



Image credit: JCA

COOPERATIVES IN JAPAN

Contribution of cooperatives to Japan's economy

- 65 million - number of Japanese who are members of cooperatives.
- US\$ 145 billion- combined annual turnover of all cooperatives.
- 37% of all households in Japan use products and services of consumer cooperatives.
- ¼ of the total population has insurance provided by cooperatives.
- ¼ of the total deposits are held in cooperative banks.
- Half of the total output from farming, forestry and fisheries is sold through cooperatives.

* All figures are from 2018

Did you know?

- The Japan Joint Committee of Cooperatives (JJC; established in 1956) has been re-organised into the Japan Cooperative Alliance (JCA) in 2018. The JCA is the apex organisation to promote collaboration among Japanese cooperatives.
- JCA has 17 members from Japan. The members with the year of affiliation are: 1) Central Union of Agricultural Coops (JA-Zenchu, 1952), 2) Japanese Consumers' Cooperative Union (JCCU, 1952), 3) IE-NO-HIKARI Association (Association for Education & Publications on Agril Coops, 1977), 4) Japan Cooperative Insurance Association Inc. (JCIA, 2014), 5) Japanese Workers' Cooperative Union (JWCU, 1992), 6) Japanese Health and Welfare Coop Federation (HeW Coop, 2011), 7) National Association of Labour Banks (NALB, 2010), 8) National Federation of Agricultural Cooperative Associations (Zen-Noh, 1977), 9) National Federation of Fisheries Cooperative Association (JF-Zengyoren, 1958), 10) National Federation of Forest Owners' Cooperative Associations (Zenmori-Ren, 1970), 11) National Federation of University Coop Associations (NFUCA, 2002), 12) National Federation of Workers and Consumers Insurance Cooperatives (Zenrosai, 1992), 13) National Mutual Insurance Federation of Agricultural Cooperatives (Zenkyoren, 1977), 14) The Japan Agricultural News (Nihon-Nogyo-Shimbun, 1989), 15) The Norinchukin Bank (Central Coop Bank for Agriculture & Forestry, 1976), 16) Japan Cooperative Alliance (JCA, 2018), and 17) Japan Coop Insurance Consumers' Coop Federation (JCIF, 2017)
- There are 16 cooperatives from Japan among the top 300 largest cooperative and mutual organizations in the world (World Coop Monitor 2018) as per turnover (in US\$). Zenkyoren* (4th rank), and Zen-Noh* (9th rank) are among the top 10 largest cooperative and mutual organizations.

Cooperatives play a major role in Japan's economy and are present all over the country. They form the mainstay of the rural economy through their presence in agriculture, fisheries, and forestry sector. From rural to urban, farmer to consumer, and young to elderly, cooperatives touch all section of Japanese society.

Sectoral presence of cooperatives

Cooperatives are present in multiple sectors in Japan. In 2016, the sectoral distribution of cooperatives based on member size was as follows:

75%	Agricultural cooperatives
11%	Consumer cooperatives
9%	Finance-based cooperatives
3%	Workers' cooperatives
1%	Other cooperatives (SMEs, insurance)

Geographical presence of cooperatives

Cooperatives are present in over 35,000 locations in Japan. The map below shows a representative sample of cooperatives that are present across different locations in the country.



Evolution of the cooperative movement

→ 1800 -1945

- The roots of the cooperative movement in Japan date back to early 1800s when mutual organisations of the socially vulnerable were formed for the first time.
- Agriculture, consumer, credit, fishery, and forestry were the main types of cooperatives prevalent during this period.
- The cooperative movement came to a halt during the Second World War (1939-1945).

→ 1945-2000

- The period immediately after the Second World War (1945 onwards) witnessed the growth of cooperatives in diverse sectors due to the severe food shortage and inflation in the economy.
- The JCCU was established in 1951 to formalise consumer cooperatives which were important distribution channels for the supply of essential goods and food products.
- Agricultural cooperatives were set up by the government as a tool to address black market in food products.
- In 1954, the JA-Zenchu was set up as an independent national administrative body for agriculture cooperatives.
- The workers' cooperatives in Japan emerged during 1970s as a means to provide jobs to the middle-aged and jobless trade union members.
- The JWCU was established in 1986 with the objective to transform businesses that were formerly established to support the middle-aged and jobless workers into organisations managed by worker members.
- In 1991, the Japan Institute of Co-operative Research was established as the only research institute on workers' cooperative in Japan.
- In 1995, the first older persons' cooperative was established by and for senior citizens. Such cooperatives have spread throughout the country to meet the needs of an increasingly ageing population.

