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***2<sup>nd</sup> ICA-Japan Training Course for “Strengthening  
Women’s Agricultural Coops in Rural Areas and  
Improvement of Farm Management and Rural Life”***

***Thailand and Japan***

***29<sup>th</sup> August to 4<sup>th</sup> October 2002***

***COURSE REPORT & PAPERS***





*ICA-Japan Training Course for*  
**“Strengthening Women’s Agricultural Cooperatives  
in Rural Areas and Improvement of Farm  
Management and Rural Life”**

**REPORT OF THE 2<sup>ND</sup> COURSE**



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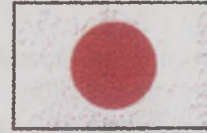


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**Regional Office for Asia and the Pacific**  
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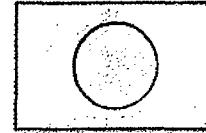
**SECTION-I**

**Background, Introduction to the Programme and Course Objectives**

**Background**

Issues relating to women empowerment, equality in society, right to property inheritance and participation in social and economic decision-making have been under active discussion at various national and international platforms. The status of women in rural institutions, especially in agricultural cooperatives, merits special attention since nearly 62% of women are engaged in agriculture and, at the same time, their numerical presence in agricultural cooperatives has risen to some extent. Although they can enter into the normal membership of such institutions, they hardly find a place in their management and hence they remain in the background due to religious, social and traditional impediments. Several factors, which limit the representation of women in the management and decision-making process, have been identified. Cases which restrict their participation, among others, include: women are not considered full-time farmers; women’s role is restricted largely to household chores; they do not get elected to managing committees because of restrictions placed on them by law and their households; and they are not exposed to new technologies and skills.

Women in rural areas also are not able to raise loans to undertake local production and to have an easy access to marketing. There are ample examples to suggest that women, if given proper encouragement and opportunities of participation, have excelled in business, and have the capacity and capability to take appropriate business decisions. Such opportunities are, however, limited in the background of experiences of rural communities in the Asian region. Rural women can effectively participate in decision-making if they are: encouraged to contest elections; explains the avenues of deriving economic and social benefits from cooperatives; form self-help groups; cooperatives provide them with adequate and meaningful marketing facilities; cooperative make use of their intelligence in taking business decision; suitable revisions favouring women are made in the existing laws; political support is given to them; and gender-bias in the policies of cooperatives is removed. Consequently, these women need an all out support from national and international organisations including the governments.



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## **Introduction**

The International Cooperative Alliance Regional Office for Asia and the Pacific (ICA ROAP), in association with its member organisation in Japan, the Central Union of Agricultural Cooperatives of Japan (JA-Zenchu) and the Institute for the Development of Agricultural Cooperation in Asia (IDACA) organised the 2<sup>nd</sup> ICA-Japan Training Course for “Strengthening Women’s Agricultural Cooperatives in Rural Areas and Improvement of Farm Management and Rural Life” in Thailand and Japan.

The Course was organised and held by the ICA at the IDACA premises from 9<sup>th</sup> September to 4<sup>th</sup> October 2002. The 10-day component of Comparative Field Study Visits was held in Thailand from 29<sup>th</sup> August to 8<sup>th</sup> September 2002 in collaboration with the Cooperative Leagues of Thailand (CLT) and the Cooperative Promotion Department (CPD), Government of Thailand. The programme is funded by the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries (MAFF).

The International Cooperative Alliance, presently based in Geneva, Switzerland, an international non-governmental organisation, established in London in 1895, was chosen by the MAFF as the most suitable international organisation to implement the Training Course because of its intimate knowledge and good working relations with the agricultural cooperatives in the region. The ICA has affiliates in 94 countries with 236 national cooperative organisations and four international organisations serving over 800 million individual members. The ICA Regional Office for Asia and the Pacific, operating from New Delhi, India, since 1960, serves 51 national level cooperative organisations from 21 countries and the ACCU, and represents 480 million individual cooperative members. Within the United Nations, the ICA enjoys Category-1 Consultative Status with the UN Economic and Social Council (UN/ECOSOC).

## **Course Objectives**

The main objective of the Training Course is “to train women leaders in rural areas in developing countries by means of strengthening women’s agricultural cooperatives, farm management, and improvement of rural life”. The Training Course also provides training for the capacity building of the participants with a view to organise women’s associations and study cooperative activities.

## **Programme Implementation**

The Training Course was implemented by the International Cooperative Alliance through its Regional Office for Asia and the Pacific at New Delhi. A Plan of Implementation, which was developed by the ICA in consultation with the IDACA, was formally approved by the MAFF-Japan. The ICA Regional Office, in consultation with the JA-Zenchu and the IDACA, identified the countries to be invited for the 2<sup>nd</sup> Training Course.

Invitations to sponsor candidates were sent to ICA member organisations in Indonesia, Malaysia, Thailand and Vietnam. Selection of participants was made from out of the nominations made by the ICA member organisations in accordance with the qualifications and procedural norms laid down by the ICA for such training courses. The selected candidates were then provided with appropriate facilities to travel to Thailand and Japan to follow the programme of studies.

The IDACA identified and recruited the resource persons and made arrangements for comparative field study visits in Thailand and Japan. The IDACA also provided the lecture notes and background material on the institutions visited by the participants.

## **Course Participants**

The 2<sup>nd</sup> Training Course was attended by eight participants, two each from Indonesia, Malaysia, Thailand and Vietnam. A list of participants is attached.

## **Field Study Visits in Thailand**

The 10-day component of Comparative Field Study Visits was held in Thailand from 29<sup>th</sup> August to 8<sup>th</sup> September 2002. The field study visits were arranged to agricultural cooperatives and women's groups in Samut Sakhon, Phetchaburi, Maha Sarakam, Khon Kaen, Roi Et and Nakhon Ratchasima provinces. The participants visited the following ten women groups/agricultural coops to observe their activities and to have interaction with the members: (a) Ban Kaset Pattana Cooperative Women's Group, (b) Krathumban Cooperative Women's Group; (c) Hubkapong Cooperative Women's Group; (d) Tah Kham Sammakki Credit Union Cooperative Women's Group; (e) Nong Prong Samakki Water User Cooperative Women's Group; (f) Ban Paeng Cooperative Women's Group; (g) Ban Nongbua Dimi Cooperative Women's Group; (h) Ban Phai Weaving Service Cooperative Limited; (i) Ban Kuema-u Cooperative Women's Group; and (j) Phimai Agricultural Cooperative Limited.

The inaugural session in Bangkok was held on 30<sup>th</sup> August 2002 which was addressed by Mr. Chavalvut Chainuvati, Director General, Cooperative Promotion Department; Mr. Wit Pratuckchai, Executive Director of CLT; and Mr. Yukio Abe, Manager (Training Department) of IDACA, Japan. Mr. Prem Kumar, Advisor (AMT Project) and Mr. K. Sethu Madhavan, Planning Officer represented the ICA ROAP.

The following lectures were given in Bangkok before proceeding for field visits: (a) "Introduction to Women Group's Activities in Asia" by Ms. Revathi Balakrishnan, Regional Sociologist and Gender Development Officer, FAO ROAP; and (b) Present Situation of Cooperatives and Women's Group in Thailand" by Ms. Kornapa Chaiyawat, Head of Project Section, Planning Division, Cooperative Promotion Department.

## **Training Course at IDACA**

All the eight participants selected for the 2<sup>nd</sup> Training Course attended the programme for its full duration. The IDACA had developed a course curriculum in consultation with the ICA ROAP, which included class-room lectures on various aspects, handled by the IDACA faculty members and specially-invited guest lecturers, organised field study visits and arranged direct communication with women members and leaders of agricultural cooperatives.

The field study visits were arranged to agricultural cooperatives and women's associations in Chiba, Kanagawa and Kagoshima Prefectures of Japan. In Kanagawa Prefecture it included the JA Isehara and its facilities (direct sale shop, gasoline station and one branch office). In Kagoshima it included Kagoshima Prefectural Union of Agricultural Cooperatives, A-Coop Kagoshima Corporation, Kumiami Fertiliser Inc.,

Courtesy call on Mayor of Ariyake Town, the JA-Aozora and its facilities (visit to processing plant attached to Center of Better Living Activities, farmers house, compost centre, natural enemy virus facility for green tea, egg plant cultivation in hard plastic type green house, strawberry cultivation in green house, ceremonial hall), Exchange meeting with the members of the JA Women's Association, and Exchange programme at a nursery school in Kanoya city, Lecture-cum-practical field study visits assignments were combined to impart necessary knowledge to the participants on the working of women's associations and the general activities of agricultural cooperatives in Japan.

The participants also held group discussions and prepared brief reports on the experiences gained by them. An end-of-the-Course Evaluation session was also held. The day-to-day programme followed by the Training Course is attached.

### **The Inaugural Session of the Programme**

The opening ceremony for the 2<sup>nd</sup> Training Course for "Strengthening Women's Agricultural Cooperatives in Rural Areas and Improvement of Farm Management and Rural Life" was held on 10<sup>th</sup> September 2002 in the Conference Hall of the IDACA. The Session was addressed by Mr. Isamu Akiyama, Dy. Director, Technical Cooperation Division, International Affairs Department, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries (MAFF), Government of Japan; Mr. Toru Nakashima, Dy. Manager (Training Department), IDACA; and Mr. K. Sethu Madhavan, Planning Officer, ICA ROAP.

In his inaugural speech Mr. Akiyama said that the Women Leader's Training Course was going on since 1991 and the name of the Training Course has been changed twice. He gave the statistical information about the number of participants trained from different countries in this Training Course so far. He sincerely hoped that upon return of participants to their home countries they will make best effort in applying the knowledge and ideas gained from this training course.

### **Principal Areas of Emphasis and Subjects Covered**

The emphasis during the Training Course was on:

- (a) the methods of organising rural women and the role played by women members and their leaders in the development of the business of agricultural cooperatives;
- (b) the ways of generating income opportunities through familiarising themselves and adopting the 'project approach' as have been prevailing in some of the Asian countries including the work done by the women's associations of the Japanese Agricultural Cooperative Movement; and
- (c) the methods and techniques adopted by various women organisations and groups in generating additional income and business opportunities for themselves through using the goodwill, business operations and networking of their local cooperatives.

The training course emphasised on practical studies and learning. Basic aspects of Japanese agriculture, agricultural cooperative system, detailed introductions to organisation and functioning of agricultural cooperatives in Japan were given. Special topics of interest to women leaders like participation of women in agricultural cooperatives, the role and functioning of women's associations in agricultural

cooperatives in Japan, their role in better-living activities and improving farm households and plans for future development were presented.

Some of the key subjects covered during the Training Course were:

- Culture, Society and Economy of Japan by Mr. Toru Nakashima, Dy. Manager, Training Department, IDACA.
- Agriculture and Agricultural Cooperatives in Japan by Mr. Toru Nakashima, Dy. Manager, Training Department, IDACA.
- Organisation and Activities of the JA Women's Associations by Ms. Eiko Oshita, Coordinator, Training Department, IDACA.
- Agricultural Cooperative Movement in Japan and Various Approaches to Some Cooperative Development Efforts by Mr. Yukio Abe, Manager, Training Department, IDACA.
- Case Study on Entrepreneurial Activities of Rural Women in Japan by Ms. Kazuko Kano, Senior Technical Advisor, Project Development Department, Japan Bank for International Cooperation (JBIC).
- Women Entrepreneurship and Economic Empowerment by Ms. Noriko Furutani, Researcher, Social Development Department, Global Link Management.
- JA Group's Approach to WTO by Ms. Noriko Tanaka, Joint Senior Manager, International Policy and Strategic Planning Affairs, Agricultural Policy Department, JA-ZENCHU.
- Women Entrepreneurship and Village Revitalisation Activities by Ms. Kazko Yamamoto, Consultant.

During the study visits programme to agricultural cooperatives in Chiba, Kanagawa and Kagoshima Prefectures the participants were able to interact with women leaders and to observe their various activities as carried out by the JA-Women's Associations.

The training course was designed in such a way that the participants, after returning to their respective countries, are able to help organise and strengthen women's associations and other similar groups and make use of experiences of the Japanese Women's Associations of Agricultural Cooperatives. It is also expected that the participants would adopt a systematic 'project approach' in developing their activities in their respective countries and encourage more and more of women to join and support their agricultural cooperatives.

## SECTION-II

### Country Status Reports - A Summary of the Background Papers

#### Indonesia

The total land area of Indonesia is about 1.9 million square kilometers. It consists of 5 big islands, namely, Sumatra, Jawa, Kalimantan, Sulawesi and Papua. The country has about 17,000 islands, stretching along 3,4 miles. The climate is mostly hot and humid with annual high average temperature between 26 to 28 degree centigrade. It has got two seasons – monsoon and dry season – with unequal dispersal of rain in the region. Fertile lands occur in the western part – Jawa and Sumatra – where paddy can grow easily. The region has got about 400 volcanoes, 100 of which are active. Indonesia is one of the mega diversity areas in the world after Brazil and Zaire. It is also rice in plantation commodities.

Total population of Indonesia is about 201.7 million (female 100.7 million and male 101 million). The population is unevenly distributed, since most of the population lives in Jawa and Bali Islands (61,86%) which consists of only 7% of land area. The total number of population in rural areas is 111.7 million (57%) whereas population in urban area is 87 million (43%).

Agricultural cooperatives in Indonesia are organised in a three-tier structure. The multipurpose cooperatives (KUDs) at the primary level, which are federated into the PUSKUD at the provincial level and these, are affiliated to INKUD at the national level. There are at present 9,064 KUDs and 35,861 other types of cooperatives in Indonesia. The KUD is characterised by its multipurpose business with farmers, fishermen and handicraftsmen as its members. Most activities are anchored on agriculture. The main functions of KUDs are: (a) distribution of farm production inputs and consumer goods; and (b) provision of credit and collection, processing and marketing of produce of members.

KUDs have a membership of 13 million and non-KUDs have a membership of 12.6 million. Main objectives of the KUDs are to consolidate the people, consolidate and rationalise land resources for agricultural production and to provide means of incomes to the people and to use them to maintain national food stocks – mainly rice. Provincial level cooperatives have been formed by the primaries and the provincial level federations have formed the national federation.

Though the KUDs function on a multipurpose basis, their organisational strength is weak both in financial and business terms. Due to weak structural and financial link-up between the KUD, PUSKUD and INKUD, the cooperatives are not able to compete with private traders. There is very little active participation by members. KUDs lack suitable infrastructure for marketing, storage and processing and other value-adding activities. Other supportive services like member education, farm guidance and staff training are very inadequate. Government training facilities are available for cooperative employees through its network of 27 provincial level cooperative training centres and one national level cooperative training centre. Due to the recent economic crises and political changes, the role of the KUD has come under a close scrutiny. Their objectives and activities are being readjusted.

The government as well as the Dewan Koperasi Indonesia (DEKOPIN) share member education and extension services. Private foundations and academies provide formal education in cooperatives. There is an Institute of Cooperative Management (IKOPIN) at the national level and eight cooperative academies in the country.

*Status of Women:* In Indonesia the progress of women's emancipation through education, political and economic participation is still underway. Women currently play a major role within the families. Stakeholders like women's organisation, women's potential groups, NGO for women's development and the government institutions are actively taking part in increasing women participation in cooperatives. Women's cooperative in Indonesia is the cooperative that has women's members and women's manager. The total number is only 1,455 with 366,194 members. This is only 1.4% of total number of coops -103,077 which has 27,295,893 members.

Many types of women's coops have been developed – saving loan coop, service coop, consumer coop and producer coop (handicraft). Total number of women's population 15 years of age and above is 72,713,218. This number is then divided into 2 categories - economically active (51.78%) and not economically active (48.22%). Government institution in 5 provinces has carried out programmes to develop women's empowerment in local economy. The project has developed 444 business groups in 6 months and fund realisation developed into 143.75% from the previous fund.

Established in 1983 as the auxiliary operational committee of DEKOPIN (Indonesian Cooperative Council), BKWK's previous name was The Women Cooperator Contact Committee. In 1999, after reformation era, BKWK has changed its name as "The Women Cooperator Communication Committee. The programmes and activities of DEKOPIN are carried out by the BKWK. BKWK have a three levels of organisation - district level, provincial level and national level. All three levels have coordinators and consultative characters in order to present the programs and to distribute the aspirations from bottom up to highest level. The members of the board are selected from the participants who attend the 5-year national meeting. This national meeting is usually arranged before DEKOPIN's national meeting and the participants are representatives of women coops in Indonesia.

BKWK has parallel position relationship with other auxiliaries' operational committee in DEKOPIN. BKWK has many obligations and responsible to develop the quality and quantity of women's coops in Indonesia. As an auxiliary committee, BKWK is still depended on DEKOPIN to create its programmes, especially in provisioning budget and facilities. So, until now, BKWK has not completely executed its function and role within the women's cooperative yet. BKWK is still in the stage of empowering the organisation structure of their established organisation in provinces and district levels.

Koperasi Citra Lestari Lawang was founded on 18<sup>th</sup> December 1989. This very project is a continuation of Puskowanjati sample project, which is called KWPP (Koperasi Wanita Pedagang Pasar) Lawang. By the time it was founded, its members were treated specifically by the sellers of the traditional market in the area of Kecamatan Lawang. The members of this organisation were selling vegetables, soya bean, rice grain, etc. The members were given daily loans, considering the fact that they are workers who earn their wage daily. The membership of the cooperative up to 30<sup>th</sup> June 2002 was 3,171. The kind of activities that are held by the cooperative are (a) a group meeting once every six months; (b) an ideal education for each members; (c) social activities that are held since 2001.

## Malaysia

Malaysia is located in the heart of southeast Asia, slightly north of the equator. It consists of 330,200 sq. km and is divided into two main regions – peninsular Malaysia and east Malaysia. Malaysia has a combined population of 24 million people and it has a multiracial population consisting of Malays, Chinese, Indians and numerous indigenous people. Although Malay language is the official language, English is widely spoken and it is a compulsory subject in all schools. Malaysia enjoys a tropical climate with plenty of sunshine throughout the year. Temperature typically ranges from 22 to 33 degree centigrade and cooler in the highlands. Malaysia is a parliamentary democracy. Major exports are rubber, oil palm and oil palm based products, crude petroleum, liquefied natural gas, etc.

The three main core agricultural activities in Malaysia are the estate sector, the small farm sector and the newly developed land sector. Plantation crops dominate agriculture. Oil palm cultivation has taken strides over rubber and other plantation crops due to its high returns and less labour demands. Livestock production is restricted to pigs and poultry. Local beef production is only 10% of total demand and the dairy industry is very small, but slowly expanding. The contribution of agriculture to national economy, which was 29.1% in 1970-74, dropped to 9.64% in 1995-98. Agricultural policy, development and its future are being governed by National Agricultural Policy (NAP). The land usage for agriculture is expected to go down gradually in the future. Small farmers dominate land holding and the average size varies from 2.4 to 5.6 hectares.

Agricultural cooperatives are involved in various activities, e.g. credit disbursement, marketing, rice milling and processing activities and cooperative education activities. Agricultural cooperatives function under various government agencies. At the end of 1995, 3,554 non-agricultural cooperatives were registered and functioning under the Department of Cooperative Development. Agricultural cooperatives are under the registration and supervision of the Farmers' Organisation Authority (FOA) and Department of Cooperative Development. 1,511 agro-based cooperatives serving a total membership of 316,602 and with a share capital of RM 66.2 million were functioning as of 1994.

The total value added in the agricultural sector has increased by 1.2% a year (1995-2000) though the target was 1.9%. However, oil palm registered a growth rate of 7.9% and exceeded the target. The contribution of agricultural sector to the Gross Domestic Product has declined from 10.3% in 1995 to 8.7% in 2000. Agricultural land use increased from 5.7 million hectares in 1995 to 6 million hectares in 2000. Approximately 430,800 hectares land of rubber and cocoa has been converted into oil palm plantation and other usage.

*Status of Women:* Women in Malaysia has two roles – as wife/mother and employees or self-employed. Women are highly important contributors to the country's economic and social development. Out of 24 million population 48.9% or 11.4 million are women. 52.4% of the women population are below 24 years old. Although 48% are within the employment age of 15-64, only one third are employed. Flexible hours of working have been given to the women employees by the government in the Employment Act 1998. The rapid expansion of educational facilities and opportunities contribute towards the improvement of their economic participation. Women intake in the universities has increased from 50% in 1995 to 55% in 2000. In 2000, 13.5% women involved in professional and technical employment compared to 12.7% in 1995. Women in the agricultural sector have declined from 16.6% in 1995 to 14.8% in 2000.

The Women are important in Malaysia's labour force and play a crucial role in agricultural development. Women's participation in the agricultural sector has been the highest in rubber, oil palm, and cocoa production. Mostly women in agricultural sector are from the rural area – some are illiterate and lack of confidence and skills. Young women are no longer interested in agricultural sector. They prefer to work in the professional and technical line due to their higher education.

Other activities of women in agriculture are (a) setting up small handicraft cottage industries which utilise local raw materials, traditional skills and craftsmanship; and (b) organise economic projects like batik-making, weaving, silver working, tailoring, sewing, vegetable gardening and poultry rearing. Marketing the handicraft product is a problem faced by the rural women.

Though 40% of the cooperative membership comprise of women, yet women are not seen participating actively in the cooperative movement. Inferiority complex and discrimination of gender are two main factors contribute to this scenario. Lack of capital is also determined as a factor of low level of participation. Communication barrier amongst the women is another factor. The Cooperative Development Department has suggested to the cooperatives to set up a Women's Development Unit in their coops in order to solve the problem of low level participation of women in cooperative leadership. Most of the coops has taken this suggestion positively and some still in search of potential leaders among the women members.

The ANGKASA (National Cooperative Organisation of Malaysia) which was registered on 12<sup>th</sup> May 1971 is the national apex organisation of all cooperatives in the country and acts as the spokesman of the Movement. The ANGKASA represents the Movement both at the national and international levels. It does not carry out any business activities and mainly concerned with the provision of services and education. ANGKASA works in close collaboration with all government departments and agencies connected with cooperative development in the country and are the lobbying force for coop-related activities.

As on today there are 2,692 cooperative societies which include tertiary, secondary, primary, and school cooperatives, with more than 3 million individuals who are their members. ANGKASA also established ANGKASA Service Bureau (BPA) with the main purpose of providing salary deduction services to cooperatives, clubs, associations and trust funds. BPA now serves more than 847 cooperatives with 1.55 million accounts accounting to more than RM 215.1 million per month. BPA is on line with 14 banks in the country making the transactions easier and faster.

The highest committee known as the National Administrative Committee (NAC) comprising 15 members, administers ANGKASA. It comprises the President, Deputy President, 3 Vice Presidents and 10 Chairmen from the State Liaison Committee and the national assembly is held annually. NAC will appoint a National Executive Committee (NEC) which consists of 8 members from the NAC and three executives. It also appoints several Sub-committees to assist and monitor every division of ANGKASA.



## Thailand

Thailand is situated in the heart of south-east Asia. Its religion is Buddhism. There is religious freedom and all faiths are allowed to practice. Thailand has been a democratic constitutional monarchy since 1932. Under the present Constitution, the parliament is a bicameral house composed of appointed senators and elected representatives. The country has a population of 62 million of which around 7 million live in Bangkok. Thailand covers a land area of 513,115 square kilometers and extends about 1,620 km from north to south and 775 km from east to west. The climate is tropical with long hours of sunshine and high humidity.

Thailand is good for agriculture because of its appropriate geographical location with fertile soils and appropriate climate together with continued research and development. It has been listed as the land of plentiful fresh and vegetables for decades. The produces are not only served Thai people themselves but also exported to various countries.

Agriculture has an important role in the national economic growth. It has been a major source of food supply, farm workforce and employment generation. Approximately 57% of the total arable land is used for rice cultivation. Rice farming is the chief occupation of Thai farmers. The average size of farm household is about 10 acres. Thailand's principal exports are agricultural products, which constitute about 55% of the total exports. Rice is the chief export. Other exports include sugar, rubber, corn, frozen and canned sea foods, fresh fruits, vegetables and flowers.

Cooperatives in Thailand were established in 1916 on the basis of the Raiffeisen model – mainly to provide agricultural credit to the farmers. The first Cooperative Societies' Act was promulgated in 1928. Cooperatives are now covered by the new Cooperative Societies' Act of 1999. Cooperatives in Thailand are classified into six types: (i) Agricultural cooperatives which cover agricultural cooperatives as such; (ii) Land settlement cooperatives; (iii) Fisheries cooperatives; (iv) Consumer cooperatives; (v) Thrift and credit cooperatives; and (vi) Service cooperatives. Agricultural cooperatives are established to enable farmer-members to engage in business together, thus helping one another in times of crisis as well as gaining for themselves a better livelihood and a better quality of life.

The objectives of agricultural cooperatives are: (a) to provide loans to members for productive and providential purposes at affordable rates of interest; (b) to encourage thrift among members through savings and deposits; (c) to provide agricultural products as well as daily necessities for sale to members at reasonable costs; (d) to provide good farm production methods and disseminate technical know-how aimed to help members reduce production costs and obtain higher yields; and (e) to enable members to market products together thereby obtain good prices for their produce and maintaining fairness in terms of weights and measures.

*Status of Women:* Thailand recognises the valuable contribution of women to national development and has taken appropriate measures to promote their full participation on the basis of equality in all sphere of society, in particular, the equality before the law. The Thai Constitution states that "men and women have equal rights". While women in some parts of the world are seeking the political right of voting, the Thai women had their right of voting and competing in the parliamentary elections as universal suffrage for the last 60 years.

Although Thailand has achieved satisfactory progress in the promotion of women's rights, it realises that the gap between *de jure* and *de facto* inequalities still exists. To bridge this gap Thailand is taking all necessary steps to empower women in all spheres of their lives, e.g., the promotion of life-long education and access to full participation in decision-making and sustainable development.

The presence of women in all sectors of the Thai Cooperative Movement is quite prominent. Out of a total staff of 13,508 working with various cooperatives there were 8,040 (60%) women; out of the total membership of 5.2 million of all types of cooperatives, there were 1.6 (31%) million women members; and out of a total number of 40,960 board members there were 3,637 (9%) women board members. Several of the agricultural cooperatives in the country employ women as their managers, as there is a belief that they perform better and do not indulge in unfair means while handling finances and personnel.

To enhance the participation of rural women in cooperatives including agricultural cooperatives, a specialised Women's Committee was formed in 1998 within the CLT organisational structure. The Committee has the benefit of advice from various organisations e.g., Kasetsart University, Cooperative Promotion Department, Cooperative Audit Department, Agricultural Cooperative Federation of Thailand and the CLT. The Committee has prepared a Master Plan to enhance the participation of women in agricultural cooperatives.

Some of the major commitments made in the Master Plan are: encourage women participation in the Cooperative Movement; enhance the development potentials of women in economic development; upgrading the capacities of women in appropriate social and economic development programmes; enlarge roles played by women in gender equality campaign to promote cooperative development in the country; creation of specialised bodies to be responsible on planning network and expand cooperation with women and other interested organisations; establishment of an Information Center for strengthening women participation; undertake research programmes and evaluation to strengthen women's participation; and boost capacities and capabilities of human potential and support for development of women's participation.

The Cooperative League of Thailand (CLT), established in 1968, is the national apex of the Cooperative Movement in the country. It has affiliates of 5,418 cooperatives at all levels serving over 6 million individual cooperators. Other national level federations are the Agricultural Cooperative Federation of Thailand, the Consumer Cooperative Federation of Thailand, the Federation of Savings and Credit Cooperatives of Thailand, and the Bus Service Cooperative Federation of Thailand.

The agricultural cooperatives provide loan to members at affordable rates of interest and encourage thrift through savings and deposits. The main function of agricultural cooperatives is to promote better farm production methods and disseminate technical know how to the members.

In 1915, a year before the first cooperative was introduced to Thailand, the Cooperative Section was established under the Ministry of Finance in responding for cooperative promotion. With an increasing role of cooperatives in the Thai economy, the Cooperative Section was transformed to be Cooperative Department under the Ministry of Commerce in 1920, then being Ministry of Cooperatives in 1952. The re-organisation of the government agencies in 1963, however, was concluded with the abolishment of Ministry of Cooperatives. All previous cooperative duties were transferred to attach with the newly

established Ministry of National Development. Again, since 1972, all cooperative works, except for duties under the Cooperative Auditing Department, were merged together under the new department named as "Cooperative Promotion Department" (CPD) and attached to the Ministry of Agriculture and Cooperatives, the newly established ministry in substituting for the abolishment of Ministry of National Development.

The CPD promotes and disseminates the cooperative ideology, principles and practices and conducts cooperative researches, advises and helps cooperatives to be self-reliance. It also supervises and guides cooperative operations following laws and regulations. Its major cooperative development schemes are: (a) credit linking project for production and rice marketing services; (b) establishment of central market of cooperatives; (c) integrated farming promotion project in small farm pond project areas; (d) hygienic vegetable production promotion project; (e) cooperative women development; and (f) savings promotion program among cooperatives

## **Vietnam**

Vietnam is a land of some 300,000 square miles, with a coastline of some 2,000 miles and as many as 1,000 rivers, more than 7 million hectares of forests, some 10 million hectares of bared land and hills. Vietnam also possesses diverse natural resources, which have been hardly exploited. It has various minerals, such as bauxite ore, iron ore, tin, coal, precious stone, rare earth, oil and gas. According to 2000 statistics the population of Vietnam is about 80 million. While it has a per capita income estimated at less than 400 US\$, the country has an abundant labour force.

Agriculture plays an important role in the cause of developing the national economy. The total land available for agriculture is 6,994,635 hectares which accounts for 21.12% of the total national land fund. The land holding is 54.66%. The total farm population is 76%. The female farm population is 75% of the total women workers. At present the country meets its domestic demand and exports approximately 4 million tons of rice per year. According to the report from Vietnamese General Department of Statistics, Vietnam ranks the 2<sup>nd</sup> place of the world after Thailand in rice export in 1998.

Rice is the main product of Vietnamese agricultural sector and plants and cattle can be considered of high economic value. Vietnam is exercising its renovation with strategies to swiftly switch over to modernisation and industrialisation. In the coming years, commodity economy would see further development. Industries and services would see a much higher growth rate in comparison with the agricultural sector. Food production would always be the most important activity in agriculture, as it would help to fulfil the following three targets: (a) to satisfy people's consumption needs in any situation; (b) to ensure sufficient supply of foods for farming stock and raw materials for industries; and (c) to raise food export volume.

*Status of Women:* Vietnam has a great potential of labourers in which female workers accounted for 50.8% of the total. A number of female workers work in the handicraft and agricultural sector, but in agricultural sector, female labourers accounted for over 75% of the total of women workers in the society. Number of female workers working in the villages accounted for 60%. Some villages take 80% of women in carving, inlay, embroidery and weaving sector. The number of chairwomen, vice chairwomen, and chief accountant with high school and university graduation degrees accounted for 20% only. In fact in Vietnam that is only one organization of and for women, i.e. Vietnam Women Union.

Occupying 50.8% of population and 48% of social labour force, Vietnamese women have presented in almost all sectors of national economy especially their contributions to the education and training, health, agriculture and rural development.

Vietnamese women have the same right to study as men. There is no gender gap in pre-school and primary school. The literacy rate of women accounted for 88%. The average number of school year for women is 5.6 and for men it is 6.7. The average life expectancy of women is 68.6 and for men it is 64.3. The death rate of women decreased from 1.33% in 1997 to 0.9% in 1999. While delivering babies, 95.8% of women is looked after by medical staff. The rate of HIV infected women is decreasing and occupying 13% in 1999.

The role of women's participation in management and leadership has been improved. At present 26.22% of women participate in the national assembly – ranks 9<sup>th</sup> of 135 countries and the 2<sup>nd</sup> in Asia-Pacific region. The number of women's participation in the People's Council has been increasing and reached to 22.5% in the city/provincial level and 27% in district level. It is the first time, members of Politburo, Vice President of the State, and Vice President of the National Assembly of Vietnam are women.

In comparison with other developing countries in the world, Vietnam is proud of its achievement on the gender equality and the advancement of women. According to the United Nations report on Human Development 1998, Vietnam ranked 40<sup>th</sup> of Gender Development Index per person.

With a view to supporting the development of cooperative unions, cooperatives, cooperative groups and household economies in Vietnam and expanding friendship relations with cooperative organisation of member countries in the world and representing cooperative movement in Vietnam, the Vietnam Cooperative Alliance (VCA) was founded. The VCA is a non-governmental, socio-economic organisation comprising nearly 15,000 primary cooperatives and unions of cooperatives and its membership is about 8 million.

The main functions of the VCA are the following: (a) to take part in making strategy, plan and program for development of cooperatives; (b) to collect ideas, desires of its members to reflect, propose to the Vietnam government and authorised agencies on issues of policies; (c) to protect lawful rights and benefits of its members; (d) to propagate, encourage individual units, households, small and medium sized units to develop cooperatives; (e) to organise operations of consulting, aiding and providing services for its members on the issues of law, and scientific investment; (f) to organise operations of educating and training, improving abilities for leading cadres of the Alliance, managers and labourers in cooperatives and other members; (g) to join international organisations, non-governmental organisations, develop relationship with organisations in other countries; and (h) to implement other obligations assigned by the Vietnam Government or authorities at all levels.

Being instrument in developing the national economy, the cooperative system has made remarkable progress and qualitative and quantitative achievements. The Vietnam Cooperative Movement has proven quite capable of taking advantage of every opportunity and meeting the challenges posed by the future development of the country. Given sound strategies and vision, Vietnam Cooperative Movement is looking forward with confidence to further achievements in the process of industrialisation and modernisation.

## SECTION-III

### Comparative Field Study Visits

#### THAILAND

The participants visited Samut Sakhon, Phetchaburi, Maha Sarakham, Khon Kaen, Roi Et and Nakhon Ratchasima Provinces from 1<sup>st</sup> to 6<sup>th</sup> September 2002 to get an opportunity to meet some of the progressive women members and observe their participation in the business operations of their agricultural cooperatives.

**Samut Sakhon** Province was formerly called “Tha Chin” probably because, in the old days, it had been a trading port dealing with a vast number of Chinese junks. In 1548, a town named “Sakhon Buri” was established at the mouth of the Tha Chin River. It was a centre for recruiting troops from various seaside towns. The name of the town was changed into “Mahachai” when khlong (canal) Mahachai was dug in 1704 to join the Tha Chin River at the town. Later, the town was renamed “Samut Sakhon” by King Rama IV, but the villagers still popularly call it “Mahachai”. Samut Sakhon occupies a total area of 872 square kilometers and is administratively divided into 3 districts – Muang Samut Sakhon, Krathum Baen, and Ban Phaeo. It is a major fishing port and also the biggest producer of brine salt. The town is located 28 km from Bangkok along highway no.35 – the Thon Buri-Pak Tho Highway. It is also accessible by train from the Wongwian Yai Railway Station in Bangkok.

**Phetchaburi** Province, an important royal fort during the Ayutthaya period, now serves as a major stop for sightseeing before continuing down south by road or rail to other beach towns in southern Thailand. The Province is worth visiting for its splendid historical park and ancient temples, wonderful beaches and caves, as well as a great variety of local foods. Phetchaburi occupies an area of 6,225 square kilometers, characterised by tick jungles and mountain ranges lying in the west as a border between Thailand and Myanmar and 80 km long coastline towards the Gulf of Thailand in the east. Phetchaburi is divided into 8 districts (Amphoes).

**Maha Sarakham** Province is situated in the middle of Isan. Although small in size, the Province is considered to be a regional education centre and it is the site of the ancient Dvaravali city of Nakhon Champa Si. Maha Sarakham is 470 kilometers from Bangkok and has an area of approximately 5,291 square kilometers. The Province is divided into 13 districts.

**Khon Kaen** is a Province situated right in the centre of the northeast. This is an area where pre-historic communities once thrived and where the first dinosaur fossils were found in Thailand. It has developed into a large and prosperous city of the region with a fascinating cultural heritage. Khon Kaen is 445 kilometers from Bangkok and has an area of about 10,886 square kilometers. It comprises 24 districts.

**Roi Et** is a Province in the lower northeast. It is the land of Thung Kula Rong Hai that was formerly regarded as a wasteland. However, it is now one of the sources of high quality rices in the country. Roi Et has an area of about 8,299 square kilometers, consisting of 20 districts.

**Nakhon Ratchasima** or "Khorat" is a large Province on the northeastern plateau and is like the gateway to other provinces in the northeast. It is 259 kilometers from Bangkok and has an area of around 20,494 square kilometers. The Province is rich in Khmer culture and has a long history. It also has beautiful nature, with many forests, mountains, waterfalls, and reservoirs. Furthermore, it is wellknown for a variety of quality handicrafts that visitors can choose from.

***Ban Kaset Pattana Coop Women's Group*** was established in 1997 and it is affiliated to Ban Paew Agricultural Cooperative. Initially there were 50 members with a capital of 6,400 Baht. The reason for forming this Group was that the price of the agricultural produces at that time was low, and people wanted to have their produces processed to add value. The forming of the Group would ease to be granted the subsidy and the technical contribution from the Cooperative. Later, the cooperative organised the training course for the Group on agricultural produce processing lectured by the experts from Kasetsart University, Bangkok. The fruit processing covers six types of fruits. The Food and Drug Administration certify the quality of the product. In 2001 the Group's product was selected to take part in "one tambol, one product project" organised by the CPD. In the same year, the Group received the subsidy amounting to 700,000 Baht for reconstructing the office - providing materials 280,000 Baht, and for the revolving fund 420,000 Baht. Presently the Group can produce 4,000 glasses of juice in one month.

***Krathumban Cooperative Women's Group*** was formed on 20<sup>th</sup> July 2002 under the Krathumban Agricultural Cooperative Limited. Presently there are 30 members with a current share of 1,500 Baht. The Group was given a subsidy of 80,000 Baht by the Cooperative Promotion Department (CPD). The main products of the Group are bencharong ware, vase, earthen jar with a lid, kettle set and water glass.

***Hubkapong Cooperative Women's Group***: It was in 1964 while His Majesty the King paid a visit to his subjects in the districts nearby Hua-Hin, he had found that a Group of 83 families of vegetable growers were facing shortage of land for their farming. Therefore, he accepted this farmer group under his royal patronage. Later on, it came up with the establishment of Hubkapong Land Development project, which has been under the supervision of the Hubkapong Cooperative Demonstration Centre of CPD. The Centre allocated a part of land for crop experimentation. In 1972 their Majesty the King and Queen had initiated to use deteriorated land for sisal cultivation which undergoes all the weather. Her Majesty the Queen introduced the cooperative member housewives of Hubkapong village to utilise sisal fibres for making basketry work products to increase families income and for better living. In 1981 the Queen accepted Hubkapong Cooperative Women Group under her royal patronage called "Hubkapong Sisal Art Cooperative Women Group".

***Tah Kham Sammakki Credit Union Cooperative Women's Group***: In 1926 farmers in Tah Yang district initiated to grow lemon. With fertile land and irrigation system lemon grown in this area had good taste, fragrance and fine skin which was unique. Farmers could earn a lot from lemon till it became a cash crop. In 1997 the price of lemon dropped to the lowest point (3 baht per 100). This did not cover the cost. People tried to solve the problem by growing lemons out of season. That also did not work. Phoe Thong Housewife Group, members of Tah Kham Sammakki Credit Union Coop, had an idea to process lemons to add value of products as instant lemon powder, readymade drinking lemon powder, three taste lemon skin and sour preserved lemon. So they formed this Group and carried out the activities. Currently there are 50 members. In 2001 the Group was selected by CPD to participate in "one tambol, one product" by receiving a subsidy of 900,000 Baht.

**Nong Prong Samakki Water User Cooperative Women's Group** was formed in 2001 with 26 members at the beginning. The objective were to increase the role of the Group and bargaining power, to increase more members' income, and to add value of remaining materials through processing. The Group got a subsidy from CPD. The Group has got two marketing channels – wholesale for Nong Prong Samakki Agricultural Cooperative, and retail for Jatujak open market in Bangkok. However, the quality of products is not yet certified by any recognised organisation.

**Ban Paeng Cooperative Women's Group:** Apart from abundant rice, reed is widely grown in Ban Paeng village. Traditionally people woven mat from reed for household use. Later women in the village formed a cooperative housewife's group and made the reed waving with the aim of earning supplementary income out of farming season. In 1992 the Group had only 28 members. When the Group became bigger they formed Ban Paeng Coop Women Group. Currently there are 120 members and the Group has been launching "one tambol, one product" after proposing the project for subsidy from CPD. The initial investment for providing materials in reed weaving was from the saving fund of the members. Later the Group had adapted the existing reed mat style to the easier use. Therefore, Kosum Phisai Agricultural Cooperative lent the Group a sewing machine for connecting small pieces of reed mats to a big one. The finished woven mat would be able to be folded and easily carried. The reed mats and other reed products are distributed to the domestic and foreign markets.

**Ban Nongbua Dimi Cooperative Women's Group** was officially formed on 1<sup>st</sup> October 2001 under Tah Pra Credit Union Cooperative Limited. The objectives of the Group were (a) to educate the Group in reed weaving; (b) to increase income of members' families and make the community prosperous; and (c) to reduce unemployment and drug addiction problems. At present there are 30 members in the Group. The Group was selected to join "one tambol, one product" project and received a subsidy of 70,000 Baht from the Cooperative Promotion Department (CPD). Members can individually make reed weaving at their own house, or gather in group at the community hall to collectively make it.

**Ban Phai Weaving Service Cooperative** was registered as a cooperative in 1992. Currently it has got 208 members. Tie-up weaving silk is a typical occupation of members. This kind of silk is woven from dyed silk threads. Previously the ancestors had done it for household use. At present 80% of woven silk are for sale, the rest 20% are for household use. The types are different to manufacturing techniques such as 2 or 3 line crossing. There are 3 main activities in manufacturing – preparing the vertical threads, preparing horizontal threads, and weaving. Silks are sold in Ban Phai district, Khonkaen province and Bangkok markets.

**Ban Kuema-u Cooperative Women's Group:** People living in Ban Kuema-u (Nakhon Ratchasima Province) spent their leisure time feeding silkworms and weaving silk cloth tracing the ancestors as traditional wisdom for household use. 48 housewives formed this Group with the initial capital of 5,000 Baht in 2001. Presently the Group has 53 members and still has been improving the style of products till they can make new styles of silk such as corrugated silk cloth and women's shoulder band. Raw materials and labours are easily available in the area. And also silk products have wide ranges of styles and can be produced all year round. Furthermore, the Group initiates to weave cotton, which has a heavy demand in the market. Silk products and cotton can be distributed in domestic and foreign markets.

**Phimai Agricultural Cooperative Limited** is located at Phimai district (Nakhon Ratchasima Province). It was registered under the Cooperative Societies Act 1968 on 15<sup>th</sup> November 1974 by merging five cooperatives. As on 31<sup>st</sup> July 2002 the membership of the cooperative is 9,073 persons divided into 108 Groups in 12 sub-districts (tambol). The cooperative paid the loan to the members with an interest rate of 9.5% per year. As on 31<sup>st</sup> July 2002 the cooperative paid two types of loans (short-term and medium-term) amounting to 275 million Baht. Total deposit from members in was 75 million Baht. Total purchasing business as on 31<sup>st</sup> March 2001 was 28.82 million Baht. The marketing business of the cooperative is involved in rice trading. The productivity of the cooperative is increasingly high. The rice mill has continuously been improved from the initial capacity of 24 tons a day to 40 tons a day.

## **JAPAN**

The participants visited Kanagawa Prefecture on 17<sup>th</sup> September and Kagoshima Prefecture from 24<sup>th</sup> to 26<sup>th</sup> September 2002 to get themselves acquainted with the organisational structure and business activities of primary level agricultural cooperatives, and also to observe the organisation and functioning of women's associations. The field visits were carried out under the leadership of Mr. Yukio Abe, Manager (Training Department) of the IDACA. In **Kanagawa Prefecture** the participants visited the JA Isehara and its facilities (direct sale shop, gasoline station and one branch office). In **Kagoshima Prefecture** the participants visited Kagoshima Prefectural Union of Agricultural Cooperatives, A-Coop Kagoshima Corporation, Kumiai Fertiliser Inc., Processing Plant attached to Center of Better Living Activities of Ja Aozora, the JA Aozora (head office), Exchange meeting with the members of the JA Women's Association, Facilities of JA Aozora {computer center, natural enemy virus facility for green tea, egg plant cultivation in hard plastic-type green house, strawberry cultivation in green house and ceremonial hall}, and Exchange programme at a nursery school in Kanoya city. The participants also had the opportunity of having a sightseeing tour of Kagoshima Prefecture.

### **Isehara City**

Isehara city is located in the centre of Kanagawa Prefecture with an area of 55.5 square kilometer. Total population is about 100,000 and total household is 38,000. Since 40 years ago, the region had experienced a fast industrialisation due to establishment of many factories and development of collective housing area. Due to industrialisation of the area, the population has increased sharply. The ratio of farm households in the city is about 3.8%. Main agriculture are paddy cultivation, horticulture (orchard, flowers, vegetables) and livestock (dairy, cattle breeding and poultry).

### **Agriculture in Isehara**

Paddy cultivation, dairy, hog raising and poultry account for 50% of the agricultural production in value. Fruit cultivation like pear, grape, persimmon and orange are also very popular. There are tourist farms along the national highway. Horticulture is also popular farming in the region like strawberry, tomato, and cucumber in green houses. In hibita district where orange is extensively grown, there is an orange grading factory. Flowers like rose, carnation, orchid, etc. are also extensively grown. The total number of farm households is 1,462 and the total area of operation is 997 ha.



## **JA Isehara**

JA Isehara covering the whole area of the Isehara city was formed in 1966 by merging of six small cooperatives. It has vigorously undertaken agricultural development of the region with emphasis on agricultural extension services and long-term agricultural development planning of the area. It has been undertaking several development schemes like 3 year integrated development plans after oil shock crisis in order to protect farming and livelihood of the members. Since 1978 it has taken several initiatives to strengthen the cooperative movement. In the recent years, the region has experienced the wave of urbanisation and the agriculture of the region was transformed greatly changing the farmers to part time farmers. In such a situation, the cooperative has started the 9<sup>th</sup> three-year Plan of Cooperative Strengthening Movement in 2002. Since 1975 the cooperative has held agricultural festivals every year, which has become very popular festival in the city. The total membership of the cooperative is 6,254 (2,545 regular and 3,709 associate) as on March 2002. There are 23 board of directors and 7 auditors. The total number of staff is 333. The total value of the fixed assets is Yen 4.3 billion. As on April 2002 there were 28 Commodity Groups and 8 Committees functioning in the cooperative.

## **Agriculture in Kagoshima**

Kagoshima Prefecture is located at the southern most tip of Kyusyu Island in south west of Japan, and stretches 272 km east and west and 590 km north and south. It has a total area of 9,166.58 km<sup>2</sup>, ranked 10<sup>th</sup> in Japan, and small groups and islands. It has two main peninsulas – Satsuma peninsula and Okuma peninsula. The groups of islands stretching west and south have about 27% of the total area of Kagoshima Prefecture. The average annual temperature is 17 to 18 degree centigrade. The climate of Kagoshima is temperate with much rain. The total number of farm households in Kagoshima as of February 2000 is 98,211, and in the last five years it has decreased to 12,696. The total farming population is 292,722 and the number of marking farm household is 65,494. The population consists of 143,230 males and 149,492 females. People are mainly engaged in farming, which is defined as full-time farms and part-time farmers with more agricultural income than non-agricultural income. The total cultivated area is 129,600 ha, of which the area of paddy and upland crops is 41,900 ha as of August 2000.

Agriculture income increased by 5% due to increase of gross agricultural income and the non-agricultural income decreased by 8.4% from the previous year due to fall in income from land rent, interest income and salary. The gross agricultural production in 2000 was 404,800 million yen, a decrease of 5,500 million yen or 1.3% from the previous year, which was attributable to decrease of production of industrial crops, vegetables, fruits and livestock products such as pigs and chicken.

## **Agricultural Cooperatives in Kagoshima**

As of January 2001, the total number of farm households was 95,900, which showed a downward trend of farm households. The number of people engaged in farming, limited to commercial farmers, is 102,000, showing year-by-year decrease; the farm household population was 198,000. The total number of members is 252,391 (154,274 regular and 98,117 associate members), a decrease by 10 from the previous year. Regular members decreased by 3,306 (2.1%) while associate members increased by 3,316 (3.5%). The total number of employees was 7,801.

Deposits and savings have increased slightly, but the loans show no marked fluctuations. In 2001 the deposits were 1,006,176 million yen, while the savings balance was 584,581 million yen and loans balance were 330,031 million yen. Though the new contracts of long-term insurance have increased, the long-term mutual insurance possession amount has fallen below the previous year due to the expiry and midway cancellation.

The marketing business turnover has fallen below the previous year from 172,031 to 159,149 billion yen in spite of the increase in sale of rice. At the same time, sales of other items decreased. The purchasing business turnover was 115,270 billion yen, an increase of 78 billion yen to the previous year.

### **A-Coop Kagoshima Corporation**

A-Coop Kagoshima Corporation was established on 1<sup>st</sup> August 1998 by JA Group. Earlier it was known as AC Supply Corporation. The paid up capital is 400 million yen. There are 15 directors and 4 auditors as on April 2002. The total number of employees is 1,868 (regular employees – 570, semi-regular employees – 34, part-time workers – 1,264) as on April 2002. The supply turnover for the year 2001 was 46,600 million yen. It has got 68 A-Coop Stores, 12 voluntary member stores (operated by JA), 1 green top and 1 general distribution centre of consumer goods. The organisational structure consists of Chairman, President, Senior Managing Director and Managing Director.

### **Kumiai Fertiliser Inc.**

Ja Kagoshima Prefectural Economic Federation and National Economic Federation have established on 1<sup>st</sup> May 1980 as Kagoshima Prefecture Kumiai Fertiliser and Feed-stuff Inc. On 6<sup>th</sup> January 1981 it got registered as Kagoshima Prefecture Kumiai Fertiliser Inc. and started its operation on 10<sup>th</sup> February 1981. The share capital is 50 million yen, of which JA Kagoshima Prefecture Economic Federation has 40 million yen and the Ja National Economic Federation has 10 million yen. There are 9 Directors, 2 Auditors and 21 employees. The organisational structure consists of Chairman, President, Executive Director and Managing Director. The manufacturing capacity of the company is 6,000 ton per month i.e. 72,000 ton per year of the Bulk Blending (BB) granulated compound fertiliser. It is a very economical fertiliser, saves time and labour to produce it and can be supplied 10% cheaper.

### **JA-Aozora**

The meaning of “Aozora” is “Blue Sky”. The total membership of JA-Aozora was 3,137 {2,644 regular members and 493 associate members) as on May 2001. The number of general representatives is 500 persons. General representative meeting is held every year. It has got 12 board of directors, 1 representative auditor and 3 board of auditors. The total staff strength of JA Aozora at the end of the current year was 86 + 45 temporary employees. The JA-Aozora has got many facilities for its members. It has got nine commodity groups. The business profit for the year 2001 was 61.975 million yen. It has got a current surplus of 61.772 million. The total marketing turnover for the year 2001 was 5,144 million yen, which was 10% less than previous year. The marketing of agricultural products (sweet potato, flowers and cereals) increased while livestock products decreased. Import from China is affecting the farm products of Japan very badly.

## SECTION-IV

### Observations Made by the Participants

#### THAILAND

##### Role of Rural Women in Thailand

Majority of the rural women that we saw in Thailand engaged in various types of agricultural work such as planting crops, food processing, animal husbandry and marketing of agricultural products. Though their role in agriculture is vital for the well-being of their families and community as a whole, rural women in Thailand, nevertheless carry a triple burden in their everyday lives; as wives and mother, as agricultural producers and as community workers. They are the economic providers for their families. Though their workday is longer than men's, they still have high respect for the men as the head of the family. Most rural women in Thailand are shy but hard working.

##### Education

Most of them have primary education only and enable them to read and write. Due to the lower education level, they have less participation in decision making.

##### Economic Status

Although they are farmers and work for longer hours, their pay sometimes are not sufficient compared to their work. Most women cannot get financial credit from the financial institutions or the cooperatives because they do not own land or other types of collateral. There is no gender equality in obtaining credits and funds. Often, the husbands only are entitled to get credits and loan.

##### Women's Group in Agricultural Coops

The Cooperative Promotion Department (CPD) has encouraged the agricultural cooperatives to form Women's Group for the development of women in cooperatives. The objectives of this encouragement are (a) to educate and train the women with the objectives of creating awareness among women on their roles and increase their participation in the cooperatives, (b) to motivate and educate women for better living, and (c) to promote the development of income generating projects for women through co-operatives.

At present, there are 5,651 women's groups in Thailand with 170,000 members. Formation of women's co-operatives is not encouraged due to the women's time constraint, lack of accounting knowledge and management skills.

##### Government Support

The Government through Cooperative Promotion Department (CPD) has introduced a policy "One Village - One Product". Women's Groups are given the task to produce a product so that they can earn extra income besides their main occupation in the agricultural sector. CPD also gives subsidies to the cooperatives for the revolving fund of women's group activities.

## **Visits To Agricultural Cooperatives Women's Group**

The field study visits were arranged to agricultural cooperatives and women's groups in Samut Sakhon, Phetchaburi, Maha Sarakam, Khon Kaen, Roi Et and Nakhon Ratchasima provinces. The participants visited the following 8 women groups and 2 agricultural coops to observe their activities and to have interaction with the members: (a) Ban Kaset Pattana Cooperative Women's Group, (b) Krathumban Cooperative Women's Group; (c) Hubkapong Cooperative Women's Group; (d) Tah Kham Sammakki Credit Union Cooperative Women's Group; (e) Nong Prong Samakki Water User Cooperative Women's Group; (f) Ban Paeng Cooperative Women's Group; (g) Ban Nongbua Dimi Cooperative Women's Group; (h) Ban Phai Weaving Service Cooperative Limited; (i) Ban Kuema-u Cooperative Women's Group; and (j) Phimai Agricultural Cooperative Limited.

### **01. Krathumban Cooperative Women's Group**

This women's group consists of 30 members and produces ceramic souvenir. They have members specialized in designing the product. Although the women in this women's group are not members of this cooperative (Krathumban Cooperative) but they are allowed to put some savings in. Since it is newly established, the product produce by this group is lack of promotion. Skills on management and accounting are the problems faced by this group. Low contribution of share capital from the members contributes to the existing problems.

#### ***Observation***

- Their exclusive design (hand-made) allows no competition in the area.
- The product produced is fragile and the risk of breaking/damaging the product is rather high.
- There is no proper showroom to display the product.

### **02. Ban Kaset Pattana Cooperative Women's Group**

The women's group produces herbal juice and lime juice. Juices are from aloe vera, coconut, guava, lime, etc. This group was established 15 years ago when they started with flower production. But it was not successful until they decided to change their product to the production of lime and herbal juice with the help of CPD five years ago.

#### ***Observation***

- At the premises play ground for the children is provided. The women can work and at the same time can look after their children. The group's concern over the welfare of its member is highly appreciated.
- In return the group has got full commitment and support from the members. Strong commitment from the members helps the group become more stable. Every 5<sup>th</sup> of the month, the members without fail contribute 50 Baht as their savings. This helps the group to increase its capital.

