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JAPANESE ECONOMY AND SOCIETY

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1. Rapid Economic Growth and Oil Crisis

—National Income

—Public finance

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# HISTORY OF CONSUMER CO-OPERATIVE MOVEMENT IN JAPAN

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## I. HISTORICAL OUTLINE OF JAPANESE CONSUMER COOPERATIVE MOVEMENT

### 1. Reconstruction of Consumer Co-operative Movement(Period 1945-1950)

—Food crisis and springtide of small coops in postwar days  
Under the circumstances of tight supply of food and severe living condition of the people right after the World War II, they rushed to form the consumer co-operatives in very short time, which was culminated in 1947 with 6,500 coops and 3 million members. These coops were called as "food-hunting coops" due to their cause of foundation and majority of them was very small without any management techniques.

—Foundation of Japan Co-operative League and struggle for consignee status

The co-operative leaders in prewar days began to assemble seeking to reconstruct consumer co-operative movement oppressed by war regime and bombing and the Japan Co-operative League(JCL) was founded in November 1945 aiming at the consolidated body of co-operators of whole sectors. Dr. T. Kagawa, a famed christian social reformer, was elected the first President of JCL. JCL petitioned to the government to obtain consignee status and rationing dealer rights of daily necessities to overcome the restrictive control eliminating business opportunity of coops and got some results.

—Campaign for enactment of Co-operative Law and establishment of financial resources.

JCL undertook the nation-wide campaign for enactment of Consumer Co-operative Law with intention to provide coops with legal framework for their development. There appeared several bills projected by JCL, the Government and political parties, however these bills could not be integrated and at last the bill from Ministry of Welfare passed the Diet in July 1948. As this Law had many problems e.g. prohibiting sales to nonmembers and formation of wholesale society, limitation of operating area etc., JCL began to request its amendment and reorganise whole movement according to provisions of the Law. As the result, consumer coops were deprived of financial relations with Norinchukin Bank and fell into severer financial position. JCL requested to the government to permit foundation of consumer co-operative bank or finance the accumulated funds in government's Deposit Department in 1948/1949 however these attempts could not succeed due to the obstacle of finance control. Thereafter, consumer coops had to turn their heads to formation of labour banks in 1950's.

—Influence of depression policy and crisis of consumer coops

The depression policy known as "Dodge Line" introduced by US government gave a strong impact to the Japanese economy and labour movement. Consumers coops were also affected by economic depression and unexpected removal of economic control. Losing membership and subsidies from companies generated a great difficulty in coops operating in enterprises or factories. As the result number of coops fell into one sixth of flourished period and wholesale business of prefectural coop unions bankrupted.

2. Foundation of JCCU and Labourers' Welfare Movement (Period 1951-1955)

—Foundation of JCCU and its affiliation with ICA

As JCL changed its functions and weakened in the crisis of consumer coops, the new national organisation based on the Consumer Co-operative Law was needed. The Japanese Consumers' Co-operative Union (JCCU) was established in March 1951 as the apex organisation of consumer coops with fabricated network of primary and prefectural coops and took place of JCL. JCCU, representing nationally and internationally the interests of consumer coops in Japan, affiliated with the ICA in 1952.

—Establishment of labourers' welfare movement

Amid expansion of welfare activities of trade unions, JCL and major industrial unions set up National Council of Labourers' Welfare in September 1950 aiming at closer collaboration between trade unions and co-operative organisations and improvement of social security system. In addition the joint efforts of consumer coops and trade unions brought about the birth and expansion of labour banks, insurance coops, housing coops, credit coops, district workers coops, coal miners coop, school teachers coops and so on. These labour-oriented co-operative organisations were supported by trade unions in terms of membership, personnels and finance and so largely depended on the strong commitment of the latter. Among them the district workers coops were set up by the help of the district labour councils or local labourers' welfare council and rapidly developed in the booming economy since 1955. Their expansion highlighted the second mount of consumer co-operative movement.

3. Establishment of Bases for Development (Period 1956-1960)

—Anti-cooperative campaign and consumer movement

Under the pressure of increased small retailers and complexed distribution channels, the merchants organisations began to attack consumer coops since 1953 on the pretext that coops deprived them of business opportunity. Originally they rose against district workers coops or large institutional coops and then the anti-cooperative campaign became the political issue as Chamber of Commerce and Ministry of International Trade and Industry intervened in this problem. Their demands to place the severer regulations onto coops reflected to amendment of Consumer Co-operative Law and enactment of several laws unfavourable to consumers' interests. Against such drive, the consumer coops together with trade unions, womens bodies and producers' co-operatives raised nation-wide campaign for enlarging and strengthening coop and established the National Liaison Committee of Consumers' Organisations (Shodanren) in December 1956.

—From joint buying to formation of wholesale society

Wholesale business was organised separately in Tokyo Metropolitan Coop Union, National University Coop Federation or National School Teachers Coop Federation etc, however, there was not the strong nation-wide wholesale society. To promote joint buying activities among coops, the National Wholesale Committee was set up in 1955. Then the JCCU West Branch, headquartered at Nada Kobe Coop, was organised by 39 major coops in 1956 to conduct the

concrete business and achieved some results such as introduction of own brand. Such accumulation of experiences in wholesale business and increased turnover of coops facilitated the formation of a single wholesale society. Based on the strong commitment of major coops, the All-Japan Co-operative Wholesale Society was founded by 21 primary and secondary coops in November 1958. Its head office was situated in Ishikawajima Coop (Tokyo) and the branch in Nada Kobe Coop (Hyogo).

- International relations and co-operative trade  
The representative of JCCU attended to the ICA 19th Congress held in Paris in 1954 and proposed concerning the promotion of inter-cooperative trade as well as annihilation of nuclear weaponry and convening Asian co-operative conference. Based on this proposal, JCCU established the Cooptrade JAPAN Ltd. in March 1956 as the international trading organ. Cooptrade Japan is wholly owned by JCCU and its Board consists of Board members of the latter. At the same time, the Japan Joint Committee of Co-operatives (JJC) was formed by apex organisations of agricultural, consumer and fishery co-operatives with intention to co-ordinate international activities.

#### 4. Renovation in Retailing and Reorganisation of JCCU (Period 1961-1965)

- Renovation in retailing and stagnant development of coops  
No sooner than the renovation in retailing was initiated through introduction of American experiences and supermarket boom appeared in major cities, most of district workers coops fell into depressed phase and consumer coops as a whole had managerial difficulties, facing the tough competition from rapidly grown private chain stores. JCCU had to, on one hand, take urgent measures to rescue such diseased coops by offering the experts or the management guidance, and, on the other hand, establish the fundamental organisational and managerial policy. JCCU had already taken the policy of standardization of scale and introduction of self-service system in 1956, however, it was since 1960's that consumer coops seriously recognized the significance of supermarket operation and started remodeling their shops.
- Women's committee and Han organisation  
Some consumer coops organised women's committees or housewife's associations taking the pattern of European "women's guild" to promote women's activities around coops. These women's organisations of various types were integrated into the Women's Committee of JCCU in 1957. While, Tsuruoka Coop in Yamagata Pref. initiated to organise Han groups involving 10-12 members each since 1956 and gained significant results in organisational and managerial terms. JCCU picked up



this experience as the measure for consolidating co-operative basis in its Congress in 1962 and resolved it as "the fundamental organisation of co-operative movement" in 1964 Congress. Then, Han organisation policy was promoted with full efforts by JCCU and taken into practice in many consumer coops.

—Expansion of AJCWS and its merger with JCCU

Other than All-Japan Co-operative Wholesale Society there existed 5 wholesale groupings with complexed affiliation in 1960. Such situation hampered integrating co-operative buying power and sometimes generated overlapping among them. To solve these problems, JCCU adopted the Reorganisation Scheme in its Congress in 1959 aiming at vertical intergration of consumer co-operative movement. Based on this Scheme, wholesale functions of prefectural unions, National Coal Miners Coop Federation and National School Teachers Coop Federation were taken over by AJCWS and integrated into its branch offices. The guidance functions of two national Federations were absorbed in specialized commissions of JCCU. In this period, AJCWS expanded its wholesale business as the result of integration and launched into development of CO-OP branded products. As the final stage of reorganisation of Japanese movement, AJCWS was merged into JCCU in January 1965 after tough discussions continuing over 4 years. From that time onward JCCU had both functions of the central union and of the wholesale society.

5. Enhancement of Consumer Movement and Development of Consumer Co-operatives (Period 1966-1970)

—Enhancement of consumer movement

The 1960's rapid economic growth brought about a great number of consumer and environmental problems. As the consumer damages got acute and enlarged in scale, the consumer movement took root among consumers and intensified its influence in consumer affairs in the late 1960's. National Liaison Committee of Consumers' Organisations took initiatives in various consumer campaigns against price-hike, hazardous goods or pollution and convened National Consumer Assembly every year since 1964 with thousands of participants from all over the country. Consumer movement could obtain some concrete results in abolishing hazardous materials such as cyclamate, PCB etc. or checking administered price of colour TV set and so on. It has made evolution from movement of "wise consumers" to that of "demanding and acting consumers" in these process. Such surge of consumer movement encouraged the progress of consumer coops.

—Regional Plan and progress of consumer co-operatives

In the high tide of consumer movement and increased concerns of people to consumer issues, the consumer co-ops rapidly expanded and increased their influence on the consumers' lives and economy. The university coops assisted formation of new consumer coops in the major cities which seated campus. Other institutional coops working in factories, coal mines and schools also launched into the adjacent areas beyond their original operating areas. Existing coops were encouraged by such new waves and started chain store operation after overcoming difficulties of 1950's and early 1960's. These stream joined in the vigorous river and the consumer co-operative movement marked the unprecedented enhancement in its history. This third mount was characterized by the active participation of women, esp. housewives and choser collaboration with other consumer movement. In this period the medical coops and insurance coops made a great progress. Such surge of co-operative movement secured the expansion of JCCU members and rapid growth of its wholesale business. In 1968 JCCU constructed its headoffice in Tokyo and proposed the Regional Plan Policy for development of consumer coops to promote integration of coops into larger units and modernization of sales network. JCCU committed itself to foundation of the Tokyo Coop and the textile department.

—Development of COOP products

Since JCCU took over entire function of AJCWS, the wholesale activities made the rapid progress on the basis of the systematic collaboration of member coops through national and regional committees for product development. COOP products were developed in consultation with members' opinion and spread through Han groups. Such products as COOP Safter or COOP Colour TV sets were developed in connection with consumer movements against harmful detergents or administrated price and proved to be the powerful arms for expansion of coops. Thus, the clear brand image attracted consumers and basic merchandising policy was formulated.

6. Increased Social Role of Coops and Members' Participation  
(Period 1971-present)

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—Deadlock of rapid growth and reconfirmation of coop principles

The Regional Plan Policy brough about the epoch-making progress in consumer coop movement, however, generated such tendencies as excessive investment, lack of store operation techniques and negligence of member activities. Some of large coops were at the deadlock facing financial and managerial difficulties in 1970. The JCCU Congress at Fūkushima city examined these problms to extract necessary teachings and adopted the resolution reconfirming

the importance of active members' involvement. Based on the resolution the urgent rehabilitation measures including financial and technical assistances were given to these coops by JCCU and member coops. In this course, most coops learned the importance of well-balanced sound development based on co-operative principles.

—Flourishing members' activities

Reflecting on the bitter experience in early 1970's, the members' activities were stressed and taken into practice as the key ensuring democratic administration of coop movement. More and more coops actively promote members' activities in diversified ways. Han organisation policy took root in increasing coops and its content was enriched by members' initiatives. New coops emerged from joint buying activities of members involved in Han groups. In addition, the district (shop) committees were set up as the communication channel between the board and Han groups. The specialized committees were organised as the advisory organ of the board and study groups or hobby circles conducted the voluntary activities under the sponsorship of coops. In these groups or committees, members, mainly housewives, participated spontaneously and devoted their energy to strengthen consumer coops or promote various consumer campaigns.

—Increased expectation to coops

Development of consumer movement, flourishing members' activities and expansion of COOP products—these factors enhanced expectation and interest to coops among general public. Coops have increased over 400,000 members yearly since 1973 and social role of coops became highly estimated by consumers. Recognizing the significance of coops, national and local governments increased public financing or subsidies and involved coop representatives in most important councils. Under such circumstances, the collaboration with producers' coops and labourers' welfare organisations made a great progress. The memorandum for increasing collaboration concluded between JCCU and Zenno accelerated the direct transaction and concrete collaboration in various fields.

—Medium term planning

The oil crisis and resultant spiral inflation in 1973-74 and the worst phase of economic depression connected with persistent inflationary trends in 1975-79 —such upheaval gave the new challenge to consumer coop movement. During the time of oil shock coops were affected by manipulation of price and supply of COOP products. In the prolonged depression and stagnant consumption, they encountered with anti-cooperative drive of small retailers or disclosed

weakness of financial position. In order to overcome these difficulties, JCCU worked out the Medium term plan for the period 1978-1980 aiming at further integration of co-operative movement on the basis of co-operative principles. The targets settled by this plan were widely implemented. On the basis of the results achieved by this plan, the 2nd Medium term plan for the period 1981-1983 was adopted at the 31st Congress of JCCU in 1981.