→ 2000-Present

- In 2000, the Forest Stewardship Council (FSC) certification was introduced for the first time authenticating the forest owners' cooperatives as resource managers of forest land under multiple ownership.
- In 2000, the Worker Cooperative Legislation Civic Council was founded and a legal movement began to formulate the law on 'Co-operatives of Associated Work.' In 2002, JWCU adopted the new principle of 'Co-operatives of Associated Work', whereby people work together as individuals in cooperation and solidarity, without being employed by others.
- In 2010, HeW Co-op was established to represent cooperatives that are engaged in medical and welfare businesses.
- In 2016, agricultural reforms were introduced by the government with the aim to increase farmers' income by reinforcing competitiveness in the agricultural sector. This has been a cause of concern for agricultural cooperatives as it has a direct implication on the functioning of cooperatives involved in farm input supply and dairy products.
- In 2018, the Japan Cooperative Alliance was formed as the apex organization with the aim to unite cooperatives across the country and to strengthen the movement based on common value and interests.

Law on cooperatives

- There is no common legal framework for cooperatives in Japan and each cooperative type is regulated by a specific industry legislation. The cooperatives in Japan are supervised by different ministries which also regulate the respective legislations. The existing legislations for cooperatives in Japan are as follows:

Legislation	Cooperatives	Supervisory Ministry
Agricultural Cooperatives Act, 1947	Agricultural	Ministry of Agriculture, Forestry and Fisheries; and Financial Services Agency
Consumer Cooperatives Act, 1948	Consumer	Ministry of Health, Labour and Welfare
Fisheries Cooperatives Act, 1948	Fisheries	Ministry of Agriculture, Forestry and Fisheries; and Financial Services Agency
SME Cooperatives Act, 1949	SME	Ministry of Economy, Trade and Industry
Act on Cooperative Banking, 1949	Credit	Financial Services Agency
Shinkin Bank Act, 1951	Shinkin Banks	Financial Services Agency
Labour Bank Act, 1953	Labour Banks	Ministry of Health, Labour and Welfare; and Financial Services Agency

- There are other legislations pertaining to organizations classified as cooperatives by the Corporate Tax Act (such as the Act for Cooperatives to Promote Street Associations).
- Currently, the workers' cooperative law is being drafted in Japan.

The cooperative landscape and dominant cooperatives in Japan

Traditionally, agricultural and consumer cooperatives have been well-known in Japan. These days, small and medium-sized enterprise cooperatives, financial cooperatives, workers' collectives and workers' cooperatives, and cooperatives for the elderly have started thriving in the country. Cooperatives in Japan are found in a variety of fields, including healthcare, insurance, education, food, ecology, transport, electronics, housing and Research and Development.

Multipurpose agricultural cooperatives

Multipurpose agricultural cooperatives in Japan are organized in every prefecture and municipality throughout the country, based on the principle of mutual cooperation. With the aim of protecting farming and living of individual members, they engage in variety of activities including farm guidance, marketing of farm products, supplies of production inputs, credit and mutual insurance businesses.

The National Federation of Agricultural Cooperative Associations (Zen-Noh): A case of economic prowess

Established in 1972, Zen-Noh is a multipurpose agricultural cooperative with 3 million farm household members and 12,500 employees. It is the world's largest agricultural cooperative organization based on its trading volume and turnover (US\$ 44.06 billion as of 2016).



Image credit: Zen-Noh

Workers' cooperatives

Started in 1970s, the movement of workers' cooperatives has seen a gradual growth but is seen as having potential scope in Japan's cooperative movement. Although, there is no law on workers' cooperatives yet, the movement has developed with the support of other legal statuses such as those of non-profit organizations and SME cooperatives.

Aguriin: A case of social inclusion in cooperatives

Aguriin is a biodiesel fuel plant managed cooperatively and employs young people with mental disabilities or difficulties to be socially involved. JWCU runs four such plants throughout the country which are managed as workers' cooperatives. The first biodiesel plant was set up in 2011 and the newest in 2015.



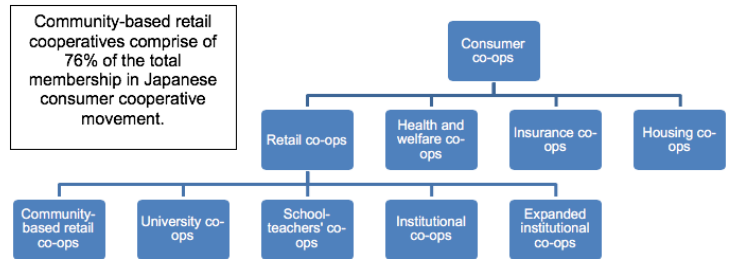
Image credit: JWCU

Koreikyo: A case of Japanese home care cooperative run for and by senior citizens

Started in 1995 by a retired labour organizer, Koreikyo, or Seniors' Co-operative, is a hybrid form of cooperative combining aspects of consumer and worker cooperatives of, by and for seniors. The cooperative has over 100,000 members and operates to provide home care services to the elderly (generally 75 years and older) by the active elderly people (between 55 to 75 years of age). It is aligned with the national long-term nursing care insurance scheme in Japan which allows members (above 65 years of age) to get reimbursed for their health care services. Koreikyo has also become a major educational institution, developing training programs for professional long-term care specialists.

Consumer cooperatives

The consumer cooperative movement in Japan with 28 million members total turnover of over US\$ 27 billion, is the largest consumer cooperative movement in the world. There are four main types of consumer cooperatives in Japan, retail, health and welfare, insurance and housing cooperatives.