### **03. Hubkapong Cooperative Women's Group**

The women's group produces handicraft from sisal. The products are hand bags, hats, belts, wallets etc. This activity is one of Queen's projects. So, it has good promotion. The women are given training on how to improve the product. The Hubkapong Cooperative helps to market the products. Even though raw materials are available in the area all year round but the amount is insufficient. Moreover, to develop its business, the group needs to increase production technique and skill of the worker.

### **Observation**

- Since it is Queen's project, concentration on the activity of the women's group is a priority to the Cooperative. This is an advantage to the group to really establish its business.
- Hupkapong Center plays an important role in giving publicity to this Cooperative, in particular to the women's group.

### **04. Tah Kam Sammakki Credit Union Women's Group**

The group was established 16 years ago but reorganized again in 1998. It has 50 members now. They process lemon to add value of product as instant lemon powder, ready made drinking lemon powder, three taste lemon skin and sour preserved lemon. The income of this group is roughly 2,000 to 3,000 Bath per month. It manages to give 10% dividend to its members.

### **Observation**

- There is no proper premise for production and the place is not hygienic.
- The packaging of products is not attractive.
- This product cannot penetrate the local market due to lack of marketing skill.
- Social obligation that the group shows e.g. provide school lunch and discount for temples should be followed by other Cooperatives, especially women's group.

### **05. Nong Prong Samakki Water User Cooperative Women's Group**

The group is newly established in 2001. It produces handicraft from sugar palm tree. The products are exported to Japan. Every household has the machine to produce the handicraft so the shortage of supply is not possible. The products can be delivered to the customers on time with the demand. The group is able to give loan to the members with the interest of 1% per year.

### **Observation**

- The products are made from old sugar palm tree and the supply is not sufficient.
- There is no interest among the members to increase the production and expand the market due to their low self-satisfaction.
- No proper showroom to display the products.
- Production premise should be upgraded.
- Publicity and promotion of products should be expanded not only during trade fair or exhibitions but also to hotels and tourist attractions.

### **06. Ban Paeng Cooperative Women's Group**

This women's group belongs to the Kosum Phisai Agricultural Cooperative. Since reed is widely grown in the area and traditionally housewives woven mat for household use, the women felt that they should form a cooperative to earn extra income for the family. Established in 1981 with 48 people only, now the group has 120 members.

### **Observation**

- Raw material is available all year round so the group has got no problem of insufficiency.
- The group has actually provided some income to the old ladies in the village for their better living.
- The PR person of the group does some research on marketing of product. Such research helps the group to improve their product, especially on colour, quality etc.

### **07. Ban Nongbua Dimi Cooperative Women's Group**

The group is established under the Tah Pra Credit Union Cooperative. During the economic crisis in 1990, the society faced financial problem. The government set a policy to help the community involved. The group collaborated with the local authority to start the activity-mat weaving. 30 women were sent for training to broaden their knowledge on weaving and to create awareness in economic stipulation among the community.

#### **Observation**

- The chairperson of the group is male. Therefore, we think may be, that no women in the group is capable of becoming a leader or they are still dependent on the men.
- The women members seem to be so hard working and energetic. Their cooperation among themselves helps them to upgrade their products.

### **08. Ban Phai Weaving Service Cooperatives Limited**

This cooperative was established in 1992 with 208 existing members in four districts. In the beginning, this cooperative was an association that involved in handicraft and health care. Later, the community felt that a cooperative must be set up since tie-up silk is a typical occupation for members. The members produce silk and sell to the cooperative and that established the power of bargaining.

#### **Observation**

- The cooperative maintains the traditional ancient style and popular among the Thai's only.
- Most of the colours are dull and not attractive especially to the foreigners and the designs are out dated.
- The group should do some research on foreign market.

### **09. Ban Kuema-u Cooperative Women's Group**

In 2001, 48 housewives set up Ban Kuema-u Cooperative Women's Group with the initial capital of 5,000 Baht. At present, the group has 53 members. The members work with no salary but only sharing of profit. The members have committed saving twice a month approximately 50 to 100 Baht. Every household has silk weaving equipment and every member produces 10 pieces of silk every month. Members also are allowed to apply for emergency loan.

#### **Observation**

- The members are very committed and hard working.
- The group set up a motto; 'Be patient, Self reliance, Concern for the community, Intelligent and Compatible' really motivate the members to be independent and hard working. Other women's groups should adopt such a spirit.
- Women seem to be more energetic than men. Their time is fully occupied with their double role as wives and part time workers.

### **10. Phimai Agricultural Cooperative**

Established in 1974 with credit as the first business, this cooperative has 9,073 household with 108 groups, which inclusive of seven women's groups. This cooperative is categorized among the top 10 successful cooperatives in Thailand. Business activities

are credit business, depositing money from members and purchasing business. This cooperative also involves in rice trading and has its own rice mill. The rice is being exported to other countries through a private company (AMWAY).

### **Observation**

- A good management helps this cooperative to sustain their success.
- For the development of its members, the cooperative educates the members with cooperative spirit.
- Scholarships are given to selective member's children and this shows the social obligations of this cooperative towards their members well-being.
- The manager of this cooperative has good managerial and technical skills. Although a woman, she portrays a good leader image towards her subordinates.

## **JAPAN**

### **Agricultural Cooperative Movement**

The process of amalgamation that takes place has led the movement to a stronger foundation. Agricultural activities, though facing difficulties in the country, the movement take a lot of initiatives to tackle the problems wisely without jeopardizing any parties involved.

The establishment of commodity wise groups helps the members to manage the agricultural activities in the challenging situation. Introduction of high-tech farming updates the members with the era of globalization. The modern technology used by the agricultural cooperatives helps the farmers to increase their production and income.

The knowledge is also expanded to the Asian countries through training courses, exchange programs, which sometimes are fully sponsored by the government of Japan. Trainees from this region are brought into Japan to learn the success of the Japanese agriculture system and its management and if possible be implemented in their own countries. 'Sharing of experienced' policy by the Government of Japan is highly appreciated and should be followed by other countries.

### **Problems**

Though the agricultural cooperative movement is strong in Japan but the main problem faced is the aging society. Difficulty in locating successors leads the government and the agriculture movement to finding drastic solutions to solve the matter. Since agriculture land is limited due to the development of other sectors, which have taken some parts of the agriculture land, this problem also should be addressed.

Another problem faced is the import of agricultural products from other countries, which indirectly has caused the drop of price for local agricultural commodities. And this really affects the local agricultural producers especially the agricultural cooperative members.

### **Process of amalgamation**

Amalgamation of primary cooperatives helps the movement becomes stronger especially in competing with the private sector in business activities. By merging the cooperatives through amalgamation process, the formation of subsidiaries by the movement are viable in the competing market since the cooperative law does not bind subsidiaries.

## **Observation on JA operation**

JA as a service oriented organization plays an important role to upgrade the living standard of its members. Thus by providing proper guidance and training through the Farm Guidance Activity help the members to increase the production of agricultural products. Facilities and other raw materials for the agricultural productions to the local farmers are provided at doorsteps and it is up to them to grab the opportunities given by the JA. Looking at the scenario, Japanese people are hard working and appreciate whatever facilities provided to them.

One of the recent campaigns launched is 'Local Produced Product For Local Consumption' has the potential to benefit the local farmers. Through this campaign also, the public awareness on their food consumption can be increased. Services given by the JA range from the cradle to the grave. Members needs and demands are given full attention. Hence, the better living activity carries a mission to develop a healthy and quality life among the people especially the members. Aged people (cooperative members) seem to be enjoying their lives as a result of facilities given by the JA.

Strong support for the Women's Association activities proves that the equality among the gender has been taken into consideration by the movement. Women members in the association are given great opportunities to develop themselves especially in improving their lifestyle. The capital that they have is fully utilized for their own benefits. Prior to this, JA caters the support needed by the Women's Association.

## **Government support**

Realizing the problems faced by the country's agriculture activity the government has introduced the 'Agricultural Town Concept' to the movement. Large scale of agricultural land area (at least 20 ha) can be leased to leading farmers interested in producing agricultural commodities.

Subsidies are given to leading farmers in order to upgrade their production activities. In this manner, the living standard of the farmers increased and will potentially attract the young generation to agriculture. Thus the problem of finding successors in agricultural activities can be solved.

With regards to the above, the Polytechnic of Agriculture and Farmers Junior College have been set up. No doubt the institutions are for those with agricultural background but those with none are also invited.

Encouragement and support given by the government to acknowledge the role of women in agriculture are deeply appreciated. The introduction of Family Management Agreement which enables the women to get green pension is one of the steps the government takes to make the women's work visible in the eyes of the authorities and public and partly to empower women's participation.

## **Visit to JAs**

### ***a. Women's Association under JA Chosei***

The activities of this association are mainly on better living. Improvement of lifestyle among the members is the focus. This can be seen through the soap making activity in order to create a clean environment for living.



Mrs. Mineshima, an experienced leader of the Association at Prefecture and National Level contributes to the success of the association. New knowledge and experienced gained from her visits to foreign countries are an advantage to the members. She is the mentor of her Association's members.

***b. Green house of Women's Association Member***

Ms. Nagashima's management skills and credibility of handling the green house, which produces onion leaves, amazed everybody who knows her. Ms. Nagashima, a successful businesswoman, receives support from JA through the advice given by the farm advisors.

***c. JA Isehara***

In the process of amalgamation of 5 JAs, JA Isehara amends its by-law by involving the women in the executive planning policy. This initiative proves the JA's appreciation towards the contribution of its women members.

The well management organization of this particular JA can be seen through its 3 Years Reinforcement Plan and 5 Years Agriculture Plan. By having these plans, the aging population problem is looked into by conducting courses at elementary schools in order to educate the children on the benefits of agriculture and the cooperatives. Besides that, youth programs are initiated with the aims of lobbying the price of agriculture products.

At one of its branches, JA Isehara promotes the local produced product for local consumption by having a small store for the local farmers to sell their products. The JA introduces the bar-code system whereby the farmers themselves code in their price on their products. In addition to that, the farmers have to put their names or picture on the price label. This is due to the public awareness on cleanliness and hygienic food and anxiety to know whom the producers are.

***d. Kagoshima Prefecture Union***

Kagoshima Prefecture leads the producing of livestock in Japan and 2<sup>nd</sup> in green tea. Due to mountainous landscape, upland crops takes the leading agricultural activities in this prefecture compared to paddy.

In this area number of large-scale agricultural land has increased. However, number of farming household and farmers have decreased due to the main problem of Japan i.e. aging society and abandoned agricultural land.

Kagoshima Prefecture Union takes the initiative to increase the productivity by helping to rationalize the internal management of JAs. Kagoshima Prefecture Union has taken initiative of creating better understanding with the public by having good publicity and public relations activities.

***e. A-Coop Kagoshima Corporation***

A-Coop Kagoshima Corporation is one of the subsidiaries of Kagoshima Economic Federation and the only distribution center in Kagoshima Prefecture. Establishment of this center by the JAs helps the movement to involve in business activities freely and not bound under the cooperative act. Equipped with computer networking, this center is linked to 68 regular A-Coop stores and 7 small retail shops in Kagoshima.

In this center processing, packaging and distribution of products are centralized. By having the motto of 4S1K (Seiso – cleaning, Sekkyaku – how to take care customers, Sendo – freshness, Shinazoroe – supply of variety products to meet with the needs, and Kakaku – reasonable price) the center tries to provide the best service to the customers.

#### ***f. Kumiai Fertilizer Inc.***

This fertilizer company is also one of the companies established by the Kagoshima Economic Federation and the second largest fertilizer manufacturer in Japan. Fertilizer with the brand name of BB Fertilizer is introduced to Japan by JA Zen-Noh, which has brought the raw material from the United States.

80% of the fertilizer is organic based. Fertilizer is produced based on the needs of local farmers depending on the soil diagnosis done by this company for the farmers. The fertilizer also is produced based on the kind of crops grown by the local farmers.

#### ***g. JA Aozora***

JA Aozora has good relation with the local government and work together to improve and increase the agricultural activities and living standard of the local people. By providing better living, they believe it will be an attraction to the young people to come back and stay at their hometown as successors to agricultural activities. Through better living activities, JA Aozora encourages women and old people to actively involve in agricultural activities.

This JA is fortunate to have an ambitious General Manager who introduces the concept of looking problems at positive manner. He tries to view and tackle the problems into the business opportunities.

Women's Association activities get strong support from the JA. Dancing, music and cultural activities, etc. involve mostly aged women in the area. Improvement of lifestyle is the main focus of this association.

#### ***h. Farmer's family***

Mr. Minamigawa, member of JA Aozora is one of leading farmers for strawberry and melon in the area. He strongly believes that joint marketing is very viable for promoting agricultural products. He acknowledges the farm advisor as an important guidance to promote successful agricultural activities. He gets the subsidy from the government for his strawberry green house and loans from JA.

#### ***i. The facilities of JA Aozora***

As mentioned earlier in the agricultural cooperative movement, all JAs provide facilities from cradle to grave to the members. In particular, JA Aozora not excluded in providing good facilities to its members. As an example, it has invented natural enemy virus for protection against insects destroying the green tea.

In addition, JA Aozora introduced hard plastic typhoon proof green house to its members. Since this area is always affected by typhoons, introduction of hard plastic typhoon proof green house with computerized system assures the farmer of sustainable income from agricultural activity.

## SECTION-V

### Action Plans Proposed by the Participants

In view of the experience gained by the participants through class room lectures, field study visits in Thailand and Japan, interaction among themselves, and based upon their own work environment, the participants were able to develop brief outlines of their Action Plans which they would recommend to their organisations after their return to their home countries. These plans were developed through holding group discussions and on the basis of their discussions with their seniors before joining the Training Course.

#### {1} INDONESIA

The two participants were sponsored by the Dewan Koperasi Indonesia (DEKOPIN). They proposed the following Action Plan:

##### *Ms. Khulsum Hidayati*

1. Share the experiences and observations of women's groups in Thailand and Japan also information and knowledge from this Training Course with the board members of "Koperasi Citra Lestari", also with the board member of "PUSKOPWANJATI" (Central Women's Cooperative in East Java that is Provincial Level women's Cooperatives). So, good system, management, improvement and achievement that have been made by the women's groups in both countries can give the idea for activities of women in rural areas specially in areas of East Java.
2. Increase the quality activities of members from improving the human resources to improving the management skill in their business activities through proper training and extension to the members. Moreover, promote cooperation network for member's products market opportunities.
3. Inspired by Ms. Kanno's (JIBC technical Advisor) presentation, one of the next social activities of "Koperasi Citra Lestari" is giving nutritious food during lunch time to selected elementary schools in rural area nearby the cooperative twice per month in the beginning and increase after that. Hopefully in the future the student-parent in that school will consider giving contribution. So, they can have knowledge on the importance of nutritious food.
4. Give the idea for "PUSKOPWANJATI" (Central Women's Cooperative in East Java) activities to increase the number of potential women's groups in East Java and to establish the women's cooperative within that groups.

##### *Ms. Yoshiko Hikariati*

1. Prepare database of women's cooperatives in Indonesia, such as, potential organizations, system, management and business conditions. All the data will become the source of action plan of the BKWK (Women Cooperator Communication Committee) in facilitating activities of the women's cooperatives. So, training and extension will give proper need.

2. Training for moderator (extension worker) who has been selected as prospective potential women. The objective of the training is to increase the business sensitivity of participants. So that they can capitalize natural and human resources in their communities into business opportunity, establish the women groups and develop the group through cooperative activity.
3. Monitoring and evaluating the program activities, specially the activities that has already given (number 2) and set up the cooperation network with other related institutions, i.e. Government institutions or Non-Government Organizations for facilitating and assisting the women's group in developing stage. Moreover, sustainable development programme will be the priority for the next BKWK activities.
4. Form the Center of Information for women's cooperatives in terms of cooperation network for sharing knowledge, business activities and other programme among women's cooperatives in Indonesia.

## **{2} MALAYSIA**

The two participants were sponsored by the National Cooperative Organisation of Malaysia (ANGKASA). They proposed the following Action Plan:

### ***Ms. Roszurina Binti Omar***

1. Information based on this training will be published in our magazine, which will be distributed to all the cooperatives of ANGKASA members.
2. Experienced and information gained from this training will be presented during the celebration of Rural Women's Day in October 2002 organized by ANGKASA (national level).
3. Strengthen the Women's Development Committee at National and State Level by providing clear objectives and visions for women's development. Issues on women's problems should be determined and plans for the development should be focussed on the issues identified.
4. Statistical data on women's activities in cooperatives will be updated from time to time for future plans.
5. Based on the data, women's needs in cooperatives will be identified and training modules will be designed for the development of women in cooperatives especially in rural areas.
6. Collaborate with other agencies dealing with the women's development in giving education and training especially on entrepreneur's activities, investment, packaging and marketing of product etc.
7. Based on the experience of Women's Group in Japan, 'External Leader' pilot project will be proposed to the Women's Development Committee.
8. Product Promotion Centre, which is newly established in ANGKASA, will be furnished with all information on Women's Group activities for creating networking with other parties concerned.

***Ms. Hajjah Norain Binti Harun***

1. Information and experience gained will be given to all the board members during the monthly Board Meeting and later pass down to all the members of the cooperative.
2. Seminar, workshop and forums will be organized at primary level cooperative. Through these, all cooperative members and other parties concerned should be equipped with clear objectives, vision and mission of Women's Group in the cooperative. Clear focussed objectives will help to gain support and strengthen the Women's group as well as the cooperative.
3. Establish contacts with the local women's association and if possible create a joint plan for the development of rural women in the area.
4. Courses on Entrepreneurs Activities in Cooperatives will be conducted from time to time to the members without gender segregation.
5. Courses on Public Speaking, Leadership Skills, Starting up a Business, etc. will be conducted from time to time with the help of ANGKASA to the members. By having these courses, self confidence among the women can be build and increased.

**{3} THAILAND**

The two participants were sponsored by the Cooperative Promotion Department (CPD) and the Cooperative League of Thailand (CLT). They proposed the following Action Plan:

***Ms. Thanya Thammakuntipong & Ms. Piyarat Sasikan***

1. Provide women with formal and informal education concerning family care and shared responsibilities for family planning.
2. Establish mental health care programmes for women to guarantee their social security.
3. Provide training and accurate information about sustainable agriculture for women as well as men.
4. Promote, support and develop alternative marketing systems for their products.
5. Organise working groups to promote production and marketing of handicrafts.
6. Provide training for women groups to develop their potential and increase more employment opportunities.
7. Support the establishment of women's groups in rural areas to improve women's status.
8. Encourage women to take part in developing and transmitting new technology.
9. Encourage women to take active participation in safeguarding environments.

**{4} VIETNAM**

The two participants were sponsored by the Vietnam Cooperative Alliance (VCA). They proposed the following Action Plan:

***Ms. Nguyen Thi Ngoc Cam & Ms. Tran Thi Tuyet***

1. To set up the project of credit insurance fund for cooperatives.
2. To increase education and training on management skills, business skills and vocational training in which gender issue is included for women in cooperatives.
  - *To design special training programs such as short term training courses (3 half days) for women in rural areas so that they can take part in the course and take care of the family.*
3. To set up network of support and promotional organizations for women in rural areas so that they can receive the support fully but not overlap.
4. To give suggestion to the National Bank of Agricultural and Rural Development to create good condition for women in cooperatives to approach the loan for job creation and production development.
5. To introduce and share experience and best practices on management skills and business skills, etc. which we have gained from women group in Thailand and Japan and among our colleague and women groups in Vietnam.
6. To detect the shortcomings and irrationalities in Cooperative Law and other policies on cooperatives in Vietnam for better recommendation and settlement such as issues related to the land use in cooperatives, switch of old type cooperatives into new type cooperatives, solution to cooperative members, household assets and debts, operational contents of cooperatives, relationship between local authorities and cooperatives.
7. To make widespread propagation of the activities of Japan and Thailand, Malaysia and Indonesia in general and women groups in cooperatives in particular among women and women groups in cooperatives in Vietnam. Therefore, they may understand and have willing to take part in cooperative development.

## SECTION-VI

### Concluding Session

The 2<sup>nd</sup> ICA-Japan Training Course for “Strengthening Women’s Agricultural Cooperatives in Rural Areas and Improvement of Farm Management and Rural Life” was organised by the International Cooperative Alliance Regional Office for Asia the Pacific (ICA ROAP) in collaboration with the Institute for the Development of Agricultural Cooperation in Asia (IDACA) during 29<sup>th</sup> August to 4<sup>th</sup> October 2002 with the funding support of the Government of Japan in the Ministry of Agriculture, Forestry and Fisheries (MAFF). Eight participants – two each from Indonesia, Malaysia, Thailand and Vietnam attended the Course. Besides attending the classroom sessions, the participants had an exposure to primary and prefectural level agricultural cooperatives in Kanagawa and Kagoshima Prefectures.

The concluding session of the Training Course was held on Wednesday, 3<sup>rd</sup> October 2002 with Mr. Isamu Akiyama, Dy. Director, Technical Cooperation Division, International Affairs Department, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries (MAFF), Government of Japan as Chief Guest. Mr. Shigeri Fukamachi, General Secretary of IDACA and Mr. K. Sethu Madhavan, Planning Officer of ICA ROAP addressed the closing session.

At first, **Mr. Akiyama** expressed his satisfaction on the successful completion of the Training Course. He also congratulated the participants on their completing the programme successfully and hoped that the experiences gained by them while in Thailand and Japan would be useful when they return to their countries. He also said that agricultural sector in Japan is facing very serious problems amid the globalisation of economy. He believed such problems might be common in Asian countries because we are in the same monsoon area and we have the same rice culture.

**Mr. Shigeri Fukamachi** made congratulatory remarks to all participants that the Training Course has been completed satisfactorily without any problems. He also expressed his satisfaction and gratitude that the ICA was able to identify good participants for being able to attend the Course for its full duration and conveyed his thanks to the member organisations for their cooperation. In view of the vital roles women play for the upliftment of agriculture and rural communities in both developing countries as well as in Japan today, the IDACA has been trying to increase the number of women participants and promote their empowerment through training programmes. He was happy to note that this Training Course proved to be quite an eye opening for the participants to learn afresh the ways on rural women empowerment in Japan through cooperatives and also the unique features of the Japanese society which is worthy of studying. He finally requested the participants to make best use of their experiences gained in Japan to develop some institutional supports for women in their own countries.

In his address, **Mr. K. Sethu Madhavan**, congratulated the participants and IDACA for the successful completion of the Training Course. He also expressed the gratitude and appreciation of the ICA to the Japanese Government, especially MAFF (Ministry of Agriculture, Forestry and Fisheries) for the financial support extended in the conduct of this Training Course.

**'Certificate of Participation'** was awarded to the participants by the Institute for the Development of Agricultural Cooperation in Asia (IDACA).

**Ms. Roszurina Binti Omar** (Malaysia) speaking on behalf of the participants expressed the participants' greatest appreciation to the Ministry of Agriculture, Forestry and Fisheries (MAFF), Government of Japan for providing financial support for this Training Course. How grateful they are to the Government of Japan! She hoped that the MAFF would continue to support this training program in future for the development of women especially the rural women in the developing countries.

She also expressed the gratitude of the Group to the ICA and IDACA for organizing the training course from 29<sup>th</sup> August to 4<sup>th</sup> October in Thailand and Japan. No words can describe how grateful they are to have gained such knowledge and experience during this training. The experience and knowledge that they got in Thailand and Japan will be brought back to their countries. They will try to implement whatever, wherever and whenever applicable for the benefit of all especially for the development of rural women in their countries.

In Thailand, the hard working attitude of the Thai women, their small scale business and the commitment they showed towards their families and community has inspired them of doing the same in their countries. Besides, the better living activities of the Japanese Women Association, especially when they saw the aged women in the association enjoying their lives through social activities, have caught them speechless. Japanese women that they visited have taught them indirectly how to value and treasure their lives and appreciate whatever God has given them in this world. They hoped in future IDACA will invite more and more women to enroll in this great, relevant and important course which would educate them physically, mentally and spiritually.

Upon completion of the 2<sup>nd</sup> ICA-Japan Training Course for "Strengthening Women's Agricultural Cooperatives in Rural Areas and Improvement of Farm Management and Rural Life" the participants left Japan for their home countries on 4<sup>th</sup> October 2002.



## SECTION-VII

### List of Participants

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## SECTION-VIII

### Course Programme

29 <sup>th</sup> August		Arrival of participants and IDACA/ICA delegates at Bangkok.
30 <sup>th</sup> August	FN	Orientation & Opening Ceremony. Courtesy call to Cooperative League of Thailand (CLT).
	AN	Courtesy call to Cooperative Promotion Department (CPD).
31 <sup>st</sup> August		Sightseeing in Bangkok.
1 <sup>st</sup> & 2 <sup>nd</sup> Sept.		Field Study Visits to Samut Sakhon & Phetchaburi Provinces.
3 <sup>rd</sup> Sept.	FN	“Introduction to Women Group’s Activities in Asia” by Ms. Revathi Balakrishnan, Regional Sociologist and Gender Development Officer, FAO ROAP.
	AN	“Present Situation of Coops and Women’s Group in Thailand” by Ms. Kornapa Chaiyawat, Head of Project Section, Planning Division, CPD.
4 <sup>th</sup> to 6 <sup>th</sup> Sept.		Field Study Visits to Maha Sarakham, Khon Kaen, Roi Et and Nakhon Ratchasima Provinces.
7 <sup>th</sup> Sept.		Return to Bangkok
8 <sup>th</sup> Sept.		Drafting of report by participants on their observations.
9 <sup>th</sup> Sept.		Departure for Tokyo Arrival of Participants at IDACA.
10 <sup>th</sup> Sept.	FN	Orientation & Opening Ceremony
	AN	“Culture, Society and Economy of Japan” by Mr. Toru Nakashima, Dy. Manager (Training Department), IDACA.
11 <sup>th</sup> Sept.		“Agriculture and Agricultural Cooperatives in Japan” by Mr. Toru Nakashima, Dy. Manager (Training Department), IDACA.
12 <sup>th</sup> Sept.	FN	“Organisation and Activities of the JA Women’s Associations” by Ms. Eiko Oshita, Coordinator (Training Department), IDACA.
	AN	Move to Chiba Prefecture
13 <sup>th</sup> Sept.	FN	Exchange meeting with JA Chosei Women’s Association.
	AN	Visit to farmer’s house (horticulture).

14 <sup>th</sup> Sept.		Sightseeing in Tokyo (Tokyo Disneyland).
15 <sup>th</sup> Sept.		Sunday: Free
16 <sup>th</sup> Sept.		National holiday: Preparation of Group Report on Thailand.
17 <sup>th</sup> Sept.		Visit to JA Isehara in Kanagawa Prefecture and its Facilities (direct sale shop, gasoline station, and branch office).
18 <sup>th</sup> Sept.		"Agricultural Cooperative Movement in Japan and various Approaches to some Cooperative Development Efforts" by Mr. Yukio Abe, Manager, Training Department, IDACA.
19 <sup>th</sup> Sept.		Case Study on "Entrepreneurial Activities of Rural Women in Japan" by Ms. Kazuko Kano, Senior Technical Advisor, Project Development Department, Japan Bank for International Cooperation (JBIC).
20 <sup>th</sup> Sept.		"Women Entrepreneurship and Economic Empowerment" by Ms. Noriko Furutani, Researcher, Social Development Department, Global Link Management.
21 <sup>st</sup> Sept.		Saturday: Free
22 <sup>nd</sup> Sept.		Sunday: Free
23 <sup>rd</sup> Sept.		Travel to Kagoshima Prefecture.
24 <sup>th</sup> Sept.	FN	Visit to JA Kagoshima Prefectural Union
	AN	Visit to A-Coop Kagoshima Corporation and Kagoshima Kumiai Fertiliser Inc.
25 <sup>th</sup> Sept.	FN	* Courtesy call on Mayor of Ariyake Town. * Observation of Processing Plant attached to Center of Better Living Activities. * Visit to JA Aozora (head office).
	AN	Introduction to the activities of Women's Association. Visit to farmer's house (cultivating strawberry, melon and paddy).
26 <sup>th</sup> Sept.	FN	Observation of facilities of JA Aozora {compost center, natural enemy virus facility for green tea, egg plant cultivation in hard plastic-type green house, strawberry cultivation in green house, and ceremonial hall}.
	AN	Exchange programme at a nursery school in Kanoya city.
27 <sup>th</sup> Sept.		Sightseeing in Kagoshima Prefecture.
28 <sup>th</sup> Sept.		Return to Tokyo
29 <sup>th</sup> Sept.		Sunday: Group Discussion.

30 <sup>th</sup> Sept.	FN	Preparation of Group Report on Japan.
	AN	Presentation of Group Reports on Thailand and Japan.
1 <sup>st</sup> October		“JA Group’s Approach to WTO” by Ms. Noriko Tanaka, Joint Senior Manager, International Policy and Strategic Planning Affairs, Agricultural Policy Department, JA-ZENCHU.
2 <sup>nd</sup> October		“Women Entrepreneurship and Village Revitalisation Activities” by Ms. Kazko Yamamoto, Consultant.
3 <sup>rd</sup> October	FN	Evaluation and Closing Ceremony.
	AN	Move to Narita
4 <sup>th</sup> October		Departure of participants from Japan.

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<b>FN Session</b>	<b>:</b>	<b>09:30 – 12:00</b>
<b>AN Session</b>	<b>:</b>	<b>13:30 – 16:00</b>



ICA-Japan Training Course for  
“Strengthening Women’s Agricultural Cooperatives  
in Rural Areas and Improvement of Farm  
Management and Rural Life  
Thailand-Japan, 29<sup>th</sup> August to 4<sup>th</sup> October 2002

1 D A C A

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**Itinerary of Study Tour in Kagoshima Prefecture  
for the Training Course of the 2nd ICA Women Leaders' and  
Selected Countries (Cambodia/Sri Lanka)**

**Sep. 23 (Mon.)** 9:00 IDACA ⇒ JR Takao Sta. (by taxi)  
 9:31 JR Takao Sta. ⇒ JR Hamamatsu-cho Sta. (by train)  
 Hamamatsu-cho ⇒ Haneda Airport (by monorail)  
 13:10 Haneda Airport ⇒ 14:55 Kagoshima Airport (by airplane)  
 《Flight- JAS375》  
 Kagoshima Airport ⇒ Hotel for check-in (by bus)  
 Kagoshima Tokyu Inn  
 Tel: 099-256-0109  
 Fax: 099-253-3692

**Sep. 24 (Tue.)** 9:00 Leave the hotel (check-out / by bus)  
 9:30 **Visit – Kagoshima Pref. Union of Agricultural Cooperatives** ✓  
**(JA Kagoshima Pref. Union)**  
 ~ Briefing on Agriculture and Agricultural Cooperatives in  
 Kagoshima Prefecture.  
 11:30 Lunch Break ( ~ 12:30) ✓  
 13:00 **A-Coop Kagoshima Co. ( ~ 15:00)** ✓  
 ~ Briefing on the Business Activities and Observation of  
 General Distribution Center of Consumer Goods.  
 15:30 **Kumiai Fertilizer Co. ( ~ 17:00)** ✓  
 ~ Briefing on the Business Activities and Observation of  
 Fertilizer Plant.  
 (Move to Kanoya city )  
 Hotel Okura  
 Tel: 0994-40-0555  
 Fax: 0994-44-4968

**Sep 25 (Wed.)** 8:00 ✓ Leave the hotel (check-out/ by bus)  
 9:00 **Courtesy Call on Mayor of Ariyake Town ( ~ 10:00)** TOMIYAMA  
 10:00 ✓ **Observation of Processing Plant attached to Center of Better  
 Living Activities of JA Aozora ( ~ 10:30)**  
 10:30 ✓ **Visit- JA Aozora (Head Office)** ✓  
 ~ Briefing on Agriculture and Organization and Activities of  
 JA Aozora ( ~ 12:00)  
 12:00 **Luncheon arranged by the Women's' Association and  
 Introduction of the Activities of the Association. ( ~ 14:30)**  
 15:00 ✓ **Visit: Farmer cultivating strawberry, melon and paddy ( ~ 17:00)**  
 (Move to a hotel)  
 Shibushi-wan Daikoku Hotel  
 Tel: 0994-72-1667

- Sep. 26 (Thu.)**
- 8:15 Leave the hotel (check-out/ by bus)
- 9:00 **JA Aozora - Observation of related facilities (~ 12:00)**  
 ~ compost Center, Natural Enemy Virus Facility for Green Tea,  
 ✓ Egg Plant Cultivation in Hard Plastic-type green House,  
 ✓ Strawberry Cultivation in green house by leader of Strawberry  
 Producers Group, Ceremonial Hall ✓
- 12:00 ~ Lunch break
- 14:00 **Exchange Program at a nursery school in Kanoya city  
 (~ 16:00)**  
 (\* Nursery School managed by a part-time director of JA in  
 Kanoya city)
- (Move to Kagoshima city for check-in at hotel)
- Kagoshima Tokyu Inn  
 Tel: 099-256-0109  
 Fax: :099-253-3692
- Sep. 27 (Fri.)**
- 9:30 **Leave the hotel for sightseeing tour in Kagoshima city  
 (~ 12:00/ Free time after the tour)**
- Kagoshima Tokyu Inn  
 Tel: 099-256-0109  
 Fax: ::099-253-3692
- Sep. 28 (Sat.)**
- 10:30 Leave the hotel for Kagoshima Airport (Check-out/ by bus)
- 12:00 Arrive at the airport  
 Free time before departure
- 13:30 Kagoshima Airport ⇒ 15:10 Haneda Airport (by airplane)  
 «Flight- JAS374»  
 Haneda Airport ⇒ 18:00 IDACA (by bus)

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# **I . Agriculture in Kagoshima Prefecture**



MR. MASAHIKO  
 NISHIZONO,  
 MR. ARIMOTO,  
 General Manager of the  
 office  
 JA Kagoshima  
 Prefectural UM

## **General Information**

### **1. Location**

- Kagoshima prefecture is located at the southern most tip of Kyusyu island in south west of Japan, and stretches 272 km east and west and 590 km north and south.
- The prefecture has a total area of 9,166.58km<sup>2</sup> and small groups of islands

### **2. Area**

- Total area of 9,166.58 km<sup>2</sup>, ranked 10 th in Japan, has main two peninsulas, Satsuma peninsula and Okuma peninsula. Groups of islands stretching west and south has about 27% of total area of Kagoshima prefecture.

### **3. Isolated Islands**

- Number of isolated islands of Kagoshima prefecture is 28, ranked 4 th or 8.5% in Japan

### **4. Mountains**

- Activities of the Kirishima volcanic range stretching north and south has created the Kirishima Volcanic Mountain Range, Sakurajima island, Kaimondake mountain, etc.

### **5. Climate**

- Kagoshima prefecture lies in the area under Temperate Zone to the Sub-tropical Zone, and its weather conditions are quite complicated compared with other parts of Japan.
- The average annual temperature is 17C to 18C, and the precipitation is more than 2,200mm in annual average, which describes the climate of Kagoshima as temperate and much rains.
- Climate of the area covering Tanegashima island, Yakushima island and Amami region shows that temperature at the annual average is 19 C to 22 C. The number of months recording 20 C or higher is 7 months, from April through October. The precipitation at annual average is more than 2,300mm indicating that the area is almost in the Sub-tropical Zone.
- Many typhoons form or approaches to Kagoshima around July and October, and in the last 30 years its number reached to 27.

## 6. Number of Farm Households by Farming Scale

- Marketing farm households by farming scale as of Feb., 2000 shows decrease under 3.0ha compared with those in 1995, while large-scale farm households are on the increase, especially outstanding increase of 42.1% in farm households with 5.0ha to 10.0ha of farmland and 73.5% of 10ha or more of farmland.

### Marketing Farm Households by Farming Scale (Unit: households, %)

Classification		Commercial	*Small-scale	0.3	1.0	3.0	5.0
		Farm Households	Commercial Farm Households	~ 1.0	~ 3.0	~ 5.0	~ 10.0
Actual Number	Year 1995	76,320	1,569	45,360	24,765	3,439	1,079
	Year 2000	65,494	1,375	37,299	21,486	3,520	1,533
Composition	Year 1995	100.0	2.1	59.4	32.4	4.5	1.4
	Year 2000	100.0	2.1	57.0	32.8	5.4	2.3

(Note) Small-scale commercial farmers: with farmland of 0.3ha and less/ 500,000yen and less income from farming

## 7. Farm Households

- Total number of farm households in Kagoshima as of Feb., 2000 is 98,211, and in the last 5 years it has decrease of 12,696 or 11.4%, which is 2.0 point higher than the national average of decreasing farmers.
- Of which the number of marketing farm households is 65,494 or 66.7%. This clearly indicates decrease of 10,826(14.2%) for marketing farm households, of 32,717(33.3%) for self-consumption type farm households by decrease of 1,870 households.

### Farming Population and People mainly engaged in Farming

- Total farming population is 292,722 as of Feb., 2000, 4,423 persons or 13.2% decrease compared with 337,045 in 1995.
- The population consists of 143,230 males (48.9%) and 149,492 females (51.1%), shows decrease by 20,327 for male and by 23,996 for females
- People mainly engaged in farming, which is defined as full-time farmers and part-time farmers with more agricultural income than non-agricultural income, is 107,189, showing bigger decrease than the national average.

*1.8 Mill*

## 8. Cultivated Area

- Total cultivated area is 129,600ha as of Aug. 2000, showing decrease of 900 ha or 0.7%.
- Of them the area of paddy and upland crops is 41,900ha, showing decrease of 300ha or 0.7%. The decrease is attributable to natural disasters triggered by local downpour, conversion of paddy field into housing ,upland fields, abandoned farmland in hilly and mountainous areas.
- Total area of upland crop is 87,700ha, decrease of 500ha or 0.6%. Even though conversion of paddy field into upland field and land reclamation are preceded, local down pour, etc. as indicated above cause damage to the land.

## 9. Farm Management

Agricultural income in 2000 increased due to gross agricultural income increase by 11.5% from the previous year to 840,000 yen. And the non-agricultural income is 2,849,100 yen, almost the same as the previous year. Therefore the total farm household income, which is the sum of agricultural and non-agricultural income, increased by 28% from the previous year to 3,693,000 yen. The gross farm household income, adding the income from gifts and annuity to the farm household income is 5,766,900 yen, 20% increase from the previous year. The living expenditure is 3,801,800 yen, 14% decrease from the previous year. (Unit: person, a, 1,000yen, %)

Classification	Total		Changes from previous year
	2000	1999	
Number of family members(Ave./month)	2.80	2.80	0.0
Cultivated land under management (a)	156.3	161.0	- 2.9
Agricultural Income (A)	843.9	756.6	11.5
Non-agricultural Net Income (B)	2,849.1	2,836.2	0.5
Non-agricultural Gross Income	2,992.8	2,971.7	0.7
Non-agricultural Expenditure	143.7	135.5	6.1
Total (A) + (B)	3,693.0	3,592.8	2.8
Income from gifts and annuity	2,073.9	2,058.5	0.7
Total Income of Farm Household	5,766.9	5,651.3	2.0
Taxes, Public Imposts and Obligations	830.5	905.5	- 8.3
Disposable Income	4,936.4	4,745.8	4.0
Living expenditure	3,801.8	3,856.0	- 1.4
Surplus of Farm Household Economy	1,134.6	889.8	27.5
Gross Income	3,686.7	3,686.3	0.0



## 10. Gross Agricultural Production

404 Billion

Gross agricultural production in 2000 is 404,800mil. yen, down 5,500mil. yen or 1.3% from the previous year, which was attributable to decrease of production of industrial crops, vegetables, fruits and livestock products such as pigs and chickens.

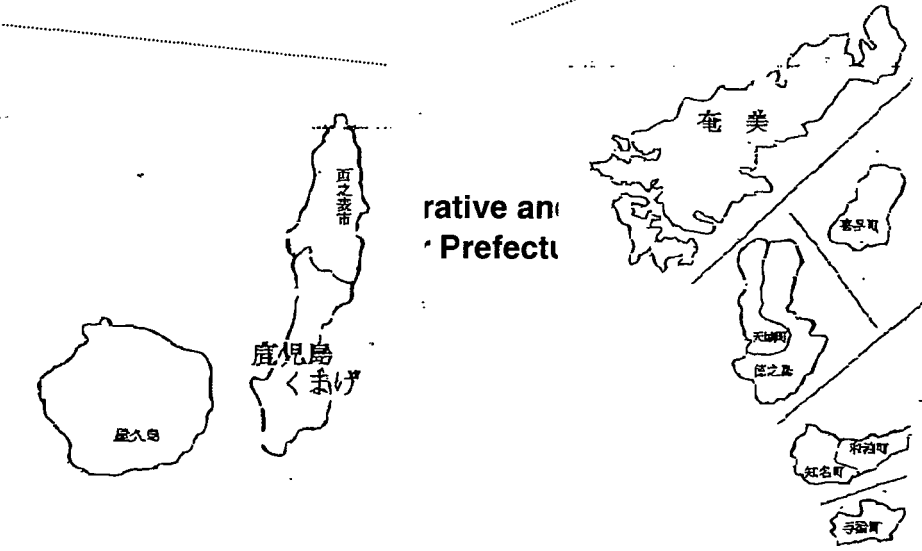
Estimated Agricultural Production in 2000 (Unit: 100 mil. yen)

Classification	2000	1999	Change from the previous year	
			Amount(100mil yen)	%
Gross Agricultural Production	4,335.000	4,103	-55	-1.3
Total	1,912	1,952	-40	-2.0
Rice	311	276	35	-12.7
of which Paddy Rice	307	266	41	-15.4
Wheat	1	1	0	0.0
Cereals/Pulses	8	6	2	33.3
Potato	259	242	17	7.0
of which Sweet Potato	166	150	16	10.7
Vegetables	507	539	-32	-5.9
Fruits	123	137	-14	-10.2
of which Mandarin Orange	43	50	-7	-14.0
Horticultural Products	183	186	-3	-1.6
Industrial Crops	453	494	-41	8.3
of which Corn	121	127	-6	-4.7
of which Leaf Tobacco	119	118	1	0.8
of which Green Tea (fresh tea leaves)	209	246	-37	15.0
Paddy Seedlings, Nursery Stock, Others	68	70	-2	2.9
Sericulture	0	1	-1	-100
Total	2,067	2,080	-13	-0.6
Beef Cattle	600	580	20	3.4
Dairy Cattle	89	86	3	3.5
Pigs	649	672	-23	-3.4
Chicken	714	729	-15	-2.1
of which Eggs	216	206	10	4.9
of which Broiler	376	400	-24	-6.0
Other livestock products	15	11	4	36.4
Agro-processing	68	72	-4	-5.6

## **II. Outline of Agricultural Cooperative (JA) Organizations in Kagoshima Prefecture**

Total Number of JA in Kagoshima : 28 ( as of Mar.31, 2002)

~~200~~ 8, 421



1. Member Organizations of JA Group of Kagoshima Prefecture

Category		At the end of the previous FY	New entry	Withdrawal	Reduction by amalgamation	At the end of the current FY	Due paid in 2001
Primary Coop.	Multi-purpose Coop.	29	0	0	1	28	370,120
	Single-purpose Coop.	6	0	0	0	6	5,596
	Sub-total	35	0	0	1	34	375,716
Limited area-based Federation	Livestock Federation	4	0	0	0	4	1,606
	Dairy and Fruits Federation	1	0	0	0	0	341
	Sub-total	5	0	0	0	4	1,947
Prefecture-wide Federation	Credit Federation	1	0	0	0	1	3,610,550
	Economic Federation	1	0	0	0	1	550,599
	Mutual Insurance Federation	0	0	0	0	0	0
	Welfare Federation	1	0	0	0	1	2,432
	Sub-total	3	0	0	0	3	4,163,581
Total		43	0	0	1	41	4,541,244

*lubi 96 JAS*  
*NW 28 JAS*

## 2. Foundation of Agricultural Cooperative Organizations and The Management

### 1) Number of Farm Households and Agricultural Labor Force

Total number of farm households is still on the decrease.

- 1) Total number of farm households as of Jan.1, 2001 is 95,900, which shows the downward trend of farm households
- 2) Farm households ratio to the total number of households is also decreasing year by year.
- 3) Number of full-time farm households, which is on the downward trend, is 17,400 or 18.1% of total number of farm households. And number of part-time farm households, showing the same trend, is 46,200, or 48.1% of total number of farm households.
- 4) Number of people engaged in farming, limited to commercial farmers, is 102,000, showing year-by-year decrease.

Item		Fiscal		1999	2000	2001
Ratio of Farm Households	Total Number of Households (A)			729,594	736,210	742,526
	Number of Farm Households (B)			100,200	98,211	95,900
	B / A			13.8	13.4	12.9
Farm Household by Full-time and Part-time	Commercial Farm Households	Full-time Farm Households		20,400	19,866	17,400
		Part-time Farm Households		48,200	45,628	46,200
		Breakdown	Part-time I	14,000	12,242	14,000
			Part-time II	34,200	33,386	32,200
	Subsistence Farming households		31,600	32,717	3,200	
	Composition (%)	Commercial Farm Households	Full-time Farm Households	20.4	20.2	18.1
			Part-time I	14.0	12.5	14.6
			Part-time II	34.1	34	33.5
Subsistence farming household		31.5	33.3	33.8		
Farm Household by Management Scale (Composition, %)	Under 1ha		54.4	59.0	59.6	
	1.0 ha ~ 3.0 ha		37.8	32.8	32.1	
	3.0 ha ~ 5.0 ha		5.2	5.4	5.0	
	5.0 ha or more		2.6	2.8	3.3	

Item		Fiscal		1999	2000	2001
Ratio of Farm Household Population	Total Population			1,790,437	1,787,121	1,783,231
	Farm Household Population			203,400	206,454	198,000
	Ratio of Farm Household Pop. to the tot			11.4	11.6	11.2
Farming Population			110,800	107,200	102,000	

(NOTE) Farming population covers only commercial Farmers.

### 3. Members

The number of regular members is still on decrease, and the increase of associate members has made the total number of members even with the previous year.

- (1) The number of regular members is decreasing year by year, and the increase of associate members has made the total number of members even with the previous year.
- (2) Total number of members is 252,391, decrease by 10 from the previous year. Regular members decreased by 3,306 (2.1% decrease), while associate members increased by 3,316 (3.5% increase).
- (3) For the past five years regular members has decreased by 1,783 (8.7% decrease)
- (4) And associate members increased by 9,321 for the same period.(10.5% increase)
- (5) Ratio of associate members to the total members is 38.9% , up 4.6 points for the past five years.

Item		Fiscal Year				
		1999	2000	2001		
Total Number of Members		252,756	252,381	252,391	✓	
Breakdown	Regular Member	159,506	157,580	154,274	✓	
	Associate Member	93,250	94,801	98,117	✓	
Ratio of Associate Members		36.9	37.6	38.9	✓	
Change from the previous year	Regular Member	Change	-4,749	-1,926	-3,306	✓
		(%)	-2.9	-1.2	-2.1	✓
	Associate Member	Change	1,200	1,551	3,316	✓
		(%)	1.3	1.7	3.5	✓
	Total	Change	-3,549	-375	10	✓
		(%)	-1.4	-0.1	0	✓

DA - A 1 RA

24, 000 Members decrease

4. Officials and Employees

Total number of employees has been decreasing for eight consecutive years, while the number including officials increased due to external auditor invited

- 1) The number of officials at the end of fiscal year 2001 increased by five directors and nine auditors including external auditors.
- 2) Total number of employees at the end of fiscal year 2001 is 7,801, decreasing by 129 (111 males and 64 female employees) from the previous year, while regularly-used part-time workers increased by 46.

*Before 5 year  
to Director in  
532; 47*

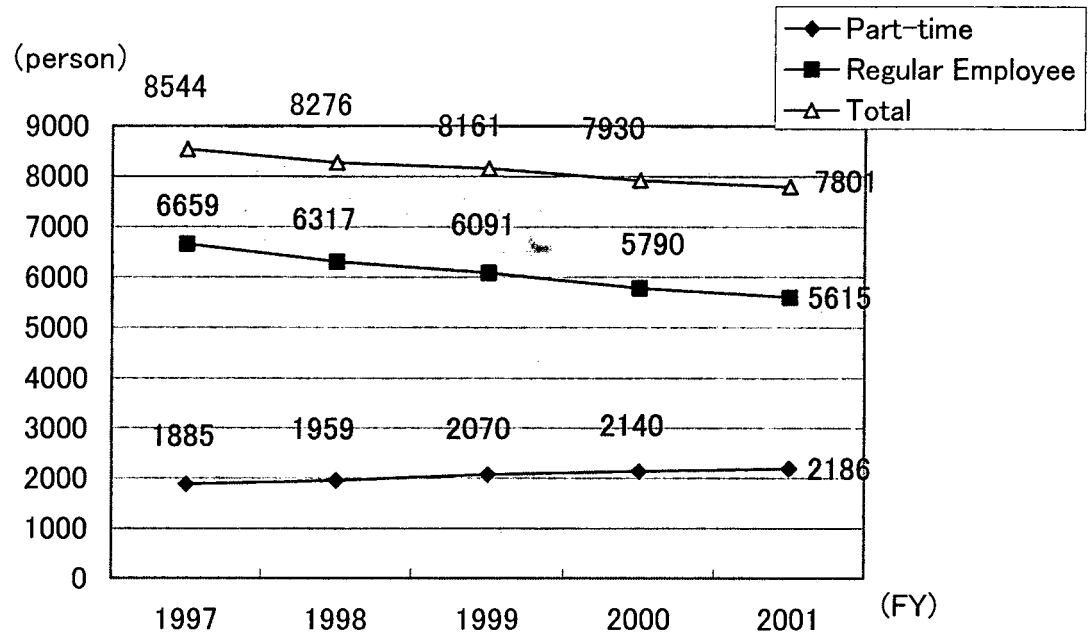
Item		fiscal Year		
		2000	2001	
Official	Number of Officials		621	635
	Breakdown	Director	473	478
		(of which Full-time)	55	54
		Auditor	148	157
	Number of Members per One Official		406.4	397.5
Employees	Regular Employees	Male	4,391	4,280
		Female	1,399	1,335
		Total	5,790	5,615
		Ratio of Female Employees	24.2	23.8
	Regularly-used Part-time Employees		2,140	2,186
	Total		7,930	7,801
	Ratio of Part-time Employees		27.0	28.0
	Change from the previous year	Regular Employees		-301
Part-time Employees		70	46	
Total		-231	-129	
Number of Members per One employee		31.8	32.4	

*17 Avenue J  
- 6 "*

*280 entlo  
per corp  
7 JPA's has  
out of 570  
employees*

*Percent in number of employees is amalgamated and high salary costs.*

Changes in the Number of Employees



Change of Average Age of Male and Female

Sex	FY		
	1999	2000	2001
Male	38.9	39.9	40.1
Female	31.7	32.4	32.9
Total	37.2	38.2	38.5



5. Business

1) Credit Business

Savings increased and loan extension decrease, which lowered the loan-to-saving ratio following the previous year.

- 1.6 TRILLION      584 Bill*
- (1) The outstanding savings is 1 tril.6,176 mil. yen, increase of 105.5% to the previous year. (1.3 points down from the increase of the previous year.)
  - (2) The outstanding deposits is 584,500 mil. yen, increase of 103% to the previous year. (0.2 % up from the increase of the previous year)
  - (3) The outstanding loans is 330,000 mil. yen, the first decrease since 1991, increase of 98.6%. to the previous year. *330 Bill*

Category \ FY	Balance (Unit:1 mil.)	
	2000	2001
Savings	991,375	1,006,176
Borrowed	6,256	4,515
Deposits	564,977	584,581
Loans	334,838	330,037
Money trust/Securities	26,723	26,993
Loans-to- savings (%)	33.8	32.8
DEPOSITS-TO- savings (%)	57.0	58.1

*BILLION*  
~~1006.176~~  
*1006.1 BILLION*  
*- Funds*  
*- credit feeder*

2) Mutual Insurance Business

New contracts of long-term mutual insurance slightly increased, while the outstanding contracts decreased.

- (1) New contracts of long-term mutual insurance is 639,013 mil yen, increase of 101.2% .( 13.7 points down from the previous year)
- (2) The outstanding contracts is 7 tri. 223,897 mil. yen, decrease by 40,551 mil. yen from the previous year. ( 99.4 % to the previous year)

Category \ FY	Amount (Unit:1 mil. Yen)	
	2000	2001
Outstanding Contracts	7,264,448	7,223,897
New Contracts	631,324	639,013

*Subst- Rate to funds*  
*Savings- Subst- Rate*  
*1%      3%      01-0*

159.149 Billion

2) Marketing Business

- (1) Marketing turnover shows a big decrease by 12,882 mil. yen from the previous year to 159,149 mil. yen (92.5% to the previous year)
- (2) By product, beef especially suffered a big drop due to lowering price affected by BSE, and marketing of vegetables also decreased from the previous year for increasing the import.