Evolution of JCCU Member Coops

	1970		1971		1972		1973		1974		
Coop societies		506	99.4	525	103.8	522	99.4	572	109.6	594	103.8
Coop members	thousand	2,868	105.4	3,421	119.3	3,556	103.9	3,978	111.9	4,554	114.5
Han groups		-		31,585	-	42,405	134.3	60,634	143.0	75,226	124.1
Han organised members		-		321,479	-	504,002	156.8	617,143	122.4	800,803	129.8
Sharecapital	¥ mil.	10,152	-	12,918	127.2	16,074	124.4	19,162	119.2	22,138	115.5
Sharecapital per capita	¥	3,540	-	3,776	106.7	4,520	119.7	4,817	106.6	4,861	100.9
Coop debenture	¥ mil.	-	-	-	-	10,325	-	12,497	121.0	17,709	141.7
Total turnover	¥ mil.	182,939	125.4	224,116	122.5	262,089	116.9	359,246	137.1	474,307	132.0
Retail outlets		-		1,393	-	1,346	96.6	1,645	122.2	1,656	100.7
Selling area	m <sup>2</sup>	-		410,731	-	381,582	92.9	394,310	103.3	437,577	111.0
Coop employees		-		24,956	-	24,722	99.1	26,422	106.9	28,737	108.8
Consumer price index	%	58.0	7.6	61.5	6.0	64.3	4.6	71.9	11.8	89.4	24.3
Retail Market Share	%	1.16		1.26		1.36		1.50		1.63	

Source : National Coop Management Statistics

1975	1976		1977		1978		1979		1980(Est'd)		
619	104.2	653	105.5	661	104.2	651	98.5	657	100.9	649	98.8
5,144	113.0	5,441	105.8	5,805	106.7	6,080	104.7	6,375	104.8	6,757	106.0
102,560	136.3	129,169	125.9	152,297	117.9	171,199	112.4	190,052	111.0		
973,414	121.6	1,140,331	117.1	1,262,555	110.7	1,312,687	104.0	1,437,927	109.5		
27,213	122.9	32,678	120.1	41,607	127.3	47,925	115.2	49,264	102.8	50,147	101.8
5,290	108.8	6,006	113.5	7,167	119.3	7,882	110.0	7,728	98.0	7,422	96.0
26,558	150.0	34,759	130.9	45,520	131.0	49,702	109.2	43,802	88.1	44,202	100.9
569,526	120.1	686,035	120.5	777,928	113.4	831,891	106.9	941,120	113.0	1,076,451	114.4
1,753	105.9	1,790	102.1	1,832	102.3	1,724	94.1	1,794	104.1	1,846	102.9
563,930	128.9	599,716	106.3	652,621	108.8	714,925	109.5	732,597	102.5	765,151	104.4
29,295	101.9	31,700	108.2	32,851	103.6	33,200	101.1	34,179	102.9	35,170	102.9
100.0	11.9	109.3	9.3	118.1	8.1	122.6	3.8	127.0	3.6	137.2	8.0
1.52		1.56		1.61		1.58		1.65		1.73	

Source : National Coop Management Statistics

## ADMINISTRATION OF CONSUMER CO-OPERATIVES

by Mr. Shunji Tsuboi  
Executive Director  
Japanese Consumers'  
Co-operative Union

### 1. Co-operative Legislation and By-laws

#### (a) Consumers' Livelihood Co-operative Society Law

Before the World War II all types of co-operatives had been regulated by a single law—the Industrial Co-operative Society Act, but after the war co-operative laws were separately enacted; Agricultural Cooperative Law (1947.11.19), Consumers' Livelihood Co-operative Society Law (1948.7.30), Fishery Co-operative Law (1948.12.15.), Minor Enterprises Co-operative Law (1949.6.1.), Forest Owners' Co-operative Law (1978.5.1.).

Co-operative League of Japan since 1946 undertook the nationwide campaign to enact the consumer co-operative law and worked out the bill, placing the emphasis on securing the business rights under the controlled economy. But this bill couldn't see the sun under the complicated political circumstances in 1947. Although various bills were prepared by the political parties, the bill submitted by the Ministry of Health and Welfare was approved by the National Diet in 1948 while an addition was made regarding "prohibition of non-member business" by the request of the conservative party which caused serious problems to the development of consumer co-operative movement in Japan. Thus, this Law had some shortcomings from the viewpoint of co-operators, i.e. lack of provisions facilitating credit/banking business, rigid prohibition of non-member business, confinement of operational area within prefectures etc. Therefore the Movement had to continue the campaign for necessary amendments of the provisions to establish more favourable conditions for the development of consumer co-operatives.

The Article 1 of the Law reads: This Law purports to enhance the growth in the organisation of the Livelihood Co-operatives formed by the initiatives of the people, and thereby to bring about security in living and elevation of culture in daily life. This provision stresses that consumer co-ops are the spontaneous co-operative organisations formed by the voluntary efforts of the people and sets the dual targets of enhancing living and culture.

The Article 2 sets the standards of co-operative society in accordance with Co-operative Principles and political neutrality.

(b) By-Laws of a Cooperative Society

The by-laws are, so to say, a Constitution of a co-operative society and should include the necessary affairs as follows (Article 26a );

1. The functions;
2. The official name;
3. The area of its business operations or the name of organisation by occupation;
4. The locations and addresses of its offices;
5. The provisions concerning the qualifications for membership;
6. The provisions on subscription and retirement of membership;
7. The provisions relative to the amount of each share and provisions as to payment for such shares and maximum number of shares to be owned by a members;
8. The amount of payment of first installment;
9. Provisions relating to the distribution of surplus, and disposition of loss;
10. The provisions regarding the amount and the accumulation of reserve funds;
11. The provisions concerning rights and duties of the members;
12. The provisions concerning the execution of business;
13. The provisions concerning the officers;
14. The provisions concerning the general meeting;
15. Business year;
16. Method of public notice;
17. The highest limit of premia and benefits, when the Cooperative Society engages in the work of mutual relief for its member's living;
18. The period of duration or grounds for dissolution if such has been determined;
19. The names of those who make investment in kind, the kinds and, prices of such assets, and the number of shares to be given to such persons if such have been determined.

As seen, the by-laws are the concrete expression of the rules for democratic administration. The Ministry of Health and Welfare made the model by-laws which are followed by most of societies. The amendment of the by-laws require the special decision by two-thirds or more of the votes of the members present at a meeting at which



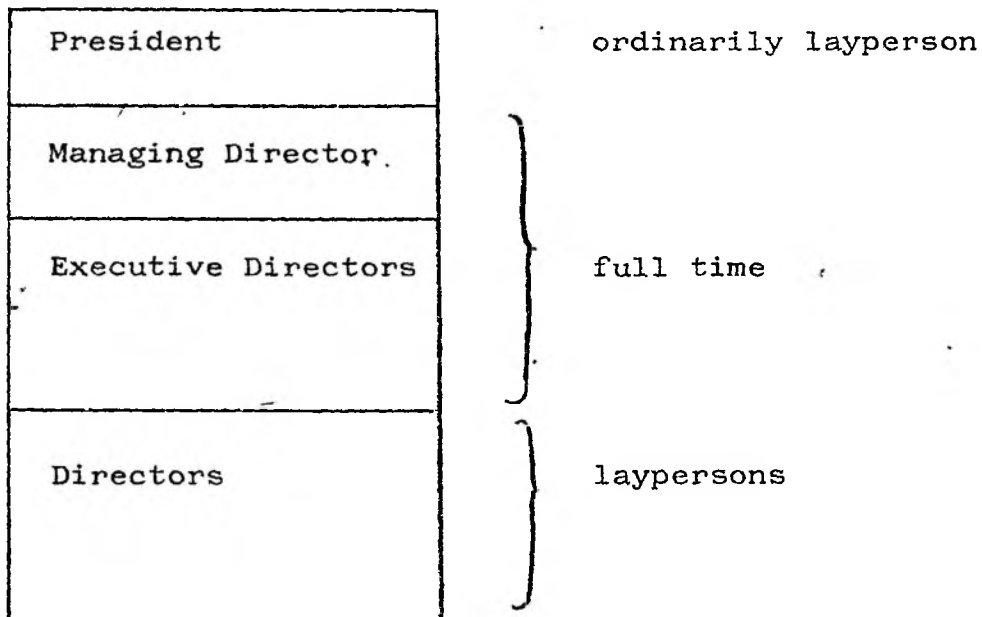
over a half of total members are present (Article 46).

## 2. Administration of Consumer Co-operatives

### (a) Administrative Set-up

The Law stipulates about the organ of the co-operatives such as general meetings, directors and auditors. According to the Law and by-laws at least five board members and two auditors are elected at a general meeting or a representative meeting in case of coops with members exceeding 1,000 (Article 47). Such meeting must be held at least once a year to decide the basic policy of the coming year. The board has the responsibility for execution of decisions adopted at the general meeting or at the representative meeting. Board contains the full time executive directors responsible for the management of the society. So, in Japan, top management is elected among the board members instead of hired by the board. In citizen co-ops, most of part time directors are women's lay leaders who have strong interests and supports to the co-operative activities. To enhance members' participation in cooperative administration, various devices have been taken other than the legal requirements mentioned above.

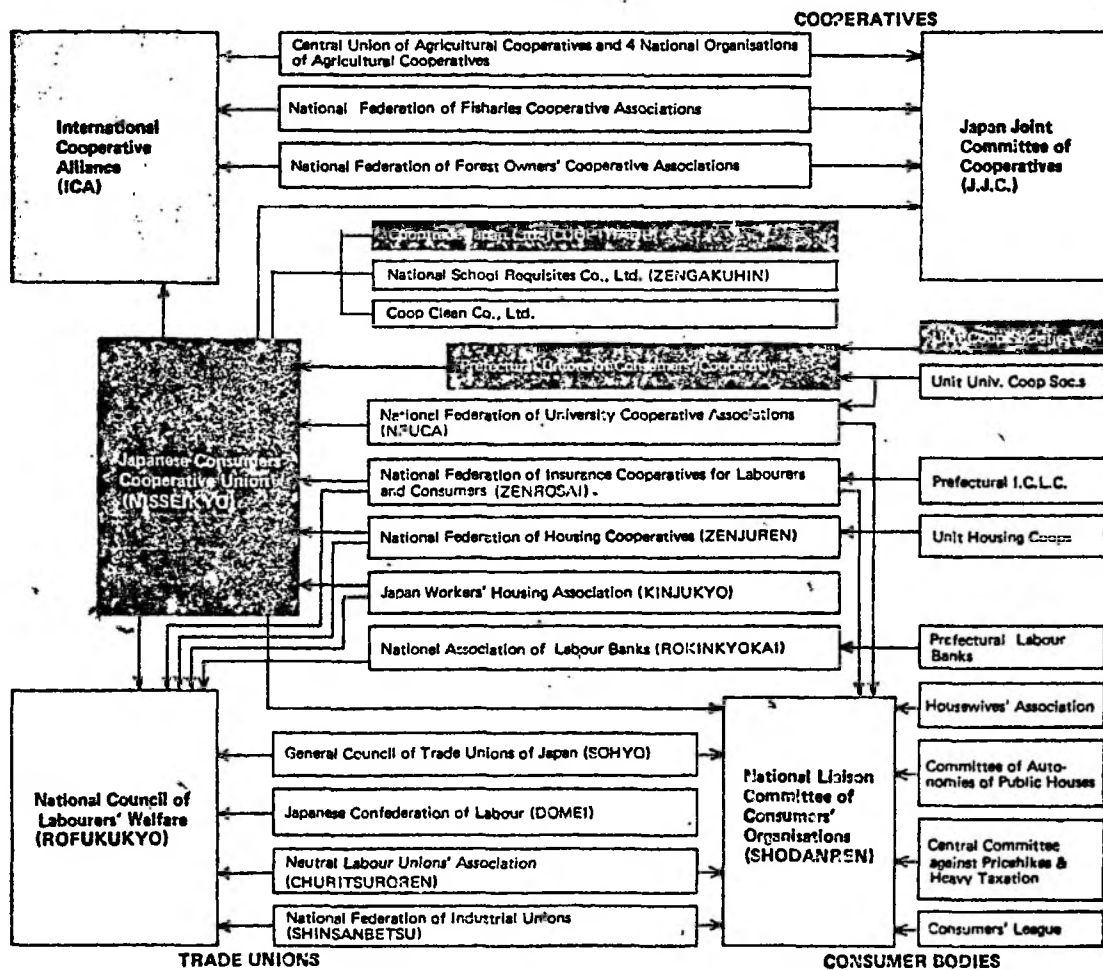
#### Composition of Board



(b) Co-operative Employees

The decision made by the general meeting is carried out by the co-operative employees through Board's concrete assignments and instructions. The full time executive directors are responsible for executing the decisions faithfully while employees have the duty to carry out the jobs assigned by the executives. In order to manage efficiently the divisions and sections are set up according to the kinds of jobs and line/ staff relations are introduced with clear-cut authority and responsibility. Furthermore, employees' opinion and initiatives need to be made full use to achieve better results and in this context the communications with employees should be underlined.

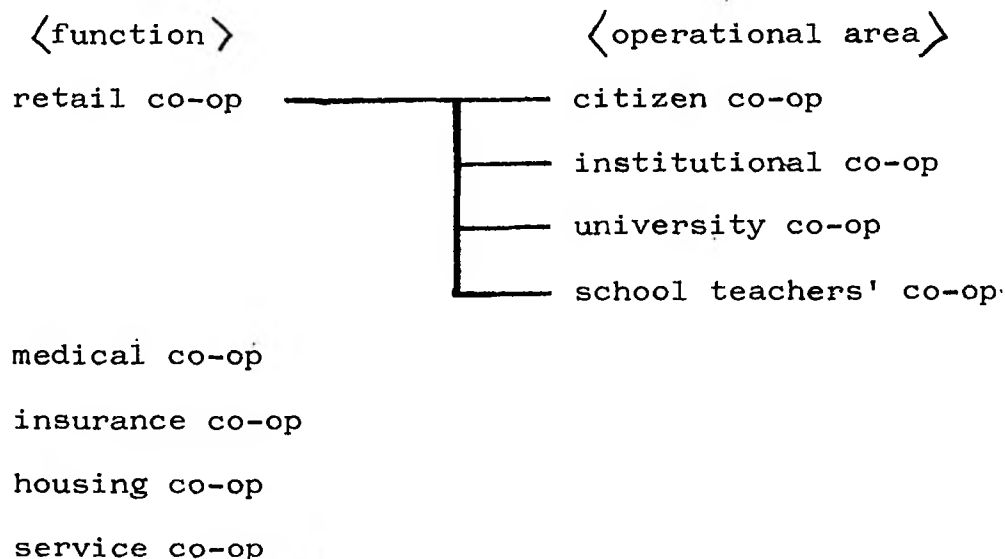
3. Organisational Structure of Consumer Co-operative Movement



4. Characteristics of Various Consumer Co-operatives

There are four main types of consumer co-operatives according to the functions regulated by the Consumers' Livelihood Co-operative Society Law and the so-called retail co-ops are classified in several sub-groups according

to the operational areas. The retail co-ops and the medical co-ops are directly affiliated with JCCU through prefectural unions but the insurance coops and the housing co-ops indirectly participate to JCCU through thier own national federations. The inter-co-operative relations have developed year by year both in the field of business and organisational activities.



