from the 1990s through active operation of its head office, Peace Centres and the vessel itself. In addition to its initial mission statement of 'peace education', Peace Boat was also involved in a greater global peace process, involving in activities of sustainable advocacy and humanitarian assistance in 1997 and devoted to demining operations in Cambodia and Afghanistan to improve the safety of the locals, while raising the awareness of more Japanese and young adult communities or even encouraging them to join the operations.¹² As the organization develops, Peace Boat begins to show its ambition when it expands its operation to include re-establishing peace and preventive diplomacy of the global peace process and cover domains such as ecological conservation, sustainable development and the advocacy of human rights.

Whether an INGO is able to establish a close liaison with the United Nations is a key milestone during its development. The United Nations has included the Japan-based Peace Boat as NGOs in Special Consultative Status with the Economic and Social Council (ECOSOC) in 2002 for its contribution in global peacekeeping. This confirmed the status of Peace Boat as an INGO and acknowledged its professionalism in the peacekeeping effort (United Nations 2009). In addition to gaining the recognition from the United Nations, Peace Boat also responded swiftly to the expectation of civil society's participation in conflict prevention, as expressed by the then UN Secretary-General in his June 2001 report *Prevention of Armed Conflict*, and joined the global civil society movement *Global*

Partnership for the Prevention of Armed Conflict (GPPAC) organized by the European Centre for Conflict Prevention (ECCP). The major contribution that Peace Boat has made to this network is the planning and organization of a GPPAC secretariat in Northeast Asia. In addition to the above network, Peace Boat also acts as the founding member of Peace Now Korea Japan, an affiliate member of Friends of the Earth International, a member of the International Peace Bureau, World Social Forum, a member of the Non-Violent Peace Force, World Peace Now, Abolition 2000 and the Japan Campaign to Ban Landmines (Peace Boat 2011c).

The reason that INGOs are able to operate smoothly is due to informal networks created by individuals or organizations with common concerns from around the globe (Alger 2005, p. 5). The building of such regional peace network and the involvement in global peace process allow Peace Boat to operate with international collaborative partner institutions on critical issues and emerging challenges related to its mission statement. Currently, there are five clusters of project activated by Peace Boat: (1) conflict prevention and peacebuilding; (2) disarmament and nuclear abolition; (3) humanitarian support and disaster relief; (4) peace and human rights; and (5) sustainability (Peace Boat 2011d), and these are ongoing issue areas for further networking. Take the campaign for sustainability, for instance: Peace Boat worked with the United Nations Millennium Campaign (UNMC) and the Global Call to Action against Poverty (GCAP-Japan) in 2009 to address the importance of poverty eradication. Experts and activists were invited onboard to discuss the issues concerned and brainstormed initiatives to overcome the challenge (Peace Boat 2011e).

Overall, being recognized by international institutions strengthens the legitimacy of the global peace trips as well as highlights the distinction between Peace Boat and other similar cruise journeys (that is, the differentiation between selling commercial products and services), thus boosting the competitiveness of commercialization/profitization strategies of the organization. Additionally, for Peace Boat, through its international collaborative network, an enhanced partnership with special focus on critical issues may facilitate to overcome the hurdle of international supportability. The local outreach of affiliate domestic network of collaborative institutions, moreover, conveys the influence of Peace Boat to the locality and therefore, increases its popularity as depicted in SRMR. That is why the abovementioned collaborative plans and programmes provided by these grass-roots civil groups and NGOs from everywhere around the world are gradually becoming features of the global voyages for peace. Peace Boat thus appeals to passengers and volunteers with these itineraries each year and has thus aroused the interest of potential participants in global peace education or around-the-world journeys.

Concluding remarks

This study is aimed at providing a theoretical account for the idea and practice of NGO self-reliance and corroborates with a case study of an INGO, Peace Boat. This article demonstrates that it is difficult, for INGOs, to devise a series of self-reliance strategies for strengthening their social influence while maintaining the principle of non-profit-making simultaneously. By proposing SMSR, this study argues that self-financing is only one dimension, albeit fundamental, of NGO sustainability.

Like every other INGOs, the Japan-based Peace Boat also faced structural challenges during its development, including shortage of resources (*supportability*), resource competitions (*competitiveness*), actual participation and grass-roots support (*popularity*). Since its establishment in the 1980s, Peace Boat has never accepted any government subsidies, and the income generated through its global peace trips is re-invested into the expansion of

its operation and activities. Thanks to its self-reliance strategy, Peace Boat may be capable of handling the above challenges. Its particular experience can be summarized into the following proposition below: (1) the promotion of peace enterprise as its mission statement, including international social justice, human rights, peace and sustainable development, to reinforce the legitimacy and publicness of its operation; (2) the use of global voyages for peace to combine tourism and peace enterprise and to highlight the differentiation and 'uniqueness' of the organization from others; both can be well positioned through (3) ascertaining the 'autonomy' of the organization through self-sufficiency and (4) the global/local enforcement of 'synergy' between related INGOs and domestic civil society organizations.