1 year cow  
PISEME

Product \ FY	Amount (Unit: 1 mil. Yen)		
	2001	2002	Change
Rice	7,085	7,344	259
Vegetables	32,356	29,903	-2,453
Fruits	4,131	3,955	-176
Livestock Products	85,232	75,126	-10,106
Others	43,227	42,822	-405
<b>Total</b>	<b>172,031</b>	<b>159,149</b>	<b>-12,882</b>

due to import  
for export

3) Purchasing Business

115.3 Billion

- (1) Supply of purchased goods increased by 78 mil. yen from the previous year to 115,348 mil. yen. (100.1% increase from the previous year)
- (2) Only the supply of production materials shows decrease, almost the same as the previous year. (100.0% to the previous year)
- (3) In the supply of consumer goods, that of automobiles decreased from the previous year and of fuels increased, which made the 2001 business almost the same as the 2001. (100.1% to the previous year)

Item \ FY	Amount (Unit: 1 mil. Yen)			
	2000	2001	Change	
Production Materials	Fertilizers	10,241	10,093	-148
	Chemicals	6,611	6,541	-70
	Feed	23,259	23,079	-180
	Agricultural Machinery	9,648	9,354	-294
	Others	10,784	11,481	697
	Sub-total	60,543	60,549	6
Consumer Goods	Fuels	19,241	19,513	272
	Automobiles	5374	5115	-259
	Others	30111	30171	60
	Sub-total	54,727	54,799	72
<b>Total</b>	<b>115,270</b>	<b>115,348</b>	<b>78</b>	

### III. Outline of A-Coop Kagoshima

B = BOUNDRY  
S = SPONGE  
E = ENCEPHALITIS

Do: Billion

2002  
FORMED BY  
JA GROUP.

# 1. Outline

1. Commercially-registered Name: A-Coop Kagoshima Corp. *RAFI in*
2. Head Office : Nishi-Beppu machi 3200-9
3. Establishment : August 1, 1998 (changed from AC Supply Corp.)
4. Paid Capital : 400 million yen
5. Officials : Directors---15 Auditors --- 4 (As of April, 2002)
6. Employees: Regular Employees --- 570  
Semi-regular Employees --- 34  
Part-time Workers ---1,264  

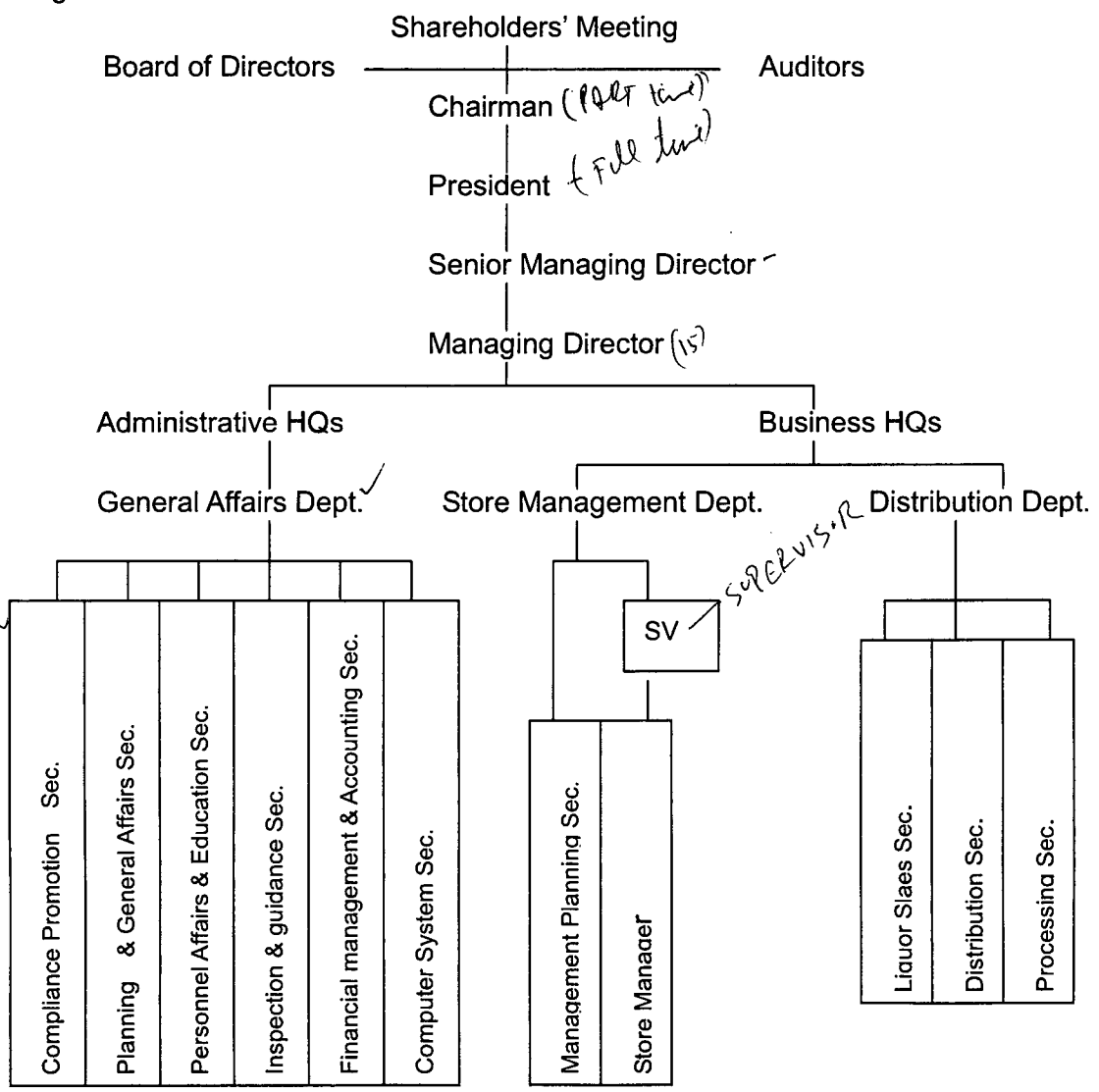
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Total 1,868 (As of the end of April, 2002)
7. Supply Turnover : 46,600 million yen (FY 2001)  
Breakdowns> A-Coop Store 44,000 million yen  
Sake(alcoholics drinks), Others 2,600 million yen
8. Business Office: 1) A-Coop Store--- 68 Stores / Voluntary member store: 12 Stores  
2) Green top --- 1  
3) General Distribution Center of Consumer Goods --- 1

*Handwritten notes and arrows pointing to the company name and establishment date.*

*Identified by JA.*

## 9. Organization



*6 sections*

*supervisor*

## 2. History

- 1972 (Apr.28) - Beiju Co. is established.
- 1987 (Apr.30) - The company is re-named "Tai Kagoshima Coop."
- 1990 (Aug. 8) - The company is re-named "AC Supply".
- 1997 (Aug. 1) - The company is re-named "A-Coop Kagoshima"

Re-named "AC Supply", as the base of distribution of foods and daily necessities such as fruits and vegetables, fresh meat, processed fish meat, set up an unexampled general distribution center of consumer goods commissioned by the Prefectural Federation of Agricultural Cooperatives.

Later the distribution center had maintained the function for A-Coop stores under unified management system in the prefecture, and adding the function as a head office of A-Coop re-started as A-Coop Kagoshima in August, 1997. For the operation of A-Coop Kagoshima the employees of JA s in Kagoshima were sent to the A-Coop on loan, and confirming the will of the employees the A-Coop took them as the regular employees.

Now sixty nine(69) stores have been operated under the A-Coop in Kagoshima prefecture, and with the mission of supply of safe and secured foods to members of JA and other consumers the A-Coop has engaged in the business.

### Basic Principles

We, as a member company of JA group in Kagoshima prefecture, has a principle that is to contribute to the community development through the business of A-Coop Kagoshima, and conduct the activities deeply rooted for the community and promote the participation of customers in the management to provide the members of JA and other consumers with the best service with the motto of 4S1K (Seiso= cleaning, Sekkyaku=how to wait on customers, Sendo=freshness, Shinazoro= supply of a variety of products to meet with the needs, Kakaku= reasonable price).

## Outline of General Distribution Center of Consumers Goods

1. Name : General Distribution Center of Consumers Goods of Kagoshima Prefectural Economic Federation of Agricultural Cooperatives

2. Start of Operation : April, 1991

3. Scale of Facilities & Equipment : (1) Total Area 30,620 m<sup>2</sup>  
 (2) Total Floor Area 14,708 m<sup>2</sup>  
 (3) Distribution Trucks 4-ton Truck x 46  
 (Contracted) 8-ton Truck x 1

### 4. Functions:

- (1) Items  
 ① Perishable Foods (Vegetables, Fruits, Fresh Meat & Fish)  
 ② PC Products (Meat & Fish)  
 ③ Daily foods & Cooked Foods  
 ④ Dry Products (General Foods, Confectionery, sundry)  
 ⑤ Liquors

(2) Annual Supply Turnover : 24 billion yen

#### (3) Distribution Functions

- ① DC (Distribution Center) --Collection, stock and distribution  
 ② TC (Transfer Center) --Transfer goods without stock  
 ③ PC (Processing Center) --Processing, Packing & distribution

### 5. Standard Distribution Flow

	Order Received by	Goods Collected at the Center by	Work for Shipment at the Center	Shipment From the Center	Goods Received at Store
Dry Goods	13:00	11:30 (Next day)	8:30- 12:00	12:30- 13:30	15:30-17:00
Daily Goods	19:00	17:00 (Next day)	10:00- 19:00	5:00 (two-day after)	Around 8:00 (before opening)
PC	19:00	11:00 (Next day)	6:00- 17:00	5:00 (two-day after)	Around 8:00 (Before opening)

### 6. One-day handled Volume

Livestock Products Processing 20,000 packs  
 Marine Products Processing 15,000 packs  
 Agricultural Products Processing 800 packs  
 Sorting Daily Goods 180,000 packs  
 Sorting Groceries 150,000 packs

*DISTRIBUTION CENTER*  
*operates 24 Hours*  
*363 days*  
*21 days as empty*  
*when via rail*



Packing fresh meat and fish in processing room under good sanitary condition before distribution to the stores



Small-lot packing system



Sorting the items by store.



Machine room to control operation



Shipment gate for Dry sorter



Inventory facilities



Sample inspection to maintain quality of the products



Shipment to the store by AC Network truck

#### **IV. Kagoshima Pref. Kumiai Fertilizer Inc.**



Outline of Kagoshima Pref. Kumiai Fertilizer Inc.

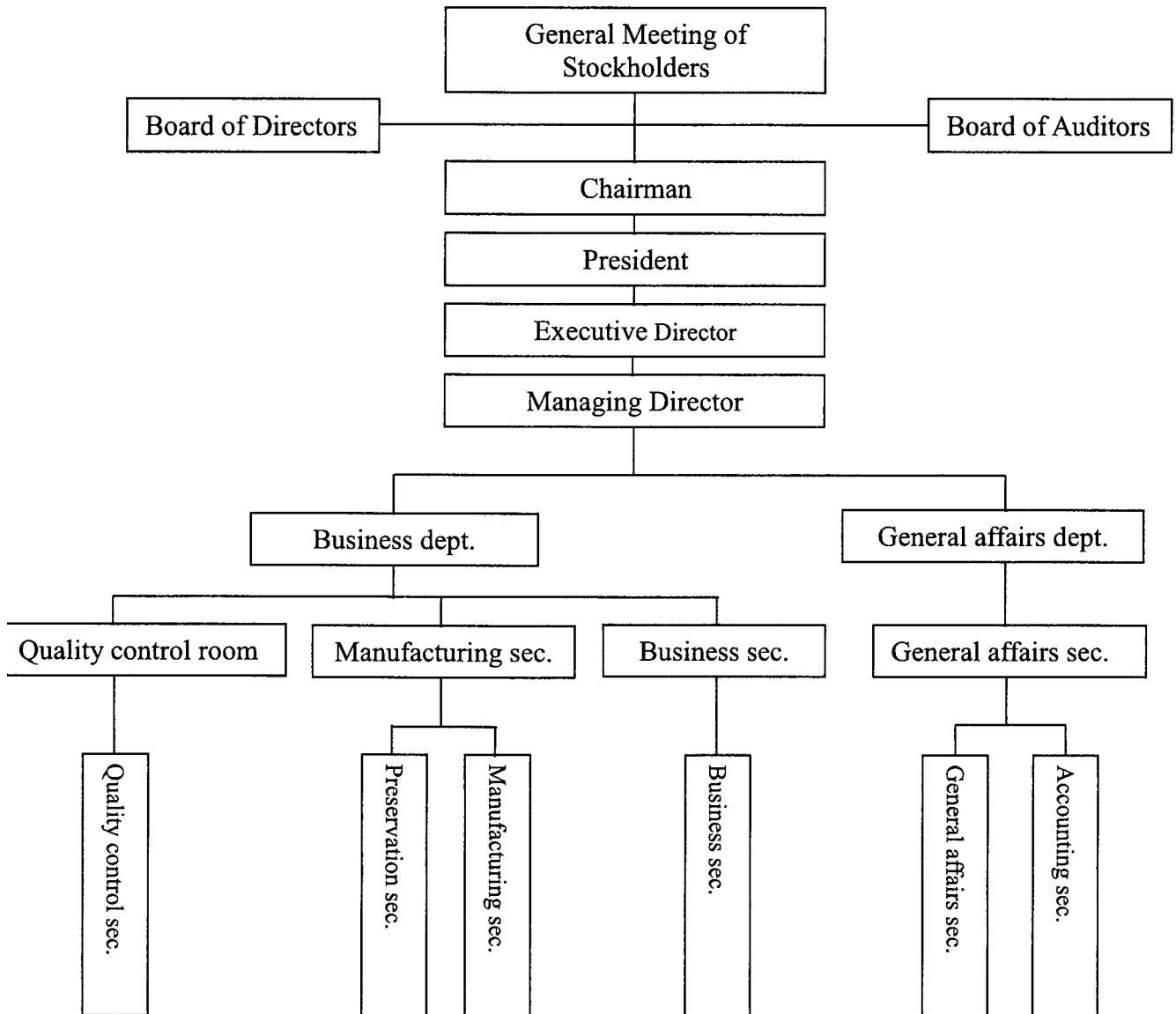
- Establishment
  - 1980, May 1 Establishment of Kagoshima Pref. Kumiai Fertilizer & Feed-stuff Inc. Granulated Compound Fertilizer Factory
  - 1981, Jan. 6 Registration and establishment of Kagoshima Pref. Kumiai Fertilizer Inc.
  - 1981, Feb. 10 Start operation
    - Take over from Kagoshima Pref. Kumiai Feed-stuff Inc.
- Authorized capital 100 million yen
- Capital 50 million yen
- Composition of capital JA Kagoshima Pref. Economic Fed. --- 40 million yen  
JA National Economic Fed. --- 10 million yen
- Officials & employees (As of Dec. 1997)
 

Officials	Directors (9)	Auditors (2)
Employees	2135 (1,200)	
- Land area 16,500 m<sup>2</sup>
- Buildings
  - Factory (5,187 m<sup>2</sup>)
  - Fertilizer Quality Control Room/Soil Diagnosis Center (175 m<sup>2</sup>)
  - Administration building (489 m<sup>2</sup>)
  - Raw material warehouse (664 m<sup>2</sup>) *sea. Meli*
- Manufacturing capacity 6,000t/month, 72,000t/year (T0N)

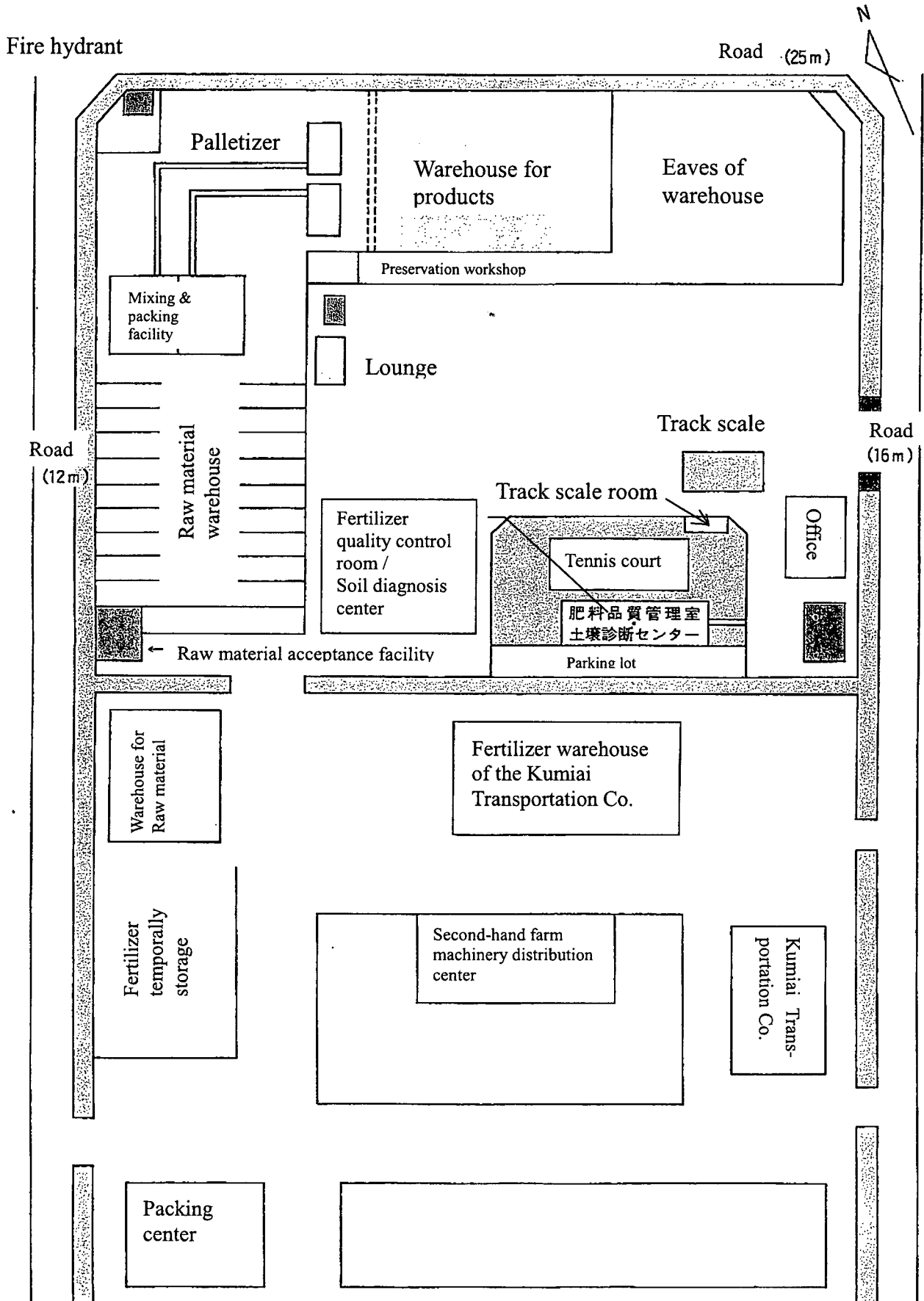
Handwritten calculations:

$\frac{50 \times 100}{100} = 50$       20%  
 $\frac{50 \times 100}{100} = 50$       20%  
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 $\frac{100 \times 100}{50} = 200$       20%

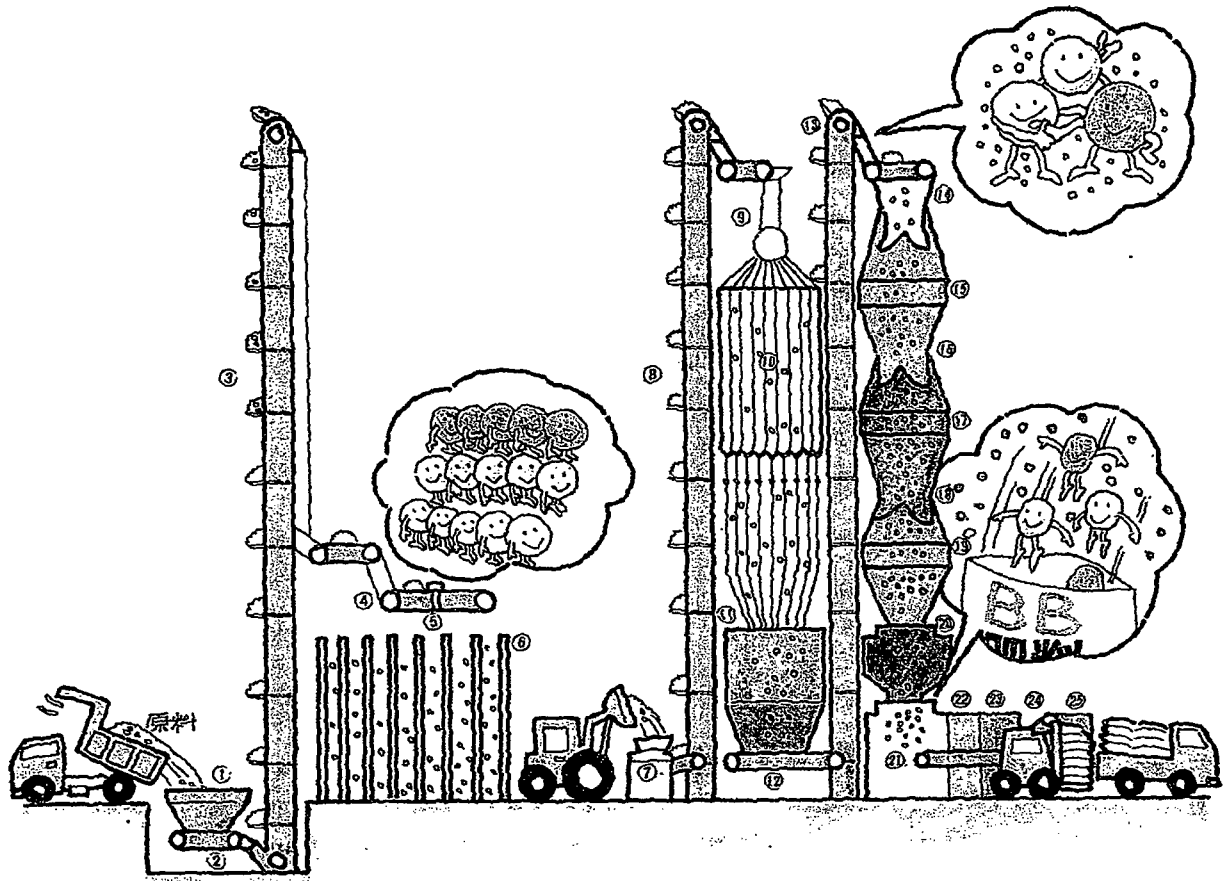
© Organizational structure



# Arrangement Chart of the Facility



Process Chart  
(From raw materials to products)



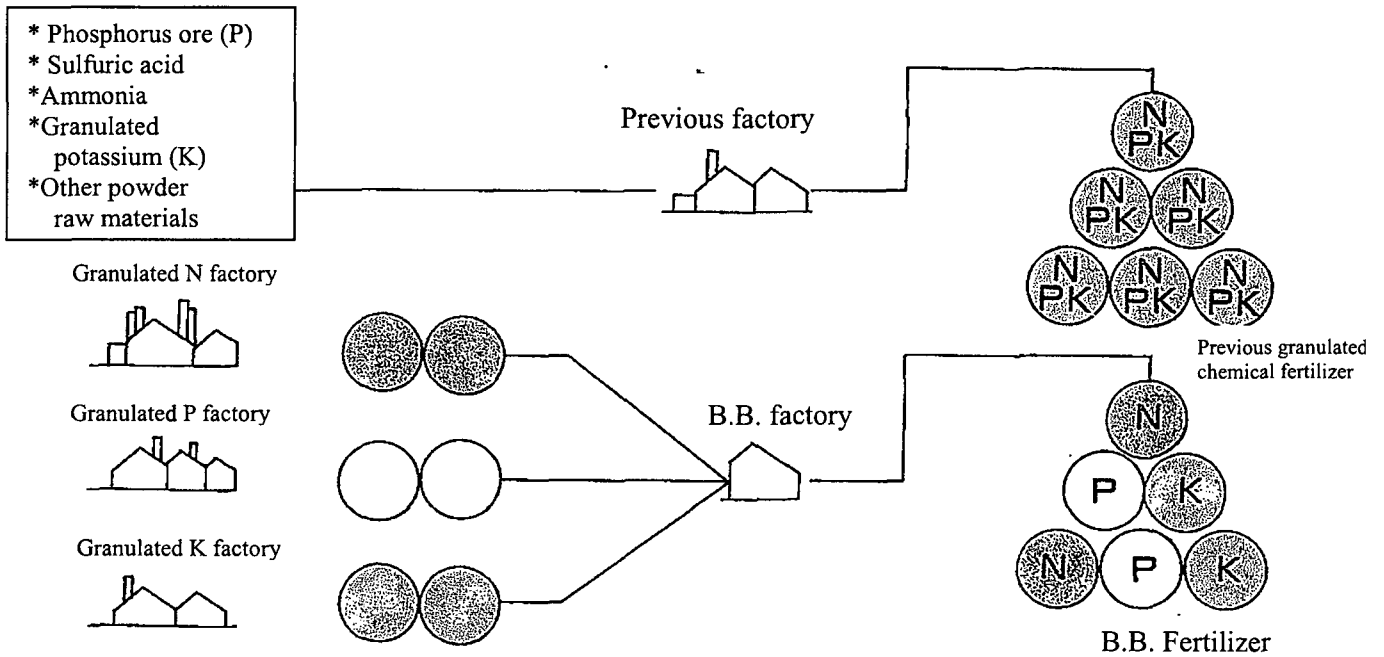
- |                              |                         |          |
|------------------------------|-------------------------|----------|
| 1. Receiving Hopper for R.M. | 14. }                   |          |
| 2. Flow conveyer             | 15. }                   | Feeder & |
| 3. Bucket elevator           | 16. }                   | Mixer    |
| 4. Belt conveyer             | 17. }                   |          |
| 5. Tripper                   | 18. }                   |          |
| 6. Hatch for R.M.            | 19. Hopper for products |          |
| 7. Input hopper              | 20. Scale for packing   |          |
| 8. Bucket elevator           | 21. Automatic packer    |          |
| 9. Distribution machine      | 22. Vibrator            |          |
| 10. Bin hopper               | 23. Heat sealer         |          |
| 11. Supply machine           | 24. Slanted conveyor    |          |
| 12. Outlet flow conveyer     | 25. Palletizer          |          |
| 13. Mixing bucket elevator   |                         |          |

- What is B.B. Fertilizer?

B.B. stands for Bulk Blending. Bulk Blending means granulated bulk compound fertilizer. The previous chemical fertilizer was made of simple fertilizer and raw materials, mixed with water and heat. However, B.B. Fertilizer is different from the previous one. We compound each raw material directly without adding water and heat.

- Manufacturing method

Comparison between the previous chemical fertilizer factory and B.B. fertilizer factory



- Features of B.B. Fertilizer

1. It is a very economical fertilizer. Compare to the previous chemical fertilizer, we can save time and labor to produce it, so that we can supply more than 10% cheaper.
2. We can easily make fertilizer suited to soil and crops in the region.
3. We are responsible for manufacturing B.B. fertilizer at the factory constructed by ourselves in the prefecture. We deliver a necessary amount whenever you need.
4. It is effective the same as previous chemical fertilizer or you can expect more.

*SOIL DIAGNOSIS*  
 20 plants w/ BB Fertilizer in 16 Prefectures

## **V . Outline of JA Aozora**

Outline of JA Aozora

1. General Representative Meeting *every year, one out of 5 Members.*

(1) No. of general representatives	500 persons (as of May 24, 2001)		
No. of regular members	2,632 (individuals)	}	<b>Total</b>
	12 (groups & others)		
No. of associate members	427 (individuals)		
	66 (groups & others)		<b>3,137</b>

*2 644 -  
493  
-----  
3 137*

(2) No. of officials (Unit: person)

President	1
Board of directors	11
Representative auditor	1
Board of auditors	3

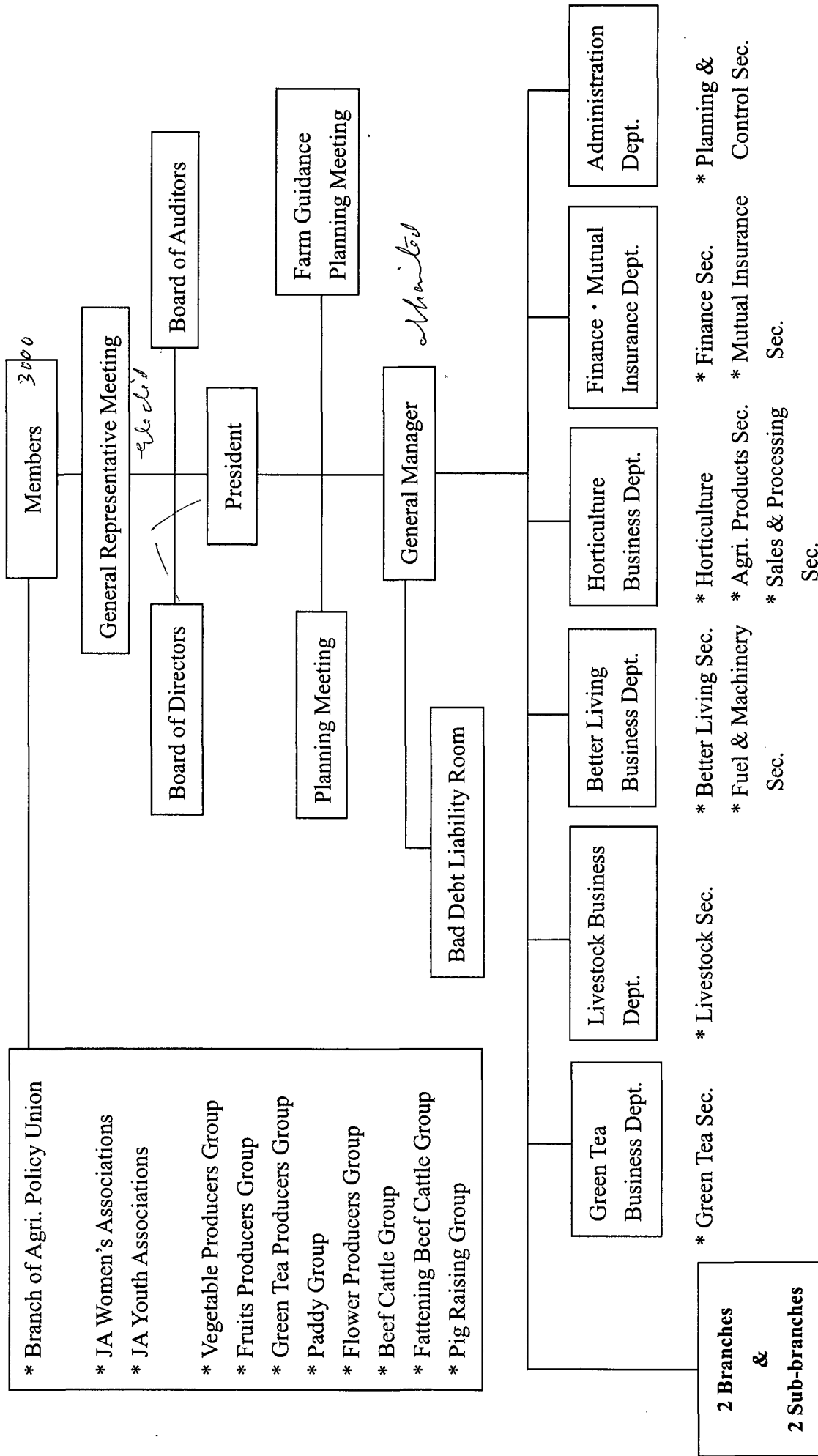
*Full time Dually - 1 who receive 1/2 sal*

2. Situation of staff members

Classification	At the end of previous year	At the end of current year		
		Male	Female	Total
General manager	1	1	0	1
Ordinary staff	73	57	14	71
Farm guidance advisors	13	13	1	14
Better living advisor	0	0	0	0
<b>Total</b>	<b>87</b>	<b>71</b>	<b>15</b>	<b>86</b>
No. of temporally employees at the end of current year: 45				

*+ 45 part-time employees*

3. Organizational Structure of JA Aozora (As of Feb. 28, 2002)





#### 4. Facilities

Name of the facilities		No. of facilities	No. of employees
Offices	Main Office	1	68
	Branch Offices	2	13
	Sub-branches	2	4
	Transferred Offices	2	1
A-Coop store		1	-
Shop for purchasing		2	4
Gas station		1	6
Agri. warehouse		4	2
Rice Center		1	1
Grading Center		1	1
Collection & Shipment Center		2	2
Refrigerator for vegetables & fruits		3	1
Storage for vegetables & fruits		3	1
Starch factory		1	1
Green tea manufacture		3	10
Baby silkworm nursery facility		1	-
Seedling Nursery Center		2	1
Compost Center		1	3
Farm Machinery Center		1	8
Funeral Service Center		1	3
I-Shop		1	-
Agri. Shop		1	1

#### 5. Members' Organizations

Name of Organization	No. of members
Vegetable producers group	423
Fruits producers group	25
Green tea producers group	92
Rice farming group	460
Flower growers group	9
Beef cattle raising group	660
Pig raising group	20
Youth Associations	53
Women's Associations	870

9 groups.

6. Outline of Affiliated Company

Name of the company	Iroha Farm Ariake Ltd.
Establishment	March 1, 1999
Contents of business	Production and marketing of agri. products
Outline of facility	Main office and farm land
Total amount of share capital	3,000,000 yen (60 shares)
Of which investment from JA (No. of shares holding by JA)	2,900,000 yen (58 shares)
Sales amount	25,402,974 yen
Business profits (or loss)	▲ 15,807,153 yen
Current profits (or loss)	▲ 6,714,793 yen
Current net profits (or loss)	▲ 4,782,042 yen
No. of officials	2
Of which official concurrently holds JA's	1
No. of employees	1
Of which employee transferred to JA (including concurrent post)	1

*Ai v 2020 4: Ruler 564.*

## II. Outline of Business

### 1. Situation of management

We strived to develop and research new businesses for the development of regional agricultural promotion such as creation of Agri-Town (town of agriculture) and establishment of affiliated company of the green tea business in close tie up with a town and related organizations.

Moreover, we tried to ensure sound finance by making fluidity of funds, establishing the internal reserves and etc.

In addition, we tried to fluidize the capital, and to make financial affairs healthy by making internal reserves and the no cost capital.

On the facilities, we strived to improve a funeral hall in order to respond to the members' and local residents' needs.

As the final fiscal year of the third mid-term new comprehensive three-year plan, we promoted members' active participation in the business activities, as a result, we could and secure the business results of 61,975,000 yen as business profits and 61,772,000 yen as current surplus, which remain almost the same as in the previous year.

#### (1) Business Profits

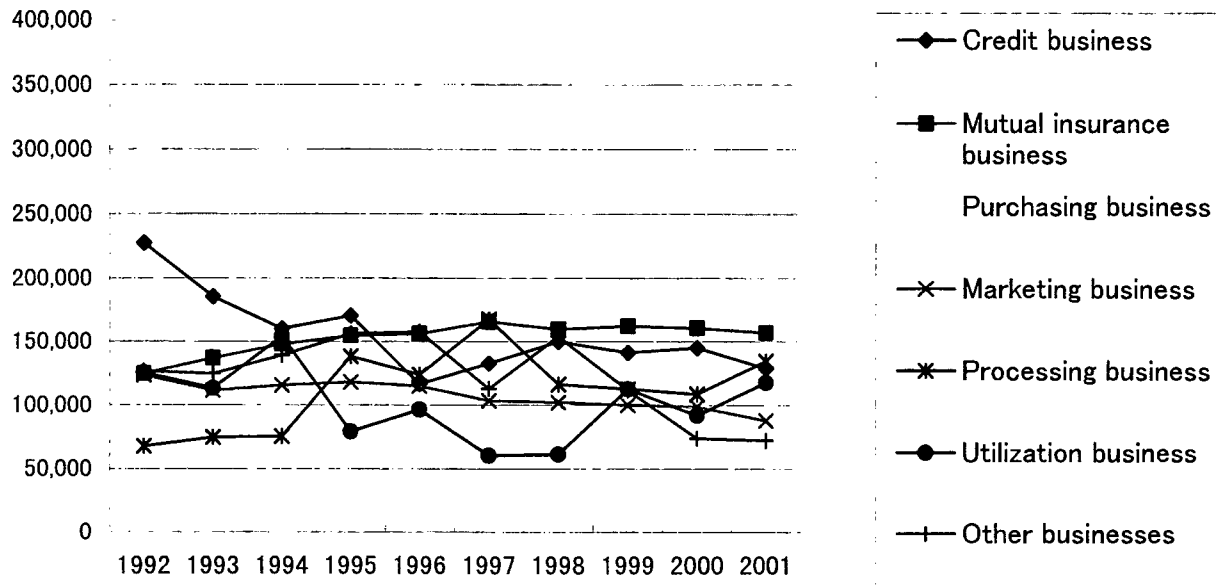
(Unit: 1,000 yen)

Classification	FY 1998	FY 1999	FY 2000	FY 2001
Business profits	103,986	82,460	51,070	61,975
Current profits	114,161	34,418	114,790	114,508
Current surplus	70,594	44,669	63,904	61,772
Total assets	20,368,393	21,041,471	21,124,817	21,499,415

61,975,000

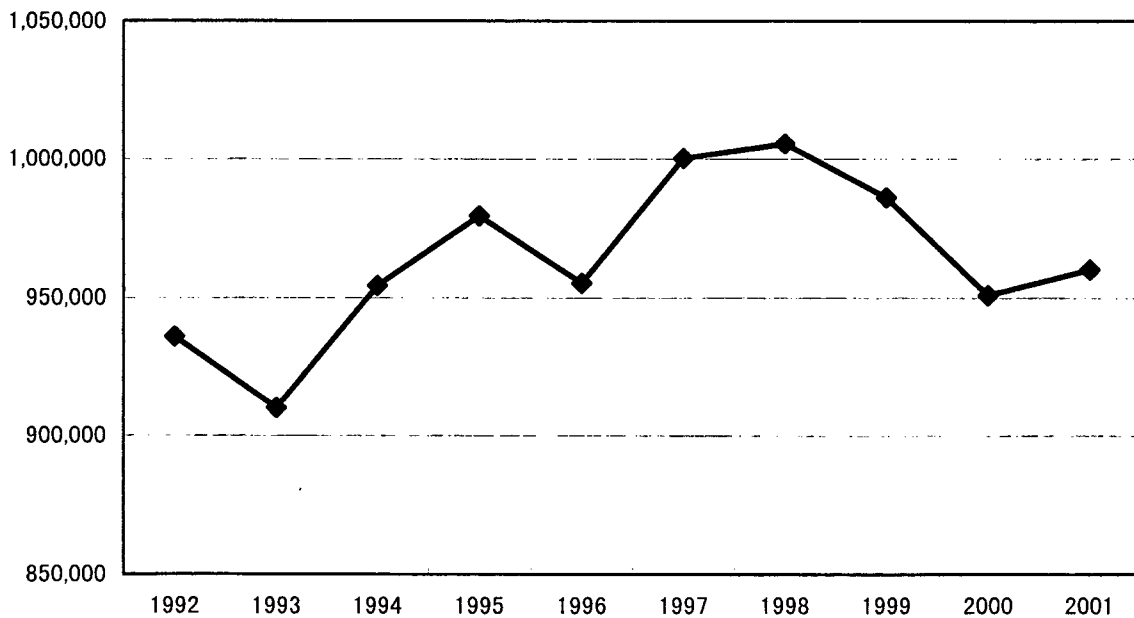
(2) Changes in the Total Profits of Each Business

(Unit: 1,000 yen)



(3) Changes in the Total Business Profits

(Unit: 1,000 yen)



## (4) Results of Guidance Business

(Unit: 1,000 yen)

Crops		FY 1998	FY 1999	FY 2000	FY 2001	
Income	Contribution	2,595	2,476	2,453	2,351	
	Income from livestock	Beef cattle	11,494	11,245	11,335	10,057
		Pig raising	1,514	2,504	1,945	1,542
	Subsidy for guidance business	35,611	2,772	505		
	Actual income	1,025	811	20,848	698	
	Total	52,239	19,808	37,086	14,648	
Expenses	Farm guidance improvement exp.	86,407	46,873	42,473	55,326	
	Expenses for green tea	6,587	7,754	7,807	10,452	
	Life improvement expenses	6,477	6,438	6,157	6,338	
	Education & information exp.	6,942	7,566	7,340	6,930	
	Expenses for livestock	Beef cattle	15,900	14,105	19,230	15,558
		Pig raising	3,083	3,112	2,829	3,359
	Total	125,396	85,848	85,836	97,963	
Profit & loss		▲73,157	▲66,040	▲48,750	▲83,315	

## (5) Situation of Marketing Business

(Unit: 1,000 yen, %)

Classification		Marketing turnover				Yearly rate of change (%)
		FY 1998	FY 1999	FY 2000	FY 2001	
Crops	Rice	250,016	216,608	218,221	212,735	97.5
	Wheat	379	241	1,157	855	73.9
	Sweet potato	223,284	128,379	144,931	182,203	125.7
	Horticultural crops	1,604,698	1,478,368	1,472,413	1,296,935	88.1
	Fruits	72,807	61,754	65,238	51,052	78.3
	Flowers	133,342	114,315	95,850	97,684	101.9
	Cereals	2,964	1,170	2,567	3,131	122.0
	Sub-total	2,287,490	2,000,835	2,000,377	1,844,595	92.2
Livestock	Calf	1,307,632	1,230,682	1,376,616	1,186,202	86.2
	Beef cattle	135,763	99,468	93,837	78,600	83.8
	Piglet · stud pig	107,597	95,011	124,328	115,290	92.7
	Pork pig	455,447	460,270	408,258	391,984	96.0
	Sub-total	2,006,439	1,885,431	2,003,039	1,772,076	88.5
Green tea		1,362,1412	2,010,114	1,747,147	1,527,338	87.4
Total		5,656,070	5,896,380	5,750,563	5,144,009	89.5

(6) Purchasing, Better living, Credit, Mutual insurance businesses

(Unit: 1,000 yen, Mutual insurance=10,000 yen, case)

Items		Classification	Handling turnover			
			FY 1998	FY 1999	FY 2000	FY 2001
Production Materials	Fertilizer		383,885	382,092	368,260	369,907
	Feed-stuff		504,688	416,825	328,315	369,075
	Agri. Chemicals		234,140	219,635	226,463	207,137
	Seeds & seedlings		92,074	89,220	168,713	150,538
	Others		446,003	340,335	407,300	393,785
	Sub-total		1,660,790	1,448,107	1,553,051	1,490,442
Consumer Goods	Food		151,124	200,409	213,631	223,756
	Daily necessities		44,562	42,635	68,035	58,381
	Clothes		28,890	25,436	25,457	22,924
	Others		-	-	19,124	71,865
	Sub-total		224,576	268,480	326,247	376,926
	Farm machineries		211,427	213,341	229,293	208,519
	Gas station		283,740	279,334	305,092	314,184
	Propane gas		98,644	104,481	108,205	105,296
	Sub-total		593,811	597,156	642,590	627,999
		Funeral service		-	-	-
Credit	Savings		16,531,804	17,257,681	17,666,949	18,173,525
	Deposits		12,192,066	12,563,942	12,642,925	12,537,124
	Loans		4,227,693	4,307,253	4,590,104	4,890,699
	Securities		0	500,000	500,000	500,000
Mutual Insurance	Life insurance		8,687,945	8,545,042	8,262,788	8,140,019
	Pension		43,798	45,728	47,291	49,793
	Building endowment		2,743,775	2,910,511	2,957,495	3,042,469
	No. of cases of automobile insurance		4,298	4,320	4,342	4,367
	No. of cases of Automobile liability		2,778	2,861	2,783	2,887
	Additional income of M.I.		19,663	20,630	19,830	20,116

- Problems:*
- Shift of focus is towards the ~~of~~ living of Japa
  - COMPETITION.
  - Aging Problems.
  - out of 100 farmer subs only 40 have 4th year plan

## (7) Balance Sheet

(Unit: 1,000 yen)

Assets (Investment)			Liabilities & Share capital (Procurement)		
Items	Amount	Note	Items	Amount	Note
Credit business	17,977,200		Credit business	18,387,908	
Of which savings	12,537,124		Of which savings	18,173,525	
Of which Loans	4,890,699		Of which borrowings	151,661	
Mutual insurance B.	2,924		Mutual insurance B.	109,583	
Economic Business			Economic business	502,500	
Miscellaneous assets	305,801		Miscellaneous liabilities	221,378	
Fixed assets	1,298,004		Other reserves	141,094	
Investment	382,077		Total of liabilities	19,362,463	
Special budget accounts	681,641		Share capital	1,221,007	
Deferred assets for tax	63,940		Revolving capital fund	36,009	
Deferred assets	12,063		Legal reserves	385,200	
			Special reserves	409,500	
			Unappropriated surplus of this term	85,237	
			Total of capital	2,136,953	
<b>Total of assets</b>	<b>21,499,415</b>		<b>Total of liabilities · capital</b>	<b>21,499,415</b>	

## (8) Profits and Loss Statement

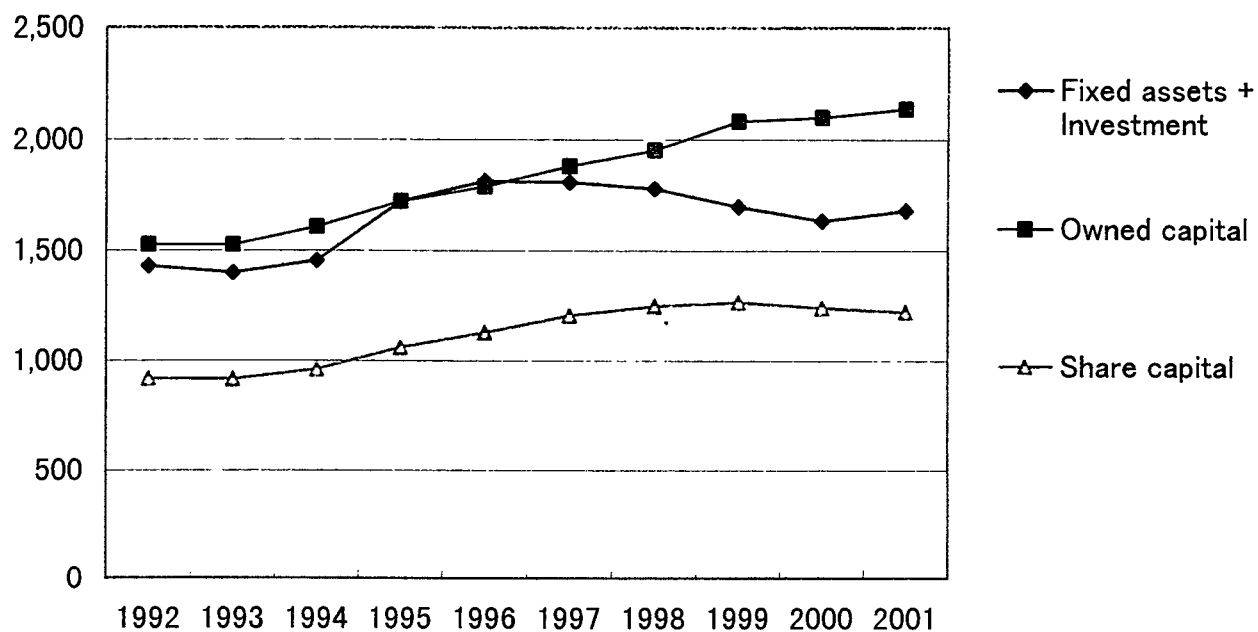
(Unit: 1,000 yen)

Items	Amount	Items	Amount
Total business profits	960,176	Management expenses	898,201
Of which Credit business	128,636	Of which Personnel exp.	568,443
Mutual insurance business	156,834	Business expenses	48,461
Purchasing business	345,995	Facilities expenses	94,567
Marketing business	87,814	Business profits	61,975
Processing business	134,461	Non-business profits	53,628
Utilization business	117,684	Non-business expenses	1,095
Other businesses	72,088	Special profits	187,738
Guidance business	▲83,268	Special loss	185,211
		Current profits before taxes	117,035
		Corporation tax, etc.	55,263
		Current surplus	61,772

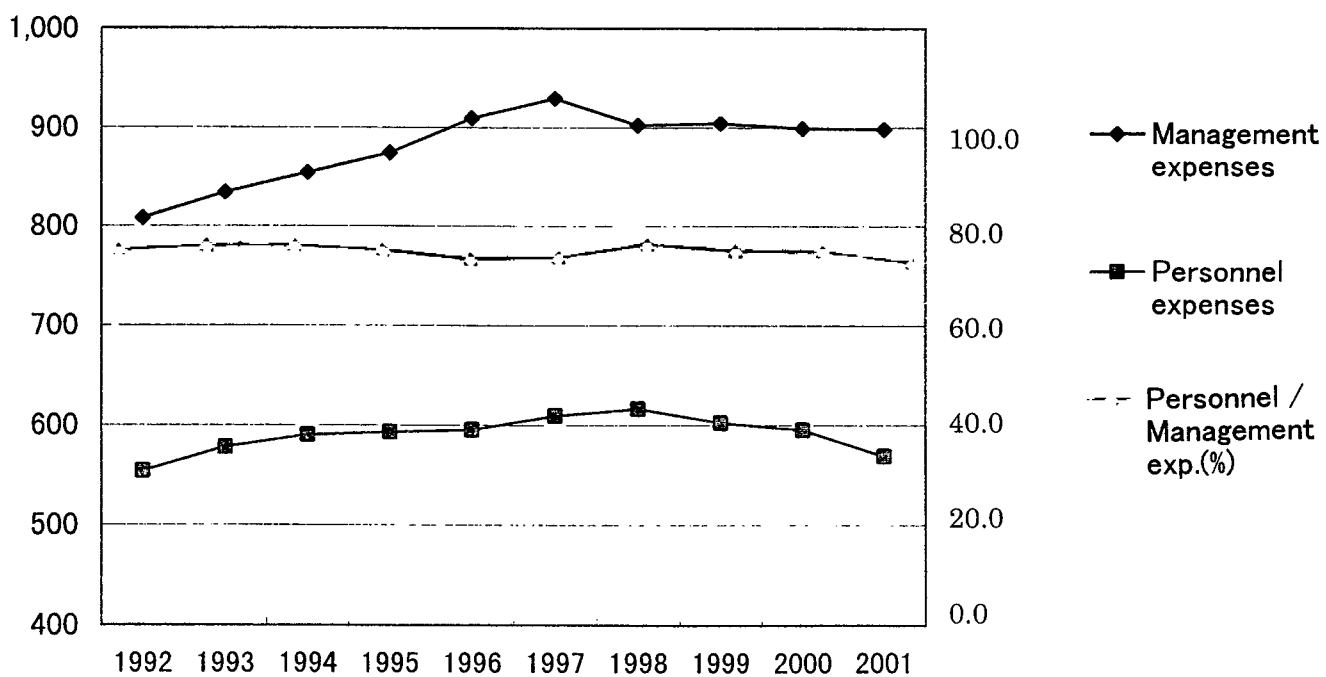
*new Agricultural crop LAW.  
Boni Law over, Ponds & Rural Area. (for  
revitalization of rural area).*

(9) Owned capital, Fixed assets, Investment, Share capital

(Unit: 1,000 yen)

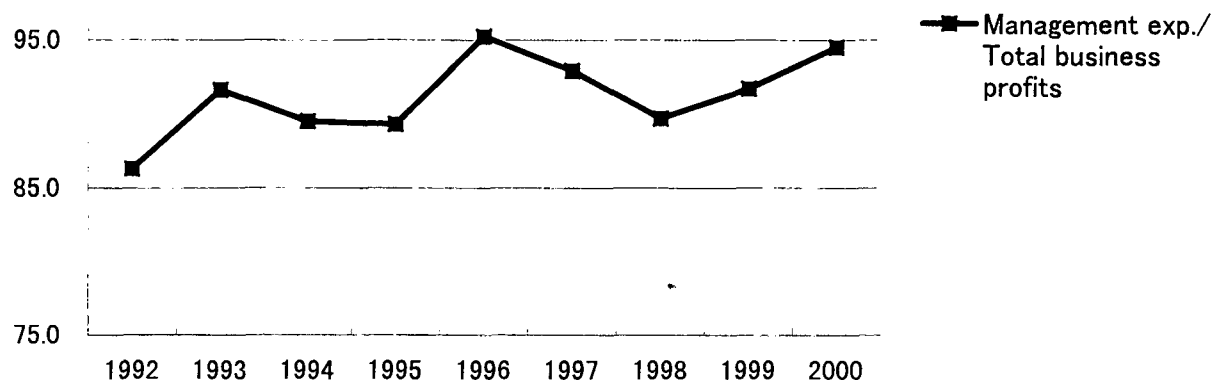


(10) Management expenses and Personnel expenses





(11) Management expenses/Total business profits (%)



(12) Surplus in FY 2001 and its appropriation

Items	Amount (1,000 yen)
Business profits	61,975
Non-business profits	53,628
Non-business expenses (▲)	1,095
Ordinary profits	114,508
Special profits	187,738
Special loss (▲)	185,211
Corporation tax, Residents' tax, Business tax (▲)	39,000
Adjustment amount such as corporation tax, etc. (▲)	16,263
Current surplus	61,772
Surplus brought forward from previous year	23,465
Current surplus unappropriated	85,237

*Current surplus*



(Unit: 1,000 yen)

Items	Amount
Legal reserves	13,000
Special reserves (of which reserves for objectives)	33,000
Dividend to share capital	3,992
Dividend to business amount	20,089
Balance carried forward to the next year	15,156

### III. Outline of the fourth mid-term new comprehensive plan (excerpted from 2 agenda)

#### 1. Present situation and tasks to be tackled surrounding JA Aozora

- ① Prolonged economic stagnation and structural change of the socio-economic system
  - ② Aging trends of key farmers and structural crisis of agriculture accompanied by the progress of internationalization
    - Progress of aging
      - Stagnant trends of regional economy and weakening of JA groups
      - Good opportunity for expansion of scale of farm management due to liquidity of Farmland
      - Needs for fostering farm successor and key farmers
      - Devise a system to create regional agriculture by taking advantage of aging trends
    - How agricultural management should be in the face of market economy and maturation of domestic economic activities
      - Progress of price destruction trends caused by increased import of farm products and intensifying of price competition
      - Diversification of consumer needs and production and sales geared to it
      - Heightening trend of safety and assurance for food which is being called for
- Structural reform of JA management**
- Breakaway from the coop management that solely depends on credit business
  - Reform of business and management aimed at making farm guidance and marketing business established on a self-financial management basis.

#### 2. Six Basic Policies

- 1) Shift from equality of rules in business operation to fairness
  - (1) Setting of commission and prices according to volume of utilization of Businesses
  - (2) Shift to individualized calculation method in marketing
  - (3) Reexamination on elasticity of interests on loans
- 2) Promotion of regional agriculture based on various key farmers
  - (1) Realization of the concept of the Agri. Town
  - (2) Improvement of the project for fostering tea orchards

- (3) Fostering of core farmers in crop and livestock farming
  - (4) Positive approach to environment conservation and process industry types agriculture
- 3) Thorough client management and reinforcement of marketing functions
- (1) Improvement of individual guidance
  - (2) Increase of value added marketing by shifting from the conventional sales centering on the wholesale distribution to outside of wholesale distribution
  - (3) Diversification of sales by adopting sales method with small amount and many items
  - (4) Promotion of mutual insurance business
  - (5) Review on new businesses
  - (6) Concerning fuels and machines department, they will be concentrated into the western branch for making efficient and improved services.
- 4) Make rationalized and efficient use of existing businesses and facilities
- (1) Concentration of the rice center (for drying)
  - (2) Concentration of paddy seedling nursery center for making its efficient use
  - (3) Concentration and relay-out of branches
  - (4) Concentration of FA tea processing plant for making its efficient management
  - (5) Review of idle facilities
  - (6) Review of livestock related business
- 5) Promotion of growing industry like aged people related businesses
- (1) Improvement of funeral business
  - (2) Fostering of vigorous aged key farmer who can work in Agri. Town and promotion of facility lease business
  - (3) Fostering of groups involved in the production of small amount farm products with many varieties as part of the nation-wide campaign for the encouragement of local consumption through local production
  - (4) Introduction of helper service in livestock farming as business
- 6) Securing man power and reinforcement of management control function
- (1) Review of personnel management system
  - (2) Study and reexamination of execution system stemming from the amendment of law
  - (3) Establishment of a system which can ensure self-support accounting in farm guidance segment
  - (4) Ensure sound financial management

## Business implementation plan

### 1.Guidance business

#### 1) Horticulture and agricultural crop sector

- Expansion of farm products with uniqueness
- Consolidation of production bases like establishment of green houses with positive introduction of governmental subsidy project and also development of attractive agriculture
- Development of environmentally friendly agriculture by introducing heat water soil sterilization machine
- Positive introduction of new commodities
- Revitalization of producers' groups

#### 2)Livestock sector

- Renewal of mother cows which are over 8 years old
- Fostering of farmers with integrated management
- Raising of quality pigs

#### 3)Green tea sector

- Production of hygienic green tea
- Production of green tea at low cost and production of quality green tea

#### 4)Better living sector

- Improvement of culture and health control activities

### 2. Marketing business

#### 1)Horticulture and agricultural crop sector

- Establishment of Aozora brand
- Diversification of marketing channel by strengthening approaches to outside-wholesale market distribution

#### 2)Livestock sector

Enhancement of merchandize value of calves by renewing mother cow

#### 3)Green tea sector

- Expansion of joint marketing
  - Development of sales routes of farm products
- Target of marketing turnover: 5.69billion yen

### 3. Purchasing business

#### 1)Horticulture and agricultural crop sector

- Strengthening of materials supply linked with individualized farm guidance
- Strengthening of advance purchase

2) Livestock sector

- Strengthening of advance purchase

3)Green tea sector

- Strengthening of advance purchase

4)Better living

- Expansion of sales of processed goods
- Improvement of funeral service business
- Introduction safety system of propane gas

Target of purchasing goods: 2.5billion yen

4. Credit business

- Expansion of savings by launching a campaign for promotion of canvassing activities to all farm households
- Improvement of evaluation functions on provision of loans
- Promotion of liquidity of bad debt( how to get rid of bad debt)

Target of priority items

-Savings: 19billion yen -Deposits to federation: 13.8billion yen

-Loans: 5billion yen

5.Mutual insurance business

- Strengthening of consultation functions
- Expansion of subscription of cancer insurance

6.Management and administration

- Promotion of agri.town concept
- Review of personnel management system
- Reexamination of execution system
- Make efficient use of existing business and facilities and planned investment in facilities
- Strengthening of publicity activities
- Reinforcement of financial base by making improvement of internal reserves
- Promotion of information network
- Improvement and reinforcement of internal check and audit

**\*Plan of investment in the main facilities**

- Construction of FA factory
- Improvement of a branch office
- Renewal of nursery facilities
- Renewal and acquisition of vehicles and equipments

**\*Plan of current surplus: 40million yen**

# COUNTRY BACKGROUND PAPERS:

- INDONESIA
- MALAYSIA
- THAILAND
- VIETNAM

COUNTRY PAPER  
2<sup>nd</sup> ICA-JAPAN TRAINING COURSE FOR  
"STRENGTHENING WOMEN'S AGRICULTURAL COOPS IN RURAL  
AREAS AND  
IMPROVEMENT OF FARM MANAGEMENT AND RURAL LIFE"  
THAILAND-JAPAN, 29<sup>TH</sup> AUGUST TO 4<sup>TH</sup> OCTOBER 2002

**GENERAL INFORMATION ABOUT INDONESIA**

As the largest archipelago in the world, Indonesia is located between Indian Ocean and Pacific Ocean. It is situated between 95°, 141° East Oblong and 6° North Crosswise to 11° South Crosswise.