(a) Citizen Co-op

This is the conventional type of co-operation prevailing in the world, which is organised by the initiatives of local residents, mainly housewives. There were few citizen co-ops existing from prewar days, but it was not until 1960's that they flourished and enhanced social influence of the consumer co-operative movement. Consumers formed the co-ops in each community to safeguard their lives and health against various problems caused by the rapid economic expansion since 1960's. In many cases this type were spontaneously initiated by the local residents in the community and developed on the basis of capacities accumulated within the near-by university co-ops.

(b) Institutional Co-op

This type was established by the initiatives of the trade unions or companies with employees as membership and operates shops in or near the companies' facilities. Once most of mines had the co-op shops as the unions had the policy to form the co-ops as the commissary departments. In the major industries such as ship-building, car, chemical, steel, metal and mechanical, transportation, banking and printing etc. many co-ops are formed. Even the central and local governments, public schools and other public organisations have the co-ops for their workers. Thus, the

institutional co-ops confine membership within the employees of the enterprises or government offices, but some of them expanded their operation to the surrounding areas by involving new members residing in the vicinity and opening shops in the community. These co-ops are called the mixed type institutional co-ops. The sales activities of institutional co-ops are characterized by large assortment of non-food items (representing 65% of sales) and wide range of services such as restaurants and cafe, travel agency, barber and beauty shops, play guide, film processing etc.

(c) University Co-op

This type is run by students, graduate students and teaching staff in most of public universities and major private ones. This was established as the autonomous welfare organisation for all the constituents of universities and colleges, but many of co-ops borrow the facilities without rents from the governments or universities. Its main dimensions of business are the restaurants and cafe, book shops and general merchandise shops which sell both food and non-food including furniture, electric appliances, stationery and study aids, records, cameras, sports goods, textiles and shoes etc.

(d) School Teachers' Co-op

This type was established by school teachers in elementary and secondary schools with sponsorship of teachers' union. The teachers formed one co-op in each prefecture where each school functions as the branch of the co-op. Its businesses are characterized by the catalogue sales, mobile shops, exhibition sales and so on. Non-food items represent 75% of total sales. The sister organisations named Co-op School Requisite Co. were formed to provide pupils with textbooks, study-aids, sports goods etc. Recently, the collaboration between school teachers' coop and citizen co-ops was intensified in the fields of buying and organisational activities.

(e) Medical Co-op

It operates the clinic or even the hospital where doctors, nurses and other specialists supply members with medical services ranging from preventive measures to medical treatment and rehabilitation measures. It was formed by people who wished the reliable medical organ where everyone can feel easy to receive necessary treatments at convenient time and participate in health keeping activities while existing medical institutions failed to offer the emergency or night services and paid little attention to daily preventive measures because of no remuneration. So, it is not necessarily the group of the patients, but rather the gathering of sound people hoping to keep constant health and places a great emphasis on preventive measures and study activities. It has also Han groups where members

participate in the collective health check, the health study, the sports and recreation activities and the various campaigns.

(f) Insurance Co-op

It was established with the help of trade unions and consumer co-ops since 1950's to meet the basic needs for the mutual aid among workers. This co-op aims to provide members with the fundamental insurance services at the reasonable premiums and to protect their lives and properties against unexpected accidents and profiteering of insurance companies. It offers wide range services for fire, life (both group and individual), traffic accidents, hospitalization, overall etc. As it had developed as the wing of labour movements, most of approx. 10 million members are workers organised in the trade unions, but recently it launched to organise housewives in the communities in collaboration with JCCU.

(g) Housing Co-op

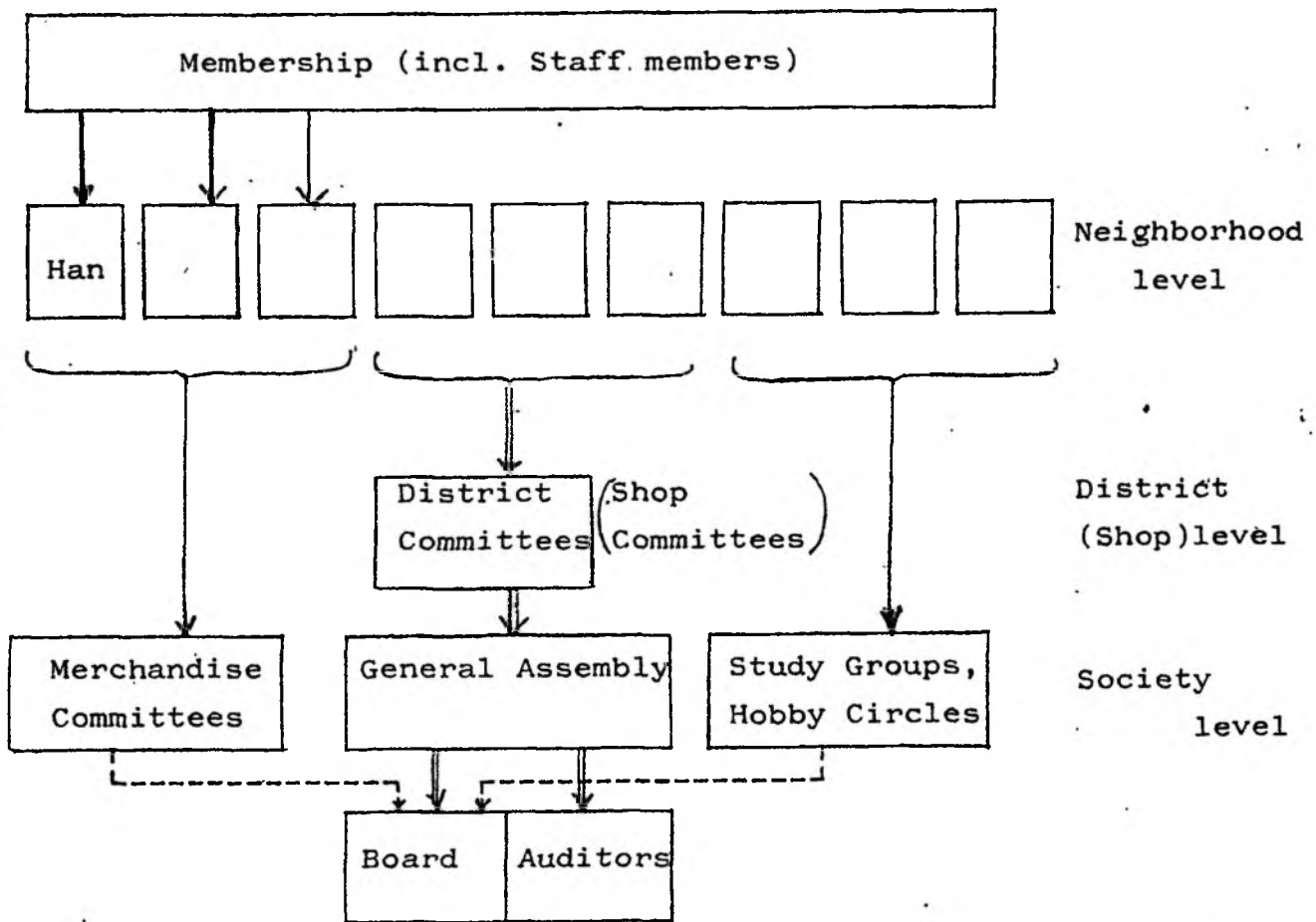
This type was established since 1958 to provide workers with quality housing at the reasonable prices and contribute to stabilize their housing life. It constructs collective flats and individual houses by making full use of low-interests loans from semi-governmental financial institutions or loans from labour banks. Most of these houses are for sales.

ORGANISATIONAL ACTIVITIES OF CONSUMER CO-OPERATIVES

By Mr. Shunji Tsuboi  
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1. Organisation For Members' Participation

The Japanese consumers co-operative movement has paid a great attention and made tremendous efforts to promote members' participation persuing the democratic administration of co-operatives. To ensure members involvement in the co-operative activities, it formed the various channels of participation as follows.



< Eco.Democracy >   < Legal Democracy >   < Cultural Involvement >

⇒ Election relationship  
-----> Advisory relationship

As easily seen, the key channel of information and communication between members and the society is "Han" group comprising 10-12 members living in the neighborhood. At Han meeting to be held at members home 3 or 4 times a year, members can receive informations from co-op through staffs who attended the meeting or delivery of co-op media. Members' opinions can be heard by the co-op through attending staffs or Han leaders. Han also functions as the place for members to buy new shares or receive dividends and as the depot for joint buying activities. Thus, Han provides members with the opportunity of active involvement and feedback to the co-op management. We regard it as the basic unit of co-op organisation which cultivates cooperative mind among members and encourages them to step in more active participation. At present 28% of whole members are organised in 237,000 Han groups while the co-op operating joint buying organises whole members. The ratio of members' involvement in Han groups is increasing year by year.

Secondly, at school district level within easy access of members, district meeting of Han leaders (or elected representatives), district or shop advisory committees also function as the major information-communication channel bridging between Han groups and the Board. At district level they are entitled to implement the policy decided by Board in conformity with local circumstances, plan the social-cultural events and relay member's opinions to Board so as to improve operation of the shop and the society. Most of committee members are housewives who take the voluntary part in these activities with no remuneration. Among members of these organs, the representatives to the General Meeting are often elected. Many co-op societies have the member-relations corners in the shops or the shop counsellors booths to keep direct contact with members.

Thirdly, at society level, merchandise committees and study groups work on the advisory bases. The former can affect the societies merchandise policy in relation to assortment, development and remodeling whereas the latter can supply the important references to the management through product testing or price survey etc. The results of the activities conducted by these committees are also disclosed for members through various media to cultivate their loyalty to the co-op shops. Beside these groups, there are a variety of hobby circles and consumer classes dealing with cooking, sewing, flower arrangement, tea ceremony, calligraphy, dancing, handicraft, children's education etc. which are also important for cultivating solidarity among members.

## 2. Members' Education and Information

Most of consumers co-operatives publish and deliver the periodical Co-op news, merchandise information; adver-

tizing bills, various pamphlets and leaflets for members education and consumers information. They also make the devices in preparing posters and tips in the shops in the co-operative way and displaying samples or diagrams showing the results of members testing and surveying activities in order to attract members and make them feel familiar the co-operative shops.

Besides, the JCCU produces 800,000 copies of the occasional bulletin "National Consumers Co-operative News" for general members as well as varied pamphlets and leaflets as the documentations for "Han" and study groups. It also publishes 30,000 copies of the monthly review "Consumers' Co-operative Movement" for co-operative staffs and active members and 4,500 copies of quarterly "Information for Living Activities". 3,000 copies of the bi-monthly journal "Consumer Movement" are published for the activists of consumer movement in collaboration with the National Liaison Committee of Consumers' Organisations.

### 3. How To Run Joint Purchase

For the joint purchase coops, Han is the basic instrument through which they do the business with members. There are many store-oriented coops which undertake joint purchase activities by members as well.

The joint purchase is a very popular system in Japan and the U.S.A. where it is called "buying club" or "pre-order coop". This system was developed by coops to avoid heavy capital investment involved in construction of new shops in major cities where land and building cost is extremely high. This system is also applicable to the coops equipped with shops to serve members who live in the remote area from shops. Even members living in the proximity of shops can have the coops deliver the heavy and bulky goods while co-ops can enlarge assortment beyond capacity of shops.

In the joint buying system, coops deal with not only groceries but also rice, fruits and vegetables, meat, fish, milk, egg, frozen food with the aid of cold storage facilities. Kerosene oil is also a popular item esp. in the northern part of the country. The frequency of ordering—delivery varies with merchandise groups, e.g. monthly for rice, weekly for groceries and egg, every three days for milk etc.

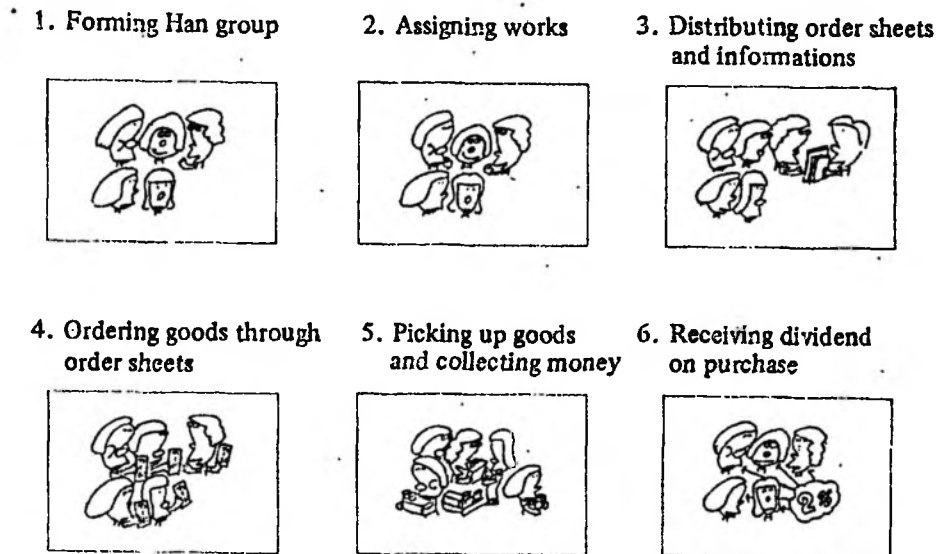
The process involved in joint purchase is very simple as illustrated below.

1. Forming Han group is the precondition of this system. Han functions as the interface between members and the coop.
2. Han members assign works among them and decide duty person either on rotation basis or dividing works.



3. Duty person receives blank order sheets as well as other informations such as co-op news and distribute them among Han members.
4. Ordering is done by filling out a blank order sheets which list the items available and their price. The order sheets are collected and tallied by duty person. Then a Han order is placed with coop by phone or by handing over to coop staff. If a prepayment system is used the goods are paid for at this time.
5. One week later the ordered goods are brought to the house of duty person or other depo by coop. There, the various group orders are broken down into individual orders and carefully stored, esp, for fresh foods. Han members come to pick up their goods. In case post-payment system the goods are paid for at this time or one week later.
6. As ordering, distributing, collecting money are done by member themselves, 2% of purchase amount is paid back as dividend.

Joint Purchase System of Nada-Kobe Coop.



4. Members' Activities In Two Directors

- There are two directions in members' activities;
- (1) to strengthen and expand co-operatives
  - (2) to safeguard better living and peace

The former activities are related to co-op itself and range in the following wide spheres.