Co-op Deli: A case of successful doorstep grocery delivery cooperative

Established in 1992, Co-op Deli is a global leader in developing the grocery home delivery market in Japan. It has 4.64 million members and generates over US\$ 3 billion through home delivery sales and US\$ 1.18 billion through store sales. To help optimize business processes and practices, the cooperative uses Artificial Intelligence, that automatically proposes the optimal assortment of goods for customers based on the past demand. This has enabled a streamlined marketing approach for the business amidst the growing competition in digital retail market.



Image credit: Co-op Deli

National Federation of University Co-operatives (NFUCA): A case of serving the student and teacher community through affordable products

The National College Cooperative Federation, a consumer cooperative by students and teachers, was set up in 1947. NFUCA as it is now called, was founded by cooperatives from thirty-five universities over the course of five years from 1960, to achieve expansion of welfare facilities at universities. NFUCA is the national association of university cooperatives and now represents over 200 cooperative societies with more than 1.5 million members. The university cooperatives in Japan serve students and faculty members in university and colleges through bookstores, convenience stores, cafeterias and other services.



Image credit: NFUCA



Image credit: Japanese University Co-operative



Globalisation of the cooperative movement in Japan

- The Japanese cooperative movement has been a model exemplar for cooperatives within and outside the region. In collaboration with the ILO, JCCU has been organizing the African Cooperative Leaders' Study Tours every year since 2010 to [support the African cooperative movement](#).
- The Sustainable Development Goals (SDGs) Implementation Guiding Principles 2016, represents [Japan's national strategy on implementation of the 2030 Agenda](#). It places importance to cooperatives along with other civil society stakeholders. The Japanese cooperatives are promoting women's membership and leadership in consumer cooperatives (SDG 5); focussing on healthcare (SDG 3) and renewable energy (SDG 7); and promoting sustainable food production systems (SDG 2) amongst other goals.
- Japan has suffered the devastation of the Hiroshima and Nagasaki atomic bombings. Japanese citizens feel that they have a collective duty to remember and to ensure that this does not happen again. Since the 1950's, Japanese cooperative members have rallied to remember and to call, for the sake of future generations, for a world without nuclear weapons. Since April 2016, JCCU has spread the "Hibakusha Appeal" – a signature campaign – to convey the feelings of Japanese citizens towards the elimination of nuclear weapons.

Engagement with ICA-AP

- JA-Zenchu and JCCU are one of the first ICA members from the East Asia region.
- In 1964, ICA's first important regional activity, the Top-Level Co-operative Leaders' Conference was held in Tokyo.
- The ICA-Japan training courses in collaboration with the Ministry of Agriculture, Forestry and Fisheries (MAFF), the Institute for the Development of Agricultural Cooperation (IDACA), and JA-Zenchu which started in 1986, continues till date and benefits agriculture cooperatives in the region.
- The Japanese cooperative movement along with other cooperatives in the region supported ICA is setting up an office in New Delhi in 1967 and Singapore in 1999.
- In the 1990s, experts from JA-Zenchu and JCCU were seconded to the Regional Office in Delhi. They provided expertise in the areas of agriculture, consumer and gender.
- In 1992, the 30th ICA Congress was held in Tokyo. It was the first Congress of ICA to be held in Asia.
- The Japanese cooperative movement has supported ICA-AP in promoting the consumer and university cooperatives and advancing gender and youth inclusion in cooperatives.
- ICA has been actively represented by Japanese cooperative leaders in the Regional and Global Board.
- Japan, China, Korea, and Malaysia supported the establishment of the Malaysia Business Office in 2013.
- The 12th ICA-AP Regional Assembly (2016) passed a solidarity resolution in support of the Japanese agricultural cooperative movement in the wake of new agricultural reforms proposed by the government to demutualise multipurpose agricultural cooperatives by separating and transferring its existing credit business to other credit cooperatives. This move by the government was anticipated to reduce the number of the agricultural cooperatives engaged in credit business affecting the business of multipurpose agricultural cooperatives.

What are cooperatives?

Cooperatives are people-centred enterprises owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations.

Cooperative values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Cooperative principles

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation among Cooperatives
7. Concern for Community

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About International Cooperative Alliance Asia and Pacific

ICA-AP is one of four regional offices of the ICA. Established in 1960 in New Delhi, India, it unites, promotes, and develops cooperatives in the region. ICA-AP's 105 members from 33 countries spans a variety of sectors, including agriculture, credit and banking, consumer, education, fisheries, forestry, housing, and insurance.

Contact information

ICA-AP
info@icaap.coop



ICAAsiaAndPacific



ICAAPAC



ICAAsiaPacific

JCA

coopjapan.iyc.jjc@japan.coop

JA-Zenchu

coopjapan.iyc.jjc@jc-so-ken.or.jp

JCCU

kokusai@jccu.coop



JCCUInternational



JCCU_Int

JWCU

o-nakano@roakyou.gr.jp

NFUCA

nfuca@univcoop.or.jp