The total region of Indonesia is about 1, 9 million square kilometers, which consist of 1, 8 million square kilometers land and 0,1 million square kilometers water.

Indonesia consists of 5 big islands namely; Sumatra, Jawa, Kalimantan, Sulawesi and Papua. The country has about 17.000 islands, stretching along 3.400 miles from north west to south east Indonesia and passed three part of different times, each one has one hour distinction. Only 6000 islands are inhabited.

The farthest distance from west to east is 5110 kilometers and from North to South is 1.888 kilometers. Because of its location, Indonesia is spanning the equator in Southeast Asia. The climate is mostly hot and humid with annual high average temperature between 26 - 28° C. Moreover; Indonesia has two seasons, monsoon season and dry season with unequal dispersal of rainfall in the region. In general, the west part of Indonesia has higher rainfall then in east part. That is why; fertile lands occur in the western part such as Jawa and Sumatra where paddy can grow easily. However, in eastern part it is more difficult to cultivate paddy. Most land in Indonesia is coastal low land and larger islands have interior mountains. The region has about 400 volcanoes, 100 of which are active.

Because located in equator area, the climate and land condition in Indonesia supports the growing of various natural recourses from forest. It is well known that Indonesia is one of the mega diversity areas in the world after Brazil and Zaire. Indonesia is also rich in plantation commodities, such as tea, coffee, tobacco, cacao, etc, and geology and mineral recourses such as petroleum, natural gas, tin, coal, gold etc. Other than that, Indonesia is also has various fishery recourses such are shrimp, tuna fish, cuttlefish, pearl etc. All kind of commodities mentioned above is the important currency exchange for country development.

Total population is about 201,7 million, which consist of female population 100,7 million and male population 101 million. The population is distributed unevenly,

since most of population lives in Jawa and Bali Islands (61,86%) which consists of only 7% total Indonesia area. Moreover, the total number of population in rural areas is 111,7 million (57%) whereas population in urban area is 87,0 million (43%).

## STATUS OF AGRICULTURE IN INDONESIA

Based on the total number of population, location and availability of natural resources, Indonesia is considered as a big country. In Southeast Asia, Indonesia is the biggest country. However, based on the level of National Income per capita, Indonesia is situated between the margin of under develop country and developing country.

The biggest national income has been shifted from agriculture sector to manufacturing sector (26,04%). Agriculture sector gave a second highest contribution national income, 16,92% of the national income. More than half came from food crops sub sector, which is paddy commodity as a main staple food of the Indonesian, followed by corn, cassava, yams, various peanuts, vegetables and fruits. Other agriculture sub sector came from estate crops sub sector such as coconuts commodity, palm oil, coffee, tea, cacao, pepper, tobacco, rubber and cashew nut, livestock sub sector such as cattle, and poultry, forestry (timber) sub sector and fisheries sub sector like fish crops from pond, dike and fisherman activities.

Most agriculture activities mostly occur in big island such as Java, Sumatra, Kalimantan, Sulawesi, Bali and Nusa Tenggara. Several activities, like paddy or secondary crop cultivation, plantation and aqua culturing in pond, dike activities, are still concentrate in Java. On the contrary, estate cultivate activities mostly occurs outside Java. Horticulture crops, animal husbandry and brackish dike aqua culture activities occurs both in Java and outside Java.

Based on village potential statistic record, most farm families in rural areas depend their livelihood or kind of business in agriculture business. Farm families use wet land for rice farming areas, pond areas and dry land for estate, shifting cultivation, public forest, grass land areas, house compound and other building. Total of village areas in Indonesia is about 156 million-hectare and from that amount, 11 million-hectare are wet land and 145 million-hectare are dry land.

Area of wet land, which has irrigation, is about 5 million-hectare, non-irrigation area is 4 million-hectare and the rest of 2 million hectare of wet land is temporary non-cultivated. Furthermore, area of dry land which are used for shifting cultivation is 20 million hectare, for estate crops is 20 million hectare, public forest is 30 million hectare, for house compound and other building is 73



million hectare and the remainder is 31 million hectare is temporary non cultivate.

The number of farm family in Indonesia is about 25,5 million families or 56,12 % from total number of Indonesia families. That amount is spread out, in coastal village 3 million families and in non-coastal village 22,5 million families. The percentage of farm families in every province is quite high, which is around 41% to 88%. Three provinces in Java have the highest number of farm families compare to other provinces. The biggest part of farm family is land use-farm family

Land use farm family is a farm family who hold or own farming land. Farmers owning farming land can be separate into 2 categories, farmer or family who own land less than 0,5 hectare and farmer or family who own land more than 0,5 hectare. Big island outside Java, like Sumatra for example, the number of farmer/family who own land more than 0,5 hectare relatively greater than the number of farmer /family who own land less than 0,5 hectare. The condition is the same in Kalimantan, Sulawesi and Maluku. However Java has opposite pattern. This happened because the development of non-agriculture sector had resulted in decreasing the area of agriculture land. Besides of land use farm family, there are also other groups of farm family. First is authorized farm family which is families who was given a responsibility and authority to manage agriculture activity and are given payment or wages. The second are developing families, which conduct the activities of changing crops raw material into ready product to increase the value and profit of product. Lastly, farm worker who is a person employed in agriculture sector by individual or company, working on the area that close to agriculture activities and get money or crops pay as wages.

Most Indonesia farm families usually grows paddy culture in irrigated field or paddy cultivate in shifting cultivation and secondary crops cultivation such as; cassava, yams, kind of peanut, corn, wheat are the activities. It is then followed by horticulture cultivation such as; vegetable crops like red onion, chili, potato, carrot, and fruits like banana, pineapple, watermelon, cabbage etc, also decoration crops like; jasmine, rose, orchid etc. However, vegetable crop cultivation is the activities that farm families carry out more than decoration crops cultivation.

Agriculture census 1993 divided the percentage of family income from agriculture activities toward whole income family, into three categories. First, contribution less than 30 % from family income. Second contribution between 30% to 70% and last, more than 70% from family income. According to the census, the number of family for first categories is 13,08%, and then for second category is 50,38% and last categories is 36,54%. The condition in Java is the same as national condition. However, outside Java for the second categories ( 30%-70%) the number only reach to 47,72% compared with Java which is

52,68% and for the last categories in Java 32,54% compared to outside Java 41,16%.

Education level of Indonesia farmer is low. Most of them just graduate or have not graduate from elementary school (88,1 %) and the percentage of farmers who graduate from junior high and senior high is only 6,8% and 5,0%. Farmer outside Java has a little bit higher education level than in Java. Although for comparison, the percentage of farmers in Java who graduate from elementary school is 42,32 % and in outside Java only 38,89%. However, farmers who graduate from Junior high, Senior high and College in Java is less than outside Java that is 4,21%, 3,18%, and 0,31%, compared to 9,45%, 6,04% and 0,44% ( statistic of agriculture in 1993).

Because of this low education condition, farmers need activity programs such as training and extension to introduce and apply agriculture technology to increase crop production and in the long run to increase farmer's welfare.

Various program activities had been carried out to increase the standard living of farmer through three integrated dimensions, namely development of the agriculture system, management of productive forests and the development of management and marketing system of production to accelerate the process of industrialization especially in the rural areas.

The programs have been carried out to every agriculture sector. In rice planting sectors, research has been carried out to on diversify the variety of rice species and also extension and rehabilitation of rice fields, to ensure the success of maintaining rice self-sufficiency as the main staple of the population. Various programs are also conducted in secondary crops sub sector.

In crop-estate sector, programs supporting crop-estate farmer are conducted through small holders Nucleus Estates programs. The programs perform plantation-expanded areas, intensification and rehabilitation plantation systems. By enhancing the role of state owned companies as "foster parents" of the nucleus estate companies, farmers will increase their crop productivity. The foster parents will give training and supply all crops needs to the farmer to increase estate productivity.

In animal husbandry sector, the development of animal husbandry directed to intensify not only meat domestic needs but also boost export through application of modern technology. Fattening of calves for slaughter, developing of a breeding system and increasing the quality of farmer by training and extension are the programs that have been carried out.

Programs to increase fishery production are done by means package program of intensification and developing sea and inland fishery, supported by infra

structure, technology, facilities and other regulations issued by the government to benefit the fisheries activities.

Forest Community Development Program conducted by "Perum Perhutani" is a program to escalating the people welfare in forestry sub sector. This program involved participation of local people to replace the status from workers into partnership and keeping the function of the forest in supporting the quality of environment. First, the programs work through intensive extension and socialization to the local authorities and "Perum Perhutani" personnel. Second, the programs allowed the application of planting method according to the development of technology and adjusted to local social culture. Third, the programs are also undertaken research, monitoring and evaluation for further improvements. Lastly, to handle the program with professional guidelines and full instructions, a special institute is established.

All components and stakeholders in society - government, non government organization, united nation organization, foundation, organizations and government from other countries - have been involved in all agriculture sub sector programs. Moreover, education, training and extension have been implemented to enhance the capacities of human recourses and to achieve the optimization of efficiency and productivity of agriculture products.

Research and development in agriculture sector have been conducted to increase utilization, development and mastering of agriculture technology. First, Study Center for Agricultural Technology, Information and Agricultural Guidance Centers has been set up in many locations Indonesia. Secondly, various seminars and discussion forums for agriculture has been organized. Third, research in agriculture has developed and produced new varieties in paddy, second crop, fruit, and vegetable also plantations varieties. Lastly, the development of agriculture education systems is needed to enhance the quality of human resources in agriculture field. The end product is farmers who can readily apply better agriculture technology, optimize product and maintain the quality of agriculture land and environment.

## **WOMEN STATUS IN INDONESIA**

In Indonesia, the progress of women's emancipation through education, political and economic participation is still underway. In developing the country, women

have the same responsibility as men to actively taking part and participate in social, economic and political development.

Empowering women's potential activities in every sector is one of government main programs and implemented through various regulation and policy to benefit the women's position in society. The regulations and policy have been undertaken since the last three decades and have given the opportunities for women's to contribute their potential abilities in developing the country.

Women currently play a major role within the families as the conductor of traditional activities such as making the budget of family, doing domestic work; and participate in getting family incomes by doing small business activities, working as employee or producing handicraft. Hence, there is a chance to raise the income of the family by provision of skills, equipment, and organization to women without requiring them abandon their traditional activities but rather help them to be more efficient and productive. With the propose project, women will develop the capacity to create income for their families and increase the ability to participate in any sectors in their communities, so that women can get more opportunities to take appropriate decisions to support the women's needs.

Stakeholders like women's organization, women's potential groups, NGO for women's development and the government institutions are actively taking part in raising women participation. However, the number of opportunities and portion to women's has not been proportionate compared to women's potential. As illustration, gender is still an issue for women's participation in economic sector especially co-operative activities. The reasons for these conditions are because;

- Culture does not support education for women. So, most of them have low motivation and confidence.
- A lot of women involve in consumer and saving-loan co-operatives but they have not been considered yet as board or decision-maker position.
- In rural areas, the participation of women in co-operative activities or women in small scale business activities has not been registered by Statistic Central Bureau because the resource of data collected come from the Families Card which record only male business contribution as head of family.
- Economic activities by women has not been appreciated as important activities to get family income but just as a second job and only to increase family income
- Lack of access for women to get credit because woman is not the head of family or family decision-maker. Nevertheless, applying credit for man appraised as more effective and efficient.
- Co-operative gives the services to man more than to women.
- Education access for training and extension in co-operative to women is low. (Minister of State for the empowerment of women, 2001).

Also;

- The strong effect of patriarchy system in Indonesia culture.
- The quality of human resources that influence the business efficiency and productivity. This could restrict competition ability, creativity and using business opportunity.
- The difficulty to become a manager, for women it is more difficult than men
- Women's double role and limitation of many access such as; time, information, transportation, financial warranty. (Minister of State for co-operative and medium-small scale Entrepreneur, 2001)

Because of the weakness system of women participation's information data, there is a limited comprehension data on women's participation in economic sector especially in co-operative activities. Moreover, there is no accurate data on total number of women representation in co-operative organization, women's participation in holding the senior position and women's contribution in policymaker. So, we can only find out the total number of women's participation in co-operative activities by counting the activities of women's co-operative but still we cannot count the total number of women in co-operative activities.

Women's co-operative in Indonesia is the co-operative that has women's members and women's manager. The total number is only 1.405 with 366.194 members. This is only 1.40% from total number of co-operative 103.077 that has 27.295.893 members.

In Indonesia, it is usual that women attend to participate in women community group to get business opportunities that is include in co-operative activities.

There are several reasons because through co-operative or groups,

- Women have a place to managed and supply women's need.
- Women can increase family standard of living
- With the same necessity, women can create their dreams
- Women expect to get access and facilities easily compare to co-operative that is consisting of male and female members.
- Women can produce something together to benefit them all
- Women can get law protection in their operating business (Minister of State for co-operative and medium-small scale Entrepreneur, 2001)

So, with all these advantages, many types of women's co-operatives have been developed in Indonesia. Types of women's co-operatives are Saving-loan co-operative, Service Co-operative (transportation, rent car, catering etc), Consumer Co-operative (food stall, small store etc), and Producer Co-operative (handicraft).

Moreover, we can compare the women's potential through the data of total women population in Labor force situation. The data shows; total number of women's population 15 years of age and over is 72.713.218. This number is then divided into 2 categories that are Economically Active which reach 51.78% (37.648.589) and Not Economically Active is 48.22% (35.064.629). Then from

Economically Active, 33.675.993 women are working and 3.972.596 are unemployment. From the number of The Economically active category who works, 14.994.320 (44.53%) is working in agriculture sector. But most of the number is unpaid worker 9.801.103 (65.37%). (Statistic Central Bureau, 2001).

Base on the data above and the condition in field, the priority of women's participation is in domestic work and helping the family, which is to support the husband's agriculture business. Moreover, most women choose activities that earn money that can synergy to her domestic work or the renewal from domestic work for example; business in catering, garment, handicraft, food etc.

Improving women's participation in development process has been done by government and non-government component through co-operation activities for example by performing various seminar, discussion and work shop between government and the co-operative movement organization, to exchange the information to carry out women's development programs. With these co-operation activities, the co-operative movement can act as mediator between women's co-operative and women's potential groups by increasing training programs, socializing programs, and improving the partnership; and with government institution to implement joint venture planning, activities, evaluating and monitoring programs.

Government institution in 5 provinces, namely; South Sumatra, West Kalimantan, East Jawa, West Nusa Tenggara and South Sulawesi has carried out programs to develop women's empowerment in local economy have. The targets groups are women who are:

- Having business or potential to develop business which already has market prospect
- Using the local resources for the business
- Undertaking the business through group approach

Types of groups businesses are fish processing, furniture, livestock, handicraft, restaurant etc. However, they usually faced many problems in their business activities, for example; facility, transportation, operator skill, marketing, education, technology, progress report and counselor skill. Thus, there is a need to overcome the problems by increasing training and extension, improving the knowledge of groups members and the personnel who managed this project, studying types of business, provisioning transportation facilities, involving an expert to the project, increasing the marketing network and being partner to other business association.

The project has developed 444 business groups in 6 months and fund realization developed into 143,75 % from the previous fund. Nevertheless, the qualities of counselor and the marketing target should be improved.

Through existing policy and regulation, there are many efforts to enhance women's contribution in development process, for example;

- In every step of co-operative empowerment, gender perspective must be applied from the start; from planning, executing, and monitoring up to evaluating step.
- Improving women's quality that managed the co-operative in every strategic sector.
- Strengthening the support for women and protecting women in co-operative sector. (Minister of State for co-operative and medium-small scale Entrepreneur, 2001)

There are already several programs applied for higher number of women to give them the same opportunity and work more effectively. There are many advantages in these activities. First, all women can participate in developing their potential abilities. Second, the training that women's coop provides is the opportunities to help women build a social and economic network across districts and cities in Indonesia. In this way, women can exchange experiences and share new information about everything which enriches their knowledge. By this way, women will be able to get other benefits in the process of improving their capacities. Moreover, besides of increasing women capabilities and abilities to support families' incomes, organization like women's coop, can also give women a chance to be a part of Indonesia's development process.

## **HISTORICAL DEVELOPMENT AND CURRENT STATUS OF BKWK**

Established in 1983 as the auxiliary operational committee of "DEKOPIN" (The Indonesian Co-operative Council), BKWK previous name is The Women Co-operator Contact Committee. In 1999, after reformation era, BKWK has changed its name as The Women Co-operator Communication Committee.

BKWK as an integrated part of DEKOPIN, is the organization which carry out the programs and the activities of DEKOPIN. The special mission is to construct the strategic women's groups by providing training and extension programs to enhance leadership qualities of women as the human resource in the women's co-operatives or women in co-operatives in Indonesia.

As its function, BKWK have three levels of organization. The organization start from district level, which is BKWK Daerah then up to provincial level is BKWK Wilayah and the highest level is BKWK Pusat, which is at National level. All three levels have coordinators and consultative characters in order to present the programs and to distribute the aspirations from bottom up to highest level. Furthermore, in every level, BKWK has the same structure of any organization which consists of daily board and plenary board. The members of the board are selected from the participant who attended the 5-year National meeting. This National meeting usually arranged before DEKOPIN National meeting and the participants are representative of women co-operative in Indonesia. Moreover, the daily board consist of chairman, deputies (organization, human resource,

advocacy and facilitate) and secretary. The plenary board, on the other hand, consists of 4 boards who support the task of deputies.

BKWK has parallel position relationship with other auxiliaries' operational committee in DEKOPIN organization that is The Co-operative Education Center, The Center for Co-operative Business Network Development, Youth Co-operator Communication Committee and The Co-operative Legal Service and Concealing Office. Moreover, BKWK with these other committees in DEKOPIN has cooperation activities to conduct DEKOPIN programs and give service to increase the capabilities and the development of co-operative in Indonesia.

BKWK has many obligations and responsible to develop the quality and quantity of women's co-operative in Indonesia. The programs are first, to study the development of organization to benefit the women's potential in co-operatives. Secondly, to study women's- as co-operative human resources- education regulation, and then to develop joint venture between women's co-operative in Indonesia or with women's co-operatives in other countries. Lastly, to coordinate and develop the regulation for women position and contribution in co-operative movement including a supporting condition as a media to develop co-operative in women's communities

Those programs had been operated to support the task of BKWK. Training for Boards of BKWK at National, provincial and district level is to empower the structure of BKWK in any level. As a result, BKWK can carry out its optimal function to facilitate women's co-operative in Indonesia. Furthermore, BKWK provides educational training and extension to women in co-operative include women in rural areas by means of coordination with the co-operative Education Center. The aim of this education are to increase the number of women participate in co-operative activities, to improve better understanding of women regarding co-operatives and to establish the female cadres, who actively encourage women to take part in co-operative activities at various levels.

As an auxiliary operational committee, BKWK in any level still has a high dependence to DEKOPIN to create its programs, especially in provisioning budget and facilitate. So, until now, BKWK has not completely executes its function and role within the women's co-operative yet. Moreover, insufficient numbers of women's co-operator who have enough capabilities and abilities or concern and want to actively participate in this organization; can also be explain the delayed condition of BKWK programs development.

As, we mention above, BKWK is now still in the stage of empowering the organization structure of their established organization in provinces and district levels. Besides that, although BKWK has established since 1983, BKWK also experienced a difficult time in 1997, when most of "BKWK Wilayah " and "BKWK Daerah" dismissed its organizations relation due to the problems in DEKOPIN



organization at that time. So, BKWK can not continue the programs that have been presented previously.

The limitation of human recourse capabilities, facilities, and budget is not enough reason to give up BKWK participation in the development of Indonesian women's co-operative. It is essential that we have to carry out programs to improve the role of BKWK among women's co-operative in Indonesia. For this we need to, first, socialized BKWK programs within the women's co-operative in Indonesia. Secondly, introducing the purpose and function of BKWK organization to other organizations or other institution within government of Indonesia and lastly, promoting the network cooperation in regional and International level.

As, DEKOPIN employee, who has responsible to General Secretary of DEKOPIN, I work in BKWK as assistant to Chairmen of BKWK in planning and developing training and extension programs to women's co-operative and women in co-operative.

By being the participant of 2<sup>nd</sup> ICA- Japan training course 2002, hopefully we could develop our capacity building to organize women's associations and study co-operative activities in order to implement these experiences especially for women's co-operatives in Indonesia.

## PLAN OF ACTION

Indonesia has already undergoing a 5 year monetary crisis and yet there is little visible sign that we have walk into recovery condition. People in Indonesia still need to work hard to endure and restore the condition.

Crisis had accelerate the increasing number of unemployment in every sector include agriculture sector. Moreover, more and more farm field has been altered to the industrial and housing requirement, thus lead to the declining state of agriculture sector activities. In the end, it resulted in decreasing farmer's family income.

There is a need to develop sustainable programs which aim to create new jobs in accordance with economic and social development plans. To increase women's participation in rural areas, BKWK has developed plans of training and extension activities to prospective women's groups.

Programs, targets and aims of the activities are to do;

1. Strategic Training to create business opportunities to women's small-scale entrepreneur (*pengusaha kecil wanita*) in rural areas. The objective of this training is to develop participants' knowledge so that they can capitalize natural and human resources in their communities into business opportunities to increase family income.

2. Training for moderator, which is a training program to train selected prospective women who can develop her women groups into business development through co-operative activity.
3. Revolving fund, which is a financial services program that giving contract to prospective women's groups who had already have small scale business so that they will have enough capital to improve their business productivity and enhance their profit business. The fund will be given back in order and given to other potential groups.

To assign the programs and activities, BKWK has to arrange co-operation with all components in society, both government and non-government organization to be able to provide the trainer, budget and facilities. In future time, BKWK expect to be able to strengthening its co-operation network with other organizations and and government from other country.

## STATISTICAL CHART

*{This chart should be attached to the Country Background Paper}*

01	Total National Population	.....201.703.537
	-Male Population	..... 100. 992.520
	-Female Population	... 100. 711.017
	-Farm Population	... 114. 716. 912
	-Female Farm Population	..... 57. 088. 060
02	Total Land area (sq. hactare)	..... 152.217.073 hectare
	-Total cultivable land area (ha)	..... 110.412.145 hectare
	-Total Irrigated land area (ha)	..... 4.735.770 hectare
	-Total wasteland area (ha)	..... 32.854.208 hectare
03	Per Capita Income (US\$)	..... US \$ 705
04	Total Number of Cooperatives (all types, all levels)	..... 103. 077
05	Total Cooperative Membership (all types, all levels)	..... 27. 295. 893
06	Total number of Agricultural Cooperatives (all types)	.....15. 187.
07	Total membership of Agricultural Coops.	..... 14. 560. 713
08	Types of women cooperatives	..... Saving-loan Co-op, Small and home industry co-op, Services co-op, consumer co-op
09	Total Number of women coops	..... 1. 405
10	Their Total Membership	.....366. 194

*Any other information on the organisation and structure of women cooperatives e.g., women's only cooperatives, women's representation on cooperatives/agricultural cooperatives etc. (Please use additional sheets, if necessary).*

**"KOPERASI CITRA LESTARI"  
THE HISTORY OF  
KOPERASI CITRA LESTARI**

Koperasi Citra Lestari Lawang was founded on December 18, 1989. This very project is a continuation of Puskowanjati sample project which is called KWPP(Koperasi Wanita Pedagogang Pasar) Lawang. By the time it was founded, it's members were treated specifically by the sellers of the traditional market in the area of Kecamatan Lawang. The members of this organization were selling : vegetables, soya bean, rice grain, etc. The members were given daily loans, considering the fact that they are workers who earn their wage daily. Since the daily loan suffered a financial loss at the amount of ± Rp. 4.217.000,- from 1989 to 1991, the members and also the leadership of the organization had thought of a new way out. On may 10, 1992 a new unit of a monthly loan had been developed. This new unit had 10 members and was located in Madukoro Lawang. This group used the Tanggung Renteng system (the story of group establishment). In the first year, the amount of the group enlarged into five groups. We should not be easily satisfied by the surprising development. Yet, we should learn more so that there were a lot of PPL (Petugas Pendamping Lapangan) framework appeared. These cadres had to inform the members of the organization. Moreover, PPL had a duty to inform the result of their member establishment. The more members we have, the more buildings we need. Yet, the financial condition of the organization is not sufficient to buy some new buildings. One way to solve this problem is holding a meeting of the members of the organization and the representatives of each groups to discuss a better service to all members. The result of the meeting is all members have to collect a sum of money (Rp. 1.000,-) for about 20 months. By doing this, we can finally afford 2 new buildings :

- 1 ± 78m2 width
- 2 ± 375m2 width

The kind of activities that are held by Koperasi Citra Lestari :

- 1 A group meeting once every six months. This meeting is attended by the chairman of the group and one of the members. The objectives are :
  - to create a good relationship among groups
  - to collect the members opinion
  - to evaluate the leaderships work
- 2 An ideal education for each members
  - ERT problem
  - The right and obligation
  - All about koperasi

- All about leaderships
  - Communication
  - Group dynamic
  - Making bags from koor rope
  - Creating tart cake
  - Cadres training
- 3 Social activities that are held since 2001 :
    - Giving charity to orphan houses and orphans
    - Giving prizes to the members' children who are clever
    - Holding a circumcison event for the members' sons
    - Holding an Idul Qurban Celebration

**THE DEVELOPMENT OF KOPERASI CITRA LESTARI**

- A Membership
  - The members until December 2001 : 3.136 people
  - The members until June, 2002 : 3.171 people
- B The Branch
  - The branches of the organization are
    1. Loan Unit
    2. Store Unit

**-OWN FUNDS**

In Thousand

Year	Primary Keepings	Obliged Keepings	Spares.	Donation	DG	SHU	Total
1997	19.494	79.320	11.718	9.588	25.935	23.980	170.037
1998	24.317	128.653	40.442	9.588	32.454	35.151	270.607
1999	22.232	165.174	65.397	9.588	39.185	35.794	337.373
2000	24.197	241.060	65.606	9.588	43.874	53.724	438.051
2001	28.167	392.732	80.912	9.588	54.467	87.321	658.601
JUNI 2002	31.409	457.746	106.198	16.338	59.900	69.831	763.546

**- EXTERNAL FUNDS**

Year	Voluntary Funds	Loaned Funds	Total
1997	19.165.202,34	162.338.775,00	181.503.977,34
1998	28.652.666,41	247.085.775,00	275.738.441,41
1999	30.246.111,12	383.701.275,00	413.947.386,12
2000	54.356.580,00	761.702.817,00	816.059.389,00
2001	145.483.282,00	843.397.885,00	988.881.167,00
JUNI 2002	191.557.081,22	688.804.218,00	880.361.299,22

**- COMPANY VOLUME**

In Thousand

Year	KPRPK Loan	S P Loan	Special Loan	Shops Budget	Total
1997	79.975	435.545	64.050	550.096	579.570
1998	51.175	549.650	44.550	585.576	1.195.471
1999	33.250	678.900	48.850	816.184	1.355.370
2000	26.100	998.350	168.450	1.777.915	2.032.916
2001	19.400	1.529.885	332.950	1.212.511	3.660.150
JUNI 2002	4.800	843.150	218.650		2.219.111

Condition to be a member :

1. Indonesian Citizen
2. Adult
3. working or employed
4. Fulfilled the stated conditions, which are :
  - Consist of Minimum 10 people and maximum 25 people
  - Has the permission from the members
  - Agrees and is willing to obey the rules that are stated
  - Pays Rp.25.000,- for primary keepings
  - Pay Rp 5.000,- monthly for obliged keepings

**Members Right and Obligation**

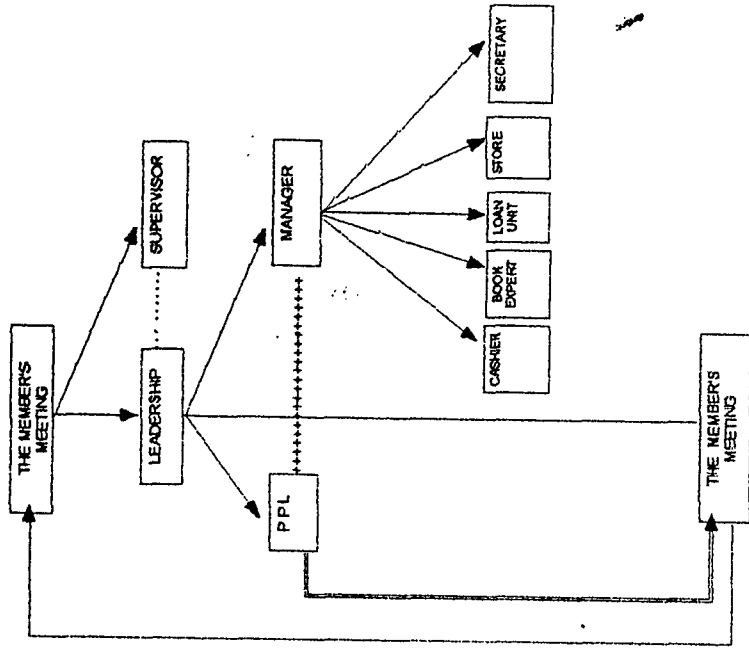
**Right:**

1. Attend, give opinion and vote at the members meeting.
2. Vote and be voted for maintenance or supervising positions
3. Ask to old the members meeting
4. Give opinion or advice to staff outside the members meeting asked or not
5. Use of the cooperation and to get equal service among the members
6. Get information about the cooperations development

**Obligation :**

1. Pay Keepings
2. Pay loan instalment
3. Attend group meetings
4. Expand the group members by gaining and selecting members that fulfill the cooperations conditions
5. Have meetings in the group
6. Obey the rules
7. To preserve the groups good name and survival by :
  - By orderly administration
  - By group Coordination

KOPERASI CITRA LESTARI'S  
STRUCTURE OF ORGANIZATION



EXPLANATION:

———— = AUTHORITY AND RESPONSIBILITY LINE

..... = SUPERVISOR LINE

+++++ = COORDINATION LINE

===== = SERVICE LINE

KOPERASI  
CITRA LESTARI

ADDRESS

JL. Dr. CIPTO NO. 24 BEDALI - LAWANG

MALANG

EAST JAVA - INDONESIA

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# COUNTRY BRIEFING PAPER

# MALAYSIA

2<sup>nd</sup> ICA - JAPAN TRAINING COURSE ON "STRENGTHENING  
WOMEN'S AGRICULTURAL COOPERATIVES IN RURAL AREAS  
AND IMPROVEMENT OF FARM MANAGEMENT AND RURAL  
LIFE

29 August - 4 October 2002

by

Hajah Roszurina Haji Omar

National Cooperative Organisation Of Malaysia

# 1. INTRODUCTION TO MALAYSIA

## 1.1. Location

Malaysia is located in the heart of Southeast Asia, slightly north of the Equator. Consisting of 330, 200 sq. km, Malaysia is divided into two main regions:

Peninsular Malaysia, which lies just south of Thailand, and east Malaysia, which can be found north of Indonesia on the island of Borneo. These two regions are divided into thirteen states and federal territories. Although East Malaysia occupies the larger portion of Malaysia's total area, it is primarily comprised of undeveloped land and jungles. Approximately 80% of the nation's total population occupies the main peninsular.

The terrain is certain to remain etched in the memories of all visitors for life. It is extremely diverse and consists of some of the world's finest coral reefs, vast stretches of white sandy beaches, green hills, towering mountains, limestone formations, networks of white-water rivers perfect for rafting, lakes and vast expanses of jungle and tropical rain forest.

The territories that comprise of Malaysia were British protectorates in the 1920s. Malaysian nationalism reached its peak during the 1930s and again in the Post-World War 11 Era, culminating in the formation of the Federation of Malaya in 1957, which became Malaysia in 1963.

## 1.2. Population

Malaysia has a combined population of 24 million people. Because of its central location between the Indian Ocean and the South China Sea, Malaysia has traditionally been a meeting point for traders and travelers from both the East and West. As a result, Malaysia has a multiracial and multicultural population consisting of Malays, Chinese, Indians and numerous indigenous peoples.

### **1.3. Languages**

Although Malay language is the official language, English is widely spoken, especially in business, and the English language is a compulsory subject in all schools. Other languages spoken are Chinese dialects, Mandarin, Hakka dialects, Cantonese, Tamil and numerous tribal languages.

### **1.4. Climate**

Malaysia enjoys a tropical climate with plenty of sunshine throughout the year. Temperature typically range from 22 to 33 degrees C and cooler in the highlands. With the occurrence of the annual southwest (April to October) and northeast (October to February) monsoons, the average rate of annual rainfall is high: 250cm. Much of the rainfall is concentrated in the late afternoons. Humidity is high throughout the year.

### **1.5 Government System**

Malaysia is a parliamentary democracy. The king or "Yang Dipertuan Agong" as the Supreme Head of the country, is elected every five years by and from the Sultans of nine states. Executive Authority is also vested in the "Yang Dipertuan Agong" and exercised by a Cabinet of Ministers headed by the Prime Minister.

### **1.6 Major Exports**

Malaysian major exports are rubber, oil palm and oil palm based products, crude petroleum, liquefied natural gas, saw logs and sawn timber, electrical and electronic products, articles of apparel and clothing accessories, wood manufactures and other manufactured goods.

(Source: Malaysia Travel and Hotel Guide)



## 2. AGRICULTURE IN MALAYSIA

### 2.1. Background

The agricultural sector has contributed significantly to the growth and development of the Malaysian economy. Malaysia's economic prosperity was mainly based on abundant natural resources and on a climate which was conducive to the production of a wide range of agricultural commodities.

In the early stage planting food crops like padi, vegetables, fruits and fishery activities as well as livestock were considered as traditional ways of generating income for the local families.

The industrial crop, rubber, was then brought to the country in 1887. The setting up of Rubber Research Institute in 1926 has lead Malaysia as the major exporter of rubber in the world. The Malaysian economy was then solely dependent on rubber and tin which have been regarded as the twin pillars of the Malaysian economy. Realising that the economy was narrowly based on just rubber and tin in the 1960s, the government has taken initiatives to broaden its economic base by gradually diversifying in other commodities like oil palm and cocoa.

In 1979, Palm Oil Research Institute of Malaysia was established. Eversince then, oil palm has remained resilient in the face of many challenges and has contributed significantly to the Malaysian economy. Its contribution to the country's Gross Domestic Product (GDP) amounted to RM6.8 billion in 1995, up from RM3.6 billion in 1985.

The establishment of regional development institutions like Federal Land Development Authority (FELDA), the Rubber Industry Smallholders' Development Authority (RISDA) and the Federal Land Consolidation and Rehabilitation Authority (FELCRA) and other development agencies have impetuously opened up new land for industrial crops besides to achieve the objectives of the Malaysian Economic Policy to eradicate poverty among the societies.

## 2.2. Performance of Agricultural Sector, 1996 - 2000

The total value added in the agricultural sector has increased 1.2% a year though the target in the 7<sup>th</sup> Malaysian Plan (1995 - 2000) is 1.9%. However, oil palm registered a growth rate of 7.9% exceed the target and remained as an important sector which contributed to the increased of the total value added.

Other sector like livestock, fisheries, padi, food crops also showed a growth. The contribution of agricultural sector to the Gross Domestic Product has declined from 10.3% in 1995 to 8.7% in year 2000.

### AGRICULTURAL VALUE - ADDED, 1995 -2000 (RM million in 1987 prices)

Item	1995	%	2000	%	2005	%	Average Annual Growth Rate (%)		
							Expected '95-2000	Achievement '95-2000	Expected '00-2005
Rubber	2,129	12.4	1,178	6.5	1,025	4.9	-4.1	-11.2	-2-7
Oil Palm	4,235	24.7	6,199	34.1	7,364	35.0	4.2	7.9	3.5
Sawlogs	4,139	24.2	3,395	18.7	3,038	14.5	-8.5	-3.9	-2.2
Cocoa	1,225	7.3	1,159	6.4	1,192	5.7	-1.9	-1.6	0.6
Padi	516	3.0	532	2.9	673	3.2	0.9	0.6	4.8
Livestock	953	5.6	1,109	6.1	1,454	6.9	5.1	3.1	5.6
Fisheries	1,964	11.5	2,375	13.1	2,998	14.3	4.0	3.9	4.8
Miscellaneous	1,924	11.2	2,207	12.2	3,274	15.6	7.9	2.8	8.2
<b>Total</b>	<b>17,115</b>	<b>100</b>	<b>18,154</b>	<b>100</b>	<b>21,018</b>	<b>100</b>	<b>1.9</b>	<b>1.2</b>	<b>3.0</b>

(Source: 8<sup>th</sup> Malaysian Plan - Department of Statistics)

### 2.3. AGRICULTURAL LAND USE

Agricultural land use increased from 5.7 million hectares in 1995 to 6.0 million hectares in year 2000. The expansion was largely contributed to the opening up of new land in Sabah and Sarawak for oil palm, pepper, tobacco, vegetables and fruits. However, approximately 430,800 hectares land of rubber and cocoa has been converted oil palm plantation and other usage.

**AGRICULTURAL LAND USE, 1995 -2000**  
(**'000 hectares**)

Item	1995	2000	2005	Expected '95-2000	Achievement '95-2000	Expected '00-2005
<b>Industrial crops</b>						
Rubber	1,727,000	1,430,700	1,301,500	-3.8	-3.7	-1.9
Oil Palm	2,507,611	3,460,000	3,100,000	1.1	6.7	-2.2
Cocoa	234,538	105,000	105,000	-1.9	-14.8	0.0
Pepper	8,600	11,480	12,500	-1.1	5.9	1.7
Pineapple	9,081	10,233	16,000	4.5	2.4	9.4
Tobacco	10,539	15,000	12,500	-1.0	7.3	-3.6
<b>Food crops</b>						
Padi	592,410	572,196	611,000	-9.7	-0.7	0.6
Coconut	298,740	220,000	201,000	-5.0	-5.9	-1.8
Vegetables	42,000	51,420	77,290	3.0	4.1	8.5
Fruits	244,471	297,436	379,613	7.1	4.0	5.0
Others	68,146	67,534	67,737	-0.3	-0.2	0.1
<b>Total</b>	<b>5,743,137</b>	<b>5,949,934</b>	<b>6,314,977</b>	<b>-1.4</b>	<b>0.7</b>	<b>1.2</b>

(Source: 8<sup>th</sup> Malaysian Plan - Department of Statistics)

## 2.4. The Issues and Challenge

The Malaysian economy has undergone significant structural changes over the last four decades. For the first three decades, agriculture was the main contributor to the national economy. Agriculture was used to finance the development of the country, which progressively led to the transformation of the economy towards industrialization. The rapid industrialization during the last decade led to a decline in the sector's relative contribution to national income, export earnings, employment and investments.

The role of agriculture has to remain strategically important as a provider of food. The sector will also continue to be vital source of raw materials for the agro and resource-based industrial development.

Structural changes in the economy have brought new issues and challenges for the further development of the agricultural sector.

- the need to ensure adequate supply and accessibility of safe, nutritious and high quality food at affordable prices
- the need to reduce labor requirements in agriculture
- the need to maximize land utilization
- the need to strengthen the competitiveness of Malaysian agriculture
- the need to enhance private sector investment in food production
- the need to transform the smallholders into a more commercial sector
- the need to strengthen industrialization and offshore investment
- the need to ensure sustainable agriculture and forestry development

### **3. WOMEN IN MALAYSIA**

#### **3.1. Status of Women in Malaysia**

Women in Malaysia, as elsewhere, have two rôles. In private, they act as wife and mother, while in public, they are employees or self-employed outside the house.

Malaysian women are highly important contributors to the country's economic and social development. Their access to health and education and their participation in the economy have increased rapidly over the years.

In Malaysia, out of 24 million population, 48.9% or 11.4 million are women. Almost half of the total population are women. 52.4% of the women population are below 24 years old.

Although, 48% are within the employment age 15 - 64, only one third are employed. Initiatives have been taken by the government to increase the number of women in the labour market. Flexible hours of working have been given to the women employees by the government in the Employment Act 1998 . They are allowed to work and at the same time fulfill their responsibilities towards their families. Employers are also encouraged to provide proper housing, transportation and medication to their employees mainly from the rural area.

Women in Malaysia today, have shown progress in their social and economic development. The rapid expansion of educational facilities and opportunities contribute towards the improvement of their economic participation. Overall, the trend shows an increase in the literacy levels of both males and females. The progress made in reducing the gender gap is attributable to remarkable increases in girls' enrollment in schooling. In higher institutions, the number of women has increased. Women intake in the universities increased from 50% in 1995 to 55% in 2000.

Hardworking by nature, women now have become professionals. In 2000, 13.5% women involved in professional and technical employment compared to 12.7% in 1995. Women in the agricultural sector has declined 16.6% in 1995 to 14.8% in 2000.

**EMPLOYMENT DISTRIBUTION BY GENDER AND OCCUPATION  
1995 AND 2000  
(%)**

<b>Employment category</b>	<b>1995 Male</b>	<b>1995 Female</b>	<b>2000 Male</b>	<b>2000 Female</b>
Professional and technical	8.4	12.7	8.9	13.5
Management and Administration	3.9	1.8	4.7	2.2
Clerical	7.5	17.5	7.1	17.5
Sales	10.5	11.6	11.1	12.1
Services	9.4	14.4	9.5	17.4
Agriculture	21.9	16.6	20.4	14.8
Operations	38.3	25.4	38.4	22.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(Source : 8<sup>th</sup> Malaysian Plan - Department of Statistics)

### 3.2. Ministry of Agriculture Malaysia

The Ministry is responsible for improving the incomes of farmers, livestock breeders and fishermen by efficient utilisation of the nation's resources; manages food production for domestic consumption and export.

There are several departments under the Ministry:

➤ Department of Agriculture

The Department of Agriculture (DOA) provides professional and quality services in a wide range of agricultural fields in an effort to promote the utilization of modern and efficient technologies. The various fields include the development and management of crops and agricultural commodities, crop protection, soil management and agricultural engineering. These services are provided to all government departments and agencies, private companies and institutions, farmers' cooperatives, entrepreneurs, farmers and individuals who are interested in agriculture; be it on commercial or on a small scale. The range of services offered are categorized as follows: **Advisory and Consultancy Services, Technical Support Services and Regulatory and Enforcement Services.**

Among the agricultural projects and activities undertaken by the Department to increase the agricultural income of Malaysian farmers are: **Group Farming Projects, Farm Family Development and Agrotourism**

➤ Department of Irrigation and Drainage

Its objective is to provide excellent services in the field of irrigation, drainage, river, coastal, hydrology and water resources development and management which will contribute towards the improvement of the agriculture sector, quality of life of the people and the environment

➤ Department of Fisheries

➤ Department of Veterinary Services

### 3.3. Women in Agriculture

Women are important in Malaysia's labor force and play a crucial role in agricultural and overall development. However, there has been a decline in the proportion of women engaged in agricultural activities due to the relative decline in the Malaysian economy, as its importance in generating output and employment has steadily diminished in the course of structural transformation.

Women's participation in the agricultural sector has been the highest in rubber, oil palm, and cocoa production. Women's contribution to agricultural production is recognized as essential and important but is nevertheless underestimated. Women are regarded as playing a supporting role only. They are regarded as farmers' wives and not farmers.

A gender analysis of access to land ownership shows that men own more land than women. They constitute from 40% - 60% of farm workers in Malaysian agriculture, depending on the type of crop. Despite women's limited access to land ownership, they still serve as farm workers. Women work on farms either as owner-operators, wage workers, or agricultural laborers. In many cases, women have the role of family providers because rural families can't depend solely on husbands' income for their livelihoods.

Mostly, women in agricultural sector are from the rural area. Some are illiterate and lack of confidence and skills. Furthermore with no recognition as a farmer, women have no access to training particularly in relation to new technologies and have limited access to other skills development. This is also due to their reproductive roles in the homes. Training needs time and to these women time is very constraint.

In Malaysia, we could see that the young women are no longer interested in agricultural sector. They prefer to work in the professional and technical line due to their higher education.



### **3.4. Other Activities of Women in Agriculture**

- Setting up small handicraft cottage industries which utilize local raw materials, traditional skills and craftsmanship
- Organised economic projects like batik-making, weaving, silver working, tailoring, sewing, vegetable gardening and poultry rearing

### **3.5. Problems Faced By Women in Agriculture**

Women in the rural communities have long been neglected in most development programmes. Past experience has shown, however, that programmes aimed at women in the rural sector were too welfare-oriented while programmes to promote their genuine economic opportunities were seriously lacking. As a result, women in the rural sector have been deprived of the direct socioeconomic benefits generated by the rural development projects.

Marketing the handicraft product is another aspect faced by the rural women. Proper guidance on marketing and packaging of product should be taken seriously by the supporting agencies in order to help the women to increase their income and better their life.

### **3.6. Women in Cooperative**

Cooperative movement in Malaysia was established in 1922. Thrift and loan was the most popular activity. Women's participation in the cooperative movement were mainly a traditional way of helping their families to settle debts. The involvement of women in the movement, were mainly as ordinary member. They were only supporting roles to help the males. Decisions and policies were still in the hands of the male Board Members. This scenario is still seen until today!

Though 40% of the cooperative membership in Malaysia comprise of women, yet women are not seen participating actively in the movement. Women

only hold position as members, staff and office bearers. Low level of participation of women in cooperative development not only seen in the rural area but in the urban area as well.

Inferiority complex and discrimination of gender are two main factors contribute to the scenario. In Malaysian culture, men are considered the head of the house and should be respected. To some extent, the eldest male in the family should be greeted first and frequently sits in the best or highest seat. Women in this matter feel that they should respect the men in every way especially in leadership. The traditional way of upbringing the families can be seen until today. Due to these problems, the number of women's participation in decision making process in the cooperative movement still hasn't increased especially in the mix cooperative.

Lack of capital is also determined as a factor of low level of participation among the women members. Their contributions in terms of money to the cooperative are not sufficient. They still depend on the husbands for their income. With the small amount of money put in the coop, they feel they are not in control over the resources.

Communication barrier amongst the women is another factor. Women in order to be seen, they must be heard. But to be heard in public, especially in the cooperative general meeting, is far way out. Women members especially in the rural areas prefer to sit and listen rather than contributing their ideas openly.

Cooperatives in Malaysia have been suggested by the Cooperative Development Department of Malaysia to set up a Women's Development Unit in their coops in order to solve the problem of low level participation of women in cooperative leadership.

Most of the coops take this suggestion positively and some still in search of potential leaders among the women members who can lead this unit.

### **3.7. Government Policies To Solve The Problem**

In preparing the women for more active economic participation, the government through the Ministry of Women and Family Development, Ministry of Rural Development, Ministry of Agriculture, Ministry of Land and Cooperative Development have focused on public policies and programmes i.e:

- Raising the level of education and the skills of women by drawing them into rural learning institutions such as elementary school, adult literacy classes, and vocational training
- Developing and improving basic household amenities such as water and electricity to reduce the work load of currently burdensome and time-consuming household tasks
- Providing facilities such as kindergartens, and child-care centers where women can leave their young children while they are working
- Promoting family development and family planning information and services to reduce family size in the context of enhancing the economic role of women
- Increasing public awareness and sensitivity of government bureaucracy to women's issues
- Strengthening the machinery for the advancement of women
- Activating NGO's

The policy is administered by the Department of Women's Affairs (HAWA)

#### **4. NATIONAL COOPERATIVE ORGANISATION OF MALAYSIA (ANGKASA)**

ANGKASA was registered on May 12, 1971. It is recognised by the government as the sole National Apex Co-operative Organisation of Malaysia. ANGKASA was formed with these specific objectives :

- To unite and represent the Malaysian Co-operative Movement at national and international levels
- To disseminate and propogate the co-operative concept and principles through education and publicity
- To assist co-operatives in the proper running and management of the organizations by providing advice, education and other necessary services

Membership of ANGKASA todate is 2692 primary, secondary and tertiary co-operatives (including school co-operatives) with almost three million individuals have become ANGKASA members. ANGKASA does not carry out any business activities.

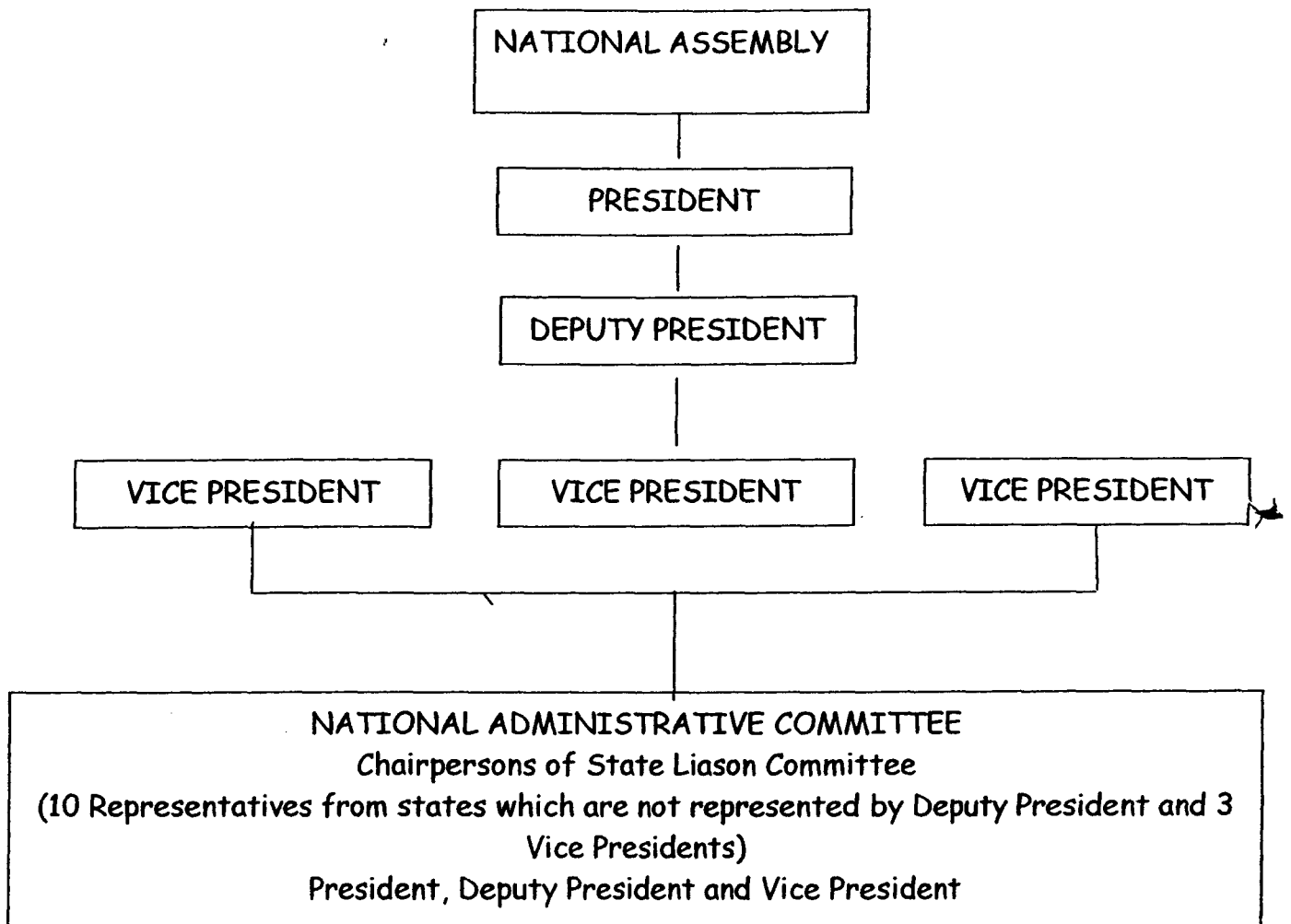
##### **4.1. National and State Assemblies**

The highest committee known as the National Administrative Committee (NAC) comprising 15 members, administers ANGKASA. It comprises the President, Deputy President and 3 Vice Presidents and 10 Chairmen from the State Liaison Committee. ANGKASA National Assembly which held annually chooses the President, Deputy President and three Vice Presidents in accordance with ANGKASA By-Laws. They can be re-elected accordingly as stipulated in the Cooperative Act 1993. 10 other State Liaison Committees chairmen are those elected at the respective state assemblies. The Deputy President and three Vice Presidents of the respective state assemblies. The Deputy President and three Vice Presidents of the respective states represent the remaining four states. Besides the 15 members of the NAC, there are also 2 government representatives, aech from the Ministry of Land and Co-operative Development and the Ministry

of Finance. The NAC meeting is held once in every three months or as often as needed. The State Assemblies are held earlier before the National Assembly. The agenda in every State Assembly among others is to choose its State Liaison Committee comprising 12 members. Those who elected as committee members would then choose the chairman, secretary and treasurer. One third of the State Liaison Committee members are to be re-elected every year. Chairmen State Liaison Committee from the states which are not represented by the Deputy President and Vice Presidents will automatically become ANGKASA National Administrative Committee members as mentioned earlier.

NAC will appoint a National Executive Committee (NEC) which consists of 8 members from the NAC and three executives. NEC meets once a month. It also appoints several Sub Committees to assist and monitor every division in ANGKASA such as ANGKASA Service Bureau Committee, B4P Committee and Finance and Management Committee. These committees will hold their meetings whenever needs arise.