- recruiting new members
- organising Han groups and holding Han meetings
- giving opinions and advises to help management improve shop operations and quality of merchandises
- raising sharecapital through monthly deposits
- patronaging co-op shops by concentrating purchasing power
- helping grand opening of new shops

The latter activities are concerned with the external conditions affecting members' life and safety. They constitute the strong wing of Consumer and Peace Movement.

- opposing price-hiking of public fares and heavy taxation
- breaking down the controlled price and cartels
- abolishing hazardous products and environmental pollution
- checking unfair labelling and extravagant packaging
- promoting nutritionally well balanced dietary life
- raising lawsuits to protect consumer rights
- promoting better culture and education
- encouraging welfare activities
- informing people of the disaster of the war, esp. nuclear arms to consolidate basis for peace
- building the peaceful communities together with other local bodies

## STORE OPERATION OF CONSUMER CO-OPERATIVES

by Mr. Hiroshi Yamada  
Assistant Manager  
Management Guidance Dept.  
Japanese Consumers'  
Co-operative Union

1. Outline of Co-op Shops in Japan
  - 1-1. Members' Demands and Role of Co-op Shops
  - 1-2. Co-ops' Share in National Retail Market
  - 1-3. Co-op Shops and Sales Structure
  - 1-4. Composition of Co-op Shops
  - 1-5. Comparison of Performances
2. Function and Techniques of Self-Service Shops
  - 2-1. Background of Self-Service Shops in Japan

2-2. Layout of Self-Service Shops

2-3. Basic Conditions of Display

2-4. Composition of Sales Floor

3. Shop Management

STAFF TRAINING OF CONSUMER CO-OPERATIVES

by Mr. Katsumi Sato  
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Management Guidance Dept.  
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Co-operative Union

1. Present Situation of Staff Training

(1) Number of Coop Employees

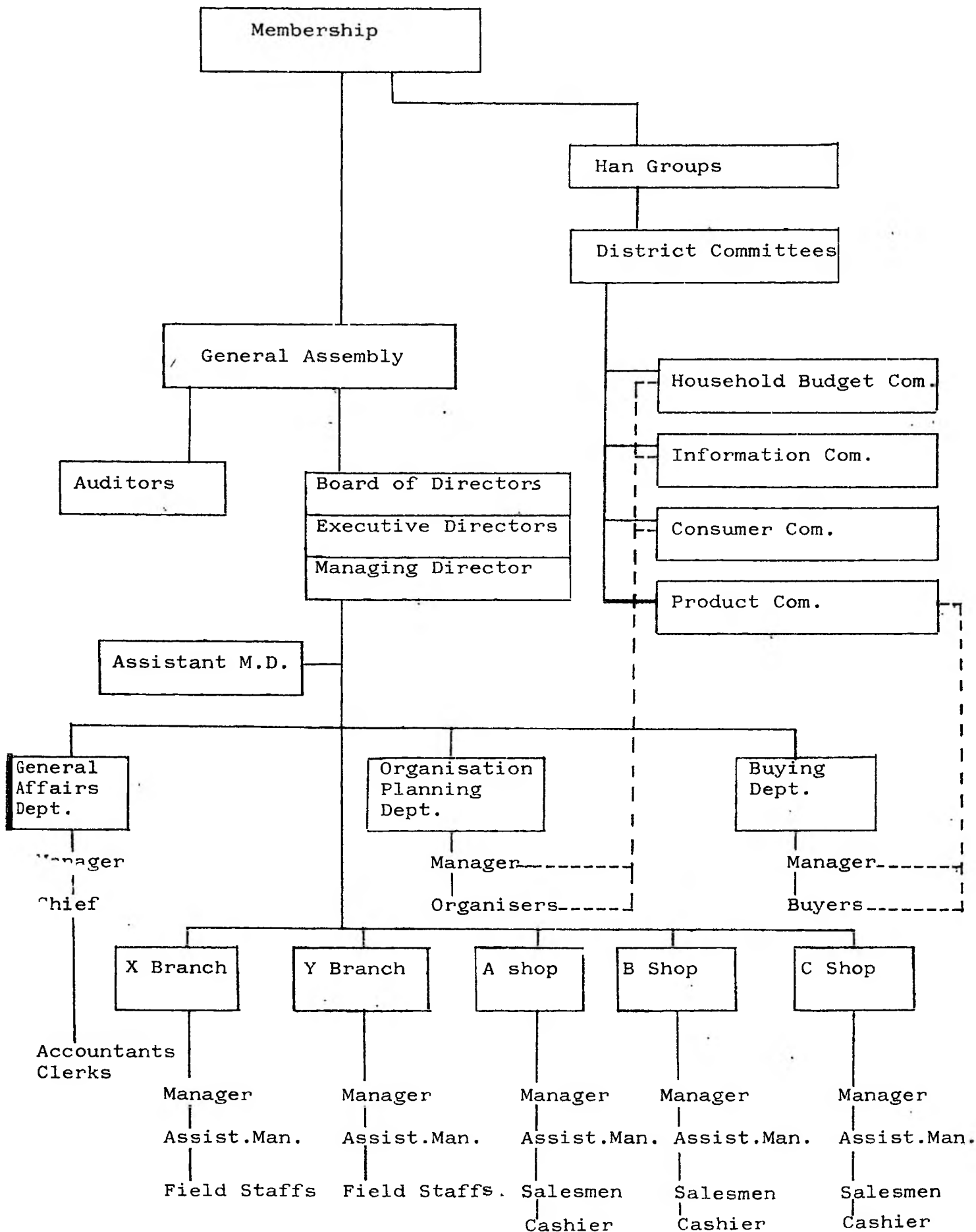
Year	No. of Coops	Turnover (\$ mill)		Membership		Full Time Employees(A)		Part Time * Employeea(B)		B A+B (%)
		Total	per Coop	Total	per Coop	Total	per Coop	Total	per Coop	
1975	619	2,848	4.6	5,160,800	8,377	29,295	47.3	8,780	14.2	23.1
1976	652	3,401	5.2	5,559,800	8,527	31,700	48.6	8,377	12.8	20.9
1977	661	3,889	5.9	5,862,900	8,870	32,851	49.7	10,511	15.9	24.2
1978	650	4,156	6.4	6,073,200	9,343	33,183	51.1	14,640	22.5	30.6
1979	657	4,706	7.2	6,374,700	9,703	34,179	52.0	12,674	19.3	27.1

\* calculated as Full Time Employees

(2) Labour Productivity and Labour Cost Percentage

Year	No. of Coops	Labour Productivity (\$/month)	Labour Cost Percentage in Gross Profit (%)
1975	446	1,315	61.8
1976	452	1,280	60.2
1977	473	1,590	59.4
1978	465	1,745	54.1
1979	539	1,940	58.6

(3) Management Structure (An example of a coop with \$30 million)



#### (4) Training Staff

Generally speaking, staff training is planned by the training staff, decided by the Board and implemented upon agreement with section chiefs or managers. However, the smaller societies don't have such specialized staff. So, it is necessary to make the firm basis for staff education as follows.

#### (5) 3 Targets for Strengthening Staff Education

##### i) Appointment of training staff

The coops with more than 100 employees should have at least one full time training staff. In case of the smaller coops of up to 100 employees, at least one staff bearing another engagements should be appointed for training. In 1980, 64.0% of coops had the either full time or part time training staffs. In case of larger coops, this ratio was 86.4% and some of staffs were full time, whereas in the smaller coops, it was only 59.2% and most of staffs had another jobs.

##### ii) Allocation of budget for training

The criteria for the training budget should be 1% of labour costs or 0.1% of annual sales apart from training staff's wages. In 1980, 64.0% of coops allocated the training budget.

##### iii) Setting of training hours per employee

The coop should guarantee at least 10 hours training time for each employee in a year. This target should be composed of Off-the-Job Training apart from correspondence course, self study and OJT. In 1980, 62.4% of coops set the plan including training hours.

#### 2. Concept of Staff Training

##### (1) Required Quality for Coop Employee

i) Confidence and vitality in cooperative movement

ii) Professional skills in accordance with each job and rank

iii) Moderate and faithful attitude

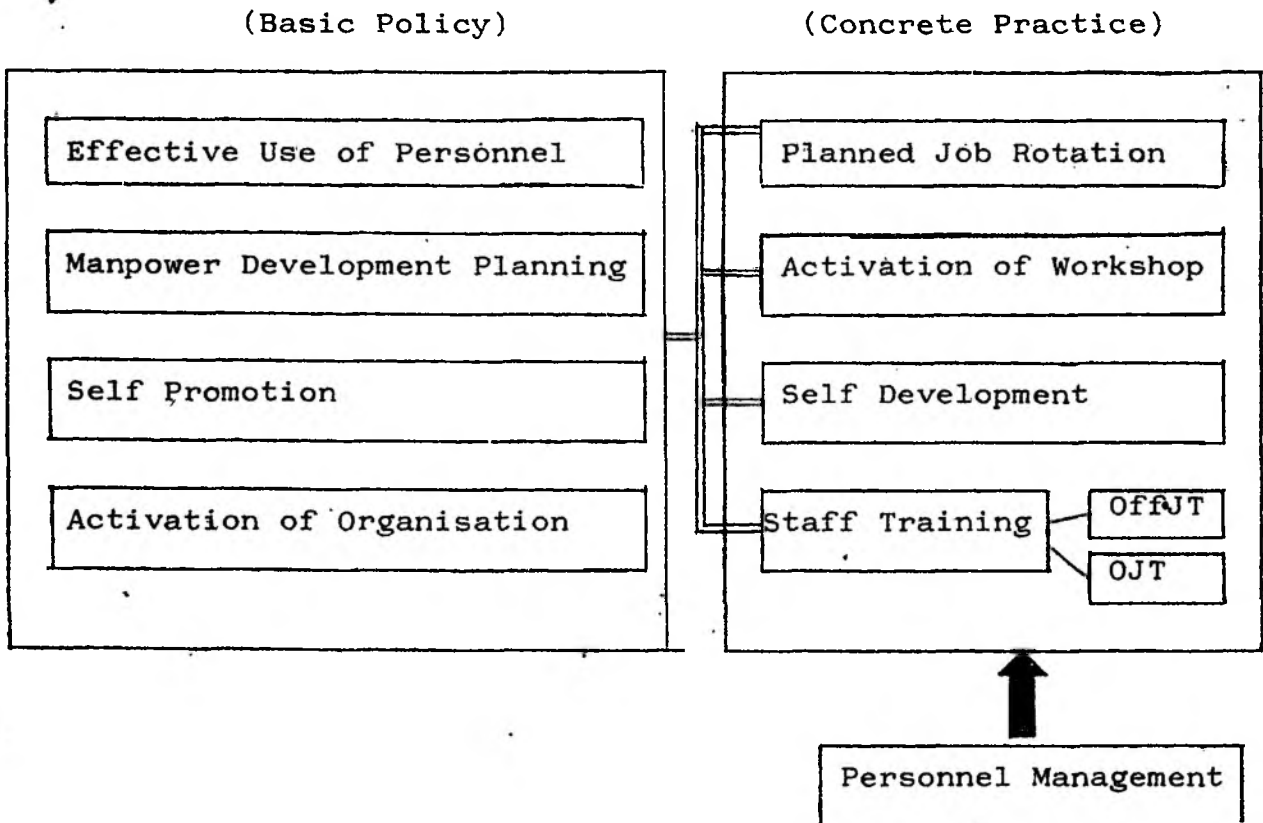
##### (2) Viewpoints to Training

i) Learn from members: it is important to pay the constant attention to member's living circumstances and demands, grasp political and economic situation, and think how to do in order to realize their demands.

ii) Learn from workshop: it is basic to work in each workshop with firm professional skills in order to bring about the benefits to members.

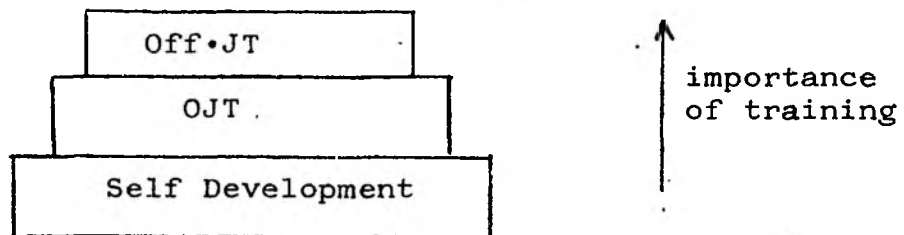
iii) Learn from outsiders: it is essential to actively introduce new techniques and keenly watch the change in the community in order to protect members life in the tougher competition.

(3) Staff Training as an Integral Part of Manpower Development



(4) Structure of Staff Training

- i) Self Development is the fundamental factor.
- ii) OJT is the core in staff training.
- iii) Off•JT is conducted in connection with OJT.





(5) Basic Targets of Training

	New Recruit	Grade I	Grade II	Supervisor	Manager	FullTime Board	Part Time Board
Object	all new recruits	employee with 1-2 Years carrier	employee with 3-4 Years carrier	section chief	dept. manager shop manager		
Role to be played	<ul style="list-style-type: none"> <li>consciousness and discipline as professional workers</li> </ul>	<ul style="list-style-type: none"> <li>specialisation and diversification of jobs</li> <li>instructor to new recruits</li> </ul>		<ul style="list-style-type: none"> <li>OJT for subordinates</li> </ul>	<ul style="list-style-type: none"> <li>overall control</li> <li>organisation management</li> <li>training of subordinates</li> </ul>		
Training target	<ul style="list-style-type: none"> <li>basic knowledge on cooperatives</li> <li>mastering regular jobs</li> <li>habituation of self development</li> <li>promotion of partnership</li> </ul>	<ul style="list-style-type: none"> <li>basic understanding on circumstances</li> <li>understanding coop's role</li> <li>practical training</li> <li>knowledge on main merchandises</li> <li>decision-making within assigned jobs</li> <li>promotion of self development</li> </ul>	<ul style="list-style-type: none"> <li>relating circumstances with coop</li> <li>jobs corresponding general policy</li> <li>group leadership</li> <li>device for improving efficiency</li> <li>communication with other coops</li> <li>self development according to objectives</li> </ul>	<ul style="list-style-type: none"> <li>judgement on situation</li> <li>plan-do-see in assigned section</li> <li>personnel management</li> <li>vitalization of organization</li> <li>problem solution</li> <li>rigid self development</li> </ul>	<ul style="list-style-type: none"> <li>judgement and executive skill</li> <li>planning, advising and policy guiding</li> <li>organisation development and personnel development</li> <li>guidance for competition</li> <li>rigid self development</li> </ul>	<ul style="list-style-type: none"> <li>understanding on staff training</li> <li>policy training</li> </ul>	<ul style="list-style-type: none"> <li>knowledge and understanding as decision makers</li> <li>deep understanding on cooperatives</li> <li>considerable responsibility</li> </ul>
Longterm viewpoint		aptitude-finding period	aptitude-finding period <del>job-developing period</del>	job-developing period <del>job rotation</del>	ability-showing period <del>job rotation</del>		

### 3. Role of JCCU

JCCU provides the member coops with necessary assistances for their training activities and also undertake education and training of their employees according to the own programmes as follows:

- organisation of seminars and conferences
- holding of correspondence course
- development and dissemination of training methods
- development and dissemination of training materials
- assisting planing of member coop's training programmes
- assisting staff training of member coops
- informing training officer of member coops
- planing and coordination of national level education policy

# CO-OP MERCHANDISE POLICY

Adopted in 1973. 6.  
Amended in 1976. 5.