It is noteworthy that the operation of Peace Boat is not entirely without challenges. As the independent operation of the organization is sustained through the promotion of tourism, this means the revenue of the organization is easily affected by short-term fluctuations in international trend. For instance, Peace Boat is currently faced with challenges including the rising petrol price due to energy crisis, economic recession that is affecting the willingness of passengers to join the global peace trips and sluggish tourism due to terrorism. Regarding the security concerns, the Global Voyage for Peace was also threatened by Somalia pirates when the Oceanic sailed near the Republic of Yemen, which will also influence the willingness of local and international passengers. The challenges that Peace Boat is facing reflect the vulnerability of relevant NGOs in search of sustainability. However, for any NGOs like Peace Boat, it is necessary to stay cautious when recalibrating the orientation and content of their self-reliance strategies to effectively respond to these challenges. As depicted in SMSR, self-enhancements matter not only in financial sustainability, but also in the internal invigorating of mission statement as well as in the external outreaches of collaborative networks.

Acknowledgements

The authors acknowledge Peace Boat for supporting Tarco Yu Chang's participation in the 49th Global Voyage for Peace and also thank Jasna Bastic for her intellectual input to the revision of this article. Special thank goes to two anonymous reviewers for the Journal of Asian Public Policy for their valuable comments on an earlier draft of this article.

Notes

1. According to the *Encyclopedia of international development*, the term NGOs by definition refers to any non-governmental organizations and non-profit organizations both at international level and at domestic level that stand independently of the state, yet which are usually associated with some kind of political or social developmental activity (Lewis 2005, p. 483).
2. 'Cross-subsidize' refers to latent factors of the sustainable development of organizations becoming more commercialized to boost revenues when non-profit sector is unable to obtain government subsidies and public donations. Not only does this prolong the niche of existence of such organizations, more public services and quasi-public goods may be provided through revenues generated and subsidies received, thus accomplishing the mission of the organizations.
3. For example, in Indonesia, NGOs have been involved in health services, nutrition, clean water and sanitation, family planning and microcredit. They have been regarded as 'complementary provider' to facilitate public service in the lowest strata of society which the government could not reach (Antlöv *et al.* 2006, pp. 148–149).
4. For example, according to the 13th edition of the NGO Sustainability Index released by the US Agency for International Development (USAID), financial viability is one of the seven dimensions of index. Such index recognizes the overall performance of NGOs, inclusive

of legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure and public image; for a detailed discussion of the index refer to USAID website: http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2009/ [Accessed 3 September 2011].

5. Tarco Yu Chang, one of the authors, has participated in the 2005 Global Voyage for Peace and learned from the transformation of peace agenda on Peace Boat. When engaging in the activities of peace promotion, he addresses that the ideal of peace has been embodied and realized in recruiting colleagues and passengers and also in overseas educational efforts.
6. According to the actual participation of the author, Peace Boat recruited young adults from all over the world during its global trips. Hundreds are encouraged to continuously participate in its events each year. They are also encouraged to use 'volunteer hours' as credits to participate in global peace trips. The recruitment of young volunteers who are willing and able to participate in events is also done through operations including peace expansion and humanitarian aid.
7. The head office of Peace Boat announces that three global and one regional voyages are annually held, and the latest one currently sailed from Yokohama on 19 July 2011 and will return from Mexico to Japan on 27 October 2011.
8. There are rumours and information showing that Peace Boat had bought the vessel, the *Oceanic*, in 2009. Nevertheless, it is confirmed by the head office in Tokyo that *Oceanic* is a chartered vessel for this is the most economical and efficient practice to operate the relevant voyages, considering the enormous expenditure of purchasing it and the complexity of maintaining the large crew.
9. Take its 46th Global Voyage for Peace in 2005, for example. According to Tarco Chang, among its 1500 passengers (including the crew), more than 1000 were Japanese while the rest were mostly passengers from Europe or America. In terms of the crew, the majority came from China and Central and Eastern Europe.
10. The authors were advised by the head office of Peace Boat that its well-being has long been closely related to the fluctuation of oil price. It was very difficult running the organization when the oil price soared to over US\$100 per barrel during 2010. However, the enormous dedication of the staff and the incredible work of the volunteers have been facilitating the transformation of Peace Boat. According to the 75th Global Voyage for Peace to be sailing from 24 January 2012 to 3 March 2012 (101 days in total), the standard cabin tariffs of friendly type is 1,550,000 yen per person and the standard single type is 4,800,000 Japanese yen per person.
11. Based on the experience of the Japan-based Peace Boat, the combination of tourism and a global movement of peace education is not 'loss-proof'. Yoshioka Tatsuya once mentioned that should the promotion of global peace trips by his organization go wayward, then the 100 founding members would have to shoulder the debts risen as a result (Yoshioka 2008).
12. From the actual participation and observation of Tarco Chang during his 46th Global Voyage for Peace, Peace Boat arranged several humanitarian assistances in Vietnam, Sri Lanka and Eritrea during the trip. After engaging in delivering the aid resources to local people, understanding the local reality and learning from them, some Japanese youths were willing to stay as volunteers to work with the local NGOs.

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