## ORGANISATIONAL STRUCTURE OF ANGKASA



### The Management

A General Manager who reports to the President leads the Management group.

The General Manager ensures smooth running of the administration and management of ANGKASA. He implements all decision made by the National Administrative Committee (NAC) and National Executive Committee (NEC). ANGKASA has a total of approximately 300 staff. They have their own Union and a Co-operative Society which provides interest-free loan and other welfare services. The employees also have their own Sports and welfare Club. For the benefit of employees with

children, ANGKASA set up a day-care center which is also supervised by a committee chosen by the parents themselves.

## **Activities of ANGKASA**

The main divisions in ANGKASA:

### **a. ANGKASA Service Bureau**

ANGKASA Service Bureau was established in April 1977 with the purpose of servicing member organizations and to collect dues due to them by their member whom are the government servant. ANGKASA charges a minimal fee of between 0.06% to 2% of the total deduction collected.

### **b. Education, Publication, Service and Research Division (B4P)**

B4P which is entrusted to carry out ANGKASA educational activities has the following objectives:

- To disseminate co-operative principles and practices and to co-operate with the government and other parties in the interest of the nation's co-operative development as stipulated in ANGKASA Cooperative Manifesto
- To provide consultation and advisory services related to co-operative administration, management, accounting, auditing and laws as well as IT
- To conduct education and training programmes and to provide information on co-operative business and entrepreneurial knowledge
- To assist the government in developing Co-operative Movement in Malaysia
- To encourage research and study on matters and problems related to Co-operative Movement

### **Activities of B4P**

- Organises courses, conventions, conferences, seminar, group study tours etc.

- Publishes newsletters, magazines, leaflets and other educational and information materials
- Gathers and compiles reports from member co-operatives, disseminate the for the use and benefits of other members
- Distance Learning Programme
- SEKKOP - ANGKASA in collaboration with Cpoints System (a private IT Company) has developed software for school co-operatives in Malaysia. This system is known as SEKKOP. The development of SEKKOP is based on the present functions of school co-operatives. In a nutshell, SEKKOP is capable of integrating four aspects of management in school co-operative i.e. sales, stock, membership and accounting.

## **5. ANGKASA'S ACTION PLAN**

### **5.1. Women's Development Unit**

ANGKASA through its Women's Development Unit plans programmes for development of women coop members. It organizes seminars and courses pertaining to the development of women coop members especially in building up their leadership skills.

#### **5.1.1. Course on Public speaking skills**

Women in order to be seen in public they must be heard. To be heard they must speak up. The only problem with the Malaysian women especially in the rural areas, they are very shy and full of inferiority complex. ANGKASA conducts a half day course specially for women how to speak up in general meeting and overcome their shyness

#### **5.1.2. Day Care Centre**



ANGKASA together with the Ministry of Social Welfare conduct a course for cooperative members who want to set up a day care centre at their cooperatives. In fact, ANGKASA has taken the initiative to set up a day-care centre at its premise for the benefits of its staff and also as a sample to the other cooperatives which are interested in setting up their day-care center for their members.

### **5.1.3. Product Promotion Centre**

Marketing a product seems to be a problem to certain rural cooperatives. Some women cooperatives produce products such as handicrafts, food like ketchup, snacks etc. But the main constraint usually is where to market the product. ANGKASA as the apex organization helps the cooperative to create networking by setting up a product promotion center. The products will be displayed at the center together with the contact address of the cooperatives.

## **5.2. Federation of Agricultural Cooperatives (PENAKOP)**

As the apex organization of the co-operatives, ANGKASA takes the initiative to help the agricultural co-operatives especially the co-operatives members. In year 2000, ANGKASA conducted two national seminars specifically on agriculture. In these two seminars the participants mainly the co-operative members (farmers) made a resolution to form a Federation of Agricultural Cooperatives known as PENAKOP. PENAKOP will open up its membership to all the agricultural based co-operatives. PENAKOP will then has its own Marketing Division and Bank. The Board of Directors of PENAKOP will be elected in the PENAKOP Annual General Meeting. With the consent of the government, ANGKASA puts high hope in making PENAKOP a reality.

## 6. Conclusions

Women's participation in all aspect of development is necessary and important. Women do not only play the supporting role but they are also the agents of development. Women no matter where they come from rural or urban, they build the nation. They delivered the leaders of today and tomorrow. So lets join hands, gather our efforts and together we stand to improve and strengthen the life of the women especially in the rural areas.

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## STATISTICAL CHART

1.	Total National Population	23.8 million
	- Male Population	12,062.1
	- Female Population	11,733.2
	- Farm Population	-
	- Female Farm Population	-
2.	Total Land Area (sq. hectare)	330,200 sq. km – 33m ha
	- Total cultivable land area (ha)	6 million ha
	- Total Irrigated land area (ha)	3,420 sq. km
	- Total wasteland area (ha)	78,536.38 sq. km
3.	Per Capita Income (US\$)	\$ 3400
4.	Total Number of Cooperatives (all types, all levels)	4790
5.	Total Cooperative Membership (all types, all levels)	4.76 million
6.	Total number of Agricultural Cooperatives (all types)	239
7.	Total membership of Agricultural Coops	196,450
8.	Types of women cooperatives	1. Thrift & Loan 2. Multi Purpose
9.	Total Number of women coops	72
10.	Their Total Membership	19,530



# Background Information

Presented in

2nd ICA – Japan Training Course for

“Strengthening Women’s Agricultural Coops in Rual Areas and  
Improvement of Farm Management and Rural Life”

Thailand – Japan, 29th August to 4th October 2002

Prepare by :

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Thailand

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## Chapter 1

### About Thailand

The location of Thailand covering an area of 513,115 square kilometers, in Southeast Asia

The borders of Thailand, It shares borders with Myanmar, Lao, Cambodian and Malaysia. There is Thai Gulf and Andaman Ocean on the south.

### Topography

North -- The mountainous is located on the north of Thailand. Intanon is the highest mountain at Chaing Mai (2,565 m.)

Center – The fertile Central Plains is the most important place for agricultural of Thailand and the capital city is located, Bangkok. There is The River King, the length of 370 km., also the most important river of central topography.

Northeast – The semi-arid plateau, this area is no longer good for agricultural.

East – The kind of fertile plains and connected with beaches are one of the famous places for travelers.

South – The peninsula part of the country, distinguished by its many beautiful tropical beaches and offshore island such as Phuket and PP Island.

### Climate

Thailand's climate is tropical, high both in temperature and humidity, and dominated by monsoons. There are 3 seasons, Cool Season, the Hot Season, and the Rainy Season.

## Chapter 2

### Agricultural

Agriculture is the primary means of employment, but industry, commerce, and services for the 80% of the gross domestic product.



Rice Thailand is one of the world's largest producers of rice, by using the central area for, and this accounts for much of the country's agricultural output.

Cassava A drought-tolerant cash crop, contributes major income to farmers in the Northeast. Cassava products are mainly exported as animal feed to the EC market, the largest buyer.

Maize Is the important feed grain concentrated in the central regions of Thailand. The annual production is exported by the feed industries.

Sugarcane Exporting to China Japan Malaysia South-Korea and planted area in west.

Rubber is planting in the south.

#### *Stock raising*

Cattle Now the stocking industry has been developing to greater industrial at this moment the dairy product is for exporting and domestic consumption.

Buffalo In agriculture still raising buffalos for help with farming stuff.

Pork The need of consuming pork is increasing at a time. The stocking of raising them need new technology and development to progress the product for exporting and all those consumptions.

The Product of Chicken and Duck has been also developed at the larger amount of all consumption to be healthier for consumer. Mostly has been taken place of Central and East for stocking.

#### *Fishery*

Thai fishery including freshwater, saltwater, and brackish water is for exported and domestic consumption.

### Forest

Thailand has undergone rapid political, social, economic and environmental change. Much of the natural forest area in Thailand has quickly been logged over or converted into agricultural areas to spur national development. While Thailand has one of the most vibrant democracies in the region, it is one of the few countries that officially still have not recognized the importance of local participation in forest management. National policy and regulations reflect a western approach to conservation which has alienated the majority of rural people and led to increasing conflicts over natural resources. Though there are many innovative approaches to collaborative forest management at the local level, these have yet to be formally recognized by the state or many urban environmentalists.

### Mining Industrial

Thailand contains a wide range of mineral deposits, the chief among which are tin and lignite, and is also a very rich source of precious and semi-precious stones. Main cause is for domestic commercial and the rest will be exporting merchandise.

### Industrial

At the beginning of producing domestic industry's for supplying imported product, present is producing for exporting separated by how it been produced.

1) Home industry – The small industry produced by hand made, low investment, by the local material, and the products usual are handicraft product.

2) Light Industry – The medium industry produced with machine or man made in the produce system such the small production or company.

3) Heavy Industry – Product of the huge company or organization must have use big machine or technology in producing worked. Such agriculture industry, forestry industry, transfiguration industry, chemical industry and electronic industry etc.

### Commercials

- 1) Domestic commercial
- 2) International commercial
  - a. Main exported products are rice, rubber, handicraft computer and the electronic materials.
  - b. Main import product including the product for heavy industry such the material, consumption and gas products.

### Services

Such the travel industry and communicating.

### Thai Population

Thailand has recently experienced a decreasing population growth rate, from 3.0 percent during the period of the Third National Social and Development Plan (1972-1976) to 1.2 percent at present. The TFR (total fertility rate), i.e., the average number of births during a women's lifetime, has also declined from 1960-1965 to about 2.0 during 1995-2000.

In addition, a changing age structure of the population has been observed, with an increasing proportion of the aging population. The changing age structure of population is due not only to the above-mentioned decline of the population growth rate, but also to and increase over tome in the life expectancy at birth are of the Thai population. The main factors contributing to the rising trend of life expectancy at birth are a decreasing mortality rate, as well as highly efficient medical treatment and public health services. The cause of death has been shifting from infectious diseases and malnutrition to accidents and chronic non-communicable diseases, such as heart, hypertensive, and cerebra-vascular ones. The latter causes of death relate to improper environmental conditions, lifestyle, and social pathology. The current paradigm of diseases is expected to hold at least into the near future.

## Chapter III

Institutions Dealing with Gender Issues (with special reference to women)

There are several government organizations involved in women's development. Some of the main ones and the activities they are engaged in include :

1. The National Commission of Women' s Affairs was established under the Prime Minister's Secretariat in 1979 by the Office of the National Economic and Social Development Board. At the present time the Commission is chaired by a Deputy Prime Minister and has the Director General of the Community Development Department as its secretary. The Commission has a mandate to act as the central coordinating agency between the governmental and non-governmental sectors, as a promoter of women's development, and as an overseer of the national plans concerning women.

This organization has made contributions to women's development by carrying out research, organizing worthwhile programmes and educating the general public about women's needs and issues.

2. Department of Agricultural Extension

Home economists have been working to improve farm family life with a special emphasis on women. Women have strongly encouraged to form farm women's clubs to build a useful information network.

3. Department of Community Development :

Their agenda consists of income generating, nutrition, and child-care projects. There are also vocational training projects for women's groups, leadership training for women leaders, and training programmes for officials responsible for women's development.

4. Department of Non-Formal Education :

This department provides various job training programmes, and education in subjects of interest.

5. Department of Public Health :

This department promotes health and nutritional knowledge especially to pregnant women and children.

6. Co-operatives Promotion department :

Their agenda consists of training programmes of teamwork by using co-operative methods, health and nutritional knowledge and also income generating activities for women's in co-operatives.

For non-governmental sectors, there are many organizations involved in women's development, for instance :

1. Gender and Development research Institute (GDRI) ;

GDRI was established on October 24, 1990. The United Nations Development Fund for Women (UNIFEM) provides a financial support to the GDRI's first project. This organization carries out policy research on gender issues in national development, developing strategies and processes, policy dialogues involving women to participate in establishing priorities and development directions, developing information materials for action research on policies and development planning building consensus and raise awareness of policy makers and planners on the actual role of women in national development, developing strategies and processes to involve the media in the efforts to strengthen the roles of women in development and providing services on information materials concerning gender and development. (GDRI leaflet)

2. The national Council of Women of Thailand (NCWT) Under the Royal Patronage of Her majesty the Queen. NCWT acts as a focal point for coordinating promoting and supporting the activities of women's organizations throughout Thailand, acquiring knowledge and exchange ideas among women's organizations domestically and internationally for the purpose of creating stability, security, good understanding and well-being for all people especially women finding ways and means to raise the status and quality of life for Thai women and cooperating with domestic and international agencies both governmental and private in carrying out activities that are beneficial to women and society in general.

## Co-operative

### Co-operative Movement in Thailand with women participation.

Co-operative Movement in Thailand, like in most developing countries, have been initiated by the government with the objectives to use them as a means to improve economic and social conditions of people of small means. While faced with the realities of poverty, economic imbalances, social disparities and strong economic competition, co-operatives are considered as the best socio-economic tools available to the community where the needs and demands of the people are not too sophisticated and great. The government established the first co-operative in Thailand by adopting the German Reiffeisen's principle and it was registered on February 26, 1916, named "Watchan Co-operative Limited". This co-operative was established under the special legislation called "The Civil Association (Amendment, Act. B.E. 2459 (1916)", in the form of a small village credit society to help relieve farmers from severe indebtedness. The success of the first type of co-operative has brought about other types of co-operatives according to the needs of people. The co-operative development has been integrated into the National Economic and Social Development Plan since 1962.

In 1928 the Co-operative Societies Act. B.E.2471 (1928) was promulgated to pave the way for further development of Co-operative of various types. The Bank for Co-operative was organized to serve as a financing centre of the agricultural co-operatives. It was superseded in 1966 by the Bank for agriculture and Agricultural Co-operative (BAAC), which established in order to widen the scope of operations in including loans to individual farmers as well as agricultural co-operatives.

In 1968, the Co-operative Societies Act.B.E. 2511(1968) was promulgated, repealing the Co-operative Societies Act.B.E.2471 (1928) in order to facilitate the expansion and improvement of the co-operatives. This legislation embodied two new features, i.e. the amalgamation of co-operatives in order to create a viable co-operative at the local level and the establishment of the Co-operative League of Thailand, a nationwide confederation of co-operative organization of all types.

Presently, Co-operative League of Thailand organize the training programmes for women in co-operatives as follows :

1. The training course for women members and women employees of co-operatives on co-operative principles and practices.
2. The training course for income generating by developing their occupations both in cottage industries and agriculture.
3. The training course on "Leadership in Community"
4. Providing funds for the project of changing women leaders for studying co-operative movement in foreign countries.

#### Policy for Women Development in Co-operatives

Realizing the important roles and influences of women in raising their families which are the elements of the communities. The policy of Co-operative promotion Department for developing women in co-operative sector started in 1981, to promote the involvement and participation of women through action, find co-operative solutions to their problems and become active partners in co-operatives and contributors to national development. Many activities are drawn to meet the above policy as follows :

1. To educate and train women with the objectives to create awareness among women of groups action so as to increase their role in co-operatives.
2. To motivate and educate women for better living.
3. To promote the development of income generating projects for Women through co-operative effort, so that the economic self-reliance of women is increased and that women can find co-operative solution to their problems such as those of production, processing, marketing, credit and supply, etc.
4. To help women to develop as effective leaders to take more responsibilities of co-operative management and contribute effectively to co-operatives and communities development as men's equal partners.

5. To cooperate with agencies concerned in the implementation of women women development programme or project.

At present, the cooperative women groups throughout the country consist of 4,762 groups with the membership of 187,623 persons. There is maximum quantity of cooperative women groups in the northeastern region with 2,760 groups and membership of 112,320 persons. The southern region has the minimum cooperative women groups which amounts to 536 groups with its membership of 20,504 persons. The activities in promoting cooperative women groups can be divided into 2 parts : training activity and professional promotion activity for labor skill development in producing the native handicrafts, which in aimed to increase incomes and upgrade the quality of life of groups members and their families. The mentioned handicrafts produced by the cooperative women groups can be classified into 6 types : weaving, artificial flowers and various handicrafts, processed agricultrual food, basketwork, farm supply, and miscellaneous products. It was found from the study that every target cooperative women groups has its own office and about 70 percent uses the every target cooperative women groups has its own office and about 70 percent used the groups chairmen's houses as their group offices. The cooperative women groups undertook various business, namely product and handicraft collecting, equipment and raw material providing for sale, credit and saving services. About 68.4 percent of the products were sold to the consumers at retail price, 47.4 percent sold to traders and shops at wholesale price, 36.8 percent opened their own selling shops and 63.2 percent distributed to consumers through other methods. They were selling products in trade centers, trade fairs, markets held at the stated time and places, delivering products to various shops and department stores and well as exporting to other countries. Most of the cooperative women groups obtained income related to selling their products. Between 100,000 – 500,000 bath per year.

Majority members of cooperative women groups at the rate of 34.7 aged between 31-40 year. The time period of being the group members was 1-3 years.



About 72.2 percent of cooperative women groups members participated the groups production activities and each family earned annual income from their activities about 45,795 baht or 3,800 baht per month. Most of the groups mebers or 70.5 percent sold products through their cooperative women groups. The member idea that showed causes of participating in group activities according to their priority could be summed up as follows : spending free time in the useful way, increasing the family incomes, working in the area not far from their villages, enable them to upgrade their own ability and to meet neighbors for the community happiness and unity.

Problems and obstructs occurred in the cooperative women groups according to their importance were production problems related to providing raw materials, production equipments and places, production and marketing capital, as well as the marketing problems. The other additional problems : lack of cooperation from some group members, the group residents have to be responsible for various costs, some production destroyed the environment, etc. The assistance of the Cooperative promotion Department needed by the cooperative women groups could be set in sequence as follows : markets for group products, working capital, production raw material, production promotion and places for product exhibition.

The long-run development for cooperative women group could be implemented into 2 forms. They were the participation to set up the production and marketing center of cooperative women groups, and the participation to establish the women cooperatives. These two forms of the mentioaed participation were proposed to meet the cooperative women groups objective in setting up the mutual center for production development, inspecting and grading for sale, including market providing within the provinces and nearby areas. Bangkok will be set as the center of information of products and price fluctuation, as well as the other related information's and being delegates which encourage the cooperative women groups as the suppliers to meet the other in the business.

One Tambon One Product Movement Project is the urgent project resulted from the government policy. The Ministry of Agriculture and Cooperatives has responded to the policy by setting the implementing framework of the above mentioned project to be consistent to various existing main projects of the Ministry. The Cooperative promotion Department (CPD) and the concerned agencies are also given the assignments to meet the objectives and targets of the One Tambon On Product Movement Project. In practical, the CPD chooses the cooperatives, cooperative women groups and cooperative youths to participate the project. It concentrates on improving and provideing the production equipments, supporting the raw material procurement ofr production and construction to bring about standard products, to create the confidence of consumers and enable producers to sell their products within the country and abroad.

The future expectation for the products of basketwork, artificial flower and handmade weaving cloth are to develop the production quality to be standardized and serve the market demand. The production is developed to have higher efficiency, lower production cost and is able to compete with the foreign markets. It is consequently accepted Thailand as the leading world producer for the mentioned products. The orther expectation is to emphasize on emotion, satisfaction and utility the are able to serve the customer demand and create the consumer attitude to realize the artistic value, to be proud to produce and utilize Thai products which concentrate on producing from natural raw materials, to be back to the nature, to understand the art transferred from their ancestors, and also be aware that Thai products should be conservatively made and utilized for the identity existence of Thai products forever.

## Chapter IV

The cooperatives in Thailand have been initiated by the government since 1915 with the objective to use them as a means to improve the livelihood of small farmers. The government greatly concerned with deteriorating economic and social conditions of the masses of farmers, especially in the central region of Thailand.

The first cooperative in Thailand called the Wat Chan Cooperative Unlimited Liability was established by the government on 26 February 1916 in the form of small village credit cooperative of unlimited liability, single purpose, to help the severely indebted farmers.

The government of Thailand has officially announced that on 26 February every year is the National Cooperative Day.

In 1966 the government-cum-credit cooperative-owned bank for cooperative was reorganized into the "Bank for Agriculture and Agricultural Cooperatives", a state enterprise, functioning as a financing center of agricultural cooperatives and lending directly to individual farmers as well.

In 1968 with the objectives to facilitate the strength of the cooperative movement, the government enacted the Cooperative Act, which allowed the establishment of the Cooperative League of Thailand (CLT), functioning as the apex organization of the activities of cooperative societies throughout the country without sharing profit and income.

In 1999, the government has amended the new cooperative Act. The reason that the cooperative act of 1968 has been in force for a long time. Several provisions of the act are not conducive to the development of the cooperatives to catch up with the competition in the present days of business system. It is, therefore, appropriated to upgrade the whole law on cooperatives. In order to develop cooperatives soundly with respect to the supervision and promotion of cooperative affairs, the National Cooperative Development Board is institutionalized for the purpose of advising to the government the ideas concerning policies and guidelines for promotion and development of cooperatives. There are also provision on the Cooperative Development Fund set up in the Ministry of Agriculture and Cooperative for the purpose of giving financial assistance to the cooperatives and promoting the affairs of cooperatives.

### Structure of Cooperative Movement in Thailand

The cooperatives in Thailand are vertically organized in a three-tier system: primary, provincial federation and national level. The primary cooperative consists of individual members. In the case of agricultural cooperative divided into groups at village level. According to the present Cooperative Act, the general meeting of members elects the board of directors which formulated the policy of the cooperative and appoints a manager and staff to operate of the cooperative.

Three or more primary cooperative can together form a provincial federation which undertake joint activities on behalf of their primary affiliates such as processing of agricultural produces.

At national level, There is the Agricultural Cooperative Federation of Thailand Ltd. Which all 76 provincial cooperative federation are affiliated. There are also Sugarcane Growers Cooperative Federation of Thailand Ltd., Swine Raisers Cooperative Federation of Thailand Ltd., Dairy cooperative federation of Thailand Ltd., and Onion Growers Cooperative Federation of Thailand Ltd.

Land Settlement cooperatives has, a regional federation in the Central Region whereas Savings and Credit cooperative and Consumer Cooperative are affiliated in a national federations of their own.

By the Act, all types of cooperatives at all levels are affiliated to the Cooperative League of Thailand. At present, the cooperatives in Thailand are divided into six types, namely;

1. Agricultural Cooperative
2. Land Settlement Cooperative
3. Fisheries Cooperative
4. Consumer Cooperative
5. Thrift and Credit Cooperative
6. Service Cooperative

### Registered Cooperative and Membership

The total number of registered cooperatives could be classified by the Agricultural and Non -Agricultural sectors as follows;

No.	Type of Cooperatives	Number of Cooperatives	Membership (Households)
Whole Kingdom		5,610	8,086,263
Agricultural Cooperative Types		3,546	4,950,734
1	Agricultural Cooperative	3,370	4,789,493
2	Fisheries Cooperative	76	13,859
3	Land Settlement Cooperative	100	147,382
Non-Agricultural Cooperative Types		2,064	3,135,529
4	Thrift and Credit Cooperative	1,296	2,169,819
5	Consumer Cooperative	369	819,021
6	Service Cooperative	400	146,689

Source of Data: (As of May 2001)

Cooperative Promotion Department (CPD)

Ministry of Agriculture and Cooperative

## Chapter V

### *Recommendations for Development*

Due to economic, political and social changes, it is clear that attempts should now be made to integrate women into the development process. Women deserve special attention because of their multi-faceted disadvantages and constraints, and also because development has a different impact on women than men.

1. Identification of social – cultural and economic factors hindering gender integration in development (with special emphasis on co-operatives) are as follows :

1.1 some legal barriers to women still apply e.g. women cannot hold significant posts in civil services and also in co-operatives.

1.2 in village level, some of the by-laws of agricultural co-operatives prevent women who are not household heads cannot be full co-operative members.

1.3 social discrimination against the advancement of women is still widespread in Thailand. Gender issues not yet taken seriously, and women themselves mostly not conscientized towards necessary action.

1.4 numbers of women in co-operatives still a small minority, especially at decision making levels. Women almost never on boards of management

1.5 socio-cultural environment reinforces women's domestic role, and often negates their economic contributions.

1.6 women in co-operatives especially in agricultural co-operative lack of financial which resulted in lacking knowledge and skills and also lack of the participating in co-operative development at local, national and international level.

1.7 there is no differences between men and women in positions and wage structures in co-operatives.

1.8 economic policy encourages women's participation, but in practice they are by-passed unless outstanding, competent.

1.9 in general, the economic contributions of women are not yet recognized,

2. Strategies for promoting gender awareness and gender participation both in general and in co-operatives are :

2.1 training gender awareness at gender orientation to issue on the part of co-operative membership and staff especially at top policy making and planning levels.

2.2 the research on women should be increasingly studies, which is hoped that results from this study will provide additional groundwork and data for the integration of women for policy-formulation.

2.3 policy-makers and development planners should consider the potential role of women in all development efforts to effectively meet women's needs, enhance their productivity and ensure their access to resources and development benefits.

#### AGRICULTURE

Thailand has an agrarian base as its bedrock. Like women in most Asian Pacific countries, the majority of Thai women in rural areas are agricultural workers and also the primary producers of food.

#### **Critical Issues**

1. The government pay more attention to the industrial sector than to the agricultural sector, even though agriculture is a major source of food products.

2. Farmers are deprived of advanced knowledge of agriculture.

3. Farmers lack knowledge of production planning and marketing.

#### **Recommendations**

1. The government should recognize and value the agricultural sector along with the development of the industrial sector.

2. The government should continuously support programs for improving agricultural women and potentials.

3. Adopt policies on sustainable and ecologically sound agriculture which ensure sustainable life styles, consumption habits, and waste management.

4. Strengthen organizations of women in rural areas.

## EDUCATION

### Critical Issues

- 1.The number of women entering both public and private schools at a compulsory level is lower that of men.
- 2.In teaching-learning process, an emphasis is still placed on gender disparity.
- 3.Sex discrimination implicitly lies in the educational system.

### Recommendations

- 1Provide more social counseling through education programs and networks in rural areas in particular.
- 2.The government should allocate budgets for creating jobs for needy women such as female juveniles, widows, neglected women, abused women, and particularly women in rural areas.
- 3.Expand world view and educations to women in disadvantaged communities in order that they how to improve the quality life.
- 4.Counseling centers for women with problems should be established in cooperation with private sectors.
- 5.Educational institutions of both sectors, public and private, should create development programs for women to help improve themselves.

## FAMILY

The family institution consists of ways of life of all family members in such aspects as economic, social, political, educational, and moral. Thai family nowadays tends to be a nuclear family, rather an extended one. Members of a nuclear family must be supportive to each other and share responsibilities for making a living and doing household works. Thai women, therefore, are those who sacrifice themselves for families and work for social benefits at the same time. At the present time, female headed households are on the rise. Thai families, in rural as well as in urban areas, contribute significantly to the national economy and are also considered to be the most important units of informal socialization.



### Critical Issues

1. In Thai society nowadays, women and men shared responsibilities for making a good living for families, but the burden of household maintenance is still shouldered by women.

2. Social support systems, which enables husband and wife or parents to work and take care of family at the same time, are small in number.

3. Due to social pressure and private needs, members of poor families are forced to migrate to big cities looking for jobs. Husbands and wives, therefore, have no choice but live in separate places. Also, the number of street children and homeless people is increasing.

4. Drug addiction is a significant problem among those coming from broken families.

### Recommendations

1. Building family security in all aspects is necessary so that family member's needs will be properly responsive. This will result in the happiness and prosperity of the family.

- promote and respond to family members' need for health care.
- promote democratic values and men in education.

2. Education and accurate information should be given to families in order to reduce family members' behaviors which are destructive to society.

- promote shared child-rearing responsibilities and household maintenance between women and in the families.
- Provide information, legal assistances and consultants to prevent the pursuit of personal benefits and to protect family from being the site of abuse and violence
- Encourage and support families to better care and protect children
- Implement the idea of responsibility to the youth in their transition to adulthood
- Watch over mass media which lead to disintegration, criminal problems and violence in families

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ดัชนีชี้วัดที่สำคัญของประชาชนและที่อยู่อาศัย สำมะโนประชากรและเคหะ พ.ศ.2533 และ พ.ศ.2543

Key indicators of the population and households, Population and Housing Census 1990 and 2000

รายการ	2533	2543	Items
	1990	2000	
			Demographic characteristics
	54,548.5	60,617.2	Total population (000)
	29.4	31.1	Population in Municipal Area (%)
	98.5	97.0	Sex ratio (Males per 100 females)
	24.6	29.7	Median age
			Population by age group
	29.2	24.1	0-14 year (%)
	63.4	66.5	15-59 years (%)
	7.4	9.4	60 year and over (%)
			Age dependency ration (Per 100 adults 15-59 years)
	57.7	50.5	Total
	46.1	36.3	0-14 years
	11.6	14.2	60 year and over
			Singulate mean age at first marriage (SMAM)
	25.9	27.2	Males
	23.5	24.1	Females
	98.9 <sup>2</sup>	99.5	Thai citizenship (%)
	95.2	94.6	Buddhism (%)
			Minority population
	4.1	4.6	Muslims (%)
	26.9	29.0	Muslims in the South (%)
	2.2	2.3	Population speaking Malay (%)
	0.6	1.3	Population speaking hill tribe languages (%)

## LAND UTILIZATION AND TYPE OF FARM HOLDINGLAND

1998 (Unit : rai)

Region	Year	Total land	Forest Land	Farm Size	Number Farm	Housing Area	Paddy Land	Under Field crops	Under Fruit Tree	Under Vegetable	Grass Land	Idle land	Other land	Unclassified land
Whole Kingdom	1998	324,696,888	81,076,428	24,4413	5,334,974	3,491,908	65,914,065	29,051,965	25,079,407	961,792	693,143	2,950,840	2,250,431	109,226,935

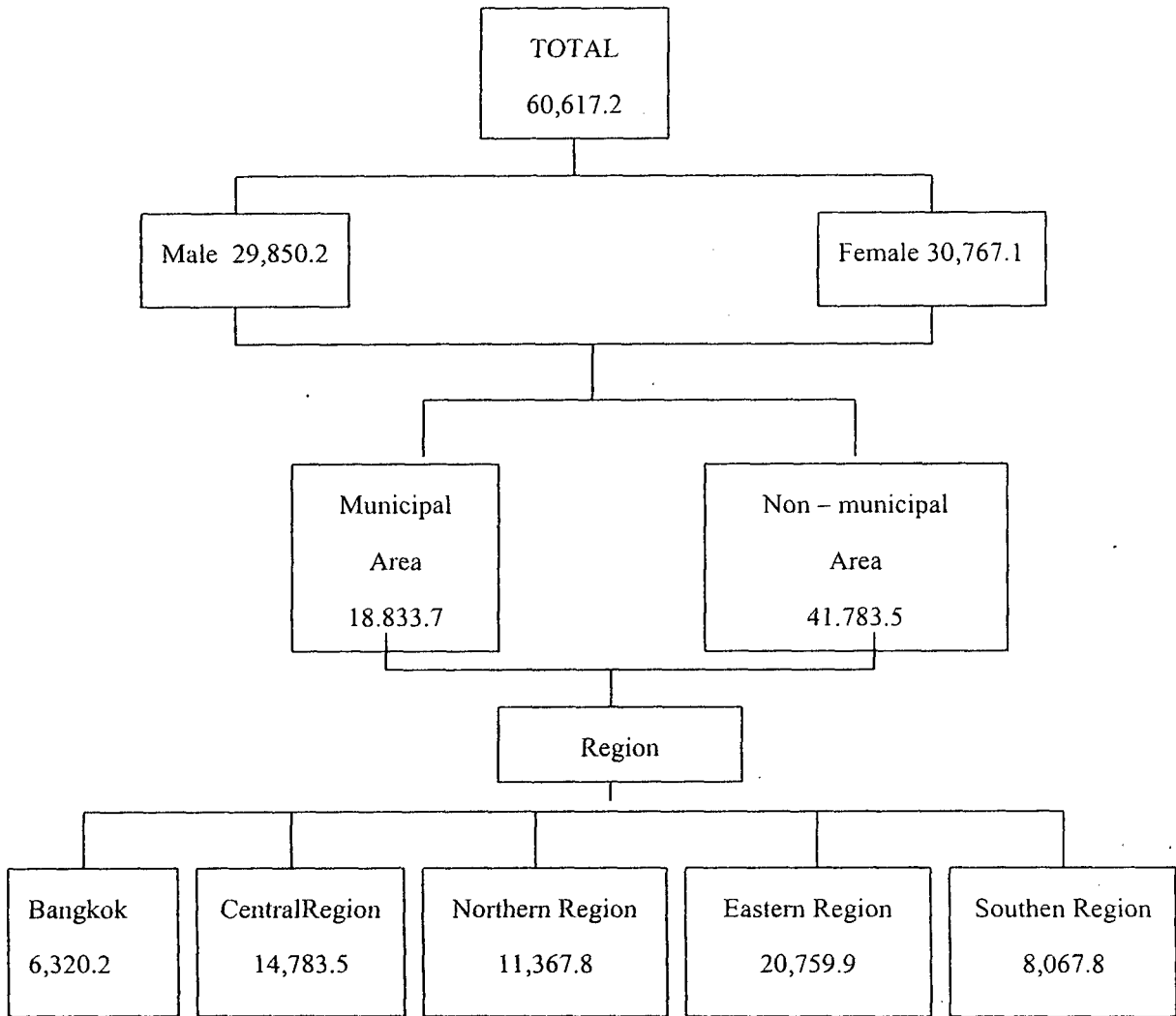
Source : 1/Royal Thai Survey Department

2/ Royal Forest Department

National Statistical Office

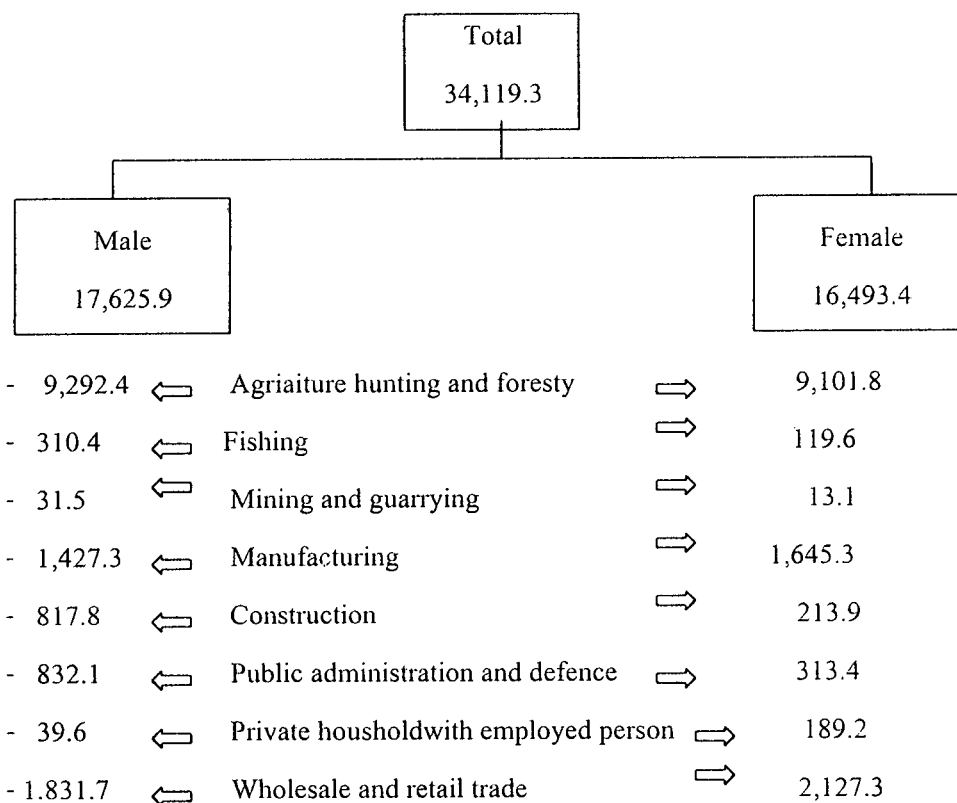
Note : 1 acre = 2.529 Rai

**Population by sex, area and region**



Source : National Statistical Office

**Usually economically active population 15 years of age and over by sex and region**

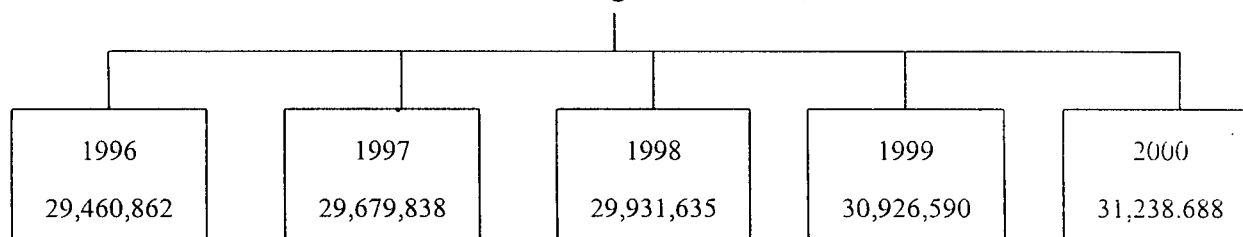


Source : Statistical National Office

**Water resources development completed**

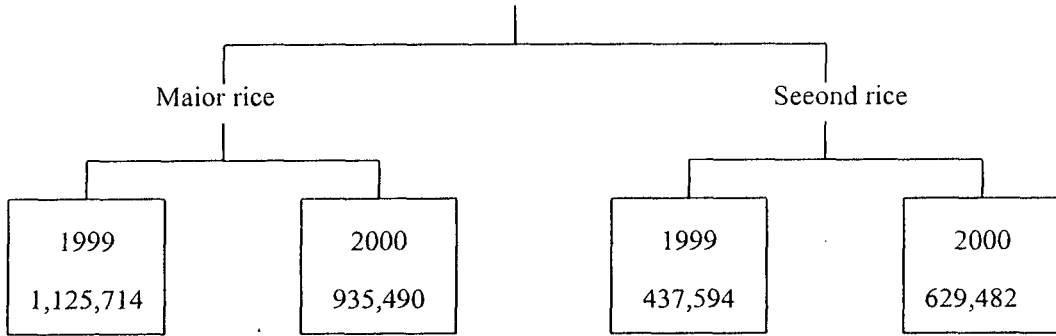
**1996 – 2000**

**Accumulated irrigated area [rais]**



Note: 1 acre = 2.529 rai

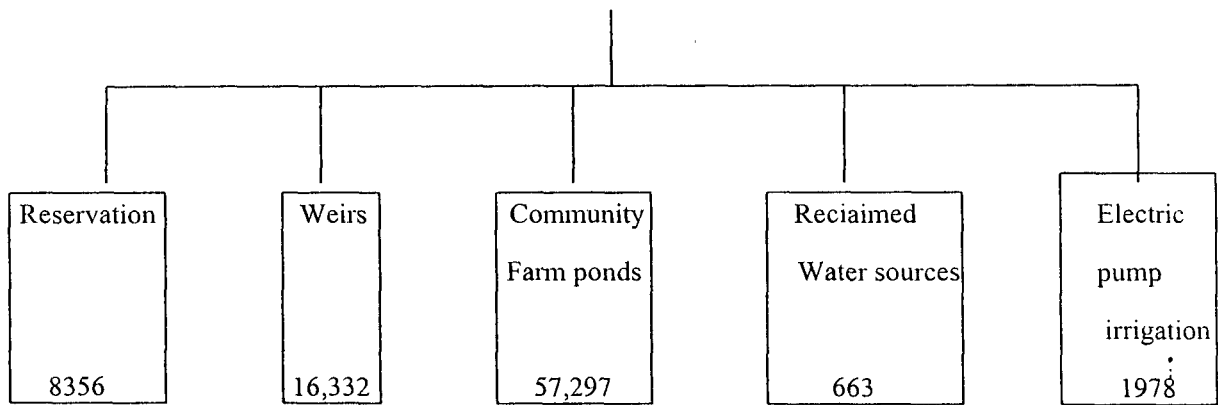
**Pumping irrigation for rice cultivation 1999 - 2000**



Uuit : rais

Note : I acre = 2.529 rai

**Agricultural water sources projects at fiscal year end 2000**





**SIKHIU AGRICULTURAL COOPERATIVE LIMILED**

**PRESENTED IN**

**2<sup>nd</sup> ICA-Japan Training Course for “Strengthening Women’s Agricultural Coops  
in Rural Areas and Improvement of Farm Management and Rural Life”  
Thailand-Japan, 29<sup>th</sup> August to 4<sup>th</sup> October 2002.**

**PREPARED BY**

**Ms. Piyarat Sasikan**

**Assistant Manager**

**SiKhiu Agricultural Cooperative Limited**

**400 Moo 1, Tumbol Sikhiu, Umphoe Sikhiu**

**Nakornrachhasima Proovince, Thailand**

**Phone: (66-44) 412025&26. Fax: (66-44) 412026**





### **Historical Background of the Cooperatives in Thailand**

The Cooperatives ideological have been introduced in Thailand since 1915 with the aim to improve the livelihood of small farmers. In February 1916, the government by Prince Pittayalongkorn, the first cooperative registrar, followed the Raiffeisen credit cooperative model, established the first cooperative with a single purpose of providing farm credit and being organized as a small village credit cooperative to help the severely indebted farmers.

In 1966, the government enacted the Cooperative Societies Act, which allowed the establishment of the Cooperative League of Thailand (CLT) to function as the national apex organization of the cooperative movement in Thailand.

The cooperatives in Thailand engage in various types of business in responding to their members' needs, generally, the five main areas are loans, savings and deposits, sale of consumer and farm supplies, goods, joint marketing, and agricultural extension and services. The success operation extended the other types of cooperatives and increasing number of small village credit cooperatives all over the country. The small credit cooperatives had prevailed in the country until 1983 other cooperative types then established in responding to the people's needs.

Agriculture has an important role in the national economic growth. It has been a major source of food supply, farm workforce and employment generation. Approximately 57% of the total arable land is used for rice cultivation. Rice farming is the chief occupation of Thai farmers. The average size of farm household is about 10 acres Thailand, its principal export are agricultural products, which constitute about 55% of the total exports. Rice is the chief export. Other include sugar, rubber, corn, frozen and canned sea foods, fresh fruits, vegetables and flower.

### **No – of cooperatives and membership**

Total No – of registered coop could be classified by Agricultural and Non-Agricultural Sectors as follows,

	<b>Types of cooperative</b>	<b>Numbers</b>	<b>Members</b>
1	Agricultural cooperative	3,546	4,950,734
2	Fisheries cooperative	76	13,859
3	Settlement cooperative	100	147,382
4	Savings credit cooperative	1,296	2,169,819
5	Consumer cooperative	369	819,021
6	Service cooperative	400	146,689
	<b>Total</b>	<b>5,610</b>	<b>8,086,263</b>

### **Women group in Thailand**

The cooperative women groups throughout the country consist of 4,762 groups with the membership of 187,623 persons. There is maximum quantity of cooperative women groups in the northeastern region with 2,760 groups and membership of 112,320 persons. The southern region has the minimum cooperative women groups which amounts to 536 groups with its membership of 20,504 persons. The activities in promoting cooperative women groups can be divided into 2 parts : training activity and professional promotion activity for labor skill development in producing the native handicrafts, which is aimed to incomes and upgrade the quality of life of group members and their families. The mentioned handicrafts produced by the cooperative women groups can be classified into 6 types : weaving, artificial flowers and various handicrafts, processed agricultural food, basketwork, farm supply, and miscellaneous products. It was found from the study that every target cooperative women groups has its own office and about 70 percent used the group chairmen's houses as their group offices. The cooperative women groups undertook various business, namely product and handicraft collecting, equipment and raw material providing for sale, credit and saving services. About 68.4 percent of the products were sold to the consumers at retail price,

47.4 percent sold to traders and shops at wholesale price, 36.8 percent opened their own selling shops and 63.2 percent distributed to consumers through other methods. They were selling products in trade centers, trade fairs, markets held at the stated time and places, delivering product to various shops and department stores as well exporting to other countries. Most of the cooperative women groups obtained income related to selling their products between 100,000-500,000 baht per year.

Majority members of cooperative women groups at the rate of 34.7 aged between 31-40 years. The time period of being the group members was 1-3 years. About 72.2 percent of cooperative women groups members participated the group production activities and each family earned annual income from their activities about 45,795 baht or 3,800 baht per month. Most of the group members or 70.5 percent sold products through their cooperative women groups. The member idea that showed causes of participating in group activities according to their priority could be summed up as follows : spending free time in the useful way, increasing the family incomes, working in the area not far from their villages, enable them to upgrade their own ability and to meet neighbours for the community happiness and unity.

Problems and obstructs occurred in the cooperative women groups according to their importance were production problems related to providing raw materials, production equipments and places, production and marketing capital, as well as the marketing problems. The other additional problems : lack of cooperation from some group members, the group presidents have to be responsible for various costs, some production destroyed the environment etc. The assistance of the Cooperative Promotion Department needed by the cooperative women groups could be set in sequence as follows : markets for group products, working capital, production raw material, production promotion and placed for product exhibition.

The analysis of cooperative women group development procedure could be classified into 2 parts. Firstly, newly established cooperative women groups should concentrate on

public utility as well as environment and natural resources conservation activities in addition to additional income creation activities. Secondly, former established cooperative women groups should develop the concerned personnels, namely members, committees and cooperative workers, as well as the group business. Both the economic and social aspects including the quality of life development for the member families should be emphasized simultaneously. These activities have to conserve the environment and have not caused pollution in the community. The cooperative women groups should increase their own capitals by encouraging members to participate and be responsible for the business costs. The agricultural cooperatives concerned should support their women groups through production development. Honesty awareness to produce the quality products should be built in the minds of women groups and related members. There should also be product quality control and check before let them be distributed to the markets. The group products should be improved relevantly to the market demand. In addition, the raw material development for the cooperative women group production should emphasize on the local raw materials, as well as encourage to replant crops at the sufficient quantity of raw material for continuous production. Information and marketing and marketing center for the products of cooperative women groups should be encouraged to set up, including the financial data and accounting system recording. In case of the marketing development, it should encourage to provide places for product sale and exhibition. These places may be close to the cooperative offices, tourist attractions, or open as the community shops.

The Long-run development for cooperative women groups could be implemented into 2 forms. They were the participation to set up the production and marketing center of cooperative women groups, and the participation to establish the women cooperatives. These two forms of the mentioned participation were proposed to meet the cooperative women groups objective in setting up the mutual center for production development, inspection and grading for sale, including market providing within the provinces and nearby areas. Bangkok will be set as the center of information of products and price fluctuation, as well as the other

related informations and being delegates which encourage the cooperative women groups as the suppliers to meet the other buyers in the business.

### **Status of Women in Thailand**

Thailand recognises the valuable contribution of women to national development and has taken appropriate measures to promote their full participation on the basis of equality in all sphere of society, in particular, the equality before the law. The Thai Constitution states that "Men and women have equal rights". While women in some part of the world are seeking the political right of voting, the Thai women had their right of voting and competing in the parliamentary elections as universal suffrage for the last 60 years.

Although Thailand has achieved satisfactory progress in the promotion of women's rights, it realises that the gap between de jure and ce facto inequalities still exists. To bridge this gap Thailand is taking all necessary steps to empower women in all spheres of their lives e.g., the promotion of life-long education and access to full participation in decision-making and sustainable development.

The presence of women in all sectors of the Thai Cooperative Movement is quite prominent. Out of a total staff of 13,508 working with various cooperatives there were 8,040 [60%] women, out of the total membership of 5.2 million of all types of cooperatives, there were 1.6 [31%] million women members; and out of a total number of 40,960 Board members there were 3,637 [9%] women boaed members. Seceral of the agricultural cooperatives in the country women manager, as there is a belief that they perform better and do not indulge in unfair means while handling finances and personnel

To enhance the participation of rural women in cooperatives including agricultural cooperatives, a specialised Women Committee was formed in 1998 within the CLT organisational structure. The Committee has the benefit of advice from various organisations e.g., the Kesetsart University, Cooperatives Promotion Department, Cooperative Audit Department, the Agricultural Cooperative Federation of Thailand and the CLT.

The committee has prepared a master plan to enhance the participation of women in agricultural cooperatives. Some of the major commitments made in the master Plan are as follows.

- Encourage women participation in the Cooperative Movement;
- Enhance the development potentials of women in economic development;
- Upgrading the capacities of women in appropriate social and economic development programmes;
- Enlarge roles played by women in gender equality campaign to promote cooperative development in the country;
- Creation of specialised bodies to be responsible on planning network and expand cooperation with women and other interested organisations;
- Establishment of an Information Centre for strengthening women participation;
- Undertake research programmes and evaluation to strengthen women's participation;
- Boost capacities and capabilities of human potential and support for development of women's participation.

## BRIEF HISTORICAL INFORMATION

### SIKHIU DISTRICT AREA

It is one the district in NAKORN RACHASIMA PROVINCE, located in the middle of 3 district. On the north is the DANKHUNTOD DISTRICT on the east is the SUNGNOEN DISTRICT, on the south and west part is the PARKCHONG DISTRICT.

SD, is situated about 210 Kms to the north east from BANGKOK with the total area being about 1,225 Km<sup>2</sup>, the population is about 120,000, there are 12 sub-district with 164 villages, The main occupation of the people are farming, they grow rice, corn, casava, vegetables and some fruits. The traffic accesses to our city are trains and cars.

### SIKHIU AGRICULTURAL COOPERTIVE LTD.

It was established on 16<sup>th</sup> October 1974, SAC has won the 1<sup>st</sup> prize as the leading agricultural cooperative in THAILAND from his excellency highness KING PUMIPOL in the year 1981 and 1992.

**N** ↑

DANKHUNTOOD DISTRICT

SUNGNOEN DISTRICT

CHAIYAPHOH PROV, ↑

SIKHIU DISTRICT



PARKCHONG DISTRICT

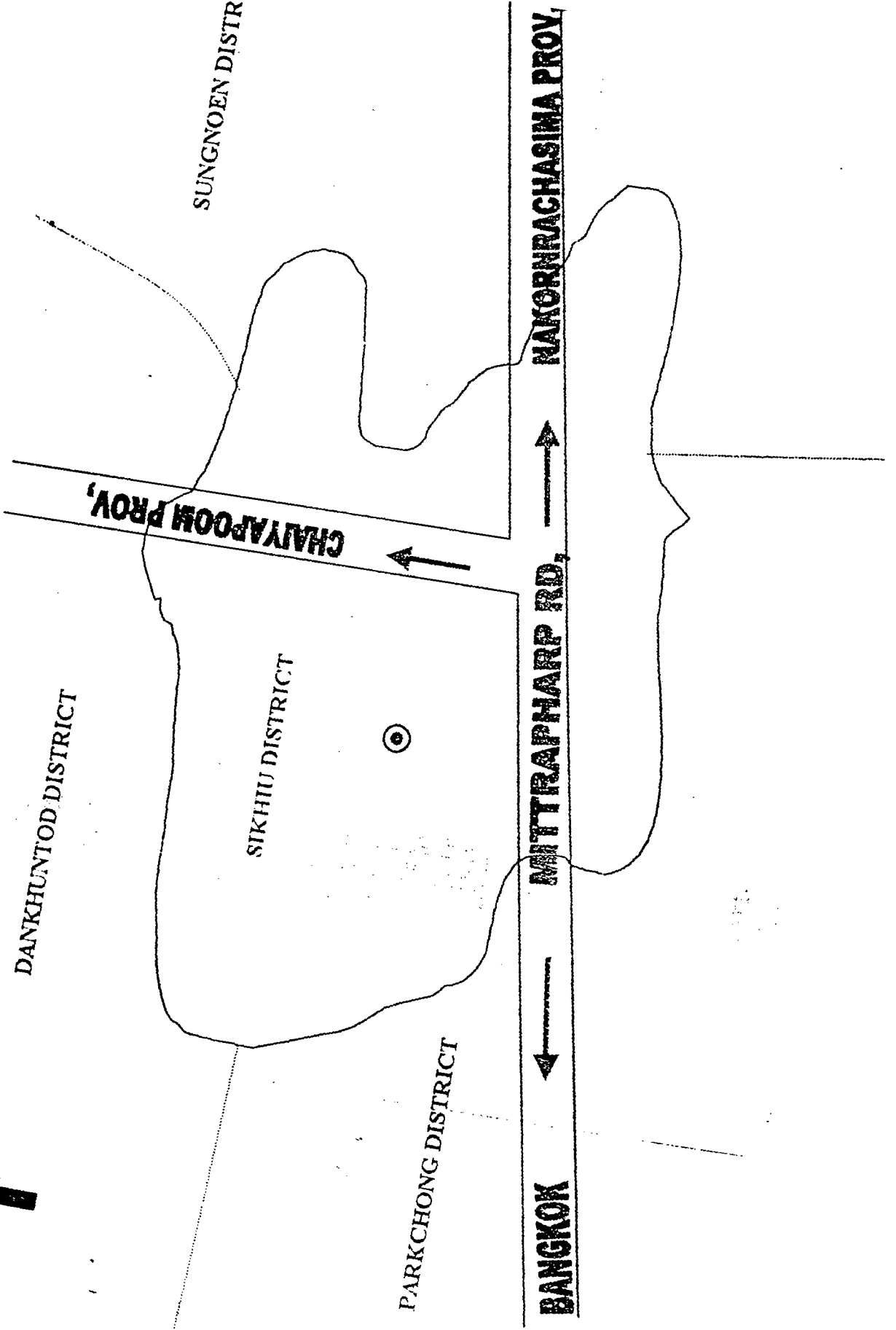
NAKORN RACHASIMA PROV, ↑



MITTRAPHARP RD, ↑

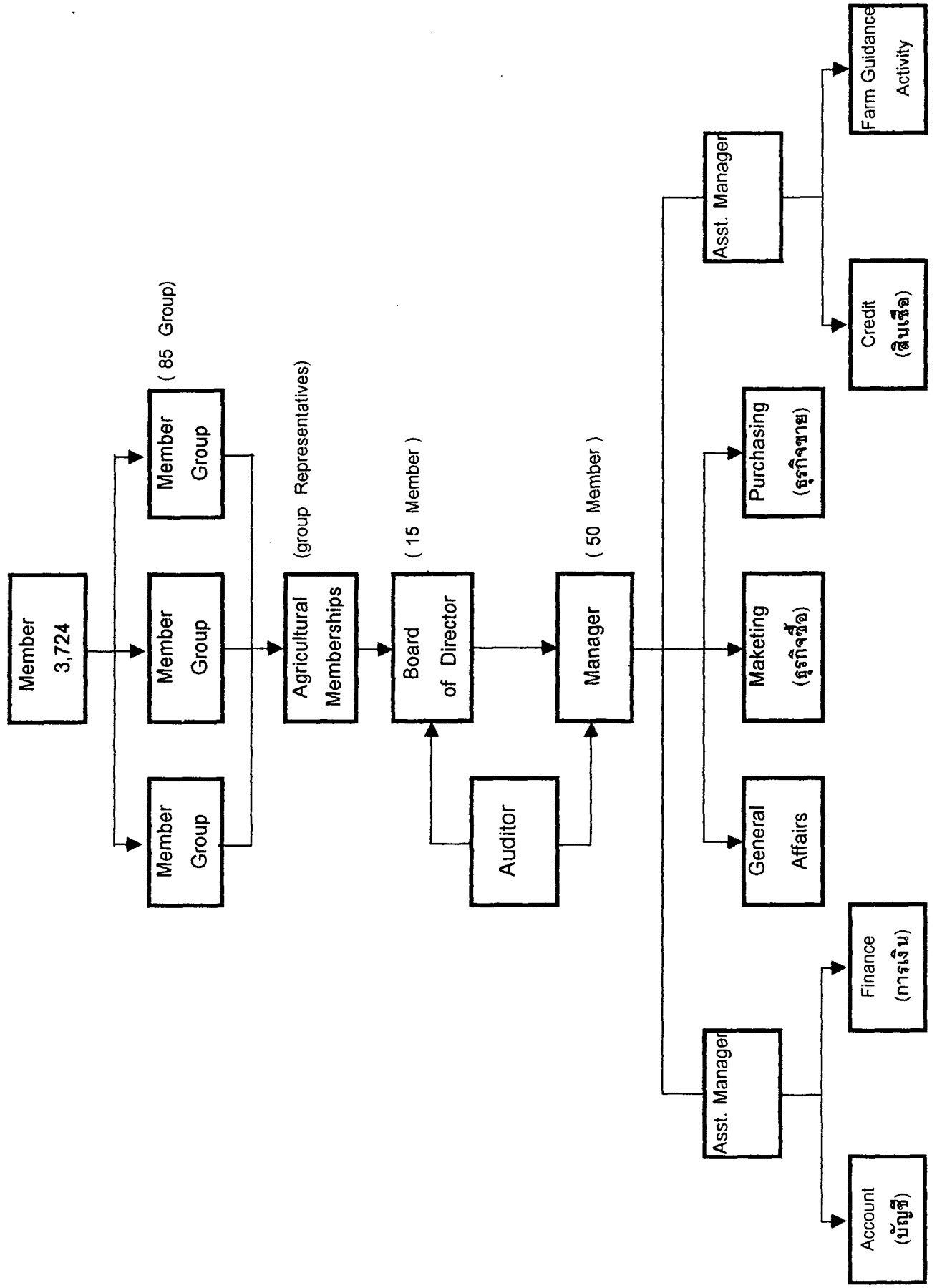


BANGKOK





INTERNAL STRUCTURE OF SIKHIU AGRICULTURAL COOPERATIVE LTD.