Japanese Consumers' Co-operative Union

**CO-OP MERCHANDISE POLICY**  
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## I. CHARACTERISTICS OF PRESENT-DAY MERCHANDISE AND ROLE OF CO-OPERATIVE MOVEMENT

### 1. Characteristics of Present-day Merchandise

#### (1) Brand sell commercialism and administered price

Present-day commodities are basically characterized by "administered price system on a brand basis". As Japan's economy has grown and oligopolistic control has been prevailing the market with increasing severity, almost all the commodities have come to bear "popular brands" with some functions useful to everyday life of users, which has misled consumers to believe blindly in the quality, functions and prices of such goods. A typical form of it is the resale price maintenance system, as adopted sometimes not illegally by huge oligopolistic enterprises to control wholesale and retail prices, not to mention illegal cartels.

Neither of these is intended, of course, to let consumers know real proper value of such products, but mainly to emphasize their brands, as supported by a great deal of advertisement through mass media and integration policy.

#### (2) Neglect of consumer-oriented consideration for safety and labelling standards

The rapidly expanded oligopoly, along with mass selling policy, has necessarily resulted in a deluge of harmful commodities and fraudulently labelled merchandise as well as increasingly deteriorated environmental pollution. In the van of consumers' movements, co-operative movement has gained successful results, though still unsatisfactory, in having safety and labelling of merchandise improved reasonably, as well as having national and local governments' policies amended or strengthened for the benefit of general consumers.

However, the traditional disposition of enterprises to give priority to their profits over health of the general public and of the Government to serve big enterprises rather than to protect people's life has not substantially been changed, in spite of consumers' vigorous efforts. Harmful commodities remain as widespread as ever and the market is deluged with such goods as are devoted to profits only before everything with consumers' right ignored. This is one of the characteristic natures of the currently marketed products.

#### (3) Big stores' S.B. merchandise

In the meantime, a remarkable development in terms of features of commodities is the growth of the so-called "S.B. merchandise" as offered for sale by big stores in the country. Nearly completing their national chain networks they have been successful in developing their own brands to attract consumers, supported with the gigantic selling capacity. This trend is obviously different from the conventional "price-administered commodities on a brand basis", as characterized by its emphasis placed on low price principle. However, its fundamental character is not inconsistent with the demand for distribution control by large enterprises with oligopolistic mass production capacity. Basically, it is nothing but a new form of brand sell policy, contributing to market control by such big enterprises in a supplementary way, although apparently meeting the demand by consumers who are fundamentally against the existing brand sell policy and administered prices.

### 2. Prevailing Conditions of Distribution and Co-operative Movement

#### (1) Characteristics of current control of consumers by big capitals

The economic growth of Japan in 1960's has brought various changes in the sector of distribution, where co-operative societies operate. The rapid expansion of productive capacity has necessarily influenced to a great extent the whole process from production to consumption. Rationalization of distribution facilities, development of big stores, reorganization of wholesale trade, and complete seizure of mass

communication media have also contributed to the formation and control of single markets in various fields of consumer goods by a few oligopolistic manufacturers.

The second feature of control of consumers by large enterprises reveals itself in the oligopolization currently in retail trade itself under the cloak of "distribution revolution", which will bring about control of consumers by big stores.

Such big stores as have already established national chain networks of distribution are as many as ten, and the competition has been increasingly intensified. They are developing a new control of consumers based on a plane deploy (which can be viewed as horizontal control as against vertical control such as integration of distribution by means of administered price and brand sell policy), while assuming a certain pose for consumers protection. To cope with the contradiction, which can be considered structural, confronting the consumers, it is required to develop co-operative movement by organizing these consumers in positive ways for protection of their right and benefit.

(2) Role of co-operative movement by means of merchandise

Since the mission of co-operatives is to protect the consumers' right and benefit by realizing the guiding principle of "better merchandise at less expensive prices", it is necessary for us to have correct knowledge of the present situation in commodity market and the true characters of merchandise and to apply a scalpel of in-depth inquiry to their inherent contradictions.

The business activity of co-operatives as democratic mass consumer organization must be in substance such that it helps consumers to protect themselves and to save the situation against the control, vertical and horizontal, by a few oligopolistic manufacturers and big chain stores aiming at oligopoly. And, the co-operatives are required to improve and develop, as supplier, their own merchandise, its price, quality, standard, labelling, etc. from the standpoint of consumers. It is not meant, of course, that these specific tasks are to be realized all at the same time by CO-OP merchandise, but they are surely the obligations which CO-OP merchandise should perform. It is no easy way to realize this objective. This is not what can be solved simply in the field of special technology of merchandise, but it will require increased consciousness and mass activities of organized consumer members, that is the development of co-operative movement. Accordingly, it is one of the definite problems to be tackled by the movement.

## II. OBJECT OF DEVELOPMENT OF CO-OP MERCHANDISE

### 1. Significance of CO-OP Merchandise

CO-OP merchandise is one of the "means" occupying an important part of the role to be played by the co-operatives in the fight against the control by a few large enterprises in the commodity market for protection of the benefit, safety and right of consumers. CO-OP merchandise must be the product that consumers can use with confidence of safety, as they fight with anti-consumer goods, such as price-administered commodities on a brand basis, harmful products, unfairly labelled articles of goods, etc., and it must be developed further in future.

CO-OP merchandise has a variety of significances, but the fundamental is that the merchandise is a product of organized co-operative force of consumers.

The following will be a more definite description of the significance that individual CO-OP merchandise has.

- (1) Breaking down the brand sell commercialism and administered price
- (2) Realization of low prices to protect household economy
- (3) Reformation of commodity values by higher quality and proper specification
- (4) Exclusion of harmful substances and correction of unfair labelling

## 2. Role played by CO-OP merchandise

CO-OP merchandise, which is one of the important means of the co-operative movement to protect the life of consumers who are not powerful individually and separately, will produce satisfactory results in many ways. Each CO-OP merchandise will play an extremely important part in co-operative movement if it is developed in many lines of commodities and used in quantities for further expansion and promotion, to say nothing of its significance as merchandise.

CO-OP merchandise serves not only to protect the living right of consumers but to speak of the co-operative movement to numberless consumers for deeper ties of co-operation and stronger sense of solidarity among them beyond any regional barriers.

CO-OP merchandise – it is a “silent organizer of co-operative movement”. The roles playable by CO-OP merchandise can be summarized as follows.

- (1) Furtherance of healthy and rich living
- (2) Realization of consumers' demand for merchandise
- (3) Development and expansion of co-operative movement
- (4) Solidarity of consumers and promotion of co-operative idea

## III. STANDARD OF DEVELOPMENT OF CO-OP MERCHANDISE

### 1. Basic Policy of Development

The principle, which should always be confirmed as a basic policy in developing CO-OP merchandise, is the realization of reasonable utility value and low price. The standard for utility value indispensable for consumers is economy, safety, foresight, and popularity, on the basis of which CO-OP merchandise should have the lowest possible prices among any other similar commodities in the market.

As the life of the general public is diversified with increased number of smaller households, consisting only of a young couple and children, the commodities of daily use are demanded in a greater variety of items in the market. This trend is remarkable in recent years. CO-OP merchandise must be developed in active response to such a market tendency. Evidently, however, the quantitative and regional limitations must be anticipated prior to setting to development work in accordance with the specific quantitative and regional requirements for each CO-OP merchandise. In developing individual CO-OP merchandise, consistent specification and long life cycle as practicable as possible should be pursued, in view of the specific character of this merchandise. Furthermore, the development must be systematically carried out on the basis of the demand from the members of co-operative societies to warrant the above requirements. CO-OP merchandise has for its basic object and principle the realization of effective strengthening and expansion of co-operative movement, while it seeks to be useful to betterment of the living standard of consumers. Consequently, the basic policy to be followed in developing CO-OP merchandise can be summarized as follows:

- (1) To pursue low prices with standards suitable for intended use by consumers, eliminating any waste
- (2) To take CO-OP merchandise as a group for development of various items of commodities

### 2. Standard for Development

CO-OP merchandise is developed in accordance with the basic lines described above, but the standard to be applied to in developing each CO-OP merchandise must be as strict as can be. The merchandise must be considered in terms of utility value for

consumers, but not as a simple commodity for sale for profit.

(1) Quality standard

CO-OP merchandise must be useful to the qualitative advancement of cultural and living standards, incorporating utility and safety.

(2) Price standard

(a) The price of CO-OP merchandise is determined by taking the following factors into due consideration.

- i) Rationalization of manufacturing process and reduction of purchase prices by increasing purchase quantity, etc.
- ii) Reduction of cost for physical distribution
- iii) Striving to equal or excel competitive commodities

(b) Price determination

For merchandise requiring uniform retail prices, they will be decided depending on the nature of such merchandise after due deliberation, as necessary.

(3) Labelling and packaging standards

Labelling of CO-OP merchandise shall be correct and easily identifiable for the benefit of consumers, and the merchandise should be packed in as simple, but safe a mode as permits necessary protection of quality.

### 3. Standard of Control

As CO-OP merchandise has come into wider use, its name has been more known and the responsibility toward member consumers has become more grave. In this sense, CO-OP merchandise must be put under more severe control.

(1) Control in production

(a) Process control

Control performed to ensure that the merchandise is manufactured in strict conformance to the specification.

(b) Quality analysis and inspection

Continuous analysis and inspection to see that the merchandise conforms to the particular specification in respect to its components and standard or that it has no inclusion of harmful substances.

(c) Quantity control

Check to see that the merchandise is properly controlled as to production and stock, as specified in the contract and instructions.

(2) Control in distribution

(a) Quality control up to delivery to member co-operative societies. Storage control for quality protection at manufacturers warehouse, control by carriers in delivery, control in Union's warehouse for self handling of merchandise

(b) Quality control at member societies' warehouses and stores as well as at joint-purchasing-merchandise delivery centers, rigid enforcement of first-in, first-out system, elimination of any adverse conditions liable to affect quality, dating control

(3) Control by co-operative members

Control conformable to the principle of labelling and merchandise handling

(4) Brand and design

Member societies are notified of matters to be attended to in dealing with the trade marks and designs, as "CO-OP" and "SEIKYO", registered by Union, and make use of them after giving notice to Union. The mark "CO-OP", which has not been acquired by Union, shall be reported and put under discussion at the meetings in each organ to avoid any subsequent problems.



#### IV. PROMOTION AND EXPANSION OF CO-OP MERCHANDISE

##### 1. CO-OP Merchandise as Keystone in Policy for Individual Societies

In promoting and expanding CO-OP merchandise, it is important to secure unity in the intent of merchandising policy of individual co-operative societies, with CO-OP merchandise placed as keystone in the policy, including the purpose of its development, its role and future perspective. It will be difficult to compete with and force back such national brands as exploiting overwhelming mass media, only by means of single CO-OP merchandise. Firm resolution is required for fostering CO-OP merchandise by having co-operative members get acquainted with and make use of it under united forces of wills of all the co-operative societies over the country.

##### 2. CO-OP Merchandise Sales Promotion

Growth of CO-OP merchandise would mean better quality and lower prices constantly pursued under the solidity of members, change in consciousness of members and deeper confidence in CO-OP merchandise in general. For that purpose, appropriate measures will be taken for diversified activities, such as execution of promotion methods suitable for the form of supply, publicity, tests, seasonally campaign, member study meeting, informal information exchange among members, and what not.

#### V. ADDITIONAL NOTES TO CO-OP MERCHANDISE POLICY

The following is a listing of the items of understandings to be appended to CO-OP Merchandise Policy as additional notes.

##### 5 - 1 Price Coordination among Co-operative Societies

There can be any great difference in retail prices among neighboring societies or between prefectural co-operative society and regional society. In this event, it is of importance to reach mutual understanding between adjacent co-operatives concerned or at the level of the relative prefectural federation, as the case may be, to determine proper retail prices after due consultation for promotion of joint activities.

##### 5 - 2 Individual Co-operatives' CO-OP Merchandise

As a result of promotional efforts, CO-OP merchandise has held an important position as an essential weapon for co-operative movement, and the members have stronger demand for development of CO-OP merchandise. Under the circumstances, individual or several co-operative societies in some regions have developed various items of merchandise of strong locality or of daily delivery. The societies should work out plans for active exchange of information on such items of quality CO-OP merchandise so that the level of CO-OP merchandise as a whole can be raised, and at the same time, to bring the achievements together up to the regional and national solidarity for further development.

### 5-3 How to Promote CO-OP Merchandise Development

#### 1. How to promote CO-OP merchandise development

(Process)	(Responsibility)
Requests and suggestions for development	Co-operative members – Member societies – Union
Examination and Investigation of merchandise to be developed	Union – Making merchandise policy definite
Discussion on proposed merchandise selected	Member societies – National Merchandise Development Committee Local Merchandise Development Committee
Trial manufacture	Union – Negotiation with manufacturers / factories
Test by use and analysis by members	Co-operative members – Test/analysis with member testers – Professional organization / Merchandise Inspection Center (CO-OPERATIVE LABORATORY)
Deliberation on proposed development (decision making)	Member societies – Merchandise Development Committee (National and Local)
Sales promotion and publicity	Union, member societies and members
Test by use and quality control	Members – Test and opinions (complaints, etc.)
Betterment of CO-OP merchandise	Union – Regular inspection and analysis

#### 1. Requests and suggestions for development of CO-OP merchandise

Demands and requests for development of CO-OP merchandise from members and member societies will be received on all occasions. List of CO-OP merchandise proposed for development will be shown by Union to every member society.

#### 2. Examination and investigation of merchandise to be developed

The merchandise proposed for development above will have the reasons and objects of development clarified, and careful examination and investigation will be made of the proposals, during the course of which CO-OP merchandise policy will be made definite. The work will be performed by Local and National Merchandise Development Committees and various expert sub-committees under the Committees to determine the proposed merchandise. The locations where the proposed merchandise is developed and delivered will also be decided in this stage of deliberation.

### 3. Discussion on proposed merchandise selected

Union will prepare a draft of the basic policy in respect to the components, standards, prices, manufacturers of the proposed merchandise, which will be put to debate at various meetings.

### 4. Trial manufacture

A model of the proposed merchandise will be trially manufactured by the predetermined producer in conformity with the specification (draft). At this stage, inspection will be made of the proposed merchandise for any presence of additives, packing material's safety, etc.

### 5. Test by use and analysis by members

#### Test method

#### 1) Test for final determination with the trial product

- (a) Judgement based on the opinions of as many co-operative members as possible collected in the form of questionnaires
- (b) Judgement based on the tests conducted scientifically and professionally from the viewpoint of consumers  
(Either of the above methods will be selected for each item of the proposed merchandise.)

#### 2) Test for promotion after final determination of the proposed merchandise

#### 3) Test for improvement and promotion of CO-OP merchandise in ordinary use

As regards the analysis of merchandise, it will be performed on the basis of the data supplied by the manufacturer in accordance with the specification (draft), or if the need occurs, the merchandise will be analyzed and checked by Union's Merchandise Inspection Center and/or any third-party professional facilities.

### 6. Deliberation on proposed development (decision making)

Product standard, prices and other conditions will be put to deliberation at the expert sub-committees, Local and National Merchandise Development Committees with the results of test by use by members, negotiations with the manufacturer, etc.

### 7. Sales promotion and publicity

Every possible means of publicity (leaflet, guide, newsletter, POP, etc.) will be taken for wider use by as many member consumers as practicable and for sales promotion.

### 8. Test by use, quality control

Vigorous efforts will be exercised for improvement of the merchandise developed on the basis of the results of test by use, any complaints reported from time to time, opinions and suggestions from member consumers as well as the regular analysis performed at Union's Merchandise Inspection Center and/or the results of analysis by the manufacturer or any third-party professional facilities. The improvement work will be executed in a similar manner to the product development.

### 9. Betterment of CO-OP merchandise

CO-OP merchandise will be tested in the course of daily use by many member consumers and subjected to further improvement for much better CO-OP merchandise.

## II. Development-projected merchandise, development schedule and test program

The items of merchandise projected for development, development schedule and testing program will be set up annually.

### 5 – 4 Control Standard for CO-OP Merchandise (internal rules)

#### 1. In establishing control standard

Obviously, CO-OP merchandise must realize its meaningful role of defeating the “brand sell commercialism and administered price” and giving effect to “low prices to defend household economy”. No less important is to “provide stable supply of safe and quality merchandise” to protect the life and health of consumers.

Since CO-OP merchandise is the fruit of consumers’ demands and it is in a position to lead any other articles of commerce in general with respect to quality, labelling, etc., all-through merchandise control from production to consumption is required. However, most of CO-OP merchandise are produced by manufactures commissioned, and some products may involve the know-how of the manufacturers, including their qualities; thus, thorough manufacturing control by co-operatives would be difficult in such cases. Any substances detected that were not called in question previously but are determined harmful by the progress of scientific technology can give sudden rise to a social problem, which will require a more immediate response to secure safety.

The following is a general control standard, and some kinds of CO-OP merchandise will require specific standards, which will be made clear in particular specifications and contracts.

#### 2. Manufacturing Control Standard

Division	Description
General Manufacturing Control Standard	This standard deals with general matters necessary for manufacturing control, and shall contain such provisions that the enterprises and factories to be commissioned shall be operated in accordance with the applicable laws and regulations. It shall also provide for correspondence to official and industry standards, the establishment of manufacturing and packing processes, etc.
Technical Standard	The factors having effects on the manufacture of products satisfying the quality standard and the size of the effects will be indicated for each process of manufacturing. The standard will provide for the manufacturing methods, the conditions of handling and storing materials and products, the items of process control and values of control, measures in case of emergency, disposal of off-grade goods, etc.
Operational Standard	The standard sets forth the operational procedures by process required to manufacture products in accordance with the technical standard.
Sanitary Control Standard	Sanitary control, as cleaning and disinfection of manufacturing facilities, equipments, etc., prevention of entry of foreign matters.
Facility Management Standard	Management of production facilities to maintain and control product quality

Inspection and control will be performed from time to time, as necessary, to ensure that commissioned enterprises have such standards in effect and are in strict conformance with them.

### 3. Quality Control Standard

Division	Description
Product Standard	(1) Name of product, (2) Type and grade, (3) Shape or definition of product, (4) Quality features (appearance, grade, components, safety, sanitation, etc.), (5) Methods of testing, judging and rating), (6) Standard composition, (7) Nutritive composition, (8) Labelling (9) Schematic flow chart, (10) Period of warranty, (11) Others
Material Standard	(1) Name of material, (2) Kind and class, (3) Quality features (appearance, grade, component, safety, sanitation, etc.), (4) Methods of testing, judging and rating, (5) Others
Packing Material Standard	(1) Name of packing material, (2) Shape of product, (3) Quality features (appearance, grade, components, strength, safety, size, sanitation, etc.), (4) Methods of testing and judgement

### 4. Inspection Control Standard

- (1) Inspection control standard of commissioned manufacturers
  - (a) Inspection on acceptance standard for material, packing material and purchased materials for processing
  - (b) Half-finished product inspection standard
  - (c) Product inspection standard
- (2) Inspection Control Standard of Union  
Inspection control program will be established annually for each item of merchandise.

### 5. Quantity Control Standard

Inspection and control will be performed to ensure that manufacturing and stock controls are properly executed in accordance with the contract, memorandum and instructions supplied.

### 6. Control Standard in distribution stages

- (1) Control of merchandise till it is delivered to member societies
  - (a) Control at commissioned enterprises
    - i) Selection of storing place suitable for quality maintenance
    - ii) Control in storing place for quality maintenance
    - iii) Rigid execution of first-in, first-out system
    - iv) Method of transport and delivery to ensure quality maintenance
  - (b) Control of merchandise at Union's warehouse (including commercial warehouse)  
Same as(a).
- (2) Control of merchandise at member societies

- (a) Control of merchandise at societies' warehouses and distribution centers
  - Same as (1),(a).
- (b) Control of merchandise at co-operatives' stores
  - i) Display for quality maintenance
  - ii) Control of dating
- (3) Control of merchandise by member consumers
 

Storing, andling, cooking, etc. of CO-OP merchandise purchased shall be conformabl to the general rules of merchandise handling and the instructions for use given on the merchandise.

## 7. Trade Marks and Design

A listing of trade mark registrations, as "CO-OP", "SEIKYO", etc. will be announced annually.

## 5 – 5 Labelling Standard for CO-OP Merchandise (internal rules)

### 1. Basic Concept

CO-OP merchandise shall use the most appropriate labelling that will help consumers select what they need, satisfying their demands and eliminating unnecessary pompous labelling from the viewpoint of consumers. The CO-OP labelling shall stand at the lead of the legal requirements (the Food Sanitation Law, JAS, the Household Articles Quality Indication Law, JIS, etc.) and other denotations which the industries have adopted independently.

### 2. Content of labelling

#### (1) Trade Name

- (a) The merchandise developed by Union shall bear, in principle, the trade mark "CO-OP".
- (b.) In case the "CO-OP" trademark right is acquired by any other person(s) or corporation(s) and can not be exercised by co-operative societies, then "SEIKYO" and other trade names shall be used, instead. However, the merchandise may use a double name (for instance, CO-OP SEIKYO soap).
- (c.) The trade name shall represent the content correctly.
 

In case any dispute arises in relation to the relative legal requirements, proper measures shall be taken after consultation with the sections concerned.

#### (2) Marks

- (a.) The symbol mark, as illustrated, will be used on the CO-OP merchandise developed by Union.



- (b.) The following marks may be used as idol marks.



#### (3) Design

Designs employed must be a correct indication of the merchandise, and shall provide uniformity as CO-OP merchandise.

(4) Blanket indication

(a.) This collective indication will be applied in conformity with the legal labelling standard and industry's independent standard, as described in the foregoing, but it is necessary to have it satisfy the "right to know" and "right to select" of consumers. Evidently, there will be some limitations for the blanket indications to be recognized by consumers. Therefore, users must be informed of it through various organ meetings, publicity activities, and what not.

(b.) The names of commissioned manufacturers shall be in principle indicated. However, this will not apply (1) when the relation to the producers necessitates indication of their names in abbreviations, (2) the legal requirements stipulate indication either in the name of manufacturer or distributor, or (3) if space does not permit listing them.

(5) Other indications

(a) Date of manufacture

The point in time may vary more or less with products, but in principle, "the date of manufacture shall be when the merchandise has finally acquired its decisive value as commodity for sale". If there exists such a standard provided for in the relevant law or regulations, this will apply to CO-OP merchandise.

(d) Indication of unit price

This will appear on the merchandise only when a uniform pricing is possible on a long term basis or as in lots of packing material and nationwide or on local basis.

(c) The use, storage, etc. shall be indicated in a proper and simple way to enable consumers to understand with ease.

(b) Others

Open dating will be decided in reference to sufficient inspection data, etc. The features of merchandise, instructions for use, etc. must be given in exact and fair terms for the interest of consumers.

# **CO-OPERATIVE MOVEMENT AND HAN ACTIVITIES**

## **— Manual for Improving Han Meeting —**

(Translation of Member Education Series No.1)



**Japanese Consumers' Co-operative Union**



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## 1. COOPERATIVE MOVEMENT AND HAN ACTIVITIES

### Origin of Han in Cooperative Movement

The term "Han" is so popular now among us that you might well say it is a matter of common knowledge. However, it does not mean that this form of gathering of cooperative members was definitely determined from the very beginning of our cooperative movement. It is true that our movement has a history of more than fifty years, but it is only 13-14 years since the policy of organizing Hans over the nation was officially formulated. In fostering Han as a basic unit for members' activities in our cooperative societies, Tsuruoka Co-op, Yamagata Prefecture, was the first cooperative in Japan to set its hand to this pioneering work. It was in 1956. Before the policy of organizing Han was adopted by Tsuruoka Co-op, members had been active mainly at housewives guilds or women's councils. Some of them had had as basic unit small parties of members similar to Hans. Through years of such experiences, the Tsuruoka Co-op set to creating the basic form of members' activities. Since then, the Han activities have spread to every part of this country, and today, more than 100,000 Hans are actively promoting cooperative movement all over the country. It is necessary for us, cooperative members, to have true understanding of the history of Han. This basic unit was not brought into existence by a mere casual idea, but it was a necessary result of the efforts made by members to protect their living and health. It would imply that we must depend on ourselves in promoting Han activities further, availing ourselves of the valuable experiences of our predecessors, but not relying on helps from other people.

### Role of Han in Cooperative Movement

The movement in Japan has seen a high leap of development in these ten or more years. CO-OP merchandises, which aim at abolishment of harmful products and controlled prices, have found their ways steadily but positively into daily life of the members of cooperative societies. An increasing number of cooperatives are capable of checking price-hike of such basic goods to our living as milk, kerosene, and others. They are also playing an important role in suppressing the prices of commodities as a whole in their local communities. Needless to mention, it is largely attributable to the advance of Han activities that our cooperative movement has come to use its influence to such an extent in protecting our living.

It would have been impossible to have such a great quantity of CO-OP merchandises produced and made available for wide use without useful discussions in Han meetings and joint purchase activities on a continuous basis through mutual assistance.

The high growth of Japan's economy has come to a standstill in recent years. Yet, the political and economical framework in this country with priority given to the growth and interests of large enterprises has been further fortified, and the life of consumers has been unbearably sacrificed, several times much more than ever.

As such is the situation confronting us, we feel it much more necessary to increase the unity of each Han and bring the forces of hundreds and thousands of such Hans together into a powerful cooperative movement.

The bases for increased solidarity of Han are to begin with providing greater chances for mutual talks among Han members, and to reflect what is discussed there on the activities of cooperative societies. Co-op staff and board members are greatly expected to help members to achieve the goal in this respect.

## Han as Place of Cooperation among Members

Han is at national level defined as follows:

"Han is a basic unit for promoting cooperative movement, where the idea of "member's mastership" is brought into a reality." To put it more definitely, Han meeting deals with any complaints, opinions and demands from members. Up-to-date information on the activities, policy and other matters of cooperative societies is conveyed to Han members at the meeting. In other words, Han is a place to assure democratic management of cooperative society. At the same time, it is a place used by members for joint purchase. (Some cooperative societies have patronage refund available for members through Hans.) Han is where members make best use of the co-operative societies through mutual collaboration, while trying to live a planned life centered on commodities of daily necessities.

Han also serves as a center of activities, such as recruiting membership, increasing additional share capitals, thus consolidating cooperative movement, collecting signatures and fund-raising for campaigns for "protection of living and health", participating in meetings and assemblies.

In view of the important part as played by Han in cooperative movement, it would be wise for board members, Co-op staff and district committee members to give major emphasis on this basic unit in planning and executing their day-to-day practices. They are required to get fully aware of actual overall dimensions of Han activities correctly to ascertain if their efforts are directed, both at regional and district levels, to satisfy what is really needed by Han members. Such efforts should be expended on a constant basis.

For that purpose, it is of vital significance to render effective assistance to Hans so that they can be a place where members help each other for mutual betterment.

## Han and District Committee Member

A housewife will find it no simple matter to attend at Han meeting, listening to and giving other people her own opinions. She may be reluctant to take an active part in it. It should be noted, however, that many members of Shop Advisory Committee, who have been present at Han meeting even once, feel the meeting is very instructive and informative to them. A member of Shop Advisory Committee of Tomin Co-op says: "I felt a deplorable lack of knowledge when I attended at a Han meeting, where I could give only a vague explanation about what I thought I knew. In this sense, this experience was a real stimulus to me. And what is more, the opportunity helped deepen our fellow feeling. The participants took us in the same set and were then free to talk to us in shops when they visited." She continued to say: "The other day, I met my friends at an alumni meeting, when I told them I was happy to take an active part in the cooperative movement as we had Hakusan Co-op shop opened recently, and I was able to expand the sphere of my life. One of my friends then told me that she had no way to give the best in herself, but that I was much blessed. At the words, I thought to myself I was really so."