## OUTLINE OF BUSINESS & ACTIVITIES

### CREDIT BUSINESS

Provide 2 types of credit, namely short term 1 year loan and medium term 3 year loan.

### PURCHASING BUSINESS

Purchase agricultural products from the members prices, such as paddy, corn, casava, at profitable.

### MARKETING BUSINESS

Supply of feed products, which the member trusted to orders for their diary farms, livestock farms and deliver to them.

### SAVINGS BUSINESS

There are 3 kinds of savings such as economic savings, fixed savings at least 3 months and special savings which yeilds better interests.

### DAIRY FARMS BUSINESS

There are about 100 dairy farming who ship their products to SAC.

### PETROLEUM BUSINESS

SAC, supplies benzine and diesel oil to the member and non-members and undertakes also car repaining service.

FARM GUIDANCE ACTIVITIES

Improvement of paddy seeds,

Dairy farming

Farm management

WELFARE AND BETTER LIVING

Weaving works by the women groups

Cooking by women groups

Funeral service.

FUTURE PERSPECTIVE PLANNING

PASTEURIZE MILK BUSINESS

SAC, has been approved by the government to obtain the loan for the construction of the pasteurize milk plant, it is now being planned that business will be embarked upon from the beginning of the year 2002.

\*\*\*\*\*

SIKHIU AGRICULTURAL COOPERATIVE LTD.

PROFIT AND LOSS

31 MARCH 2002

	<u>BAHT</u>
Sale and Service	130,554,541.11
- Sale and service expense	114,789,268.14
Gross profit	<u>15,765,272.97</u>
+ Business incomes	3,868,580.22
	<u>19,633,853.19</u>
- Business expense	9,971,935.29
Business profit	<u>9,661,917.70</u>
- Loss from improving seed project	165,847.91
	<u>9,827,765.81</u>
+ Other incomes	530,167.11
Total	<u>10,357,932.92</u>
- Businesses administration expenses	6,647,744.27
Total net profit	<u><u>3,710,188.65</u></u>

SIKHIU AGRICULTURAL COOPERATIVE LTD.

BALANCE SHEET

31 MARCH 2002

<u>ASSETS</u>	<u>BAHT</u>
<b>CURRENT ASSETS</b>	
Cash on hand and in bank	10,344,633.84
Short term invested capital	30,000.00
Short term debtor - net	178,893,768.33
Interests on loan arrear - net	17,229,726.80
Inventories	2,206,828.54
Materials	183,173.68
Other current assets	850,382.96
Total current assets	209,764,384.45
Long term invested capital	685,088.00
Long term debtor	19,537,100.00
Land, buildings, and equipment-net	48,566,608.43
Other assets	657,365.73
Total assets	279,210,546.61

LIABILITES AND OWN FUND

Current liabilities	BAHT
Borrowings	122,167,713.00
Creditor trade	4,417,469.67
Long term liabilities repayment period 1 year	2,500,000.00
Savings received	36,906,151.74
Other current liabilities	2,501,842.93
<b>Total current Liabilities</b>	<b>168,493,177.34</b>
Long term liabilities	10,000,000.00
Other liabilities	5,465,094.77
<b>Total Liabilities</b>	<b>183,958,272.11</b>
<b>SAC own fund</b>	
Share capital 10 baht each already paid up	54,557,010.00
Reserved fund	29,472,153.61
Accumulated fund	7,624,122.24
Loss from some businesses	- 111,200.00
Net profit	3,710,188.65
<b>Total own fund</b>	<b>95,252,274.50</b>
<b>Total Liabilities and own fund</b>	<b>279,210,546.61</b>





## **The Cooperative League of Thailand**

4 Pichai Road, Dusit, Bangkok 10300 Thailand  
Tel: (66-2) 669 3254, Fax: (66-2) 241 1013, 241 3634  
Email: [clt\\_coop@mweb.co.th](mailto:clt_coop@mweb.co.th)  
[www.clt.co.th](http://www.clt.co.th)



## The Cooperative League of Thailand

### Bangkok, Thailand

#### Historical Background of the Cooperative Movement in Thailand



***Prince Pittayalongkorn***  
The Founder of Cooperative Movement  
in Thailand

The Cooperatives ideological have been introduced in Thailand since 1915 with the aim to improve the livelihood of small farmers. In February 1916, the government by Prince Pittayalongkorn, the first cooperative registrar, followed the Raiffeisen credit cooperative model, established the first cooperative with a single purpose of providing farm credit and being organized as a small village credit cooperative to help the severely indebted farmers.

In 1966, the government enacted the Cooperative Societies Act, which allowed the establishment of the Cooperative League of Thailand (CLT) to function as the national apex organization of the cooperative movement in Thailand.

The cooperatives in Thailand engage in various types of business in responding to their members' needs, generally, the five main areas are loans, savings and deposits, sale of consumer and farm supplies, goods, joint marketing, and agricultural extension and services. The success operation extended the other types of cooperatives and increasing number of small village credit cooperatives all over the country. The small credit cooperatives had prevailed in the country until 1983 other cooperative types then established in responding to the people's needs.



### Establishment of the CLT

According to the Cooperative Act, the CLT was established in 1968. All types of cooperatives at all levels are affiliated. The CLT is functioning as an apex body of the whole cooperative movement as educational institution for promotion of all cooperative progress without sharing profit or income.

By the cooperative act, all registered cooperatives in Kingdom shall pay subscription to the CLT 5% of its net profit but not more than 10,000 Baht. This is the main income source of the CLT.



### Functions and Roles

1. Promoting and propagating the cooperative affairs as well as conducting research and compiling statistics concerning the cooperative affairs;
2. Providing technical assistance to cooperative and facilitating communication and coordination among them and government agencies concerned
3. Providing education and training on technical matters concerning cooperative affairs;
4. Promoting relationship among cooperatives both internal and international having similar objects;
5. Promoting commercial business, trade, industry, and services of cooperatives;
6. Supporting and assisting cooperatives in solving obstacles and constraints relating to the cooperative affairs which are of common benefit;
7. Acting as an agent of cooperatives in protecting and maintaining rightful interests deservedly derived from the state or international organizations or other private sector institutions;
8. Cooperating with the government in the promotion of cooperatives for genuine and real benefits to them in general;
9. Carrying on the acts in compliance with its objects or as entrusted by the National Cooperative Development Board (NCDB).

### Organization Structure

The organization structure of the CLT comprises of General Meeting, Board of Director, Executive Director, Deputy Directors, and 5 Divisions; the Office of Director, Cooperative Training Institute, Planning and Technical Division, Cooperative and Public Relation Division, and Finance Division.

### Administration

The administration of the CLT is governed by the annual general meeting composed of 400 representatives from cooperatives members all types throughout the country. The number of representatives will be 14 cooperatives per one representative. The general meeting will elect 15 boards of director. The term of office of the boards is 4 years. Executive director acts as Secretary to the board.

### Cooperative Training Institute

The CLT's Cooperative Training Center was built on the league land to be a central education institution to enable cooperative members and cooperative leadership to participate more meaningfully in our productive training activities.

Over the year, several training programs, seminars, and workshops were conducted at the cooperative training center. The services of the center are covered to general clients. There are various sizes of meeting rooms and 69 twin sharing rooms for accommodations. Cooperative canteen is served as in a training packages, prices, and general orders to both member and non-members.



### **Roles of the CLT in Research and Training for Promoting of Cooperative Movement**

The CLT conducts wider fields of training, seminar, and workshop on the cooperative principles and practices to strengthen cooperative professional management for men and women. The needs of building capacity, at all levels among cooperative personnel, created by members' learning processes. During the year of 2001/2002, the CLT conducted training, seminar, and workshop 62 programs in 200 days. There were 4,402 cooperative leaders attended.

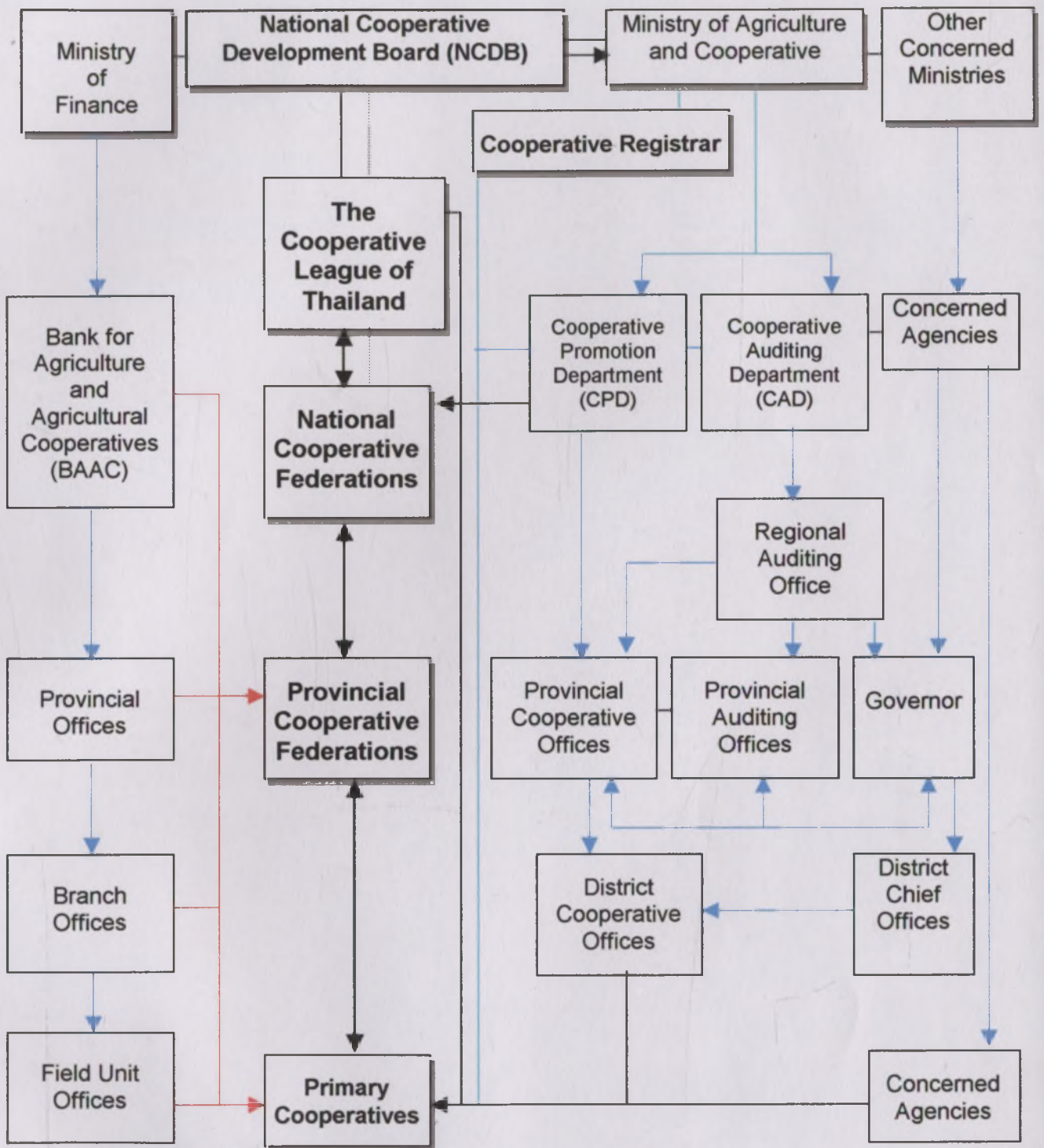
The CLT has started to implement a macro study on training network through satellite. This feasibility study program was excellent and successfully organized last week, on 16 August 2002. The CLT in collaboration with Bank for Agriculture and Agricultural Cooperatives (BAAC) and Thailand Training Network (TTN) have mutually agreed to share the use of training equipment and established training network for cooperative leaders to secure and cover the needs of capacity building. There were 768 cooperative leaders attended.

### **Institutional Collaboration between Government and Cooperative Movement**

In order to secure effective assistance to the cooperative movement, the government assigns agencies in charge to collaborate with cooperatives as follows:

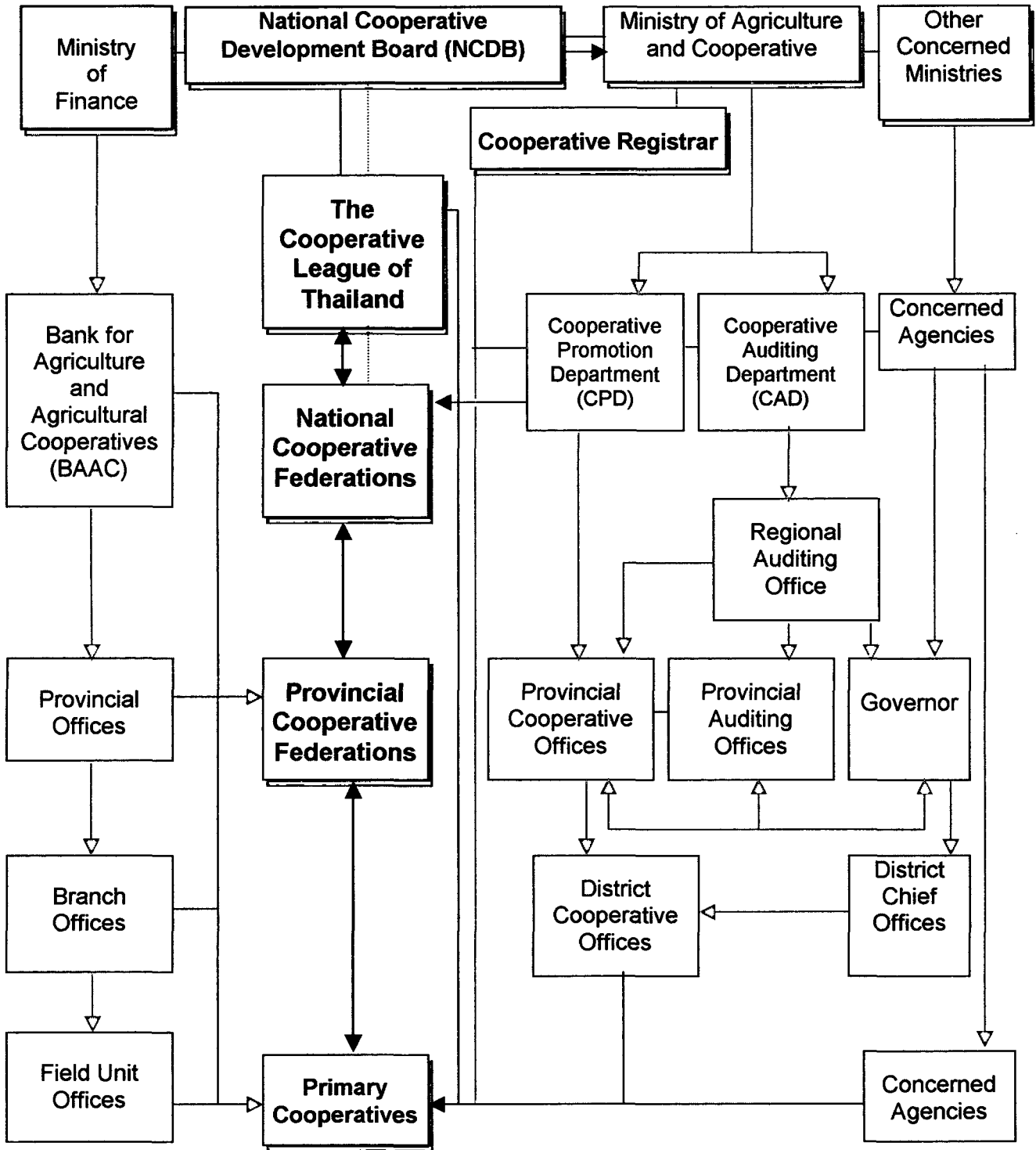
1. National Cooperative Development Board (NCDB). It is the institutional to advise the government the ideas concerning policies and guidelines for promotion and development of cooperatives.
2. The Office Cooperative Registrar, functioning to deal with the registration, liquidation, and supervision of cooperative societies under the cooperative laws.
3. The Cooperative Promotion Department (CPD), responsible for the survey and establishment, promotion and guidance for cooperative societies in order to enable them to carry out their business activities according to cooperative regulations.
4. The Cooperative Auditing Department (CAD), its duties comprises both cooperative auditing and practical guidance in the field of financial and accounting management.

### Linkage between the Government and the Cooperative Movement



- = Business Activities
- = Controlling
- = Coordination and Technical Promotion

### Linkage between the Government and the Cooperative Movement



- = Business Activities
- = Controlling
- = Coordination and Technical Promotion

### The Number of Cooperatives and Membership

The total number of registered cooperatives could be classified by the Agricultural and Non-Agricultural sectors as follows:

As of August 2002

No.	Type of Cooperatives	Number of Cooperatives	Membership (Households)
<b>Whole Kingdom</b>		<b>5,610</b>	<b>8,086,263</b>
<b>Agricultural Cooperative Types</b>		<b>3,546</b>	<b>4,950,734</b>
1	Agricultural Cooperative	3,370	4,789,493
2	Fisheries Cooperative	76	13,859
3	Land Settlement Cooperative	100	147,382
<b>Non-Agricultural Cooperative Types</b>		<b>2,064</b>	<b>3,135,529</b>
4	Thrift and Credit Cooperative	1,296	2,169,819
5	Consumer Cooperative	369	819,021
6	Service Cooperative	400	146,689

Source: Technical and Planning Division, CPD

### Number of Member and Share Capital

As of 31 March 2001

No.	Type of Cooperatives	Number of Audited Coops.		Number of Members		Share Capital	
		Amount (Coop)	(%)	Amount (Household)	Average (Household/Coop)	Amount (M. Baht)	Average (Household)
<b>Agricultural Cooperative</b>		<b>3,272</b>	<b>63.63</b>	<b>4,875,276</b>	<b>1,490</b>	<b>13,879.96</b>	<b>2,847.01</b>
1	Agricultural Cooperative	3,118	60.64	4,789,493	1,516	13,228.63	2,798.01
2	Fisheries Cooperative	67	1.30	11,304	169	217.53	19,243.63
3	Land Settlement Cooperative	87	1.69	136,093	1,564	433.80	3,187.53
<b>Non-Agricultural Cooperative</b>		<b>1,870</b>	<b>36.37</b>	<b>3,037,797</b>	<b>1,624</b>	<b>176,213.97</b>	<b>58,007.16</b>
4	Savings and Credit Cooperative	1,272	24.74	2,183,386	1,716	175,477.13	80,367.27
5	Consumer Cooperative	230	4.47	681,063	2,961	314.50	461.78
6	Service Cooperative	368	7.16	173,348	471	422.34	2,436.37

Source: Processing and Information Development Division, CAD

**Training Programs, Workshop and Seminar conducted by the CLT  
During October 2001 – August 2002**

No.	Programs	Target Group	No. of Programs	Duration (Day)	No. of Participants
1	Training of Coops Management Staff	Senior Staff of Agricultural Cooperatives Sector	9	27	344
2	Seminar for Coop Managers	Managers of Agricultural Coops Sectors	1	4	38
3	Training of Trainers	Senior Staff of Coops Movement	1	4	48
4	Training for Members of Consumer Coops	Members of Consumer Coops	8	24	343
5	Training for Coop Youth	Youth in Agricultural Coop Sectors	8	24	361
6	Training for Coop Staff	Staff of Saving & Credit Coops.	2	8	71
7	Training of Prevention and Suppression of Corruption in Coops	Senior Staff of Coops	6	24	469
8	Training of Executive Strategies for Coops Management Leaders	Senior Staff of Agricultural Cooperatives Sector	1	4	22
9	Seminar for Coop Vision Development	Board Member and Management Staff	1	1	69
10	Training of Technique of Team Work	Management Staff of Coops.	1	4	44
11	Seminar for BOD	BOD of Savings & Credit Coops	1	4	29
12	Workshop	Board Member and Management Staff	6	12	612
13	Training of COOP MICRO MBA	Senior Management Staff of Cooperatives	1	6	44
14	Seminar on National Cooperative Day	Cooperative Leaders	1	1	224
15	Seminar for Coop Staff	Staff of Savings & Credit Coop	2	8	99
16	Tri-Party Training Course (CLT/FSCT/CULT)	Cooperative Board Members and Management Staff	3	9	166
17	Seminar for BOD	BOD of Agricultural, Land Settlement, and Fisheries Cooperatives	1	4	173
18	Training of Quality Control for Coops.	Management Staff of Coops.	1	4	39
19	Training for Secretariat Staff	Secretariat staff of cooperatives movement	2	6	191
20	Training for Professional Purchasing Strategies	Senior Staff of Cooperative Movement	1	3	71
21	Training for Accountant Staff	Accountant staff of cooperatives movement	2	6	156
22	Training Course for English Using	Board Members, Coop Staff (CLT and Coop Members)	2	12	21
23	Long Distance Learning Through Satellite	Cooperative Board Members and Management Staff	1	1	768
	<b>TOTAL</b>	<b>Number of Courses</b>	<b>62</b>		
		<b>Duration of the Courses</b>		<b>200</b>	
		<b>Number of Participants</b>			<b>4,402</b>



# **The Cooperative Movement in Thailand and The Cooperative League of Thailand**

The Cooperative League of Thailand  
4 Pichai Road, Dusit, Bangkok 10300  
Tel: 66-2-6693254 Fax: 66-2-2411013, 241 3634  
Email: [clt\\_coop@mweb.co.th](mailto:clt_coop@mweb.co.th)  
[www.clt.or.th](http://www.clt.or.th)



## **Historical Background of Cooperative Movement in Thailand**

The Cooperatives have been introduced to Thailand in 1915 with the aim to improve the livelihood of small farmers. This is due to the increasing indebtedness problem resulting from farmers who were suffering from the shifting of self-sufficient economy to trade economy.

Prince Pittayalongkorn, the founder of Thai Cooperatives, was the first cooperative registrar. And the first cooperative was created on 26 February 1916 followed the Raiffeisen credit cooperative type with a single purpose of providing farm credit and being organized as a small village credit cooperative to help the severely indebted farmers. The small credit cooperatives had prevailed in the country until 1983 other cooperative types then established in responding to the people's need.

The increasing cooperative number also led to an establishment of the "Cooperative Bank" in 1947 with government capitalization. Village credit cooperatives were urged to increasingly hold share capital in the Bank with the hope that they would, in future, be owners of the Bank which was their own financing center. The provincial cooperative banks were established by the affiliation of village credit cooperatives in the provinces. The provincial cooperative banks were serving their affiliates so well both in their credit needs and depositing surplus funds.

Unfortunately, the enactment of a new "Commercial Banks Law" in 1962 laid down that acceptance of deposits on "current accounts" could be operated only by commercial banks, which must be organized in the form of "limited company". The existing cooperative banks had to be reorganized as credit cooperative federations and a program to set up new cooperative banks was dropped.

In 1966, the government-cum-credit cooperative-owned Bank for Cooperatives was reorganized to the "Bank for Agriculture and Agricultural Cooperatives", a state enterprise, functioning as a financial center of agricultural cooperatives including lending directly to individual farmers.

In 1968 with the objective to strengthen the cooperative movement, the Government enacted the Cooperative Act, which allowed the establishment of the Cooperative League of Thailand (CLT), functioning as the apex organization of the cooperative movement. The Cooperative Act also allowed for the amalgamation program which combined the neighboring small village credit cooperatives, paddy and marketing cooperatives, land improvement and land settlement cooperatives into a large scale cooperative at district level performing multipurpose functions and were officially categorized as agricultural cooperatives. According to the Act, all types of cooperatives at all levels have implicitly to be the affiliates of the CLT. The CLT is functioning as an apex body of the whole cooperative movement. At present, the cooperatives in Thailand are officially categorized to six types, namely:

1. Agricultural Cooperative;
2. Land Settlement Cooperative;
3. Fisheries Cooperative;
4. Consumer Cooperative;
5. Thrift and Credit Cooperative; and
6. Service Cooperative.

At national level, there is the Agricultural Cooperative Federation of Thailand of which all 76 provincial agricultural cooperative federations are affiliates. There are also Sugarcane Growers Cooperative Federation of Thailand, Swine Raisers Cooperative Federation of Thailand, Dairy Cooperative Federation of Thailand and Onion Growers Cooperative Federation of Thailand. Land Settlement Cooperatives, however, has only a regional federation in the Central Region whereas Thrift and Credit Cooperatives, and Consumer Cooperatives are affiliated in a national federation of their own.

### **1) Agricultural Cooperatives**

Agricultural cooperatives are established to enable farmer members to engaging in business together, thus helping one another in times of crisis as well as gaining for themselves a better livelihood and quality of life. A small credit cooperative named Wat Chan Agricultural Cooperative Unlimited Liability established at Muang district, Phitsanulok province on 26 February 1916 was the first agricultural cooperative in the country. From then on, the number of small credit cooperatives had steadily increased until the promulgation of the Cooperative Act, B.E. 2511. Several of these small cooperatives then grouped together, forming agricultural cooperatives at the district level. Larger and stronger cooperatives are, then, expected to provide a wider scope of services to members.

Agricultural cooperatives are generally formed to meet the members' needs as follows:

1. To provide loans to members for productive and providential purposes at affordable interest rates;
2. To encourage members' thrift through savings and deposits;
3. To provide agricultural products and daily necessities for sale to members at reasonable prices;
4. To promote appropriate farm practices and disseminate technical know-how aimed to help members reduce production costs and obtain higher yields. With government assistance, members are introduced to proper cropping techniques as well as use of fertilizers and insecticides. Another service is in the form of farm equipment (e.g., tractors, water pumps, etc.) made available to members at reasonable charge; and
5. To enable members to market products together, thereby obtaining higher prices for their produce and maintaining fairness in terms of weights and measures.

### **Agricultural Cooperative Business**

At present, agricultural cooperatives engage in various types of business in responding to their members' needs. Generally, the five main areas are loans, savings and deposits, sale of consumer and farm supplies, goods, joint marketing, and agricultural extension and services.

### **Loans to Members**

Through the assistance of Government, the Bank for Agriculture and Agricultural Cooperatives (BAAC), various foundations, and other lending agencies, agricultural cooperative members are now in a better position in accessing loans at low interest rates with grace periods appropriate to their business. Thus loans are generally classified to three categories -- short-term, medium-term and long-term loans. With sufficient loans, members can gain the utmost benefit, enabling them to purchase seedlings, fertilizers, insecticides, farm machineries, by and/or improve land, etc.

### Savings and Deposits in Agricultural Cooperatives

Agricultural cooperatives promote savings because accumulation of savings can help in improving member living standard. Savings can also be used to carry out cooperative businesses that yield profit for both cooperatives and their members.

### Sale of Consumer Goods and Farm Supplies

Along with credit business, agricultural cooperatives also procure quality products for sale to their members and the general people. The buyers are assured of fair prices and measure when they order together through the cooperatives in a large quantity. Through joint sale of products, members can obtain not only good prices but also fairness in weights and measures. Some cooperatives have been developed market centers for members' product distribution. A successful example is that of insecticide-free **golden bananas** now being exported to the Toto Consumer Cooperatives in Japan.

### Types of Agricultural Cooperatives

Agricultural cooperatives are generally organized among the people engaging in agricultural earning with varying kinds and degrees of need, thus resulting with various agricultural cooperative types. Besides the general agricultural cooperatives, there are some special types of agricultural cooperative such as:

- **Water Users Cooperatives.** Members of this cooperative type are farmers living in the same area along a canal or other water source which they jointly use. Joint utilization and maintenance of this valuable resource is the main purpose of this cooperative type.
- **Land Reform Cooperatives.** This cooperative type is established as part of the government's land reform program in land reform areas. The main purpose is to assist farmer members in agricultural production as well as to enable them gaining access to capital, agricultural necessities, marketing, saving facilitating and improving members' living conditions.
- **Special Cooperatives.** This is formed among farmers who raise animals such as cattle, swine, etc. Joint marketing of these products enables members to obtain good prices and fairness in trading. Dairy cooperatives are among these. They either process milk for sale in the general market or sell raw milk to private firms producing dairy products.
- **National Security Command Cooperatives.** This cooperative type has been initiated by the Supreme Command to help people in remote areas improving their living conditions through productive occupation promotion.
- **Rubber Cooperatives.** Rubber Cooperatives are organized among rubber planters. Through their cooperatives, the members share various aspects of rubber production and marketing, including product development, processing and managing of the cooperative business.
- **Cooperatives in the Border Patrol Police School.** This special cooperative type is under the auspices of Her Royal Highness Princess Maha Chakri Sirindhorn who believes in cooperative method of self - help and mutual help which would provide the youth with a meaningful ways of future living.

## 2) Land Settlement Cooperatives

The primary objective of Land Settlement Cooperatives is to allocate land to farmers who having either no land or small holding to make use for their living earning. Its operational scope is the same as that of agricultural cooperatives. However, land settlement cooperatives put more emphasis on land development including familiarizing members with appropriate farming techniques and modern irrigation methods.

Allocation of land to farmers by cooperative method was first practiced in 1935 with total farmland of 4,109 rai was purchased from the Ministry of Finance for allotment in the form of land hire-purchase cooperative. Later in 1938, by the government's issuance of the Royal Decree Determining the Forcible Area, the first Land Settlement Cooperative was established covering the area of 8,913 rai, followed by the establishment of another Land Settlement Cooperative in the area of 54,798 rai. Another Land Settlement Cooperative type called Land-tenant Cooperative was established in 1975, in the deteriorated national forest reserve area covering the area of 46,974 rai with initial membership of 1,232 families.

As mentioned earlier, land settlement cooperative is organized to solve the problem of landless farmers or farmers with insufficient land holdings. It's also aimed to improve tenancy and squatting condition in public land or forest reserve area by allocation of land from which they could earn their living through cooperative system. The major task of the government in developing Land Settlement Cooperatives is covered two main aspects: arrangement of land and establishment of cooperative.

After receiving the land, the Cooperative Promotion Department (CPD) will conduct the feasibility study to identify land size, soil series, rainfall intensity, and water resources. The information is used for both physical and land use planning. Supporting services such as irrigation facilities, road, school, health center, and market center will be then provided in the land settlement cooperatives. In selection of members, a screening committee, chaired by chief of the district office and appointed by the Minister of Agriculture and Cooperatives is responsible for selecting the qualified applicants. The necessary qualifications of the applicant are:

1. Thai nationality and sui juris;
2. Good behavior and willing to follow the regulations set by Cooperative Promotion Department;
3. Diligent, healthy and able to do farming;
4. Not insane; and
5. Landless or has insufficient land for earning living.

The CPD will provide the selected farmers with training on the cooperative principles and practices, and procedure for cooperative establishment including member rights and duties. After the farmers completed the said training program they will, then, allow to work on land assigned by the cooperative authority. In distributing land to farmers, the respective priorities are given to the one who have occupied and utilized land in the project area, but without any legal document and residing in the district or province where the project area is located.

### Establishment of Land Settlement Cooperative

After the members have been permitted to occupy and utilize the land, the CPD will help them set up a cooperative in accordance with the procedure set by the Department. Following the cooperative principles and practices, land settlement cooperatives run their business by the board of directors elected among members at the general assembly and the manager and staff of the cooperatives employed from qualified persons. The government assists the cooperatives with advice, guidance and financial support on business operation ranging from production, credit, marketing, land ownership, and public services to the cooperatives.

**Types of Land Settlement Cooperative.** The source of land received for allocation determines the type of land settlement cooperative to be set up.

1. **Land Settlement Cooperatives.** When any public vacant land was classified by the National Land Allocation Executive Committee as agricultural land, the Cooperative Promotion Department will acquire the said land for allotment. Farmers who have fulfilled the cooperative conditions will later be given the right of land ownership.
2. **Land Hire-purchase Cooperatives.** Land may be purchased from private land owners for allotment if it is considered justify with the volume of investment and overhead costs. When the farmers have paid all the installments and fulfilled all the requirements, they will be granted the right of land ownership.
3. **Land Tenant Cooperatives.** Forest reserve area which are extensively squatted by farmers and cannot be restored to their original condition may be acquired and rented out to farmers through land tenant cooperative method. Land ownership, in this regard, will not be transferred to farmers, but the right of land utilization can be inherited.

### Granting Right of Ownership

Only members of Land Settlement Cooperatives or Land Hire-Purchase Cooperatives will be given the right of land ownership when they have fulfilled the conditions set by the cooperative as follows:

1. Be consecutive member not less than 5 years;
2. The members must be fully utilized the land for farming purposes;
3. All installments for land preparation have been fully paid;
4. All the debts with the cooperative have been full paid; and
5. Get approval from the cooperative and the Cooperative Promotion Department

For the issuance of the land title or certificate of land utilization. The legal document issued for this purpose cannot be transferred to other persons for a period of five years, except by inheritance or transferring to the cooperative where they belong.

### **3 Fisheries Cooperative**

Fisheries cooperatives consist of members who are involved in fishing activities, both fresh and seawater. The main purpose is to deal with production and marketing problems through joint purchasing, access to loan funds, increased knowledge of the fishing industry, and promotion of natural resources conservation.

The first fisheries cooperative established in 1949 with 54 fresh water fisherfolk members. At that time, the cooperative activities were focused on land allocation, marketing, processing aquatic animals, and obtaining a concession. The cooperative also introduced new fishery techniques and promoted the preservation of aquatic animals. Until 1970, the government's policy was to designate all canals around the country as public canals so that people had freedom to fish in them. The objective in obtaining a concession, however, was not achieved so it decided to collaborate with the Prompiram Agricultural Cooperative, Ltd. Presently, there are three categories of fisheries cooperatives based on their members' occupation:-

1. Sea Fisheries Cooperatives have members involved in the following types of fishing:
  - large fishermen who go fishing outside Thailand's territorial waters;
  - middle fishermen who fish within Thailand's territorial waters; and
  - small (traditional) fishermen who go fishing within 3,000 meters offshore.
2. Brackish Water Fisheries Cooperatives have members who are involved in shrimp and brackish water farming, including the cultivation of aquatic animals.
3. Freshwater Fisheries Cooperatives are those whose members are involved in the farming of freshwater fish and other aquatic animals (e.g. frogs).

Fisheries cooperatives have generally the following objectives:-

1. To sell aquatic animals and/or processed products of its members;
2. To sell fishing equipment and other necessities to members;
3. To provide loans to members;
4. To accept member deposits;
5. To disseminate knowledge related fisheries, both technical and business; and
6. To provide welfare to members (and their families) in times of crisis when their occupations may be at risk.

Business Activities of fisheries cooperatives include:

- Sale of members' products. The cooperative collects aquatic products from members for sale in the market. This gives them good bargaining power in product pricing.
- Purchase of goods. The cooperative obtains fishing equipment and other necessities for sale to members at reasonable prices.
- Saving and loans.
  - 1) Loan Fund. The cooperative obtains low-interest funds and loans them to members for fishery investment.
  - 2) Deposits. The cooperative provides two types of deposit accounts to members, savings and fixed deposits.
- Fishery service. The cooperative also provides various services to members (e.g. setting up a fish market, digging and improving fish ponds and training in new fish farming techniques).

#### 4 Consumer Cooperatives

Consumer Cooperatives are formed by consumers in obtaining various goods at reasonable prices and guarantee standard. It is a legal body, registered under the Cooperative Act, with its members as its share-holders. Members voluntarily co-invest in their cooperative stores to fulfil their purchasing needs in away that will sustain their economic well-being. The first cooperative store in Thailand was established in 1937 at a village in Sena district, Ayuthaya province. Later on, it was spread all over the country. Consumer cooperatives generally operate according to objectives as follows:-

1. To obtain goods and services in order to serve members;
2. To collect members' produce and products for sale in the cooperative store;
3. To promote and disseminate cooperative education to members;
4. To promote the practice of savings, self help, and mutual help among members;
5. To cooperate and collaborate with other cooperative organizations within and outside the country; and
6. To undertake any other businesses consistent with the above objectives.

Following the same concept as other cooperative types, the consumer cooperative is based on the democratic controlled by members. As it is impossible for all members to manage the cooperative store, representatives are elected as Steering Committee to look after the cooperative business. The number of Steering Committee members depends on the cooperative's by-laws and what is appropriate to the cooperative which is normally ranging between 10 to 15 persons. The Steering Committee represents the members in all matters having to do with the shop, overseeing all activities according to cooperative laws and regulations, resolutions of the board of directors, and other appropriate ways to ensure good results for the cooperative store and its members.

To effectively manage the cooperative store, the board of directors could hire a skilled and honest manager to operate the cooperative. His/her mandate is to effectively serve members and customers. Depending on the workload and economic need, the manager may recruit staff with the agreement of the board of directors.

Consumer cooperatives strive to provide services for both members and non-members according to the principles of the Rochdale leaders as follows:

- Selling goods at market prices or slightly lower than market prices so as to avoid conflict with neighboring shops;
- Selling high-quality goods, not low-quality ones, as required by most of the members;
- Being accurate in weighing, scooping, and measuring goods;
- Buying a variety of daily necessities for sale to members; and
- Selling goods on cash basis to ensure a good cash flow for the shop, ability to make purchases at reasonable cost and prevent delinquency among members.

The consumer cooperative accumulates working capital form the following sources:

1. share capital form members;
2. member deposits;
3. reserve funds and other accumulated fund;
4. loan funds; and
5. grants or donations of property.

The cooperative store should maintain adequate working capital for buying various goods and materials in response to members' needs. An ideal situation is where most of the cooperative's capital comes from the members themselves. However, at the initial stage, shares may be collected from members to cover necessary arrangements for setting up the cooperative, with a revolving fund left over for business operations. In later stages, member savings and deposits should be also increased to allow for cooperative expansion.

The following are among the benefits to consumer cooperative members:

- Members are assured of fair prices and good quality products.
- Annual profits are shared by members/shareholders in the form of dividends on shares and rebates of which its calculation is based on the amount of purchases made by the member over the year. This implies members can buy a much more cheaper products.
- By adopting cash purchasing, the cooperative store is assured of an adequate cash flow and the ability to purchase goods at low price. Members will also be induced to form an appropriate attitude towards money spending and saving.
- In view of the preceding benefits, consumer cooperative are considered the socio-economic organizations dedicated to improve member's quality of life.

## **5 Savings and Credit Cooperatives**

Savings and Credit Cooperatives are those whose members are people having the same occupation or living in the same community. Its main purpose is to promote savings among members and provide loans for productive investment.

The consistently increasing living cost has brought a big burden to the low income people. Because they never seem to earn enough to cover their daily needs. They tend to deal with this problem through the money-lenders who charge them very high interest rates. By so doing their indebtedness is increased even more and the situation becomes more serious to them.

However, this money problem is lessen when they join together under the cooperative principles of self help and mutual help. The first cooperative in this regard was formed among officials of the Cooperative Promotion Department and employees of the Bank for Agriculture and Agricultural Cooperatives (BAAC). It was registered on 28 September 1949 as the Cooperative Officials' Cooperative Limited which is presently named the Cooperative of Cooperative Officials, Ltd. On the other hand, the Soon Klang Thewa Credit Union Cooperative was established as the first community savings cooperative in the slum area of Huay Kwang and Din Daeng districts, Bangkok on 17 July 1965.

Being as financial institution, the specific objectives of Thrift and Credit Cooperatives are aimed to:

1. Encourage thrift among members. To encourage saving habit, the cooperative currently offers two types of savings:-
  - 1.1 Shares. All members are required to pay monthly shares at rates agreed by both the members and their cooperatives. The shares may be deducted directly from monthly salaries. Dividends can be paid to members at rates specified by without tax deductions. When resigning form a cooperative, the member can withdraw his/her shares.



- 1.2 Deposits. Both current and fixed deposits are generally offered to cooperative members. Interests on these deposits may be equal to, or higher than commercial bank rates depending on the financial status of each cooperative.
2. Provide loan services to members. Members' shares and deposits comprise significant part the loan funds made available to members with interest charged usually at rates lower than that of the prevailing market rates. The general three types of loans provided by this cooperative type are:
  - 2.1 Emergency loans. In crisis or emergency cases, a member may borrow up to half of his/her monthly income, depending on the cooperative financial status, without collateral. Repayment is normally made in two installments.
  - 2.2 Ordinary loans. The cooperative can provide an ordinary loan, again, depending on its financial status. This can be between 4 to 15 times, of member monthly incomes or within the range of baht 40,000 to 300,000 with one other member acting as guarantor. Normal repayment in this regard is ranged from 24 to 72 installments. The maximum amounts allowed for emergency and ordinary loans are based on the average amount of members' income.
  - 2.3 Special loans. When the cooperative extends its services to housing and investment purposes, a member may borrow the actual amount required for constructing or purchasing houses, land and other permanent investments, generally, not exceeding the ceiling amount of between baht 400,000 to 1,000,000. Repayment period is between 10 to 15 years, using real property as collateral.

After a Savings and Credit Cooperative is formed, the members will elect their representatives at the annual general assembly as board of director to administer cooperative businesses. The Board meets at least once a month to determine operational policies to be implemented by the cooperative staff. The staff normally include a manager, an assistant manager, accountants, bookkeepers, etc., depending on the cooperative size and financial situation.

Savings and Credit Cooperatives raise capital funds through shares, deposits, reserve funds, loan funds, and support fund or donations.

In its essence, a cooperative belongs to its members. Effective and efficient management of the cooperative is ensured when members exercise their rights and responsibilities properly.

The most important responsibility of the individual member is attendance at the annual general assembly (AGA). The AGA gives him/her the opportunity to protect membership rights, a fair sharing of benefits and monitor cooperative operations. It provides also a forum to determine general policies, elect committee members and assign tasks to further benefit all the members. Within the framework of cooperative principles, laws and regulations and procedures, members must discuss problems together, share ideas and exercise the right to vote on committees and meeting resolutions.

## **6 Service Cooperatives**

The service cooperative is another cooperative type formed by persons engaged in the same occupation to deal with common concerns including building up employment security and maintaining the members' existing occupation.

The first service cooperative formed among traditional umbrella makers' groups, named Bo Sang Umbrella Makers Cooperative, was established at Ton Pao sub-district, Sankampaeng District, Chiangmai Province in 1941. Presently, the Cooperative has expanded its business to cover a wider service to their members and re-name it as the Bor Sang Umbrella Handicraft and Wood Products, Ltd.

Later, in 1953, the Electricity Service Cooperative, Ltd. was established Bangkok to provide electricity services to the general public. However, in 1978 the Provincial Electricity Authority of Thailand was established to take over this cooperative business for achieving the economy of scale. In 1954 the Aranyik Knife Cooperative, Ltd. was set up at Tung Chang Sub-district, Nakorn Luang District, Ayutthaya Province. The number of service cooperative has increased since then. Service cooperatives are set up for a number of reasons such as

1. To provide services within the cooperative framework for members.
2. To procure supplies/materials and consumer goods for sale to members at fair prices;
3. To encourage thrift among members through savings and deposits;
4. To provide loan funds to members for occupational uses, including releasing in times of crisis;
5. To create markets for members' products;
6. To assist members in matters of court litigation;
7. To promote social safety among members and their families;
8. To promote self help and mutual help concept among members;
9. To provide cooperative education and training including related subject on members' occupation; and
10. To cooperate with other cooperative organizations for cooperative movement development.

The operation of service cooperative is patterned as that of consumer cooperative in the preceding section. At the annual general assembly, members will elect their representatives according to the new Cooperative Act, B.E.2542 not exceeding 15 persons as board of directors, whose responsibility is to administer the cooperative.

At present, there are several types of service Cooperative such as:

- Cottage Industry Cooperatives. These are formed among handicraft workers to deal with problems of raw materials and marketing. They encourage the utilization of local materials for production. Currently, this cooperative type is sub-divided to:
  - Wooden Product Cooperatives and
  - Transportation Cooperatives which are formed among low-income people engaged in transport services. Currently, this cooperative type consists of:
    - Bus Cooperatives;
    - Taxi Cooperatives;
    - Tricycle Cooperatives; and
    - Mini-bus Cooperatives.
  - Housing and Community Service Cooperatives These are formed to serve groups facing housing and/or community needs problems. They can be sub-divided to two types:
    - Housing Cooperative and
    - Community Service Cooperatives.
  - Infrastructure Service Cooperatives. These are formed among people in the same or nearby communities to deal with shared infrastructure concerns. There are currently three categories under this cooperative type:

- Electricity Cooperatives;
- Artesian Well Water Cooperatives; and
- Water Supply Cooperatives

There are still other service cooperatives apart from the ones mentioned above. These are:

- The Employment Cooperative of Thailand, Ltd.;
- The Thai Construction Service Cooperative, Ltd.;
- The Drinking Water Cooperative, Ltd.; and etc.

There are both general and occupation-specific benefits to those who join with service cooperatives. Among them are:

- Cottage industry cooperatives help members to improve their skills and production techniques to meet quality standards required by the market. Through joint buying and selling, members are able to save costs as well as increase incomes.
- Transportation cooperatives allow legal service operations by members, assuring them of consistent incomes and enabling them to keep track of transportation regulations.
- Housing cooperatives enable members to attain the basic necessity of housing for their families at affordable costs.
- Community Service Cooperatives ensure that community infrastructure is maintained properly over time, thus making full use of the members' own as well as government expenditures on these infrastructures. The cooperatives shall play also in improving community health and safety.
- Infrastructure Service Cooperatives allow members access to necessary infrastructure at reasonable cost.
- All types of service cooperative provide members the opportunity to improve their quality of life through increased incomes, safety and access to occupational and family needs.
- Members receive dividends annually, and rebate according to business done with their

#### The Number of Cooperatives and Membership

The total number of registered cooperatives could be classified by the Agricultural and Non-Agricultural sectors as follows;

No.	Type of Cooperatives	Number of Cooperatives	Membership (Households)
<b>Whole Kingdom</b>		<b>5,610</b>	<b>8,086,263</b>
<b>Agricultural Cooperative Types</b>		<b>3,546</b>	<b>4,950,734</b>
1	Agricultural Cooperative	3,370	4,,789,493
2	Fisheries Cooperative	76	13,859
3	Land Settlement Cooperative	100	147,382
<b>Non-Agricultural Cooperative Types</b>		<b>2,064</b>	<b>3,135,529</b>
4	Thrift and Credit Cooperative	1,296	2,169,819
5	Consumer Cooperative	369	819,021
6	Service Cooperative	400	146,689

## **Establishment of the Cooperative League of Thailand (CLT)**

According to the Cooperative Act, the CLT was established in 1968. All types of cooperatives at all levels are affiliated. The CLT is functioning as an apex body of the whole cooperative movement as educational institution for promotion of all cooperative progress without sharing profit or income.

### Functions and Roles

1. Promoting and propagating the cooperative affairs as well as conducting research and compiling statistics concerning the cooperative affairs;
2. Providing technical assistance to cooperative and facilitating communication and coordination among them and government agencies concerned
3. Providing education and training on technical matters concerning cooperative affairs;
4. Promoting relationship among cooperatives both internal and international having similar objects;
5. Promoting commercial business, trade, industry, and services of cooperatives;
6. Supporting and assisting cooperatives in solving obstacles and constraints relating to the cooperative affairs which are of common benefit;
7. Acting as an agent of cooperatives in protecting and maintaining rightful interests deservedly derived from the state or international organizations or other private sector institutions;
8. Cooperating with the government in the promotion of cooperatives for genuine and real benefits to them in general;
9. Carrying on the acts in compliance with its objects or as entrusted by the National Cooperative Development Board (NCDB).

### Organization Structure

The organization structure of the CLT comprises of General Meeting, Board of Director, Executive Director, Deputy Directors, and 5 Divisions; the Office of Director, Cooperative Training Institute, Planning and Technical Division, Cooperative and Public Relation Division, and Finance Division

### Administration

The administration of the CLT is governed by the annual general meeting composed of 400 representatives from cooperatives of all types throughout the country. The number of representatives will be 10 cooperatives per one representative. The general meeting will elect 15 boards of director. The term of office of the boards is 4 years. Executive director acts as Secretary to the board.

### The CLT may have revenue as follows:

1. Annual Subscription to the Cooperative League of Thailand;
2. Government subsidies;
3. Interest arising from the central fund of the unlimited-liability cooperatives;
4. Residues of money or property after liquidation of cooperative;
5. Proceed from sale of technical books, documents or others
6. Money or property received in return for services rendered.

By the cooperative act, all registered cooperatives in Kingdom shall pay subscription to the CLT 5% of its net profit and not more than 10,000 Baht. This is one the main income source of the CLT

### Cooperative Training Institute

The CLT's Cooperative Training Center was built on the league land to be a central education institution to enable cooperative members and cooperative leadership to participate more meaningfully in our productive training activities.

Over the year, several the training, seminar, workshop, and etc were implemented in this property. The services are also covered to other client. There are various sides of meeting rooms and 69 twins sharing rooms for accommodations. Cooperative canteen is served as in a training packages prices and general orders.

The CLT conducts wider fields of training, seminar, and workshop on the cooperative principles and practices to strengthen cooperative professional management for men and women. The needs for building capacity, at all levels among cooperative personnel, created by members' learning processes.

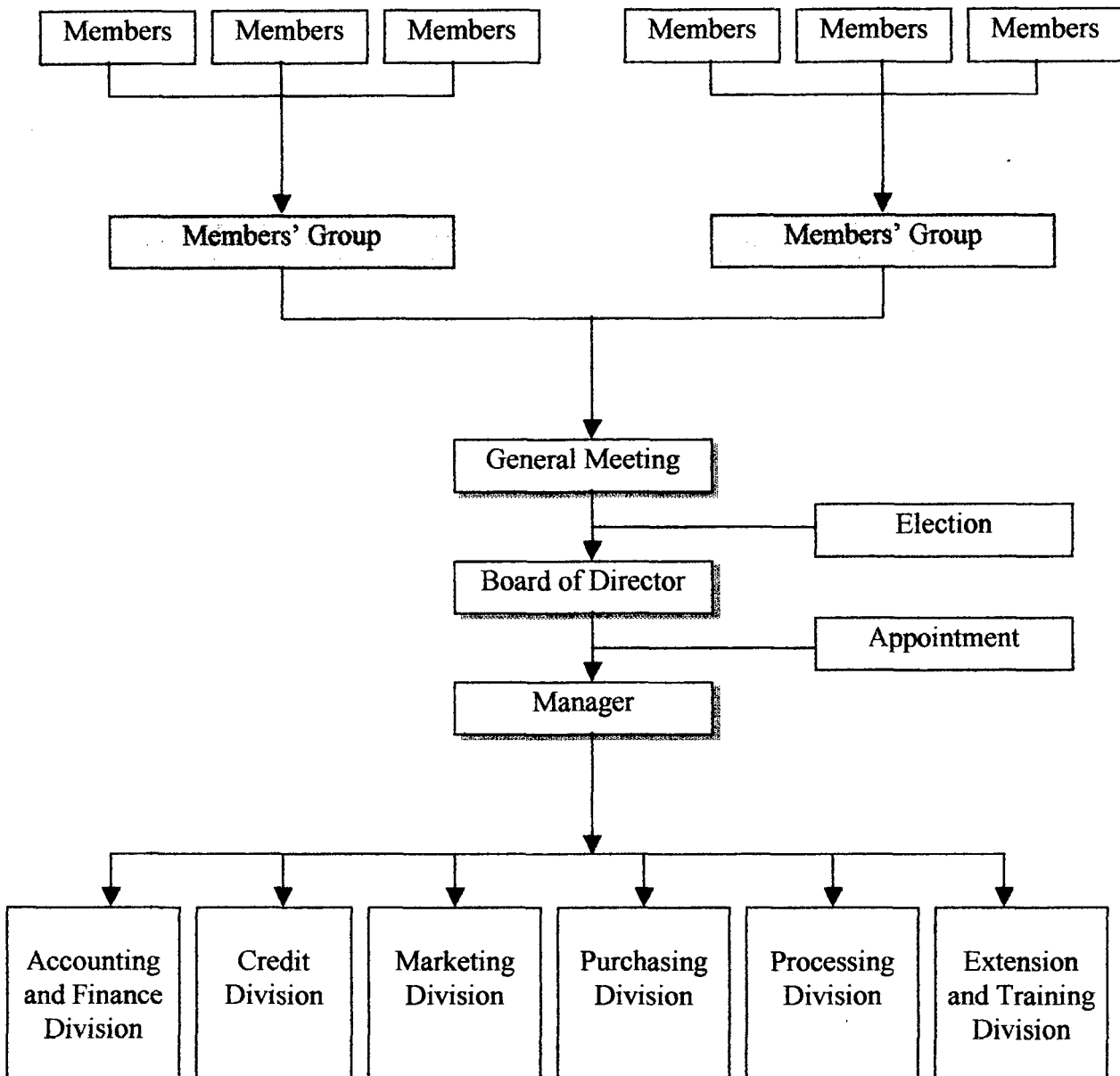
Establishing training network for cooperative leaders to secure and cover the needs of capacity building. The CLT has started to implement a macro studies on training network through satellite. This feasibly study project was excellent successful organized last week, on 16 August 2002.

### Institutional Collaboration Between Government and Cooperative Movement

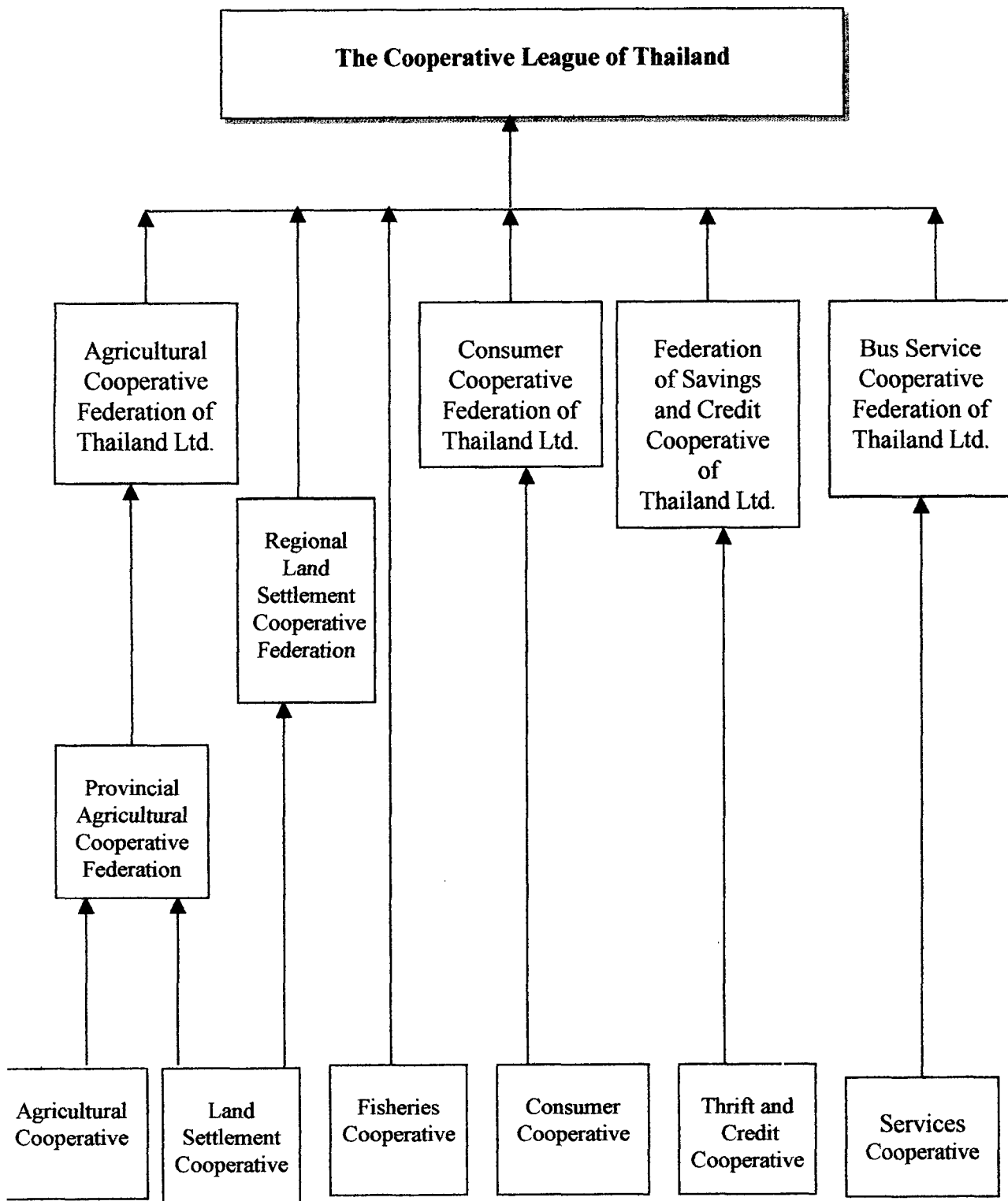
In order to provide effective assistance to the cooperative, the government has established government agencies in charge to collaborate with cooperatives as follows agencies;

1. National Cooperative Development Board (NCDB) It is the institutional to advise the government the ideas concerning policies and guidelines for promotion and development of cooperatives.
2. The Office Cooperative Registrar functioning to deal with the registration, liquidation, and supervision of cooperative societies under the cooperative laws.
3. The Cooperative Promotion Department (CPD), responsible for the survey and establishment, promotion and guidance of cooperative societies in order to enable them to carry out their business activities according to cooperative regulations.
4. The Cooperative Auditing Department (CAD), its duties comprises both cooperative auditing and practical guidance in the field of financial and accounting management.

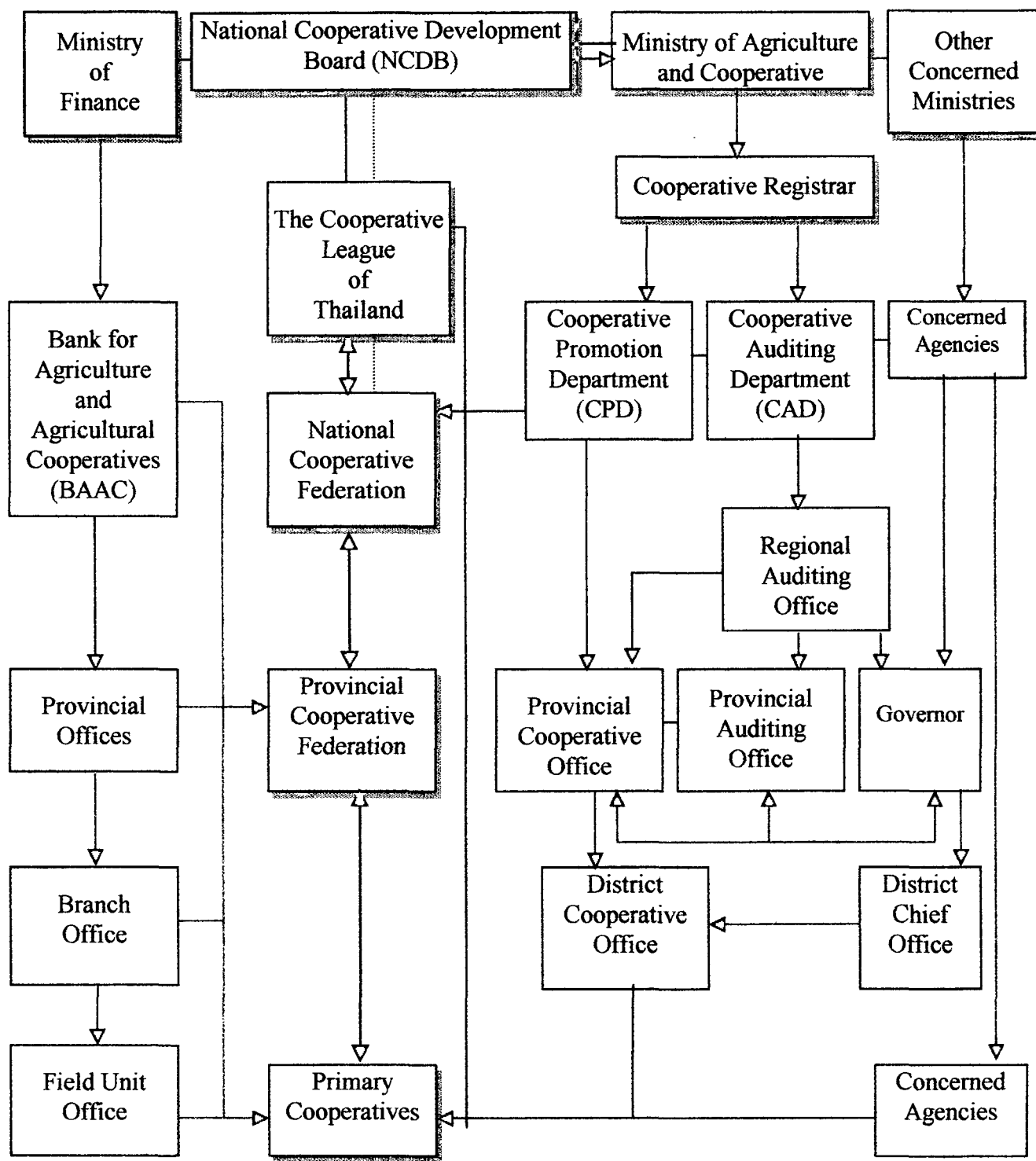
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**Structure of Primary Cooperative**

**The Structure of Cooperative Movement in Thailand**



**Relationship amongst the Government Agencies and the Cooperative Movement**



— = Business Activities  
 — = Controlling  
 — = Coordination and Technical Promotion



# VIETNAM COUNTRY REPORT



*Prepared by*  
Nguyen Thi Ngoc Cam  
Tran Thi Tuyet

# CHAPTER - I



## THE SOCIALIST REPUBLIC OF VIETNAM



*National Anthem*



Population: *78,7 million* inhabitants; with *54 ethnic groups*.  
 Mainland Territory: 330,991 sq. kilometers; Divided into *61 provinces*  
 National Capital: *Hanoi*

On the September 2, 1945, president **Ho Chi Minh** read the *Independence Manifesto* declaring the establishment of The Democratic Republic of Vietnam at Ba Dinh Squar. Now known as The Socialist Republic of Vietnam

### Main Cities

 <b>Hanoi Capital</b> 912 sq. kms 2,736,125 inhabitants	 <b>Hai Phong City</b> 1,503 sq. kms 1,691,213 inhabitants	 <b>Quang Ninh</b> 5,938 sq. kms 1,017,24 inhabitants
 <b>Hue City</b> 5,009 sq. kms 1,064,112 inhabitants	 <b>DaNang</b> 492 sq. kms 700,000 inhabitants	 <b>Khanh Hoa</b> 5,257 sq. kms 1,049,203 inhabitants
 <b>Ho Chi Minh City</b> 2,019 sq. kms 5,222,019 inhabitants	 <b>Lam Dong</b> 10,137 sq. kms 1,038,108 inhabitants	 <b>Vung Tau</b> 1,965 sq. kms 823,208 inhabitants



## Geography



The Socialist Republic of Vietnam, a sovereign and reunified independent country, has a high percentage of territorial waters. Looking at the map, Vietnam is located in the center of the Southeast Asia, and is shaped like the letter "S". The country lies in the eastern part of the Indochina peninsula, bordered by China to the north, Laos and Cambodia to the west, and the East Sea and Pacific Ocean to the southeast. Vietnam's coast line is 3,260 km long and its inland border measures 3,730 km.

The country's total length, from the northernmost point to the southernmost point, is 1,650 km. Its width, stretching from east to west, is 600 km at the widest point in the north, 400 km in the south, and 50 km at the narrowest part in the Quang Binh province on the central coast. Vietnam is also a transport junction from the Indian Ocean to the Pacific Ocean.

## Climate



Vietnam is located in both a tropical and a temperate zone. It is characterized by strong monsoon influences, but has a considerable amount of sun, a high rate of rainfall, and high humidity. Regions located near the tropics and in the mountainous regions are endowed with a temperate climate. The annual average temperature ranges from 22 °C to 27 °C. In Hanoi, the average temperature is 23 °C, in Ho Chi Minh City it is 26 °C, and in Hue it is 25 °C.

There are two distinguishable seasons. The cold season occurs from November to April and the hot season from May to October. The difference in temperature between the two seasons in southern Vietnam is almost unnoticeable, averaging 3 °C. The most noticeable variations are found in the northern provinces where differences of 12 °C have been observed. There are essentially four distinct seasons, which are most evident in the northern provinces.

## Topography



Three quarters of Vietnam's territory consists of mountains and hills. Vietnam is divided into four distinct mountainous zones.

### **The Northeastern Zone (Viet Bac)**

This zone stretches from the Red River Valley to the Gulf of Tonkin. The mountainous area of Viet Bac is scattered with famous sights: Dong Nhat Grotto, Dong Nhi Grotto, and Tam Thanh Grotto in Lang Son Province; Bac Bo Grotto and Ban Gioc Waterfall in Cao Bang; Ba Be Lake in Bac Can; Yen Tu Mountain and Halong Bay in Quang Ninh; and Tay Con Linh, the highest mountain peak in the region reaching 2,341 meters above sea level.

### **The Northwestern Zone**

This zone is comprised of mountains that run from the north of the Sino-Vietnamese border to the west of Thanh Hoa Province. This magnificent mountain range is nationally known for its resort town of Sapa in Lao Cai Province, which is perched 1500 meters above sea level. Several ethnic groups, such as the H'mong, Dao, Kinh, Tay, Giay, Hoa, and Xa Pho, still reside in this region. The northwestern zone is also famous for the historical site of Dien Bien Phu and Fansipan Mountain, which measures 3,143 meters above sea level at the peak.



### **The North Truong Son Zone**

This zone runs from the western part of Thanh Hoa Province to the Quang Nam-Da Nang Mountains. This region is known locally for its picturesque Phong Nha Grotto and its two breathtaking passes, the Ngang Pass and the Hai Van Pass. It is also known worldwide for being the location of the legendary Ho Chi Minh Trail constructed during the second great resistance war.

### **The South Truong Son Zone**

This zone is located to the west of the south central coast provinces. Behind these huge mountains is a vast area of red soil known locally as "Tay Nguyen" (the Central Highlands). There are numerous legendary accounts of the flora and fauna and of the lives of several different ethnic minorities living in the Central Highlands. Dalat, established during the 19th century, is a popular resort town in this part of Vietnam.

Vietnam has two major deltas, including the Red River Delta in the north and the Mekong River Delta in the south.



### **The Red River Delta, or Northern Delta**

This region stretches for 15,000 sq.km. Over time, deposits of alluvium carried from the Red River and Thai Binh River have accumulated to form the delta. The ancient Viet people settled at the junction of the two rivers . At that time, the wet rice civilization was established



### **The Mekong River Delta, or Southern Delta**

This region is approximately 36,000 sq. km. The land is very fertile and has favorable climate conditions for agriculture. As a result, it is the largest rice growing region in Vietnam.

Vietnam is crisscrossed by thousands of streams and rivers. There is a river discharging every 20 kilometers along Vietnam's coastline. The waterways are a very convenient means of transport with major rivers like the Red River in the north and the Mekong River in the south. Vietnam's coastline is 3,260 km long. If you have a chance to travel along the coast of Vietnam, you will be able to enjoy the beautiful beaches of Tra Co, Sam Son, Lang Co, Non Nuoc, Nha Trang, Vung Tau, and Ha Tien. In some places, you will see mountains jutting out to the sea. One such magnificent site is Halong Bay, which has recently been listed as a World Heritage Site by UNESCO. Vietnam's coast has been awarded a series of large seaports, such as the ones at Haiphong, Danang, Qui Nhon, Cam Ranh, Vung Tau, and Saigon. There are thousands of islands and islets scattered offshore from north to south. Among the most popular tourist destinations are the Truong Sa and Hoang Sa Archipelagos.



The forests of Vietnam account for most of the total land area. National parks are preserved by the state and follow a steady development plan. Some of the more famous national parks located throughout the country include Ba Vi in Ha Tay, Cat Ba in Haiphong, Cuc Phuong in Ninh Binh, Bach Ma in Hue, and Cat Tien in Dong Nai.

Vietnam has a variety of mineral resources. Beneath the forests are valuable minerals such as tin, zinc, silver, gold, antimony, precious stones, and coal. Vietnam also has large deposits of oil and gas on its offshore islands and on the mainland.

Vietnam also has abundant subterranean mineral water sources. These are found at Quang Hanh in Quang Ninh, Hoi Van in Binh Dinh, Vinh Hao in Binh Thuan, Duc My in Nha Trang, Kim Boi in Hoa Binh, and Binh Chau in Vung Tau.

Vietnam has a population of more than 78 million people, comprised of 54 different ethnic groups that possess historically rich cultural backgrounds and interesting folk arts. In which more than 19 million in Urban and more than 59 million in Rural. Male population takes 50,8%, female population takes 49,2%). Total irrigated land area is 18,600 square km. GDP per capita (2001) is around 6,500,000 VND ( more than 400 USD) per year.

The country has more than 1,000 historical, cultural, and architectural sites which have been officially classified as "Heritage Sites". Four of these sites have been recognized as world cultural heritage sites by UNESCO (United Nations Educational and Scientific Cultural Organization), including Halong Bay, the ancient capital of Hue, the ancient town Hoi An, and My Son Holy Land. It will become clear from excursions to these sites that Vietnam is a country with a long-established history.

## CHAPTER - II

**(Status of agriculture in the country. Total land available for agriculture. Land holding. Farm population. Main crops. General features and statistic regarding agriculture including irrigation potentials. Agriculture as an industry.**

**Managment of agricultur as an industry, Technological developmetn in agriculture, Research, TRaining and Farm education and extension services)**

Vietnam is agricultural country. Share of agriculture in GDP (2001) is 23.3%. Value of agricultural product: 114,616.6 billion VND. Main agricultural products include: rice, soya, peanut, sugar, silk, monopoles, jute, fresh tea, rubber, potatoes, and tobacco, cotton....

The product volume of agriculture increases 4,3% per year, processing industry increases 12%-14% per year. Electrification of the rural areas, 86% of rural communes have accessed to the electricity.

The agriculture sector has plan to earn 3 billion USD of export turnover this year which takes 15 % of the total export turnover of the country this year.

This sector tries its best to take place as one of the country's key foreign currency earner. In order to realize its plan, the agricultural sector will continue restructuring its products according to the high demand in the world market. This year, rice export turnover is expected to gain \$ 750 million, fruits and vegetables is \$ 440 million (increase 45 % in comparision with last year), coffee is \$ 360 million, cashew is \$ 170 million.

The major export markets for Vietnam agricultural products are China, Japan, Singapore, France and North America. Up to 60% of Vietnam agricultural products are exported to Asian countries. Vietnam is third biggest rice exporter in the world after the United States and Thai Land. It is expected to export about 4 million tones of rice this year. Vietnam rice is chiefly exported to China, Indonesia and Malaysia. Middle East countries import \$ 200 million of Vietnamese agricultural products per year including anise, tea, rice, pepper and cashew. In 2001 the export value of

agricultural products reached \$ 2,6 billion, down 7.2 percent from 2000 as result of plummeting prices in the world market.



## CHAPTER - III

**(Status of women in the country. Total number of women engaged in agricultural industry. Types of women organizations, Types of women cooperative organizations in the country (e.g., all-women cooperatives) Types of activities generally performed by rural women. Representation of women in cooperative organizations e.g., as Board members and employees. Ratio of women holding senior positions in cooperatives. Government policies and programs for women. Policies and programs initiated by the Cooperative Movement vis-à-vis Women in Development -WID or Women in Cooperative Development (WICD).**

**Problems faced by rural women/women in agriculture (e.g., environmental, marketing, legal, social, etc.). Government or Cooperative proposals to solve such problems.)**

Vietnamese women have had a great contribution to the development of the national economy. This contribution have promoted the gender equality movement. Women are working in almost economic sectors. They take 50% of labor forces of society. In the agricultural, forestry, fishing and aquacultures sectors, women workers take 65%, in light industry: 65%, trade and service: 68,6%, finance and credit: 56%, tourist trade: 56,3%, literature and act: 30%, education: 73,4%

Furthermore, women are now more likely to take part in social activities and patriotic movements. The rate of women cadres and party members who serve in the Party Commitees has increased rapidly in comparision with the last five years; The new Party members who are women increases 17.3 % in comparision to the year of 1997 to 22 % to the year 2001.

Meanwhile, the number of women deputies in the National Assembly increases by 7,7% percent. Women representatives to provincial councils encrease by 1,72% and at village and ward levels it encreases by 2,16 %.

More importantly, university and graduate degree holders among female National Assembly deputies grow from 58,9 % in the last five years to 81,1 %.

At the administrative level number of female ministers, deputy ministers and chair women of provincial people 's committee increases by 2,9 % and the women running business increases by 32,4%.

The organization structure of Women association of Vietnam: The national representative congress the highest decision marking body of the Women Association of Vietnam meets every five year The congress elects the Central Executive committee responsible for managing the Vietnam Women Association. The standing committee elected by the Central Executive Committee. The women 's union has been established in all 61 provinces and cities throughout Vietnam. Vietnam women organized systematically at village and ward levels to the central level with main function: Representing and supporting for women movement. Beside of that our country has National committee for progress of women. W as set up organizing board for women in cooperative system (head of this board is vice president of Viet name cooperative alliance) in 1998 year. But the rate of women of member's executive committee VCA only has only 10%. Vietnam acceded to the United Nations Convention on the Elimination of all form of discrimination against women in 1995 year.

We take part in formulating the chapter X "Specific regulation of Labor Law for female workers ". Recently we have offered correction and amendment to

Labor law after 6-year implementation, for example: extension of social security cover labor worker's in the cooperative.

The participation of women in the cooperative movement as follows:

- Active participation in national economic events to increase the life standard all over the country.
- Distinguish efforts and contribution in the process of poverty alleviation, and reducing the number of unemployee (The number of poor family decrease from 20% (in 1995) to 10%-11%(in 2001)

- Active role in the process of the improvement and resolution of applying technology in the fields and the processing the harvested agricultural products.
- Contributing to the solution of social problems in the country side

At the present time, there are approximately 400,000 women working in cooperatives, more than 390 women are leaders of cooperatives. They recognized responsibility and take opportunity to reflect to learn and to grow.

In the agriculture sector, where there is a majority of women in the workforce, juggling between family and work becomes an art, almost all women have used the country's growth to improve their situation; training and post -training professional and managerial skill and applying technology to production Women workers in the agriculture sector in general and in the cooperative system in particular.

They are patient, so thoughtful and skilful, they understood theirs clients very well, and combined practice and theory. But in fact they face serious difficulties, they are always working in the bad condition and polluted environment. They receive low wages and have not enough jobs. Most of men are patriarchal. The representation of women in the management and decision -making process were limited. They are lack of managment skills, business skills. They are also lack of self-confident, etc.

## CHAPTER - IV

**(A brief description of historical development and current status of your own cooperative, its organization structure, relationship with other cooperatives, principal activities, management system, its business profile, member relations. Problems and possible solutions. Your own role and duties in your cooperative/organization.)**

Up to December 31st, 2001, in Vietnam there are 13,986 cooperatives and cooperative union, in which there are 8,726 agricultural cooperatives (2001). There are 9,918 agricultural cooperatives in the year of 2000.

There are a lot of strong cooperatives, most of them are agricultural cooperatives: 338 agricultural cooperatives, industry cooperatives are 247; trading cooperatives, building cooperatives and transport cooperatives are 73.

Total membership: 7.5 million

Total labor workers approximately from 650,000 to 700,000.

Cooperatives and cooperative economy has its regular contribution to the country economic development. The total turnover of cooperative in 2001 is more than 41,000 billion VND, which takes 9% of total GDP of the Country and increase 11% in comparison with the year of 2000.

In the 1991 year was establish the Central Council of Non-State enterprises of Viet name by retaining the Union of small Handicraft Industry Cooperatives and Management Committee for Supplying and Marketing.

On 30<sup>th</sup> October 1993, the fist National Representative Congress of Cooperative in Vietnam was held. The Congress adopted Regulation of the Central Council of Viet name Cooperative Alliance -that supports represents and protects the rights of cooperatives in the small handicraft industry, transport, trading and services, construction sector.

The National Assembly at the ninth Session passed the Cooperative law on 20<sup>th</sup> March 1996 officially naming the Vietnam Cooperative Alliance as the organization that represents and supports cooperatives in Vietnam.

**The Vietnam Cooperative Alliance performs the following functions:**

- Providing consulting and support services to members.
- Participating in policy and legal framework formulation relating to the cooperative sector.
- Participating in the establishment of strategies, plans and the cooperative sector.
- Synthesizing the ideas and aspirations of members for recommendation to the Government and State authorized organizations related problems and legal issues,
- Protecting the legal rights and interests of members.
- Encouraging individuals, business owners, and households, small and medium producers to develop cooperative economy. Summarizing and publishing good experiences and advanced cooperative models to encourage emulation to promote the development of cooperatives and cooperative sector.
- Organizing and providing consultation and support services to members on legal issues technology, information, finance, credit, market and other areas.
- Organizing training for cooperative alliance officers, cooperative managers, staff and employees and other members
- Participating in international organization, non-government organizations, and developing cooperative relations with foreign organization. Receiving and implementing support programs and projects for developing cooperatives and the cooperative economy, technology, information, finance, credit, market and other areas.

**Vietnam Cooperative Alliance has both official and associated members:**

- Official members are cooperative and cooperative unions.
- Associated members are cooperative groups, social and economic units, professional association, science and technology research and training institutions and other domestic and foreign organizations

**Membership is voluntary and subject to the Regulations of Vietnam cooperative alliance. Cooperatives shall be organized and operated by the following principles:**

- Voluntary joining to the cooperative
- Democratic and equal management
- Democratic and equal management.
- Self-responsibility and mutual benefit
- Combination of benefit of the cooperative members and development of the cooperative in the sharing of profits.
- Community cooperation and development: cooperative members shall promote collective spirit, and have sense of cooperation within the cooperative and public, community, promote cooperation between different cooperatives inside the country and over seas in conformity with the provision of the law.

**The organization structure of Viet name Cooperative Alliance:**

In the process of running all activities of VIA, there is the Executive Committee, which is selected and elected each 5-year by the National representative congress. The Executive Committee is head office, acting in parallel with supervising committee. Belong the Executive committee there is Standing Committee with specialized department. This department is operating functioning organization or unit. Beside of that there are professional affiliated units and business companies under direct management of the Standing Committee. At the local level there are 61 provincial

and City Alliances running by standing committee. Each of the above alliances is in charge of running members such as cooperatives, cooperative unions

**Our duties in our organization:**

- Offer suggestion to create the Law on Cooperatives, its amendment and correction after implementation.
- Take part in the establishment of strategies, plans, and programs for supporting and developing cooperatives
- Make synthesis of ideas and aspiration of members for recommendation to the state authorized organizations related problem and legal issues.
- Beside of that we analyze and collect information and experience from foreign countries about cooperative
- Studying Convention of International labor Organization concerning to the women worker s in the cooperative sector.
- Preparing to set up Insurance credit Fund for Cooperative in Viet name.

## CHAPTER - V

**(Outlines of a suggested Plan of Action to enhance the participation of rural women in agricultural cooperatives with special reference to the organization where you are presently working and making a set of suggestions/proposals for the consideration of your national level organization)**

To enhance the participation of rural women in agricultural cooperatives:

- To provide training on management skills, business skills, vocational training, gender, etc.
- To recommend policies and measures designed to step up the successful implementation of the Cooperative law and Labor law
- To detect the shortcomings and irrationalities in the sub-law documents and law concerning to the cooperatives and female working such: settlement of land problem uncooperative switch of old cooperatives to new cooperatives, social security...
- To make widespread propagation of the Law among the cooperative women so that they may understand and be willing to take part in building cooperatives.
- To provide, conducive environment and infrastructure.
- To have contribution point of view on preparation of drafting law on social security concerning the labors and cooperators.
- To give suggestion to Agriculture Bank to create good condition for women to approach a loan to creating a job and develop production.
- The last to continue to make a widespread propagation among the leaders men, and male cooperator about **'Gender Desensitization'**

Vietnamese women in general and female workers of agricultural cooperatives in particular nowadays take more equal role in organizing their family lives, feeding and teaching their children and donating time to social charities.



FIELD VISITS  
IN THAILAND

S. K. M. U.

# Cooperative Women Groups' Activities In Thailand



2<sup>nd</sup> ICA-Japan Training Course on "Strengthening Women's Agricultural Cooperatives  
in Rural Areas and Improvement of Farm Management and Rural Life"  
Thailand, 29<sup>th</sup> August to 9<sup>th</sup> September 2002.



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## **2. Name list of Participants**

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## **4. Policy of Cooperative Promotion Department on Women for the Year 2002**

## **5. Structure of Cooperative Women Group**

## **6. Cooperative Women Groups' Activities**

- \* *B*an Kaset Pattana Cooperative Women Group
- \* *K*rathum Ban Cooperative Women Group
- \* *H*ubkpong Cooperative Women Group
- \* *T*ah Kham Samakki Credit Union Cooperative Women Group
- \* *C*ooperative Women Group of Nong Prong Samakki Water User Cooperative, Ltd.
- \* *B*an Paeng Cooperative Women Group
- \* *B*an Nong Bua Dimi Cooperative Women Group
- \* *B*an Phai Weaving Service Cooperative, Ltd.
- ☆ *B*an Kuema-u Cooperative Women Group
- ☆ *P*himai Agricultural Cooperative, Ltd.

## **7. Coordinators**

# ***Tentative Programme***

**Tentative Study Visit Programme In Thailand**  
**The 2<sup>nd</sup> ICA-Japan Training Course**  
**August 29 – September 9, 2002**

**Thursday 29 August 2002**

- Arrival of Participants and ICA/IDACA Delegates at Bangkok Airport
- Check in at the Siam City Hotel
- 18.00 hrs. - Dinner at the Hotel
- 19.30 – 20.30 hrs. - Orientation at Kaewkamol Room, Siam City Hotel
- Stay Overnight at Siam City Hotel

**Friday 30 August 2002**

- 08.15 hrs. - Arrival of Trainees at Kamolruedi Room, Siam City Hotel
- 08.30 hrs. - Arrival of Guest
- 09.00 – 10.00 hrs. - Opening Session to be inaugurated by *CHAVALVUT CHAINLVATI* Executives from CPD, CLT, IDACA and ICA
- 10.00 – 10.15 hrs. - Coffee Break
- 10.15 – 12.00 hrs. - ~~Lecture by ICA or IDACA~~ *VISIT to CLT.*
- 12.00 – 13.00 hrs. - Lunch at Katekamol Room, Siam City Hotel
- move to CPD
- 13.30 - 16.30 hrs - Courtesy Call to CPD
- 18.00 hrs. - Dinner hosted by CPD at Yok Yor Marina Restaurant
- Stay overnight at Siam City Hotel

**Saturday 31 August 2002**

- 08.30 hrs. - Leave the Hotel for the Grand Palace
- 09.30 – 12.00 hrs. - Visit Grand Palace
- 12.00 – 13.00 hrs. - Lunch at Chinese Restaurant
- 13.30 – 16.30 hrs. - City Tour
- 19.00 – 20.00 hrs. - Dinner at Bai Yok Tower
- Stay overnight at Siam City Hotel

R'V

HAMA KUNAWATI

- 2 -

**Sunday 1 September 2002**

- 07.30 hrs. - Leave for Samutsakorn Province
- 09.00 – 12.00 hrs. - Visit Cooperative Women Groups (Porcelain Products) ✓
- 12.00 – 13.00 hrs. - Lunch at Srisuwan Seafood Restaurant
- 13.30 hrs - Visit Ban Paew Cooperative Women Group (Fruit Juice) ✓
- 15.30 hrs. - Proceed to Petchaburi Province
- Dinner at Cha - am Beach
- Stay Overnight at Regent Cha-am Hotel (Cha-am Beach)

**Monday 2 September 2002**

- 08.00 hrs. - Leave the Regent – Chaam Hotel
- 08.30 – 10.30 hrs. - Visit Hubkapong Cooperative Women Group ✓  
(Sisal Fiber Products)
- 11.00 – 12.00 hrs. - Visit Cooperative Women's Group ✓  
(Lime Powder Processing) 4
- 12.00 – 13.00 hrs. - Lunch at Nam Tien Restaurant
- 13.30 – 15.00 hrs. - Visit Cooperative Women's Group (Sugar Palm Products) 5
- 15.00 hrs. - Return to Bangkok
- Dinner at Kingkamol Room, Siam City Hotel
- Stay Overnight at Siam City Hotel

**Tuesday 3 September 2002**

- 08.30 hrs. - Arrival of the Trainees at Kamolruedi Room
- 09.00 – 10.30 hrs. - Lecture on "Introduction to Women Group's Activities  
in Asia" by Ms. Revathi Balakrishnan, Regional <sup>Sociologist</sup>  
Gender, Development officer, FAO ROAP
- 10.30 – 10.45 hrs. - Coffee Break
- 10.45 – 12.00 hrs. - Lecture (continued)
- 12.00 – 13.00 hrs. - Lunch at Kingkamol Room, Siam City Hotel

KORNAPA CHAIYAW  
CHAIYAWAT

- 3 -

- 13.30 – 15.00 hrs. - Present situation of Cooperatives and Women's Group  
in Thailand by Ms. Kornapa <sup>Head</sup> Chaiwat, ~~Chief~~ of Project  
Section, Planning Division, CPD
- 15.00 – 15.15 hrs. - Coffee Break
- 15.15 – 16.30 hrs. - Lecture (Continued)  
- Free  
- Stay overnight at Siam City Hotel

**Wednesday 4 September 2002**

- 05.00 hrs. - Leave the Siam City Hotel for the Airport
- 06.45 hrs. - Leave for Khonkaen by plane (TG 040)
- 07.00 hrs. - Arrival at the Khonkaen Airport
- 07.45 hrs. - Proceed to Maharakam Province ✓
- 08.00 hrs. - Break
- 09.00 – 12.00 hrs. - Visit Banpaeng Cooperative Women Group ✓  
(Mat Weaving)
- 12.00 – 13.00 hrs. - Lunch at the restaurant
- 13.30 hrs. - Proceed to Roi Et Province
- 14.00 – 15.00 hrs. - Visit Thai Handicraft Museum  
- Return to Khonkaen
- 18.00 hrs. - Dinner at Pra Pa Yai Restaurant, Khon Kaen  
- Stay overnight at the Sofitel Hotel

**Thursday 5 September 2002**

- 08.00 hrs. - Leave the Sofitel Hotel
- 09.00 – 12.00 hrs. - Visit Nong Bua Dee Mhee Cooperative Women Group ✓
- 12.00 – 13.00 hrs. - Lunch at Suan Son Resort, Khon Kaen
- 13.30 – 15.00 hrs. - Visit Ban Phai Cloth Weaving Service Cooperative, Ltd. ✓
- 15.00 hrs. - Proceed to Nakornratchasima



- 16.30 hrs. - Arrive to Royal Princess Hotel
- 18.00 – 19.00 hrs. - Dinner at Sewy Sewy Restaurant, Nakornratchasima
- Stay overnight at Royal Princess Hotel

**Friday 6 September 2002**

- 08.00 hrs. - Leave the Royal Princess Hotel
- 09.00 – 11.00 hrs. - Visit Ban Kuema-u Cooperative Women's Group<sup>✓ 9</sup>  
(Silk Weaving)
- 11.00 hrs. - Proceed to Phimai District
- 12.00 – 13.00 hrs. - Lunch at Baituey Restaurant
- 13.30 – 15.00 hrs. - Visit Phimai Agricultural Cooperative, Ltd.<sup>✓ 10</sup>
- 15.00 hrs. - Proceed to Phimai Historical Park
- 15.30 hrs. - Visit Phimai Historical Park
- 18.00 hrs. - Dinner at Risa Restaurant
- Stay overnight at Royal Princess Hotel

**Saturday 7 September 2002**

- 06.30 hrs. - Check out
- 07.00 hrs. - Leave the Royal Princess Hotel
- 08.30 hrs. - Leave for Bangkok by Plane (TG 3241)
- 09.20 hrs. - Arrival at Bangkok Airport
- 12.00 hrs. - Arrival at the Siam City Hotel
- Free
- Stay overnight at Siam City Hotel

**Sunday 8 September 2002**

- 09.00 – 12.00 hrs. - Drafting of Report and Evaluation at Kaewkamol Room,  
Siam City Hotel
- 12.00 – 13.00 hrs. - Lunch at Siam City Hotel
- 13.30 hrs. - Drafting (continued)
- Free
- Stay overnight at Siam City Hotel

**Monday 9 September 2002**

- 07.00 hrs. - Check out
  - 08.00 hrs. - Leave the Hotel to the airport
  - 11.20 hrs. - Leave for Japan by TG 640
- 

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LR. (2)

## ***Name List of Participants***

**2<sup>nd</sup> ICA-Japan Training Course for "Strengthening Women's Agricultural Coops  
in Rural Areas and Improvement of Farm Management and Rural Life"  
Thailand-Japan, 29<sup>th</sup> August to 4<sup>th</sup> October 2002.**

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**Thailand**

# Thailand

There is more visible historical evidence of past eras in Thailand than in any other South-East Asian country, so if you're interested in ruins, temples and deserted cities, this is the place to go. For pure holiday-making magic, Thailand's islands and beaches are working definitions of heaven (once you get out of the shadows of the evil multinational hotels). And as for urban delights, the huge metropolis of Bangkok, although it can alarm with its chaos and its scale, tends to so charm visitors with its energy and cultural treasures that the steamy soupy diesel mixture that passes for air in this city is more than forgiven.

Thailand is an easy country to travel in, with efficient transport, cheap accommodation and a delicious national cuisine. The Thais are renowned for their friendliness and hospitality to strangers. Although they're often depicted as fun-loving, happy-go-lucky folk (which they often are), they are also very strong-minded and have struggled for centuries to preserve their spirit of independence.

## Thailand at a glance

**Full country name:** Kingdom of Thailand

**Area:** 517,000sq km

**Population:** 62 million

**Capital city:** Bangkok (pop 6 million)

**People:** 75% Thai, 11% Chinese, 3.5% Malay, also Mon, Khmer, Phuan and Karen minorities

**Language:** Thai

**Religion:** 95% Buddhism, 4% Muslim

**Government:** Democratic constitutional monarchy

**Prime Minister:** Thaksin Shinawatra

**Head ofstate:** King Bhumibol Adulyadej (Rama IX)

**GDP:** US\$166 billion

**GDP per head:** US\$2168

**Annual growth:** 3.5%

**Inflation:** 2%

**Major products:** Computers, garments, integrated circuits, gems, jewellery

**Major trading partners:** ASEAN, USA, European Union

**Visas:** Most visitors can stay for 30 days without a visa

**Health risks:** AIDS, cholera, dengue fever, Japanese encephalitis, malaria, rabies

**Time:** UTC plus seven hours

**Electricity:** 220V, 50 Hz

**Weights & measures:** Metric with local variations

**Tourism:** average 8.5 million visitors annually

## Money & Costs

### Currency: Baht

There are 100 satangs in 1 baht. (B=baht) Notes are issued in denominations of B1000 (gray), B500 (purple), B100 (red), B50 (blue), B20 (green), and B10 (brown). There are 10, 5 and 1 baht coin, and 50 and 25 satang. Most foreign currencies and traveller cheques are easily changed at banks, hotels or moneychangers. All major credit cards are widely accepted throughout the kingdom.

### Meals

- Budget: US\$2-4
- Mid-range: US\$4-7
- Top-end: US\$7 and upwards

### Lodging

- Budget: US\$3-15
- Mid-range: US\$15-60
- Top-end: US\$60 and upwards

If you're travelling on a budget, you should be able to fairly easily get by on around US\$15-25 a day anywhere in Thailand. Visitors staying in comfortable hotels and eating at restaurants should budget on around US\$20-30 a day outside Bangkok and around double this amount when in the capital. If money is no object, then you can spend to your heart's content while in Bangkok, since the capital has several of the world's most sumptuous hotels. Your spending levels will be curtailed by the scarcity of luxury accommodation and quality restaurants if you get off the beaten track.

Banks or legal moneychangers offer the best rates. For buying baht, US dollars are the most readily acceptable currency, though travellers' cheques get a better rate than cash. Credit cards are becoming increasingly acceptable in quality shops, hotels and restaurants. Visa is the most useful, followed by MasterCard. ATMs which accept Visa and other credit cards are easily found in the larger cities, and many exchange booths will give you a cash advance on your credit card.

Tipping is not customary in Thailand, although Thais are getting used to the idea in upmarket hotels. Bargaining is common practice in markets and tourist shops, and when catching non-metered taxis. Treat it as a form of social discourse rather than a matter of life and death.

**Business Hours :** Most offices open from 9 am to 5 pm, Monday to Friday, except on public holidays. General banking hours are Monday to Friday 9.30 am to 3.30 pm. Many stores open 12 hours a day, seven days a week.



# Attractions

## Bangkok

It's worth putting up with the coronary-inducing traffic jams, pollution, annual floods and sticky weather to experience one of Asia's most exciting cities. Bangkok has dominated Thailand's urban hierarchy, as well as its political, commercial and cultural life, since the late 18th century.

Bangkok proper seethes on the east side of the Chao Phraya River and can be divided into two by the main north-south train line. Old Bangkok glitters in the portion between the river and the railway and it is here that most of the older temples and the original palace are located. The new Bangkok is east of the railway, covering many times more area than the old city. It incorporates the main commercial and tourist districts, which give way to a vast residential sprawl.

For a city of this size, Bangkok is surprisingly full of quiet escapes. Just step out of the street noise and into the calm of one of the city's 400 *wats* (temple-monasteries) or take a river taxi on the Chao Phraya River. Must sees include **Wat Phra Kaew** and the **Grand Palace**, **Wat Pho** and **Wat Traimit**. This latter is the **Temple of the Golden Buddha**, home to the impressive 3m tall, 5 1/2-tonne solid-gold Buddha image. Silk entrepreneur **Jim Thompson's House** manages to avoid being a touristy nightmare by virtue of the singular vision which created this haven of traditional Thai art and architecture. An expat American, Thompson was a tireless curator and promoter of Thai culture until his mysterious disappearance in 1967.

Other sights include the touristy **Wat Sai floating market** in Thonburi, a boat trip through the city's extensive and pongy network of canals (*klongs*), the **Saovabha Institute Snake Farm** and the renowned **Oriental Hotel**.

Entertainment ranges from classical dance and Thai boxing to the unfortunate go-go bars of Patpong. For alternative night entertainment, check out the night markets behind Ratchaprarop Rd in Pratunam. Bangkok is a great place to shop if you don't overdose on T-shirts and fake designer clothing. It's worth stocking up on cheap clothes for your trip or getting smarter clothes for your wardrobe at home.

Khao San Rd in Banglamphu is the traditional budget-traveller centre, but the Sukhumvit Rd area has a better selection of mid-range hotels. Banglamphu and neighbouring Thewet are the best spots for budget eating. If you want to go for a city stroll and experience day-to-day Bangkok, head for Chinatown and Pahurat, the busy Chinese and Indian market districts.

As might be expected from one of Asia's major transport hubs, getting to and from Bangkok is harder to avoid than to engineer. All Thailand's major train and bus routes terminate here and this is a good spot to shop around for local and international travel bargains. Getting around Bangkok is a lead-lined lung and sooty-booger affair, with none of the desperately needed schemes to alleviate traffic congestion breaking out of air-conditioned boardrooms. River or canal journeys are infinitely preferable to road transport but increasingly, tarmac is the only option.

Bangkok's bus system is fairly easy to navigate, but its efficiency is hampered by the snail's pace of traffic (a zippy 13km/h average during commuter hours). Taxis are mostly metered and not too expensive, tuk-tuks (three-wheeled power saws gone berserk) are not much cheaper but have the perilous advantage of being able to weave in and out of choked traffic. Train is the best city-airport connection, taking only half an hour as against up to three hours by bus or taxi.

### **Nakhon Pathom**

Nakhon Pathom, 60km west of Bangkok, is regarded as the oldest city in Thailand and is host to the 127m, orange-tiled Phra Pathom Chedi, the tallest Buddhist monument in the world. The original monument, now buried within the massive orange-glazed dome, was erected in the 6th century by Theravada Buddhists. The chedi has endured various incarnations at the hands of Khmer, Burmese and Chinese refurbishers. There is a floating market nearby at **Khlung Damnoen Saduak**.

### **Ayuthaya**

The 16th-18th century temple ruins at Ayuthaya, 86km north of Bangkok, date from the most flourishing period of Thai history. Ayuthaya was the Thai capital from 1350, and 33 kings of various Siamese dynasties reigned here until the city was conquered by the Burmese in 1767. The old capital was, by all accounts, a splendid city which was courted by Dutch, Portuguese, French, English, Chinese and Japanese merchants. By the end of the 17th century, Ayuthaya's population had reached one million and virtually all visiting foreigners claimed it to be the most illustrious city they had ever seen.

Ayuthaya's scattered temples and ruins have been declared a World Heritage Site. The forbidding list includes the 14th century **Wat Phra Si Sanphet**, the largest in Ayuthaya in its time, which once contained a 16m standing Buddha that was covered in 250 kg of gold. Unfortunately the Burmese conquerors felt obliged to melt it down. The 16th-century, fortress-like **Wat Phra Meru** escaped destruction in 1767 and boasts an impressive carved wooden ceiling, a splendid Ayuthaya-era 6m high crowned sitting Buddha, and a 1300-year-old green-stone Buddha from Ceylon, posed European-style in a chair. **Wat Phra Chao Phanan Choeng** was built in the early 14th century, possibly by Khmers, before Ayuthaya became the Siamese capital. It contains a highly revered 19m Buddha image from which the wat derives its name. A restored **Elephant Kraal** brings relief for those tired of temple-trudging. The huge wooden stockade, built from teak logs planted in the ground at 45 degree angles, was once used during the annual round-up of wild elephants. The king had a special raised pavilion built so that he could watch the thrilling event.

There are frequent buses to Ayuthaya from Bangkok's northern terminal during the day. They take around two hours. Trains are slightly faster and leave frequently from Bangkok's Hualamphong railway station.

## **Chiang Mai**

Thailand's second-largest city and the gateway to the country's north was founded in 1296. You can still see the moat that encircled the original city, and there are 300 wats, including **Wat Chiang Man** (home of the 1800-year-old 10-cm-high Crystal Buddha), **Wat Phra Singh** (built in the classic northern-Thai style) and **Wat Chedi Luang** (partially ruined by earthquake, cannon fire and recent restoration efforts). Doi Suthep, topped by one of Thailand's holiest wats, rises 1676m to the west of the city providing a dramatic backdrop and, should you venture up, fine views of the city.

Modern Chiang Mai is easily managed and very traveller-friendly. It's well known for its restaurants and also has heaps of good guesthouses (although the hotel 'safes' are notoriously not). Compared to Bangkok, Chiang Mai's evenings are cool and conducive to moseying around the central **Night Bazaar**. To get value for money, bargain patiently but mercilessly; no less is expected of you. When you're sick of honing your free-market warrior attitude, Chiang Mai is a good base for mountain treks. Just about every guesthouse advertises treks to visit the hill tribes who live in the surrounding area. You may want to think twice about joining such an excursion if you have qualms about interrupting the traditional patterns of life in hill-tribe areas. This part of Thailand is considerably overtrekked and some hill-tribe villages have been turned into little more than human zoos.

There are air links to Chiang Mai from eight Thai cities plus a handful of Asian cities. Heaps of buses negotiate the 10 to 12-hour trip from Bangkok. Express trains to Chiang Mai from Bangkok take between 12 and 13 hours.

## **Ko Samui**

This beautiful island off south-eastern Thailand is covered with coconut plantations and circled by (call us clichéd but it's true) palm-fringed beaches. It was once an 'untouched' backpackers' mecca, but is now well on its way to becoming a fully-fledged tourist resort. Coconuts are still the mainstay of the local economy, however, and up to two million of them are shipped to Bangkok each month.

The most popular beaches are **Hat Chaweng** and **Hat Lamai**: both have good swimming and snorkelling but are getting a little crowded. For more peace and quiet, try **Mae Nam**, **Bo Phut** and **Big Buddha** on the northern coast. The main town on the island is Na Thon.

Most of the beaches have plenty of rustic, thatched-roofed bungalows but accommodation can still be hard to secure in the high seasons between December and February and July and August. The best time to visit is during the hot and dry season between February and June. There are flights from Bangkok to the island's Don Sak Airport. Several ferry and jetboat companies operate from Surat Thani: express boats take two and a half hours and jet boats take one and a half hours. Local transport comprises songthaews (trucks with two rows of seats in the back), though several places hire motorcycles.

Ko Samui's northern neighbour, Ko Pha-Ngan, is more tranquil, and has equally good beaches and fine snorkelling. Its renowned beach parties at **Hat Rin** are popular with backpackers, though not with the local police. The island is a half-hour boat ride from Ko Samui.

## Phuket

Dubbed the 'Pearl of the South' by the tourist industry, Phuket is Thailand's largest island and lies in the Andaman Sea off the country's south-western coast. The island is connected to the Thai mainland by a bridge, but has retained a distinct culture fused from Chinese and Portuguese influences combining with the culture of the *chao naam*, the indigenous sea-faring people. About 35% of the island's population are Thai Muslims.

The island's terrain varies from rocky beaches and long, broad sweeps of sand to limestone cliffs and forested hills. It has good beaches, tropical vegetation and a pleasant, relaxed atmosphere, but its ambience and ecology are under pressure from extensive and irresponsible development. The main resorts include **Patong**, **Karon** and **Kata**, but better beaches are scattered all around the island. Roads radiate from Phuket Town, in the south-east of the island, making it a good base for exploring. Don't ignore the island's interior which has rice paddies, plantations of rubber and cashew nut, cacao, pineapple and coconut, as well as Phuket's last slice of rainforest.

There are plenty of flights to Phuket from Bangkok. First-class air-con buses take about 14 hours to reach the island from the capital. Local transport includes songthaews, which run to many of the island's beaches, and motorcycle taxis. Motorcycles and jeeps can also be hired by the day. (A law passed in 1996 makes it compulsory to wear helmets, so be sure to get one from the company that rented you the motorcycle - the fine can be up to 500 baht if you fail to comply.)

## Activities

Thailand's two coastlines and countless islands attract schools of water babies. **Diving** and **snorkelling** are particularly popular around Phuket, Pattaya, and the Similan and Surin islands. The islands of Chumphon Province, just north of Surat Thani, are less developed and the reefs here are practically undisturbed. Touring the islands and coastal limestone formations around Phuket and Ao Phang-Nga by inflatable **canoe** has become an increasingly popular activity. The typical sea-canoe tour seeks out half-submerged caves, timing excursions so that they can paddle into the caverns at low tide. Inland **raft** trips are available down the Mae Klong River in central Thailand in Kanchanaburi Province and on the Pai River in Mae Hong Son Province.

Wilderness walking is northern Thailand's biggest draw. Chiang Mai is the main centre for **treks** into mountainous areas inhabited by hill tribes, but there are also trekking areas around Mae Hong Son and Chiang Rai. **Cyclists** favour the flat terrain and lush river scenery of the Mekong River area in the north and north-east of Thailand.

**Meditation study** is a decidedly less sweaty 'activity' popular with many visitors to Thailand. There are dozens of temples and meditation centres dotted throughout the country which welcome sincere guests. Instruction and accommodation are free of charge, though donations are expected. There are centres which provide instruction in English in Bangkok and Chiang Mai, amongst others.

## History

The earliest civilisation in Thailand is believed to have been that of the Mons in central Thailand, who brought a Buddhist culture from the Indian subcontinent. In the 12th century, this met a Khmer culture moving from the east, the Sumatran-based Srivijaya culture moving north, and citizens of the Thai state of Nan Chao, in what is now southern China, migrating south. Thai princes created the first Siamese capital in Sukhothai, later centres in Chiang Mai and, notably, Ayuthaya.

The Burmese invaded Siam in both the 16th and 18th centuries, capturing Chiang Mai and destroying Ayuthaya. The Thais expelled the Burmese and moved their capital to Thonburi. In 1782, the current Chakri dynasty was founded by King Rama I and the capital was moved across the river to Bangkok.

In the 19th century, Siam remained independent by deftly playing off one European power against another. In 1932, a peaceful coup converted the country into a constitutional monarchy, and in 1939 Siam became Thailand. During WW II, the Thai government allowed Japanese troops to occupy Thailand. After the war, Thailand was dominated by the military and experienced more than twenty coups and countercoups interspersed with short-lived experiments with democracy. Democratic elections in 1979 were followed by a long period of stability and prosperity as power shifted from the military to the business elite.

In February 1991 a military coup ousted the Chatichai government, but bloody demonstrations in May 1992 led to the reinstatement of a civilian government with Chuan Leekpai at the helm. This coalition government collapsed in May 1995 over a land-reform scandal but replacement Prime Minister Banharn Silpa-archa was no better. Dubbed a 'walking ATM' by the Thai press, he was forced to relinquish the prime ministership just over a year later after a spate of corruption scandals. Ex-general and former deputy PM Chavalit Yongchaiyudh headed a dubious coalition until late 1997, when veteran pragmatist Chuan Leekpai retook the reins.

In 2000, Thaksin Shinawatra and his 'Thai Loves Thai' party had a landslide victory in national elections. Thailand's new leader is popular, but is embroiled in a scandal involving allegedly false declarations of assets that could cost him the premiership. The controversy is grist for Thai cynics who will tell you that, despite all the leader-swapping, things *never* change. Widespread vote-buying and entrenched corruption make a joke of democracy, and until this is rectified Thailand's claims to democratic status and political stability will remain as shaky as ever.

In 1997 the Thai baht pretty much collapsed, dragging the economy (and many other South-East Asian economies) down in a screaming heap. In August the International Monetary Fund stepped in with a bailout package of austerity measures, which - although it slowed Thailand's growth dramatically and hit the poor hardest - seemed to have turned things around by early 1998. By the turn of the new century, Thailand's economy had stopped going into free fall, but rebuilding had only just begun. Genuine attempts to weed out corruption seem underway, but the poverty-stricken members of Thailand are still wary of promises and agitating for more reforms.

Over recent months, the relatively new Thai Rak Thai Party (Thais Love Thais), led by Thaksin Shinawatra, emerged as a force in Thai politics and saw many sitting MPs defect to its ranks. In parliamentary elections (January 2001), Thai Rak Thai trounced Prime Minister Chuan Leekpai's democrats and will form a new coalition government in Thailand's first election under a new constitution designed to reduce electoral fraud. Nonetheless, allegations of corruption caused the Electoral Commission to run revotes in sixty-two constituencies.

## Culture

Monarchy and religion are the two sacred cows in Thailand. Thais are tolerant of most behaviour, as long as it doesn't insult one of these. Buddhism is the dominant religion, and orange-robed monks and gold, marble and stone Buddhas are common sights. The prevalent form of Buddhism practised is the Theravada school, which emphasises the potential of the individual to attain nirvana without the aid of saints or gurus. Make sure you are suitably dressed when visiting a temple - no shorts or singlets.

Thai is a complicated language with its own unique alphabet, but it's fun to try at least a few words. The main complication with Thai is that it is tonal: the same word could be pronounced with a rising, falling, high, low or level tone and could theoretically have five meanings!

Thai art, principally sculpture and architecture, is divided into a number of historical styles beginning with Mon (6th-13th C), Khmer (7th-13th C), Peninsular (until 14th C), Lan Na (13th-14th C), Sukhothai (13th-15th C), Lopburi (10th-13th C), Suphanburi-Sangkhlaburi (13th-15th C), Ayuthaya A (1350-1488), Ayuthaya B (1488-1630), Ayuthaya C (1630-1767) and Ratanakosin (19th C to present). Classical Thai music and theatrical dance are also popular artistic forms.

Thai cuisine is pungent and spicy, seasoned with heaps of garlic and chillies and a characteristic mix of lime juice, lemon grass and fresh coriander. Galanga root, basil, ground peanuts, tamarind juice, ginger and coconut milk are other common additions. Fish sauce or shrimp paste are mainstays of Thai dishes, and of course rice is eaten with most meals. Main dishes include hot and sour fish ragout, green and red curries, various soups and noodle dishes. Thai food is served with a variety of condiments and dipping sauces. Snacks and appetisers include fried peanuts, chicken, chopped ginger, peppers and slices of lime. There is an incredible variety of fruit available, either fresh or juiced. Sugar-cane juice and, for something stronger, rice whisky are favourite local tipples.