As she says, Han meeting is a starting point of study, a source of energy and a node of member activities as supported by solid fellowship for us all.

We will have to concentrate our systematic efforts on the work of promoting Han activities to protect our own living and for our enriched life.

## 2. FOR ORIENTATION TO NEW HAN

"Start is everything" is what is frequently heard at a meeting where member relation staff and member activists discuss various kinds of difficulties and troubles encountered in stimulating Han activities. This means that if necessary information on the structure of Han, share capital, joint purchase, etc. is given in full detail when member relation staff explains to a new Han to be organized, comparatively smooth operation will be obtained in assignment of work, change of Han leaders, etc., but inauguration without such effectivation can cause future troubles. Mutual confirmation will be an important basis for ultimate fulfilment of commitment by Han members.

The following will describe the procedures of orientation to new Hans as employed by some of the cooperative societies in Japan.

### Miyagi School Teachers Co-op

- New Hans are to be visited by member relation staff to give necessary guidance with the aid of "Manual for Member Activities".
- In case of any absentee, no explanation is given to the meeting. If one out of seven members is absent, for instance, the staff refrains from providing explanations but comes back for a next chance. The first meeting requires 100% participation; otherwise, the promoter would have much trouble in future days.
- Major emphasis is placed on the first Han meeting, because the occasion is when the members are most eager to create their own Han.
- The group is formally admitted as Han only when this meeting is successful, and the members are allowed to enjoy the benefit of joint buying thereafter.
- Later on, the Han is asked to send its leader to Han leaders seminar.

The seminar is attended by the leaders from new Hans and newly appointed leaders of existing Hans. The topics will cover general situations surrounding our cooperative movement, which will last for about thirty minutes. Another forty will be devoted to discussion and description of the tasks assigned to Han leaders by use of "Manual for Member Activities". This is followed by questions and answers, which seem to help the participants to understand more of practical matters.

Sometimes, the Han leaders are requested in advance to put down the questions they want to ask, and the question papers are collected before the seminar starts. In giving explanations, the questions contained in such papers are made best use of as important points to be covered.

### Tsuruoka Co-op

- Five is the minimum number of constituents. Co-op staff always visits the first meeting to give explanations.
- Participants often complain that too much is presented for them to understand on the first occasion, so that the staff makes use relevant brochures for elucidation with priority given to complete understanding by Han members concerning share capital. This knowledge will lead to a full understanding of the fundamental difference between co-op and private supermarket chain. Their appreciation of the conception is a prerequisite of their commitment of the amount of accumulated share capital.
- The existing Hans will usually hold their meetings once every two months, but new Hans are to convene the second meeting one month after the first. The members put a greater number of more practical questions at the second meeting, as they have tried a lot of things by themselves during the month, and their understanding seems to deepen more.

### Shizuoka Co-op

- The member relation officer and the district committee member who is to take charge of affairs relating to the Han are present at the meeting to give explanations. Since the district committee member is from the district in which the Han is formed, she will find there at the gathering many acquaintances who entertain friendly sentiments toward her.
- Their instruction will be based on the Manual for Members Activities, but since too many things at a time are less effective, they arrange the contents, as limited to minimum essentials, in a proper manner to suit each Han.

### Kanagawa Co-op

Descriptive guidance is afforded in accordance with the Members Guide. Prior to going into details, the co-op staff tries to get acquainted with the motive of creating Han. If it is to purchase "sake", Japanese alcoholic beverage, in a joint buying system, for example, the group members are given information on the history and development of the campaign as promoted by the cooperative movement to cope with the various problems involving the Japanese rice wine (the history of our fight against salicylic acid used as antiseptic, which was ultimately prohibited, campaign against price hike, movement for acquisition of liquor licence for Co-op shops and the present direct purchase of "Nijino Utage" (Banquet of Rainbow)).

## 3. ENCOURAGING HAN MEETINGS

Is Han meeting a real need of members?

Every co-op places a great importance on the necessity of holding Han meetings, which is of course fully realized by the senior staff responsible for co-op management and by those who have deep understanding of the cooperative movement.

However, very problematical is the fact that the presence of co-op staff and board members at Han meeting and the very holding of the meeting are not necessarily demanded by members in general.

Miyagi School Teachers Co-op employs a system in which Han leaders meetings are held in each of the districts with the presence of the member relation staff. However, some districts have autonomous Han leaders gathering. "The regular Han leaders meeting is most likely to be a place where more time is taken for information from the co-op staff and board members with less for talks among Han leaders concerning their own problems and difficulties. The gathering should be where we exchange our own views to complement the regular one. At the independent gathering, we shall refrain from advancing our opinions to the co-op staff." It is reported that the Han leaders gatherings thus started have been very useful and full of joys.

If Han meeting satisfies the real need of Han members, those who are unable to attend at a meeting possibly visit the leader to ask her about what has been discussed at the meeting. Such examples will then increase in number. The staff and board members who find themselves in the positions to encourage Hans to hold meetings as frequently as possible must bear this in mind at all times.

### **Necessity of Meeting Han's Specific Requirements**

It is important for the co-op staff to consult members' convenience in determining the date on and time at which the Han meeting is opened. The meeting will have to be held on Sundays or at night with Hans which are partly composed of such members as work in double harness. The co-op staff must make every effort to adjust her time to be present at the Han meeting. In the course of such efforts on the part of co-op staff, Han members will understand her conditions and find the best way to mutual satisfaction.

If any member can find no time to attend at a Han meeting because she has a particular job work to do at home, she may bring the piece work to the meeting to finish it, if necessary. Before you come to a conclusion that a Han meeting can not be held because some members have job works to do outside or at home for a living, you are required to consider how the meeting can take place under the existing conditions, taking each case into due account. Indeed, it requires an awful exertion on the part of co-op staff and board members to attend at Han meetings at night or on Sundays, but it largely depends on their attitude of mind as responsible personnel. This is the second crux of importance.

### **Full Knowledge of Actual Situation of Han in Your Charge**

Thirdly, but no less important is to know how the matter really stands at the Han you are in charge of. Whoever is to give guidance and assistance to Han activities (in some societies, member activists are responsible for the task, and still in others, co-op staff or board members are assigned to it), it is important to grasp every detail of the actual conditions of Hans in their charge.

It would be really wonderful to increase in number such Hans in your charge as receive you friendly without any formalities of politeness as a result of your endeavour to have better understanding of each of the Han members, or if you could have so intimate relationship with Han leaders, through your deep appreciation of the Han activities, the problems they have, and their personalities, that you could be relied on by them for consultation at any time they need your help.

### **Importance Placed on Each Han Meeting**

Fourthly, full value must be set on each of Han meetings, not to mention the first one. Miyagi School Teachers Co-op has a Han which is composed exclusively of members carrying on business at home. This group could find no time to get together for a long time, but they managed to have it somehow to realize the worth of meeting together. Since then, frequent Han meeting has been held, though Han leaders meeting still remains to be attended at.

### **Definite Arrangement for 100% Attendance**

There is another important thing to be borne in mind for holding Han meeting on a regular basis. The attitude that it can be held at any time or that it can not be helped if you are unable to call the meeting would make it more difficult. Indeed, it is reported that different attitudes of district committees have caused a wide gap of frequency of Han meeting between districts.

Apparently, those societies which have clearly presented their approximate schedule and agenda to the members seem to have enjoyed a higher rate of sitting in general. For instance, Shizuoka Co-op has fixed its major annual timetable as follows:

June: Decisions and Resolutions in General Assembly

September: Policy for Co-op Campaign Months

January: Problems left unsolved of the annual policy targets

March: Preliminary discussion of the proposed policy before General Assembly

In this way, more than half of the Hants in Shizuoka Co-op have now come to hold their meetings at least quarterly. It is of vital importance for co-ops to prepare and distribute necessary materials to facilitate their regular sitting as a practical aid.

#### Place of Meeting and Refreshments

Where things are nearly arranged for holding a Han meeting, a choice of the place to hold it raises some problem, and trivial as it may appear, serving light refreshments at the meeting can also be a headache to the hostess.

Sometimes, a town assembly-hall can be a good selection, as is not infrequently the case, but the co-op Han is a place of good neighborhood for mutual assistance; so, a house of any Han members would preferably be selected.

So far as light refreshments are concerned, some Hants buy them with part of the refund on joint purchase, some have each member bring tea and cakes, and still others have no such things served at all. The same rule can not be applied to them all, but at any rate, Han members can talk each other to avoid any unnecessary burden on their leader alone in this respect. Any member will be willing to provide tea and other things, if she is the hostess, but other members should be thoughtful enough to make a topic of it so as to lighten the burden.

#### 4. PROCEEDING WITH HAN MEETING

This section will deal with some important points to be borne in mind in proceeding with routine Han meetings, noting in particular what is imparted by a member relation staff of Shizuoka Co-op.

##### When response is weak with listeners in silence

The staff can ask the meeting in dead silence as many questions as he can in order to encourage the present to speak. For that purpose, it would be wise to begin with some topics which are familiar to the participants. Their talk can sometimes go off the track, when you, as a presiding staff, will be tact enough to put your talk of co-op activities here and there. Ideally, a brief information from the co-op has been covered by the time any item of topics is exhausted among the participants.

Some of the member relation staffs of Shizuoka Co-op tell us interesting stories. "When you find a child beside its mother member eating a CO-OP cake, you ask it how he or she likes the cake. And, that will be a good chance to broach the matter of CO-OP merchandises" "If a member is hesitating to present her member's share account book at the meeting, I'll proceed straight with speaking of share capital." "You will be offered the seat of honour, with a soft cushion, when you find yourself at a Han meeting for the first time. In such a case, you had better be free and easy to say, "Thank you", rather than too modest, so that formalities may be cast aside for easy-to-talk environment." "Some popular television programs, such as "Let's Get Together, Housewives, and Think Over Today's Problems", "News Center 9PM", both broadcast by N.H.K., etc. will be a good topic to begin with. This has been very successful."

### Active Children and Less Calm Atmosphere

If such is the situation, your philosophy should be: "Rome was not built in a day". Thoughtful consideration for members with children or members who have to leave the meeting for a while is a prerequisite to make the meeting successful, avoiding making them feel small. Sometimes, you are chatting with the participants about children, and at proper time, you go into the subject matter.

Even when you can not cover what was originally expected due to children crying and other unavoidable things, more importance should be placed on the atmosphere of the meeting and concord among the participants, and the rest can be left over to the next Han gathering.

### Order of Proceeding with Discussion

It would be proper to make much of the progress of the meeting in bringing matters to attention. Any adherence to the order of materials presented would be meaningless. The basic concept of proceeding with discussion at a Han meeting is "Master is Han members", and you, as member relation staff, should refrain from speaking one-sidedly at the beginning of the meeting only to suit yourself.

Of course, it will depend on how things stand at a particular Han. You may be requested to trigger the meeting by giving information from your co-op to the Han members for the first thirty minutes or so, based on which discussion can follow among the participants, or they will then actively advance their opinions about what they felt in using the co-op shops and what not.

In many cases, however, the staff speaks one-sidedly first and then asks: "Please let me have your opinions." Our experience tells few opinions are offered in such a case. You can create an atmosphere where Han member feel free to speak and share with each other any trouble and difficulty confronting Han activities. Only if that is attained, Han can be a place to foster the "heart of cooperation" and to fortify our cooperative movement.

## 5. COMPLAINTS AND OPINIONS OFFERED

Complaint is a product of expectation.

The majority of complaints, dissatisfaction and opinions as forwarded at Han meetings concerns the merchandises, attitude of co-op staffs, lack of quick reaction to members' opinions, and so on. An important problem to our cooperative movement is how the staffs in charge of Han activities respond to such voices raised from the members. The voices have enabled us to develop and improve CO-OP merchandises, create CO-OP shop system helpful to members' living and maintain the system of joint purchase.

And from the standpoint of cooperative members, only when they realize their opinions are reflected in the co-op policy and way of doing things in a concrete way, they will feel the co-op is their own and that they must take active part in our cooperative movement, spontaneously and voluntarily.

One of the district committee members of Kanagwa Co-op says: "When few opinions are offered at a Han meeting, the conceivable cause is either too much eloquence on the part of co-op staff or less intimate relation between the Han and co-op, that is less patronage." It seems to be important to regard complaints and opinions as expressed by members as a form of their expectation toward the cooperative society which they patronize.



## Something behind Complaints

Arakawa Medical Co-op had an experience, as described below. One day, an elderly member waited in line from the early morning for his turn of treatment at the co-op clinic, which was open for internal medical treatment in the morning and orthopedic treatment in the afternoon. It happened that the patient was to receive both the treatments. After the internal treatment, he went to the orthopedic section, where he had thought himself the first to be treated as he was in the clinic from the morning. But he was made to wait in queue for his turn again there. A young staff gave him a curt remark: "You have to wait and register at the usher's window afresh, as internal treatment is one thing and orthopedic is another."

However, what the patient really meant was not that, but the necessity of reconsidering whether the system itself was fair and square. One of the member relation staffs of the Medical Co-op says emphatically: "You will be barking up the wrong tree, unless you grasp something behind complaints correctly. You are required to try your best at that. In many cases, members demand sincerity on the part of the co-op, it seems to me, rather than the very thing in question."

Miyagi School Teachers Co-op once had a certain district where complaints were accumulated, and its member relation staffs were nervous enough to go there. However, one of them was plucky to attend at the Han leaders meeting in the district one day. The participants saturated a variety of complaints at the staff, who did not know what to do. There, a report came from a leader. One of her Han members bought a piece of underwear at a local shop of Daiei, the top national chain in distributive trade in Japan, at a bargain price, but she found a patchwork done at the shoulder portion. On receiving the telephone, they immediately had it replaced with a new one, leaving another extra, free of charge. However, they did not give her even a word of explanation. They did nothing but apologize with the replacement. This trouble was talked over later at the Han meeting, which noted the very difference between the co-op shop and Daiei. The leader concludes the report, saying: "It really helped to deepen their understanding of the co-op."

The member relation staff noticed the atmosphere of the Han leaders meeting had changed favourably after the report, and the gathering was successful. Isn't that an episode telling us we have to seize something behind complaints?

## Trace Back Complaints to Their Origin

It is necessary to determine what has caused the complaint. Any general opinion, such as "Shop manager can conduct himself better", must be further looked into to determine what particular situation made the complainer feel so. It is important, for that, to have him explain in as much detail as possible. Any complaint of CO-OP merchandises should also specify the date and place of purchase as well as the condition and application. It is also important for the Han members to discuss about such a grievance to find out if it is common opinion or not.

Recalling his past experience, a district committee member puts it like this. "As you get acquainted with the facts of the co-op through a few years of experience as district committee member, you will quickly respond to any complaints or claims. But that may oppress the growth of democratic management. The most important thing is to listen to them attentively and open-mindedly." Opinions, such as "Rice does not taste good" or "Something wrong with soy sauce", can often spread rapidly like a sort of "boom", once they are set forth. In such a case, a comparative test can preferably be carried out with a few other brands with all the Han groups raising the question.

In dealing with such complaints and opinions, Tsuruoka Co-op makes it a rule "not to refute on the spot" at Han meetings. For one thing, it is because correct knowledge is vital of the real circumstances before any responsible answer can be made, and for another, because unsparing refutation will frustrate the positiveness of "expressing views" on the part of the member, who said it because she thought it very important in her relation to the co-op.

#### **Reporting Does Not Imply Any Settlement**

Some societies have their district committee members or staffs underline the most urgent problems requiring prompt action in their reports they prepare with regard to the opinions rendered at the Han meetings they are present at. Others have a report form with a special column to describe such problems. "Submission of your report is not all that you have to do as member relation staff attending at Han meetings. You are required to follow up the matters to the fullest extent from the viewpoint of the members," says one of the member relation officers of Tsuruoka Co-op. The member relation officers of this co-op take the position that they shall fulfill their responsibility faithfully to the opinions of the members with firm determination even to raise a dispute, if necessary, with the co-op store managers or merchandisers on behalf of the members.

It would not be wise, however, to remain on bad terms with the managers, particularly the junior co-op staffs who are not given authority. Good relations can be maintained by encouraging them, telling what you heard the members speak highly of them and that they were thankful for such and such things the staffs did for them.

#### **Reporting in Their Words**

More and more cooperative societies have adopted their own formats for reporting opinions and complaints from the members. Experienced member relation staffs are of common opinion that it is vitally important to prepare reports using the expressions and words of the members and avoiding the writer's subjective judgement. That seems to be necessary to grasp the true meaning of what they say, including something behind their complaints, as stated before.

The key to democratic management is how the report is dealt after it is forwarded to the co-op. The method of proceeding varies from one society to another, but the most important is that the attitude of the whole staffs is directed to entire fulfillment of members' needs at all times. Member relation staffs and district committee members ought to consider the matter in order to attain the goal.

### **6. HAPPINESS IN PARTICIPATION**

#### **Around Merchandise**

At Han meetings of consumer cooperatives, CO-OP merchandises brought there will play an essential role in inviting Han members and providing a good opportunity for them to see, touch or eat by themselves. Around the merchandises, they can mutually study what are really good products from the standpoint of consumers and reconsider CO-OP stores and merchandises for increased patronage. This is also to be emphasized for reinforcement of the contents of Han meetings in promoting the cooperative movement. Shizuoka Co-op makes several items of merchandises available at each of the Han meetings, the items including those selected by the co-op, some determined by the district committee and others brought in with due consideration to the particular conditions of each Han.

The expenses incurred can sometimes be borne wholly or partly by the Co-op. Han funds (refund on joint purchase, etc.) are used sometimes to cover them according to preliminary arrangement with a Han leader, or the charges are paid out for sale on the spot.

In Tsuruoka Co-op, CO-OP merchandises, like clothing and other items as coordinated from time to time, are made available at Han meetings. In addition, all the staffs take with them those items of CO-OP products belonging to their respective division and give necessary information about them in Han meetings. The Co-op is happy with favourable comments from among the members.

#### **Preparation of Easy-to-understand Materials**

Tsuruoka Co-op members are given a sheet of paper with plain and simple contents printed on both sides as "materials for Han meeting". They will receive another sheet of "merchandise information". Han leader will give explanation to the members with the aid of these materials, putting major emphasis on the discussions at the Han leaders meeting. The co-op staff present at the Han meeting will supplement the leader's explanation. That is the basic procedure they employ at Tsuruoka Co-op.

Such materials for Han meeting, bulletins, local members news, etc. are what many cooperatives have in common. They are so devised that housewives will find them informative and easy to read and understand.

It is reported that Arakawa Medical Co-op solicits internists to write something about medical treatment for its bulletin. As is expected, however, special terms are often used in their materials. So, the female board member of the co-op puts them into plain language for the members to understand the information with ease. This is reviewed by the original writer to avoid any errors before the material is put into print.

#### **"What Is a Happy Han?"**

This is the theme of Kanagawa Co-op that all its staffs and member activists have to consider each other at any occasion. Some Hans, where their meetings are held regularly and independently with their leaders playing an active part, may have the desire that "the co-op staff can visit us from time to time to give us more information about the co-op activities".

The feelings "happy" or "nice to attend at Han Meeting" are not those entertained by the co-op staffs, but by the Han members, so that it depends upon whether Han activities really meet their needs.

They might feel happy at Han meetings when every member feels free to express opinions, when any convincing reactions are made by the co-op, when they get useful information on economical, political and social problems, merchandises and other important matters, or if the atmosphere is such that they feel relieved for a rest, released from their household cares. Some people will say mere chatting is waste of time, but conceivably, housewives have wants to be released from their domestic duties and talk as much as they like.

#### **Han Activity for Life in Its Entirety**

Not a few Hans have had gatherings for exchange of dishes made by each Han member, noodle lunch parties, parties for eating "good things", etc.

Miyagi School Teachers Co-op has trained some member instructors who teach how to use a pressure cooker and at request visit Han meetings for instruction and demonstration. This has been given a very favourable reception. This experience has led to successful Han activities, such as "making Summer Season's cards and New Year's cards", "how to make strawberry jam and juice", etc., which are promoted by district committee members who have learned at the short course sponsored by the Co-op.

The district committee members of Shizuoka Co-op have taught the Han members how to make paper goldfish, monsters, racoons and others in all colors, after they learned the folding play at a special class.

Films, filmstrips, picture-story shows, etc. are not infrequently presented at Han meetings. Arakawa Medical Co-op has produced some informative picture-stories in the form of answers to the questions posed by its members. They include "Story of High Blood Pressure", "Corpulence" and "Salt and Health", which are presented at Han meetings. The Co-op finds that optimum length of presentation is approx. fifteen minutes for picture-story shows and filmstrips, and that the maximum would be thirty minutes.

Children's songs are sung at a Han in a certain collective housing belonging to Kure Co-op for thirty minutes before its meeting is opened, together with mothers coming together. The young prospective members enjoy the occasion, requesting more songs.

Happy Han meeting does not necessarily mean the requirement of some kind of attractions. The colored paper folding plays, cooking, children's songs — they form part of the living of the members in a broad sense. Any life-related things brought to the place of Han will make Han activities vigorous and live, which in turn makes Han a happy place to gather.

At a certain Han of Miyagi School Teachers Co-op, the member housewife of a recently retired teacher has sought other members' advices on how to dispose of his retiring allowance, giving the exact amount of it. "People will usually not want to disclose the amount of such a private money to other people. She did it, however. I think that tells how much confidence the Han members place in each other", says the member relation staff.

It is of vital importance to promote "Han activities for life in its entirety".

## 7. COPING WITH DIFFICULTY IN FINDING HAN LEADER

### Assistance Necessary for Smooth Relay

In most cooperatives, the leader-rotation system is adopted so that many members can experience the position, deepen their understanding of what the co-op is and promote our cooperative movement through mutual assistance.

We are often told, however that difficulty is encountered in rotating the leader in many Hans and as a result, the same member remains in the position for years. If such is the case with Hants in your charge, you can help them as member relation staff at Han meetings, for instance, by recommending them a system of task allotment, which has proved effective in solving the difficulty in many cases.

### Obsession of "Overburden"

Some people say they don't like to take part in Han activities because they are unwilling to be the leader. In Kanagawa Co-op, they take Han leader as a post, which requires her to act as liaison agent with the co-op and attend at various meetings. Other jobs are shared by the Han members. Thus, it is made possible for any member to take the post, even when she has works.

The Han leader problem confronting many societies over the country has become so serious partly because Han activities, including joint purchase and others, are now much more complicated than ever, and partly because more and more members have to work for living, either in double harness or in the form of manual home-work. As a solution to this situation, a greater number of co-ops have adopted the job-sharing system in order to lighten the burden of Han leader, which would otherwise be too much for any single member to fulfill. In this way, the prepossession "heavy duty" has been frequently turned into an exclamation "no bones broken!". The disturbing preoccupation seems to be undeniable in the Han leader problem.

## Han Leaders Meeting -- Fist Hard Nut to Crack

Tomin Co-op's district committee members tell that many Han leaders are of the same opinion that "Han leaders meeting is too hard to follow. Much harder is to have Han members understand what is discussed at the leaders assembly". Therefore, it is very important to try to work out materials in such a way that Han leaders can easily convey information to their members, and organize the leaders meeting so that the participants will find it useful, informative and accessible.

## Problematical Is Too Strict Leader-Shift

It will no doubt be a serious problem if Han activities re brought to a standstill without any particular member, or if Han is to be broken up by any unavoidable situation on the part of the present leader, for instance, moving out of her house in this sense, the leader-shift system is certainly desirable for smooth operation of Han activities.

Extreme red-tapism should be avoided, however. A certain rural Han of Tsuruoka Co-op has its leader who feels she leads a life worth living while she is taking an active part in Han activities. Indeed, she has a special depot built in his yard for storing joint purchases for her members. She is said to have his own visiting cards with "Leader of so-&-so Han, Trusuoka Co-op" printed. There appears to be something you cannot absolutely deny as problematical on the plea of non-shift.

Arakawa Medical Co-op reports: "Some Han leaders are active as if they were district welfare officers. When any member is sick at night, they call a member driver having a car to have him take the ill to the co-op clinic. They take care of the old. The nature of the activity does not always call for the leader-rotation, but on the other hand, the "one member/one tasks" campaign is promoted so that every member shares the Han duties." Such efforts of Han leaders are not unusual with any medical cooperatives, or rather normal, you might say.

Certainly, you also know many Han leaders in consumer cooperatives who have been active for many years. Not a few Hans will have those members who have acquired deeper understanding of their cooperatives through assiduous efforts and dedication of such leaders.

A certain Han leader of Tomin Co-op took the task upon herself, though not without any apprehension. But at a later date, a telephone call from the store manager, who told her she could consult him for anything she liked, encouraged and inspired her very much, as she tells now. A long-breast assistance will be needed to encourage Han leaders in deep appreciation of the "burden" on one hand, and for other members to cultivate better understanding of their co-ops on the other.

It will be necessary to consider the difficulty of finding Han leaders from such a point of view and to find a proper way of solving various problems one after another in mutual discussion and deepened understanding of each other, while aware of the actual situation at each Han.

## 8. DOUBLE-INCOME FAMILIES IN CIRCLE OF HAN ACTIVITIES

An increasing number of housewives have works outside or at home for contributing to family income in every part of this country. This dual-income living has come to be a source of difficulty to Han activities in most of the cooperatives. There are other people who are unable to participate in the activities because they have the old confined to their beds. Of course, there are many Hans which have overcome the difficulty by dividing Han duties into as many portions as they can, in order to enable such double-income earners to share their portions in some form or other; receiving milk, monthly joint purchase and other merchandises, adding up orders, collection of money, dealing with share capital, handling of printed matters, and what not.

With those Hans which have seen dual-income earning members increase in number in the course of the development of their activities, it would be comparatively easy to find a proper solution to this problem through mutual discussion, but it is often said that Han can hardly be set up where there are many people from the start who have to work in double harness. We have lots of cases that suggest how to cope with the conditions adversely affecting Han activities in relation to the problem involving double-income earning among Han members, but there seems to be no "sovereign remedy". You can not find it, and no wonder, because Han activities, including joint buying, are started by housewives staying at home and they now find it difficult to participate in the activities. If you exclude such families, however, you can hardly expect any further development of your cooperative movement to protect your living.

The "demand of dual-income earning members" forms the prime basis to solve the hardship. Major concern of such families will be how to rationalize their household works. They have less time to spend for shopping, so that they can find joint purchase very useful to them. If they discuss and obtain useful information on prices of commodities, harmful products in the market, effective measures to deal with household duties, cooking, co-op activities and others at Han meetings held several times a year, the benefits they can obtain will undoubtedly be much more than other housewives. A clue to the solution of the problem will be found in your efforts to understand the real conditions of living and demands of dual-income earners. Why not hold meetings and short courses for rationalization of household works specifically intended for double-income earning members in each of your districts?

Secondly, your efforts can start with realization of the actual conditions of those members to find out a way before deploring the deadlock. Data can be collected on what ratio the number of dual-income families bears to the total number of households in the district, the proportion of such members in the whole number of co-op members and of Han members, how they are acting, etc. Morioka Citizen Co-op's bulletin has a special feature titled "Working Women and Han" given in serial form to introduce to the co-op members the voices of those housewife members who are taking active part in Han activities, while working outside for living. Some of such voices are: "The trouble is attendance at Han leaders meetings. I try to be present when I think it will discuss important matters. At other times, however, work will take precedence over it." "I make much of good relation to our neighbors, as we, including our children, can live a happy life among them in the area. That is why I have been in the Han." "We have four Han meetings annually. Two are held on the occasions that suit all the members. The other two are held either on Saturdays or any other days which are found most convenient by the members who have to work outside to earn living."

Thirdly, any excess special treatment should not be given to those members who work in double harness. In Hans continuing to function normally, such members have contributed to the activities in some form or other. You can not expect them to do as other members staying at home do. However, preferential treatment would certainly tax them mentally. Therefore, the matter can preferably be discussed among the Han members with a view to allowing such members to take over any portion of Han activities according to their situation.

Tsuruoka Co-op has successfully arranged Han leaders meetings, it is reported, so that leaders with work can attend at any of the meetings to be held Sunday through Saturday in any of the districts.

There seems to exist no easy way of settling the problem involving members with work. The most important thing will be mutual better understanding.