## **Environment**

Thailand shares borders with Malaysia, Myanmar (Burma), Laos and Cambodia. The country's east coast borders the Gulf of Thailand and the west coast abuts the Andaman Sea. The country is divided into four main zones: the fertile, central plains of the Chao Phraya River; the poorer region of the 300m (985ft) high northeast plateau; the fertile valley and mountains of Northern Thailand; and the rainforested southern peninsula. The highest peak is the 2596m (8512ft) Doi Inthanon in Chiang Mai province.

One-fifth of Thailand is covered by monsoon forest or rainforest, and the country has an incredible array of fruit trees, bamboo and tropical hardwoods. There are 80 national parks and 32 wildlife sanctuaries, covering 13 per cent of the country. They contain more than 850 resident and migratory species of birds and dwindling numbers of tigers, leopards, elephants and Asiatic black bears. Unfortunately, attempts to stop the logging of rainforests and illegal trafficking in endangered species are fighting an uphill battle against corruption, officials only too happy to make a buck on the side, and tourists packing an exotica or two down their dacks as they walk through customs. The tiger, for instance, is one of the most endangered of Thailand's mammals but the market for tiger organs, particularly in China, is so lucrative that poaching is still a viable career option.

Overdevelopment on Ko Phi Phi is starving the coral reefs of sunlight and smothering the surface in pollutants: the destruction of the reef is a micro-example of the problems occurring on a national scale, with the finger being pointed in the direction of tourism. In May 1999, protestors packed the beach where the filming of 'The Beach' was taking place: environmentalists were concerned that filming would destroy the delicate eco-balance of the beach. Ironically, the film was about the destruction of native cultures and environments by hordes of dropped-out, alternative life-seeking backpackers (curiously, the filmmakers were silent on the issue of hordes of filmmakers destroying delicate eco-balances). One of the main culprits according to the Alex Garland, author of the best selling novel, is Lonely Planet.

Thailand's climate is ruled by monsoons that produce three seasons in northern, northeastern and central Thailand and two in southern Thailand. Generally the 'dry and wet monsoon climate' arrives sometime between May and July and lasts into November. It is followed by a dry season from November to May in which temperatures are relatively lower until February and then begin to soar from March to May.

## **Geography**

Situated in the heart of the Southeast Asian mainland, Thailand covers an area of 514,000 square kilometers. It is bordered by Laos to the Northeast, Myanmar to the North and West, Cambodia to the East, and Malaysia to the South.

Thailand is naturally divided into four topographic regions: 1) the North, 2) the Central Plain, or Chao Phraya River Basin, 3) the Northeast, or the Korat Plateau, and 4) the South, or Southern Isthmus. The North is a mountainous region characterized by natural forests, ridges and deep, narrow, alluvial valleys.

Central Thailand, the basin of the Chao Phraya River, is a lush, fertile valley. It is the richest and most extensive rice-producing area in the country and has often been called the "Rice Bowl of Asia." Bangkok, the capital of Thailand, is located in this region.

The Northeastern region, or Korat Plateau, is an arid region characterized by a rolling surface and undulating hills. Harsh climatic conditions often result in this region being subjected to floods and droughts.

The Southern region is hilly to mountainous, with thick virgin forests and rich deposits of minerals and ores. This region is the center for the production of rubber and the cultivation of other tropical crops.

## **Climate**

Thailand is a warm and rather humid tropical country. The climate is monsoonal, marked by a pronounced rainy season lasting from about May to September and a relatively dry season for the remainder of the year. Temperatures are highest in March and April and lowest in December and January. The average temperature is 23.7 to 32.5 degrees Celsius.

## **Agriculture**

Thailand is a fertile country, and agriculture, which broadly includes crop cultivation, forestry, livestock breeding, fisheries and mining, is the Thai economy's largest and most important sector. Rice forms a staple part of the Thai diet; and while it is still the basis of the rural economy, it has been joined by newer, increasingly important export crops like sugar, tapioca, maize, pineapples, rubber, coconuts, and kenaf. Raw cotton and soybeans are also produced for export and tobacco production is on the rise. Vineyards have been planted and Thai vintners hope to turn out quality wines in due course.

Tropical fruits, including more than 20 varieties of edible bananas, are grown in abundance, and intensive livestock breeding includes cattle, poultry and swine rearing. Thailand has a large fishing fleet operating from its 800-kilometer Indian Ocean and 1,800-kilometer Gulf of Thailand coasts. Thailand ranks among the world's top ten nations in the fishing industry in terms of total catch and export. Fishing is the third largest activity after crops and livestock.



## **Manufacturing**

Modern industry is making an appearance in a number of areas throughout the country. Thailand's rapidly growing manufacturing sector includes processing facilities for rice, wood, sugar, fruits and seafood, refineries for oil and ore. There are also assembly plants for integrated circuits, automobiles, agricultural machinery, household appliances, diesel engines, drilling and welding machines. Factories produce items as diverse as textiles, furniture, ceramics, pharmaceutical products, artificial flowers and animal feeds, and industrial plants manufacture aluminum, glass and cement. Thailand's manufacturing sector faces a bright future, thanks to skilled, low-cost labor, keen market appreciation and a freely competitive economic system.

## **National Days**

December 5, the birthday of His Majesty King Bhumibol Adulyadej, is generally regarded as National Day. This day is a public holiday.

## **National Holidays**

January 1	New Year's Day
February 8	Makha Puja Day
April 6	Chakri Day
April 13-17	Songkran Festival
May 1	Labour Day
May 5	Coronation Day
May 7	Visakha Puja Day
May 16	Ploughing Ceremony
July 5	Asalha Puja Day
July 6	Khao Phansa Day (Buddhist Lent)
August 12	H.M. The Queen's Birthday
October 23	Chulalongkorn Day
December 5	H.M. The King's Birthday
December 10	Constitution Day
December 31	New Year's Eve

## **National Symbol**

The Thai national and royal symbol is the Garuda, a mythical half-bird half-human figure (steed of the Hindu god Vishnu) that adorns King Bhumibol Adulyadej's scepter and royal standard. Many ministries and departments have incorporated the Garuda into their insignias. Moreover, the Garuda signifies "By Royal Appointment," and is awarded, at the personal discretion of His Majesty the King, as a sign of royal approval to companies that have rendered outstanding economic and charitable services to Thailand.

## **National Color**

Thailand has no official national colors, although red, white, and blue, inspired by the colors of the Thai flag are used on appropriate occasions.

## **National Dress**

Although there is no official national dress, the traditional dress has been adopted as the unofficial national costume and can be seen on both formal and informal occasions. For women, it is a full-length pasin - a rectangular piece of cloth worn like a skirt or sarong - generally made of Thai silk. The pasin can be of any color and generally has contrasting bands around the hem. It is worn with a long-sleeved silk blouse. On formal occasions a sash may be worn across the breast from the left shoulder to the right part of the waist. For men, the traditional dress is trousers with a "seua phra ratchathan", a short-sleeved shirt (long-sleeved for formal occasions) with a high collarless neck. On formal occasions, a cummerbund is tied around the waist.

## **The National Anthem**

The national anthem is played on all ceremonial occasions of national importance and while the national flag is being raised and lowered. Professor Phra Jenduriyang composed its music in 1932, while the lyrics, as presently constituted, were written in 1939 by Colonel Luang Saranuprabhandh. A literal translation is as follows:

Thailand is the unity of Thai blood and body, The whole country belongs to the Thai people,  
Maintaining thus far for the Thai, All Thais intend to unite together,  
Thais love peace, but do not fear to fight, They will never let anyone threaten their independence,  
They will sacrifice every drop of their blood to contribute to the nation,  
Will serve their country with pride and prestige-full of victory.

Chai Yo.

## Samut Sakhon ✓

Samut Sakhon was formerly called "Tha Chin" Probably because, in the old days, it had been a trading port dealing with a vast number of Chinese junks. In 1548, a town named "Sakhon Buri" was established at the mouth of the Tha Chin River. It was a centre for recruiting troops from various seaside towns. The name of the town was changed into "Mahachai" when khlong (canal) Mahachai was dug in 1704 to join the Tha Chin River at the town. Later, the town was renamed "Samut Sakhon" by King Rama IV but it is still popularly called "Mahachai" by the villagers.

Samut Sakhon occupies a total area of 872 square kilometres and is administratively divided into 3 districts: Muang Samut Sakhon, Krathum Baen, and Ban Phaeo. It is a major fishing port and also the biggest producer of brine salt.

The town is located 28 kms. from Bangkok along Highway No.35 the Thon Buri – Pak Tho Highway. It is also accessible by train from the Wongwian Yai Railway Station in Bangkok.

## Phetchaburi ✓

Phetchaburi, an important royal fort during the Ayutthaya period, now serves as a major stop for sightseeing before continuing down south by road or rail to other beach towns in Southern Thailand. The Province is worth visiting for its splendid historical park and ancient temples, wonderful beaches and caves, as well as a great variety of local food.

Phetchaburi occupies an area of 6,225 square kilometres, characterised by thick jungles and mountain ranges lying in the west as a border between Thailand and Myanmar, and 80 km. Long coastline towards the Gulf of Thailand in the east.

Phetchaburi is divided into 8 districts (Amphoes): Muang Phetchaburi, Ban Laem, Ban Lat, Chalam, Kaeng Krachan, Khao Yoi, Nong Ya Plong and Tha Yang

## Maha Sarakham ✓

Maha Sarakham is situated in the middle of Isan. Although small in size, the province is considered to be a regional education centre and it is the site of the ancient Dvaravati city of Nakhon Champa Si.

Maha Sarakham is 470 Kilometres from Bangkok and has an area of approximately 5,291 square kilometres. The province is divided into the following districts: Muang, Kantharawichai, Kosum Phisai, Wapi Pathum, Borabu, Phayakkhaphum Phisai, Na Chuak, Chiang Yun, Na Dun, Kae Dam, Yang Si Surat, Kut Rang and Chun Chom.

## Khon Kaen ✓

Khon Kaen is a province situated right in the centre of the Northeast. This is an area where prehistoric communities once thrived and where the first dinosaur fossils were found in Thailand. It has developed into a large and prosperous city of the region with a fascinating cultural heritage.

Khon Kaen is 445 kilometres from Bangkok and has an area of about 10,886 square kilometres. It comprises the districts of Muang, Ban Phai, Phon, Nam Phong, Chum Phae, Phu Wiang, Mancha Khiri, Nong Rua, Kranuan, Nong Song Hong, Chonnabot, Si Chomphu, Waeng Noi, Ubonrat, Ban Eang, Khao Suan Kwang, Phra Yun, Waeng Yai, Puai Noi, Phu pha Man, Khok Pho Chai, Nong Na Kham, Sam Sung and Ban Haet.

## Roi Et ✓

Roi Et is a province in the lower Northeast. It is the land of Thung Kula Rong Hai that was formerly regarded as a wasteland. However, it is now the one of the sources of high-quality rice in the country.

Roi Et has an area of about 8,299 square kilometres, consisting of the following districts: Muang, Thawat Buri, Selaphum, Phon Thong, Nong Phok, At Samat, Phanom Phrai, Chaturaphak Phiman, Kasat, Wisai, Suwannaphum, Pathum Rat, Pho Chai, Muang Suang, Phon Sai, Moei Wadi, Si Somdet, Chang Han, Chiang Khwan, Nong Hi and Thung Khao Luang.

## Nakhon Ratchasima ✓

Nakhon Ratchasima, or "Khorat," is a large province on the northeastern plateau and is like the gateway to other provinces in the Northeast. It is 259 Kilometres from Bangkok and has an area of around 20,494 square kilometres. The province is rich in Khmer culture and has a long history. It also has beautiful nature, with many forests, mountains, waterfalls, and reservoirs. Furthermore, it is well known for a variety of quality handicrafts that visitors can choose from.

## ***Policy of CPD***

## Policy of Cooperative Promotion Department on Women for the Year 2002

### 1. Economy

- Understandings of women about producing and processing with environmentally friendly approaches by use of local materials and folk wisdom will be increased through the formation of cooperatives.
- Financial assistance will be provided sufficiently for the investments of the processing and production development groups.
- Good marketing practices by creating networks with private sector and by establishing product trading center will be promoted.

### 2. Participation

- Gender equality will be encouraged to provide equal opportunities for women at management level.

### 3. Social

- More recognition of women leaders through presenting awards will be taken into practice.
- Training courses related to strengthening women leadership will be implemented.
- Women participation in community activities will be more encouraged.

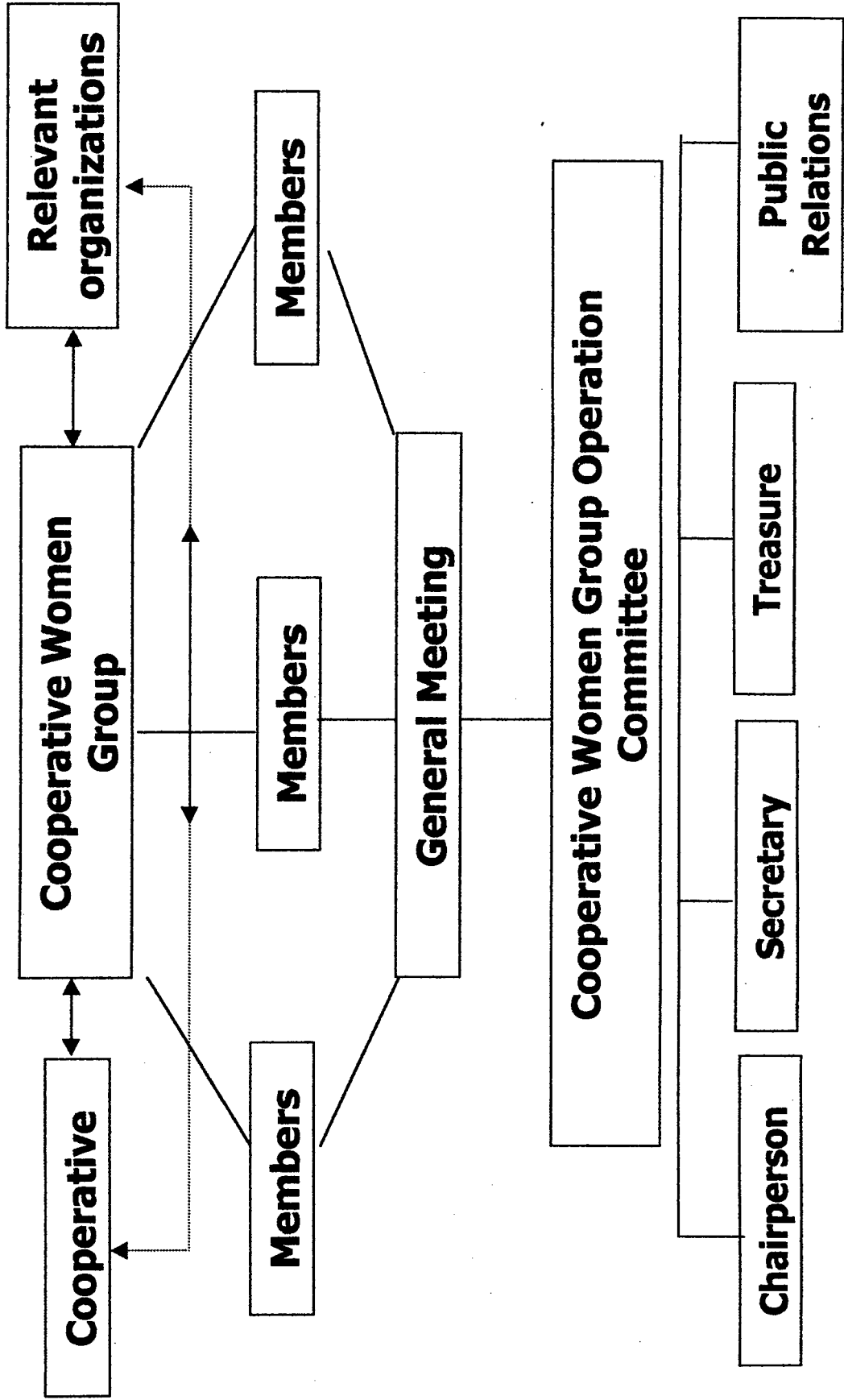
### 4. Environment

- Decreased use of chemicals or toxins in farming, processing, and marketing in women group activities will be supported.
- Education to women on environmental and natural resource management will be promoted for ensuring that the quality of life and peacefulness in their families and community will be sustainable.

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**Structure  
Of  
Cooperative Women Group**

# Structure of Cooperative Women Group





***Cooperative Women Groups'  
Activities***

**Ban Kaset Pattana Cooperative Women Group**  
**(Processing of Juice and Herbal Juice)**

Samutsakorn Province

.....

SAMUT SAKHON

**Historical Background**

The Group was established in 1997 located at 64/1 Moo 4, Sasiut Lane, Kaset Pattana Sub-district, Ban Paew District, Samutsakorn Province, and affiliated Ban Paew Agricultural Cooperative, Ltd. Initially, there were 50 members with the capital of 6,400 baht. The reason of forming group was that the price of the agricultural produces at that time was low, not to cover the cost for investment, and people wanted to have their produces processed to add value. The forming of the group would ease to be granted the subsidy and the technical contribution from the Cooperative. Later, the Cooperative organized the training course for the Group on agricultural produce processing lectured by the experts from Kasetsart University, Bangkhaen, Bangkok. The fruit processing covers 6 types of fruits, namely, guava, grape, lemongrass, aloe, coconut and corn. All of the Group's product quality is certified by the Food and Drug Administration.

In 2001 the Group's product was selected to take part in "One Tambol, One Products Project" organized by the Cooperative Promotion Department, Ministry of Agriculture and Cooperatives. In the same year, the Group received the subsidy amounting to 700,000 baht for reconstructing the office and providing materials amounting to 280,000 baht, and the remaining of 420,000 baht for the revolving fund. Presently the Group can produce 4,000 glasses of juice in a month.

160,000 Baht Per Day  
12% & 18% = 8

**Strong Points:**

**Production**

1. The products are certified by the Food and Drug Administration, Ministry of Health.
2. Processing is not complicated.
3. All raw materials are available in the area.
4. No antiseptics used in processing that assures the customers.

**Marketing**

1. Types of products are easy to consume;
2. Useful to health;

3. Cheaper prices comparing to other brands

**Weak Points:**

**Production**

1. Kept in low temperature;
2. Short shelf life (in case kept in low temp, lasted for 10 days since the day of production),

**Marketing**

1. Markets are not large.
2. High competitive;
3. Not full public relations.

**Opportunities:**

1. Promise markets are increasing, especially those in downtown and nearby provinces.
2. Since many tourism attractions in the Province are developed and that will become other markets for their products.
3. If the processing is standardized to the international recognition, the opportunity to export the products will be possible.

**Limitations:**

1. Products cannot be processed much in a time.
2. Markets in hand are not much.
3. Lack of the qualified personnel in marketing and production.

**Recommendations:**

1. The Cooperative should conduct the training course for the Group which should be trained on production and marketing.
2. Manufacturing and packaging should be developed its quality and design.
3. The government organization should promote the exportation by seeking foreign marketing.
4. The government should provide the technical and some technique assistance in production and marketing.

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1/9

**One Tambol, One Product Project**  
**Bencharong Ware**  
**Krathumban Cooperative Women Group**  
**Samutsakorn Province**

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**Background:**

The Group was formed on 20 July 2002 as titled Krathumban Cooperative Women Group under Krathumban Agricultural Cooperative, Ltd. Presently, there are 30 members with current share of 1,500 baht. The Group was given subsidy by CPD amounting to 80,000 baht.

**Products:** Bencharong ware, vase, earthen jar with a lid, kettle set and water glass

**Operation:** performed following regulations prescribed by CPD

**Address:** Krathumban Agricultural Cooperative, Ltd. 56 Moo 3, Klongmadue Sub-district,

Krathumban District, Samutsakorn Province

Tel: 66 – 34 – 471013 Fax: 66 – 34 - 848218

Hubkapong Cooperative Women Group

(Sisal Products)

Petchaburi Province

PHETCHABURI

Background

It was in 1964 while His Majesty the King paid visit to his subjects in the districts nearby Hua-Hin, he <sup>had</sup> found that a group of 83 families of vegetable growers were troubled with shortage of land for their farming. Therefore, he accepted this farmer group under his royal patronage. Later on, it came up with the establishment of Hubkapong Land Development project which has been under supervision of the Hubkapong Cooperative Demonstration Center, Cooperative Promotion Department. The Centre allocated a part of land for crop experimentation plots such as asparagus, tomato, sugar cane, pineapple and red roselle.

In 1972, their Majesty the King and Queen had initiated to use deteriorated land for sisal cultivation which undergoes all the weather, Her Majesty the Queen introduced the cooperative member housewives in Hubkapong Village to utilize sisal fibers for making basketary work products to increase families income and for better living.

In 1981, the Queen accepted Hubkapong Cooperative Women Group under her royal patronage called "Hubkapong Sisal Art Cooperative Women Group"

At present, the Group produces sisal products for selling and has opened the well-known distribution center.

**Benefits of Sisal:**

To industry:

1. Used to shine iron or stainless steel products
2. To make a special string for heavy loading
3. To make a mat
4. To be a material for construction.

To handicraft:

1. To be a material for basketary work such as hats, handbags and shoes
2. To make a special fiber.

**To agriculture:**

1. Its fiber can be produced fertilizer.

**To medical supplies:**

1. To be extracted an antibiotic.

**Factors to Production:**

1. Materials: consisting of

1.1 Cooperative providing material such as finished-knitted sisal; and

1.2 Member themselves providing material such as cloth (made of chemical, sponge or velvet), chemical substance (for washing sisal), and other equipment.

2. Machines: sewing machine, thread and scissors

3. Labours: members

**Procedure:**

1. Preparing sisal by separating fibers from its leaves that can be done by hand or by machine.
2. Knitting those fibers and decorating by scissors.
3. Dyeing the knitted sisal fibers, then cleaning in water before exposing to the light.
4. Sewing the knitted sisal fibers according to the shape designed to make hats, handbags or belts.
5. Proving the quality of finished products by the Cooperative Committee.
6. Certifying the products by Cooperative Product Standard Committee.

**Marketing:**

Products are distributed through

1. Members; they fix the price of each products and place it at the Cooperative shop, under condition that Cooperative can plus 10 baht for each item.
2. Hubkapong Agricultural Cooperative, Ltd.; it brings products from the group for sale at the store.
3. Selling the products at the distribution centre.
4. Trading Fairs organized by the government organizations
5. 4 Retailing Stores

## **Strong Points:**

### **Production**

1. The sisal trees can be easily grown on whatever condition of land.
2. New members have to pass the strict recruitment.
3. The Group sets up the administration for themselves.
4. The Group is supported under Her Royal Patronage.
5. The products are durable and beautiful.
6. The products are certified by Cooperative Product Standard Committee.
7. The products can be produced all year round.

### **Marketing**

1. The products are acceptable to customers.
2. The products are qualified and certified to titled Standardize Cooperative Products.
3. The Group is promoted by the relevant government organizations.

## **Weak Points:**

### **Production**

1. Sisal sources in the area are insufficient, so it must seek a new source from other places.
2. It needs high cost of investment.
3. The Group lacks specializing personnel in production and designing.
4. Lack of investment.

### **Marketing**

1. Markets are not extended, only in the local area;
2. No marketing plan;
3. No public relations;
4. No marketing personnel
5. The style of products is out of date.
6. Many of competitors keep eyes on the Group's move.
7. The Cooperative cannot fix the prices.

**Opportunities:**

1. Chances to add value of products by keeping the style up date.
2. The increasing plantation can reduce the cost of investment.
3. Domestic and foreign markets can be promoted.
4. The Groups and the Cooperative can earn more income.

**Limitations:**

1. Sisal plantation is not popular among members because of low remuneration.
2. Because of high price, the products are popular among specific group.
3. Placed on only in Cooperative shop, so markets are not wide and can be sold to tourists and visitors.

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One Tambol, One Product of  
Tah Kham Sammakki Credit Union Cooperative Women Group, Ltd.  
Lemon Processing  
Petchaburi Provincial Cooperative Office  
.....

**Background:**

In 1926, farmers in Tah Yang District initiated to grow lemon. With fertile land and completed irrigation system, lemon grown in this area had good taste, fragrance and fine skin which was unique from ones in other places. Farmers could earn a lot from lemon till it became a cash crop. Until in 1997, the price of lemon dropped to the lowest point, 3 baht per 100 lemons. That did not cover the cost. People tried to solve the problem by growing lemons out of season. That could not work out. Farmers were still encountering the going-down price problem every year. Phoe Thong Housewife Group, members of Tah Kham Sammakki Credit Union Cooperative, Ltd. had an idea to process lemons to add value of products as instant lemon powder, readymade-drinking lemon powder, three-taste lemon skin and sour preserved lemon. So they form as Tah Kham Sammakki Credit Union Cooperative Women Group, Ltd., and carried out the activities advised by Petchaburi Provincial Cooperative Office, Cooperative Promotion Department.

Currently there are 50 members administrated by committee. In 2001 the Group was selected by CPD to participate in One Tambol, One Product by receiving subsidy amounting 900,000 baht for management.

**Marketing:**

1. Products are placed for sale at the Group office
2. Members take products for display and distribution in trading fairs.

**Strong Points:**

Production

1. Raw materials are available in the area and nearby places.
2. Labors used are from members only.
3. Capital received by the government is sufficient.
4. Products are available all year round.

/Tah Kham Sammakki Credit Union Cooperative Women Group, Ltd.

### Marketing

1. Products are acceptable to customers.
2. There are no competitors.
3. The Cooperative can fix the price itself.
4. Because of its unique products, Media contribute in public relations.
5. The Group is supported by the government.

### Management

1. The Group prescribes the regulations for its operations.
2. The members are honest, sacrificed and reliable.

### **Weak Points:**

#### Production

1. The Group has not its own land or workshop.
2. The products have not received the certification from Provincial Food and Drug Administration.
3. Packaging of the products has no standard.

#### Marketing

1. Markets are not expanded.
2. There is no marketing plan.
3. The Group lacks the qualified persons specializing in marketing.

#### Management

1. The account system is not good.
2. No qualified persons specialize in account.
3. The Group is not much supported by the Cooperative.

### **Opportunities**

1. Raw materials and labours are sufficient production.
2. Sufficient fund is available for increasing production.
3. The productivity can be increased to meet the demand.
4. The capacity to increase domestic and foreign markets is high.

5. The products are unique and attracting the customers.
6. There is no problem of unemployment; and members can earn more income.
7. Since the products are under the implementation of the One Tambol, One Product Project, the opportunity to succeed is high.

**Limitations:**

1. The Group has no own workshop.
2. The products are not certified by Provincial Food and Drug Administration.
3. Some products need improving the quality.
4. Packaging has no standard.
5. No personnel specializes in packaging and marketing

**Recommendations:**

1. The Cooperative should encourage the Group continuously and intentionally.
2. The Cooperative should support the loan to the Group for purchasing land and workshop.
3. The Cooperative should make public relations to the products.
4. The Cooperative should expand markets for products.
5. The Group should make the provable and precise account system.
6. The government should give the technical assistance on packaging and marketing.

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5

One Tambol, One Product Project

Products from Palm Sugar

Nong Prong Samakki Water User Cooperative Women Group, Ltd.

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Background:

This group was formed in 2001 with 26 members at the beginning. The objectives were to increase the role of the Group and power of bargaining, to increase more members' income, and to add value of remaining materials through reprocessing.

Expected Result:

1. Members have more income.
2. Packaging style is acceptable to markets.
3. Packaging is improved to facilitate the transportation.
4. The remaining natural materials can be reprocessed to add its value.

5,000 40, m - 2001  
 40, m - 2002  
 25, m for training  
 VIDEO Presentation on internet

Procedure:

Cutting old sugar palm trunks, sawing, turning with a lathe to make a shape as designed, and shining.

Marketing:

The Group has 2 marketing channels: wholesale for Nong Prong Samakki Agricultural Cooperative, Ltd.; and retail for Jatujak Open Market in Bangkok.

→ 410 3 of  
 160 or more  
 All members by 1 2 4

Constraints:

Markets are not wide. And quality of products is not yet certified from any recognized organizations.

One Tambol, One Product Project  
(Products from Reed)

(MAT WEAVING)

of

Ban Paeng Cooperative Women Group,

Kosum Phisai Agricultural Cooperative, Ltd., Mahasarakam Province

..... MAHA SARAKHA

**Historical Background:**

Ban Paeng Village is in Paeng Sub-district, Kosum Phisai District, Mahasarakam Province, in the Northeast of Thailand. Most population is engaged in rice farming. The cultivation depends on the weather. However, most planting area is fertile plain and abundant water sources; people can do farming all year round. Apart from abundant rice, reed is widely grown in such area. Traditionally, people woven mat from reed for household use. Later women in the village formed as cooperative housewife group and made the reed weaving with the aim of earning supplementary income out of farming season. Firstly in 1992, the group was made up of 28 members. The initial activity was distributing or exchanging the reed woven mat among the nearby villages. When the group became bigger and some of them are members or members' wives of Kosum Phisai Agricultural Cooperative, Ltd.; they were promoted to form as Ban Paeng women group. There are currently 120 members and the group has been launching One Tambol, One Product Project after proposing the Project for subsidy from Cooperative Promotion Department (CPD) according to its policy to extend and promote the women groups.

**Operation:**

Initially, the Group was contributed by Provincial Community Development Office in giving the advice in forming a group of people who were individually weaving the reed mat, including processing. The initial investment for providing materials in reed weaving was from the saving fund of the members. Later the Group had adapted the existing reed mat style to the easier use. Therefore, Kosum Phisai Agricultural Cooperative, Ltd. lent the Group a sewing machine for connecting small pieces of reed mats to a big one. The finished woven mat would be able to be folded and easily carried.

**Productivity:**

Each weaving needs 2 persons; one for inserting reed fiber into the weaving machine, the other for weaving. The size of complete mat is 1 X 1.80 m. Two of them can produce 3 pieces of mats in a day by the whole process starting from preparing the reed ready for weaving to the complete one. Then they will sell to the group 100 baht a piece, and altogether 300 baht for 2 persons. For a month all members can produce 4,400 pieces.

**Marketing:**

The reed mats and other reed products are distributed to the domestic and foreign markets followings:

- 1) Ban Paeng Cooperative Women Group Office located at 1 Ban Paeng Village, Paeng Sub-district, Kosum Phisai District, Mahasarakam Province administrated by Mrs. Saengchan Moonphoe, a chairperson of the Group;
- 2) Local markets in the province and markets in nearby provinces: the member representatives bring them to display in different product fairs such as "Producers from Cooperative meet Consumers Fair", or other trade fair organized by the government organizations;
- 3) Japan, Mynmar, Lao and Cambodia.

**Constraints:**

1. Production needs high cost but market price is consistent.
2. Weaving uses many labors but gives fewer products.
3. More woven mats by the machines are highly popularizing.
4. Products lack delicacy in weaving.

**Strong Points:****Production**

1. More process and criteria are used to select members.
2. Most raw materials used in production are available in the area.
3. The reed mats and reed products can be produced all year round.
4. All products are initiated by the real traditional wisdom.

- **Marketing**

1. All products are sold in collective.
2. The products can be distributed all year round.

**Weak Points:**

**Production**

1. The quality of weaving is not consistent.
2. The Group still uses the former knowledge in production.
3. The quality of product is not standardized.

**Marketing**

1. The Group lacks public relations to their own products.
2. Markets are not definitely consistent.

**Opportunities:**

1. Members can earn more income.
2. The Group can increase the marketing channel through processing such as reed light lamp or reed handbag.
3. The Group could expand its markets if the quality of the product is improved.
4. The Group can add value to the products if they design in wide ranges of styles.

**Limitations:**

The Group lacks the qualified personnel with knowledge of coloring and designing, or with knowledge of expanding the marketing channel.

**Recommendations:**

1. The government and the private sectors should promote the public relations and take part in campaign using more local products.
2. The Group should build the linkage among other cooperatives to widely expand its markets.
3. The members should be encouraged in improving the efficiency of production to enable to produce in wide ranges of processing as the demand of market.

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## Reed Weaving Group

### Ban Nongbua Dimi Cooperative Women Group

7

Group - 25, m. Bukt  
Aplon Bud 25, m. "  
J. Markes - 30

#### Background

The Group officially formed on 1 October 2001 as Ban Nongbua Dimi Cooperative Women Group, under Tah Pra Credit Union Cooperative, Ltd.,

#### Objectives to form a group

1. To educate the group in reed weaving
2. To increase income in members' families and make the community prosperous
3. To reduce unemployment and drug addiction problems.

#### Targets:

1. Members can make weaving work systematically and quality products.
2. Woven reed can be sold fairly and acceptable to markets.
3. Woven reed from the Group can be a model of One Tambol, One Products Project.

#### Outputs:

1. Members can be self-reliant.
2. The economic of the community is growing.
3. Families and community can earn more income through supplementary occupation.

#### Material:

1. Reed is available in the local area.
2. Reed can be grown in even the housing area.

#### Group Activity:

Members can individually make reed weaving in their own house, or gather in group at the community hall to collectively make it.



**Operational Results:**

1. 30 members can weave 15 pieces of reed mats, members can earn 1,500 baht/month.
2. Members sell reed mats in the local market at 200 baht/piece.
3. The group was selected to joint One Tambol, One Product Project.
4. Dyeing and selecting materials are advised by the officers from CPD and Regional Industry Office in Khon Khaen Province.

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One Tambol, One Product of Ban Phai Weaving Service Cooperative, Ltd

Tied-up Silk

Khonkaen Provincial Cooperative Office

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**Background:**

Ban Phai Weaving Service Cooperative, Ltd. was registered as Cooperative in 1992.,  
Currently, there are 208 members scattering in

1. Ban Thanon ngarn, Ban Han Sub-district for 89 persons
2. Ban Muang Pia, Muang Pia Sub-district for 38 persons
3. Ban Hua Nong, Hua Nong Sub-district for 46 persons
4. Ban Non La Mom, Ban Phai Sub-district for 34 persons

**Tie-up Weaving Silk:**

Tie-up weaving silk is a typical occupation of members. This kind of silk is woven from dyed silk threads, in vertical and horizontal line. The style appearance is significantly unique. Previously, the ancestors had done it for household use. Currently, 80% of woven silk are for sale, the rest of 20% are for household use. The types are different to manufacturing techniques such as 2 or 3 line crossing.

**Procedure:**

There are 3 main activities in manufacturing: preparing the vertical threads, preparing the horizontal threads and weaving. The procedures of those activities as follows:

1. Preparing the vertical threads by cleaning, washing, dyeing, pulling, tying up silk threads to the machine, called "fuem" and stretching them to each side of the machine ready for weaving. The average length of vertical threads is 20 m.
2. Preparing the horizontal threads by selecting quality of silk threads, equaling the threads, washing, dyeing, tying up the dyed threads for continuing dyeing, untying and spinning.
3. Weaving: weaving across the vertical threads and horizontal threads.

Cooperative members have woven silk clothes all year round. Each member can weave the silk 30 – 30 pieces.

**Marketing:**

1. Silks are sold in markets in Ban Phai District, Khonkaen Province, and in Bangkok. The Board Committee will display and distribute those silks in various fairs organized both private and government organizations such as Silk Fair, Cooperative Product Fair and Customer Meet Consumer Fair.
2. The Cooperative will have a plan to place its products at the Distribution Center for One Tambol, One Product Project Center located in the front of Ban Phai District Office, official opening in March 2002.

**Strong Points:****Manufacturing**

1. Silks from the Cooperative are recognized widely.
2. It can be manufactured to the market all year round.
3. It is a kind of conserving typical handicraft from the ancestors

**Marketing**

1. All silks are collected from the members and sell through the Cooperative. That establishes the power of bargaining.
2. The silks can be distributed all the round.

**Weak Points:****Manufacturing**

1. The Cooperative lacks knowledge and skill of colouring; and design is out of date.
2. Quality of weaving is not consistent.
3. Silk needs care which is more complicated than any other clothes. So it is not much popular.
4. Mulberry, a source of silk often is irritated by insects and flies or sometimes the soil is not suitable for growing mulberry. Members do not prefer to grow by themselves.
5. Members do not prefer to use natural colour because of lack of bark.

### **Marketing**

1. Silk is rather expensive, so it is popular among the high-income customer.
2. Markets are in specific group.
3. Marketing is not consistent.

### **Opportunities**

1. The Cooperative can increase the marketing channel by processing the silks as ready-made clothes, neckties, pins, flowers and handbags.
2. The Cooperative can get more mulberries by expanding land for growing mulberry trees and feeding silk worm, and more qualified mulberry by improving the quality of soil.
3. The Cooperative should develop the village the completed circle manufacturing starting from growing mulberry, feeding silk worm, additionally the tourism source, demonstration point for silk weaving.

### **Limitations**

1. Lack of qualified personnel specializing in colouring and designing.
2. Markets occurring in specific groups.
3. Some raw materials have to be bought because members cannot produce the qualified silk thread.

### **Recommendations**

1. The government should accelerate to provide the Cooperative with the technical assistance on the improving and fertilizing the mulberry farms, selecting the variety, feeding silk worm and drawing the silk threads.
2. The Cooperative should be trained on improving the quality of manufacturing, designing and colouring for exportation.
3. Government and private organizations should promote and campaign to dress in silk.
4. The Cooperative should have linkage with other kinds of Cooperatives in order to expand silk markets.

One Tambol, One Product Project

Silk Products

Ban Kuema-u Cooperative Women Group

Nakhonratchasima Province

.....

NAKHON

RATCHASIMA



**Background:**

People living in Ban Kuema-u, Nong Wa Sub-district, Bua Lai District, Nakhonratchasima Province spent their leisure time feeding silkworms and weaving silk cloth tracing the ancestors as traditional wisdom for household use. In 2001, 48 housewives formed in group as Ban Kuema-u Cooperative Women Group with the initial capital of 5,000 baht. The Group was administered by the Committee. Presently, the Group has 53 members and still has been improving the style of products till they can make new styles of silk such as corrugated silk cloth and women's shoulder band. Furthermore the Group initiates to weave cotton. Those increase demand of markets.

**Benefits:**

1. Traditional wisdom is traced down.
2. Raw material and labours are available in the area.
3. Silk products have wide ranges of styles and can be produced all year round.

**Markets:**

Silk products and cotton can be distributed in domestic and foreign markets.

we will see parallel  
subsidy for CPP.

Total Budget of CPP: 133. Mill - 12

CPP cost

30 Member /  
cost

Out of 15 Members of an women.  
for training. ~~for~~

133. Mill - 12  
for the A.M.P.

## Phimai Agricultural Cooperative, Ltd.

Phimai Agricultural Cooperative, Ltd. is located at No.67 Moo 6, Phimai-Talad Kae Road, Phimai District, Nakhonratchasima Province. It was registered under the Cooperative Societies Act 1968 on 15 November 1974 by merging Phimai Nung Agricultural Cooperative, Ltd. Phimai Song Agricultural Cooperative, Ltd. Tungsamrit Pattana Land Cooperative, Ltd. Rangka-yai Land Cooperative, Ltd., and Phimai Rice Marketing Cooperative, Ltd., to be Phimai Agricultural Cooperative, Ltd. As at 31 July 2002, the membership of the Cooperative is 9,073 persons divided to 108 groups in 12 sub-districts (Tambol).

### Business Activities

#### 1. Credit Business

The Cooperative has paid the loan to the members with the rate of interest 9.5% per year. As at 31 July 2002, the Cooperative paid 2 types of loan as follows:

1.1 Short Term Loan; for the amount of 158,433,610 baht.

1.2 Medium Term Loan; for the amount of 117,465,945 baht.

#### 2. Depositing money from members

1.3 Fixed Deposit 25,397,033.53 baht

1.4 Saving Deposit 43,397,797.93 baht

1.5 One-baht-a-day Deposit 6,359,649.54 baht

#### 3. Purchasing Business

As at 31 March 2000 and 2001, the Cooperative had provided agricultural equipment and goods to sell as the need of the members as follows:

	2001	2000
Sticky Rice	3,863.00	4,604,125.05
Broken Rice and Bran	2,359,866.00	532,823.00
Fertilizer	10,848,661.00	17,743,438.00
Gasoline	6,750,318.82	5,179,838.50
Lubricant	47,836.38	47,020.30
Agricultural Machine	1,740,747.61	1,473,439.51
Animal Feed Raw Material	597,032.00	944,440.00

Mixed Feed	4,821,902.00	7,852,568.00
Insecticide	3,780.00	12,235.00
Animal Medicine	8,040.00	11,760.00
Seeding	95,240.00	2,550.00
Goods	1,554,583.62	2,489,331.79
<b>Total</b>	<b><u>28,828,870.43</u></b>	<b><u>40,893,569.15</u></b>

The marketing business of Phimai Agricultural Cooperative is involved in rice trading. The productivity of the Cooperative is increasingly high. The rice mill has continuously been improved from initial capacity of 24 tons ~~24~~ a day to 40 tons a day.

#### Marketing Business

	2001	2000
Paddy	3,890,562.85	10,812,603.00
White Rice and Broken Rice	45,867,789.41	31,629,001.35
Paddy for Milling	1,423,528.90	1,355,364.10
Bran	1,649,071.80	2,049,396.20
Husk	74,800.00	58,369.00
<b>Total</b>	<b><u>52,905,749.96</u></b>	<b><u>45,905,533.65</u></b>

#### Services and Agricultural Extension

	2001	2000
Truck Service	-	643,360.73
Truck Service for Gasoline		2,434,023.19
Transportation	2,495,600.05	
Swine Selling	883,000.00	949,850.00
<b>Total</b>	<b><u>3,378,600.05</u></b>	<b><u>4,027,233.92</u></b>



**Phimai Agricultural Cooperative, Ltd.**

**Balance Sheet**

**As at 31 March 2001 and 2000**

<u>Assets</u>	<u>2001</u>	<u>2000</u>
Current Assets		
Cash & Bank Deposit	90,847,453.71	46,041,085.28
Cash in Coop	238,754.00	3,107,950.00
Net Account Receivable	227,591,871.26	216,901,466.44
Net Accrued Interest Receivable	10,529,815.36	7,073,752.50
Inventory	16,000,480.81	25,785,860.74
Equipment Carried Over	1,458,145.00	1,032,369.70
Expenses for Paddy Collecting	17,807,608.57	27,017,508.95
Expense for Efficiency Improvement	3,980,167.45	2,621,677.66
Other Current Assets	1,203,297.32	1,299,098.32
<b>Total Current Assets</b>	<b>369,657,593.48</b>	<b>330,820,769.59</b>
Long-term Investment	777,788.00	895,788.00
Net Long-term Debt Receivable	43,550,581.00	48,574,499.00
Land Building and Facilities – net	41,181,415.89	41,820,272.04
Other Assets	403,444.85	613,530.00
<b>Total Assets</b>	<b><u>455,570,823.22</u></b>	<b><u>422,724,858.63</u></b>
 <b><u>Liabilities and Capital</u></b>		
<b><u>Current Liabilities</u></b>		
Loan Payable	240,843,915.25	196,399,107.00
Trading Account Payable	6,501.80	1,087,100.00
Paddy Deposit Payable	772,993.60	1,175,904.40
Long-term Loan due in One Year	1,747,546.92	1,946,481.70
Deposit Received	67,900,904.77	63,163,949.94
Contribution to CLT	0.00	10,000.00
Revenue from Paddy Collecting	4,444,600.00	15,502,923.94
Revenue from Efficiency Improvement	1,748,668.93	1,567,634.38

Other Liabilities	1,115,964.51	790,859.39
<b>Total Liabilities</b>	<b><u>318,581,095.78</u></b>	<b><u>281,643,960.75</u></b>
Long-term Liabilities	7,605,000.00	10,655,000.00
Total Other Liabilities	<u>10,068,322.68</u>	9,085,908.71
<b>Total</b>	<b><u>336,254,418.46</u></b>	<b><u>301,384,869.46</u></b>

#### **Cooperative Own Fund**

Share Capital Value 10 baht/share

Paid-up Share Capital	81,717,070.00	77,609,250.00
Reserve Fund	36,126,431.79	35,468,249.67
Accumulated Fund According to Cooperative Law and Other	3,481,283.38	3,490,825.88
Profit(Loss) from Non-occurred Investment	(159,600.00)	(141,600.00)
Annual Net Profit	<u>(1,848,780.41)</u>	<u>4,913,263.62</u>
<b>Total Cooperative Own Fund</b>	<b><u>119,316,404.76</u></b>	<b><u>121,339,989.17</u></b>
<b>Total Capital and Liabilities</b>	<b><u>455,570,823.22</u></b>	<b><u>422,724,858.63</u></b>

## ***Coordinators***

## **Coordinators**

**1.** *Mr. Panuwat Na Nakompanom*  
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*Land Settlement Cooperative Division*  
*Cooperative Promotion Department*  
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*Mobile Phone : 01 – 6848590*

**2.** *Ms. Sontawin Paditporn*  
*Chief, Foreign Relations Section*  
*Technician Division*  
*Cooperative Promotion Department*  
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**3.** *Ms. Chamlong Yimsuan*  
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*Non – agricultural Cooperative*  
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**4.** *Ms. Wiparat Morida*  
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*Technician Division*  
*Cooperative Promotion Department*  
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**5.** *Mr. Thawatchai Silsan*  
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*Agricultural Cooperative Division*  
*Cooperative Promotion Department*  
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*Mobile Phone : 01 - 9296168*

**6.** *Ms. Patchanee Wiyaporn*  
*Foreign Relations Officer*  
*Cooperative League of Thailand*  
*Tel : (662) 6693254 Ext. 1053*  
*Mobile Phone : 01 - 8105156*

Model R.

0426-360885.

Date...../...../.....



**Siam City Hotel**  
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NOTES:



One Tambon One Product

## Saisal Products

Using a very strong saisal fibre, a species of Agave, for weaving can produce splendid things including hats, bags, belts and other popularly used items.



# หนึ่งตำบล หนึ่งผลิตภัณฑ์ สำนักงานภูมิภาคปัญหาไทย

### สถานที่ติดต่อ

กลุ่มสตรีสหกรณ์หุบกะพง  
สาขางานศิลปอาชีพพิเศษจักสาน  
ปานศรณารายณ์  
สังกัดสหกรณ์การเกษตรหุบกะพง จำกัด  
ที่ทำการกลุ่ม  
สำนักงานสหกรณ์การเกษตรหุบกะพง จำกัด  
หมู่ 8 ตำบลเขาใหญ่ อำเภอชะอำ  
จังหวัดเพชรบุรี 76120  
โทร. 0-1434-7125  
โทรสาร 0-3247-1286

### สนับสนุนโดย

- ➡ สำนักงานสหกรณ์จังหวัดเพชรบุรี
  - ➡ กองสหกรณ์พาณิชย์และธนกิจ
- กรมส่งเสริมสหกรณ์ กระทรวงเกษตรและสหกรณ์  
[www.cpd.go.th](http://www.cpd.go.th)

พิมพ์ที่ ศูนย์มสทการเกษตรแห่งประเทศไทย จำกัด  
โทร. 0-2561-4567 แฟกซ์ 0-2941-1230



# หนึ่งตำบล หนึ่งผลิตภัณฑ์

One Tambon One Product



## ผลิตภัณฑ์จักสาน ปานศรณารายณ์

กลุ่มสตรีสหกรณ์หุบกะพง  
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สังกัดสหกรณ์การเกษตรหุบกะพง จำกัด  
จังหวัดเพชรบุรี



*One Tambon One Product*

## Saisal Products

Using a very strong saisal fibre, a species of Agave, for weaving can produce splendid things including hats, bags, belts and other popularly used items.





หนังสือตำบล หนังสือผลิตภัณฑ์  
สาขาวิชาชีพปัญญาไทย

**สถานที่ติดต่อ**

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สาขางานศิลปอาชีพพิเศษจักสาน  
ปานศรณารายณ์  
สังกัดสหกรณ์การเกษตรหุบกะพง จำกัด  
ที่ทำการกลุ่ม  
สำนักงานสหกรณ์การเกษตรหุบกะพง จำกัด  
หมู่ 8 ตำบลเขาใหญ่ อำเภอชะอำ  
จังหวัดเพชรบุรี 76120  
โทร. 0-1434-7125  
โทรสาร 0-3247-1286

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4. นำเปียมาเย็บเป็นแผง แล้วขึ้นรูปเป็นผลิตภัณฑ์

5. ตกแต่งตัดขน เคลือบแลคเกอร์

### ชนิดของผลิตภัณฑ์

หมวก กระเป๋า เข็มขัด เครื่องใช้สอยต่าง ๆ

### ลักษณะเด่นของผลิตภัณฑ์

ผลิตภัณฑ์ปานศรณารายณ์มีความเนียว คงทน  
มีความสวยงาม หลากหลายรูปแบบ



## ผลิตภัณฑ์จักสานบ้านศรนารายณ์

### ประวัติความเป็นมา

ปี พ.ศ. 2515 พระบาทสมเด็จพระเจ้าอยู่หัว พร้อมด้วยสมเด็จพระนางเจ้าบรมราชินีนาถ ทรงมีพระราชดำริให้ใช้พื้นที่ดินในโครงการจัดพัฒนาที่ดินตามพระราชประสงค์หุบกะพงที่เสื่อมคุณภาพนำมาปลูกป่านศรนารายณ์ และแนะนำให้แม่บ้านของสมาชิกในหมู่บ้านหุบกะพง นำใบป่านศรนารายณ์มาใช้ประโยชน์ด้านการจักสาน ต่อมาปี พ.ศ. 2524 สมเด็จพระนางเจ้าพระบรมราชินีนาถทรงรับงานจักสานป่านศรนารายณ์เข้าไว้ในพระบรมราชินูปถัมภ์ใช้ชื่อว่า "กลุ่มสตรีสหกรณ์ศิลปาชีพพิเศษ ป่านศรนารายณ์หุบกะพง (ในพระบรมราชินูปถัมภ์)" ปัจจุบันกลุ่มสตรีฯ ได้นำผลิตภัณฑ์จักสานป่านศรนารายณ์มาจำหน่ายที่ศูนย์แสดงสินค้าของสหกรณ์การเกษตรหุบกะพง จำกัด

### ขั้นตอนการผลิต

1. เก็บใบป่านศรนารายณ์ แล้วรีดเส้นใยออกจากใบป่านศรนารายณ์โดยใช้มือ
2. นำเส้นใยป่านมาถักเป็นเปีย ตกแต่งเปียด้วยการไถให้เรียบและดูสวยงาม
3. นำเปียไปย้อมสี ล้างน้ำสะอาด แล้วฟึ่งแดดให้แห้ง






*สทกรรมก้าวไกล วัฒนธรรมระทัยในหลวง*



Designed and printed by  
Printing Department Public Relations Division  
Electricity Generating Authority of Thailand (EGAT)

An aerial photograph of a lush green agricultural field, likely a rice paddy, showing distinct rows of crops. A semi-transparent grey rectangular box is centered over the field, containing text. A small yellow daisy-like flower is visible on the right side of the text box.

It can be stated implementation of this royal initiated project has met with satisfactory results in improving the socio-economic status of the farmer members and in developing the barren land which otherwise would be left idle. This achievement has led to the establishment of 10 more demonstration centres with the similar objectives throughout the country.

*Co-operative Demonstration Centre of  
Hubkpong*

*Agricultural Cooperative Division*

*January 2001*




### Location

Hubkapong village is situated in the area between Tambon Khao Yai and Tambon Cha-am, about 40 Kilometers from Petchaburi Province and 34 Kilometers from Hua-Hin District, Prachuab Kirikhan Province.





### Weather and Soil Conditions

 Hubkapong is about 6 kilometers from the seaside. Its area covers approximately 2,000 hectares with the average width of 2.8 kilometers and 7 kilometers in length. The northern and western parts of the area are surrounded with mountains. Hubkapong is approximately 40 meters above sea level. The texture of soil is sandy and the pH level of soil varies from 5.5 to 6.5. The average annual rainfall is about 700 mm, but the fall of rain is fluctuated considerably causing a long period of drought. The weather is dry and windy, the average humidity is 62-80 %, the highest temperature is 35.1°C while the lowest is 16.4°C and a period of cold weather lasts about 2-3 weeks.



The operational result of the Co-operative in the commencing year 1972 as compared with that in 1997 is as follow:


<u>Year</u>	<u>1972</u>	<u>1997</u>
Membership (families)	137	440
Operating fund (baht)	253,647	12,594,330
Share capital (baht)	17,500	989,020
Reserve fund (baht)	60,662	2,843,485
Net surplus (baht)	3,376	460,258






## The Operation of Hubkapong

### Agricultural Co-operative Ltd.

 After the registration of the Hubkapong Agricultural Co-operative Ltd. on 12<sup>th</sup> August 1971 the Co-operative admitted the 82 families of vegetable growing farmers and the 46 families of farmers from Prachuab Kirikhan Province to settle down in the Hubkapong Village. Each family was given 4 hectares of which 1.12 hectares is the home plot and 2.88 hectares is the farm plot. Some kinds of vegetables, asparagus and roselle are mainly grown in the area of home plot while sugarcane and pineapple are grown in the farm plot.



## Historical Background of The First Co-operative Demonstration Centre of Hubkapong

 It was in 1964 while His Majesty the King paid visit to his subjects in the districts nearby Hua-Hin, he had found that a group of 82 families of vegetable growers were troubled with shortage of fund to run their farming. His Majesty the King accepted them under his patronage and provided an amount of 300,000 baht of his personal fund as a loan to these farmers for their production but none of these farmers could be able to pay back the debts. It appeared that they were landless farmers and got the lease hold from the Public Welfare Department at about 0.16-0.32 hectare per family, which was not sufficient to earn their living.






Being concerned with his subject's hardship Majesty the King then assigned His Excellency M.L. Deh Snithwongs who the president of National Economic Development Executive Commission and the Privy Councillor at the time to set up the Project by allotting a plot of land in the area of Petchaburi and Prachuab Kirikhan Province for allocation to the landless farmers by using co-operative practice.

This project was interested by the government of Israel which volunteered to give assistance in the aspect of agricultural development. The Thai-Israel Rural Development Project was established by the government in August 1966 , and the area of Hubkapong was selected to be the location of the demonstration centre of the project with the reason that it was a forested land in which shifting cultivation was practised by the



## Occupational Promotion

 The First Co-operative Demonstration Centre of Hubkapong has made an experimentation plot to promote the cultivation of various kinds of crops, tasing into account the suitability to the conditions of land as well as market potentiality for the crops.

The main crops growing in the village are asparagus, maize, red roselle, sugarcane and pineapple. Beside, promotion of handicrafts as supplementary occupation of the members has been initiated by her Majesty the Queen with the objective to increase member's income. Bamboo tree and such the plant as sisal have been eccouraged to grow in the land of poor soil with the purpose to use them as raw materials for making handicraft products such as basketery worked or selling the raw materials to the manufactory. In addition, the processing of pineapple and stared gooseberry into vinegar for marketing is also promoted, as well as making juices.



## Water Resources and Irrigation System



The survey indicated that water from artesian well is limited and not sufficient for agricultural use. At present there are two electric powered water pumping stations in the project area to pump water from the Khuen-Patch irrigation canal to be stored in the two water tanks of 1,000 cubic meters each which are placed on the higher level to supply water for the village of about 320 hectares.

As the two pumping stations cannot supply sufficient water for all member' houses at the same time, members have to take their turn in consuming water; each family receives water for four hours every other day. Members have to pay for the water cost at 400 baht/month per family.



inhabitants who moved from places to places because of poor soil and lack of water resources.

With the co-operation from authorities concerned, the survey was made to make soil map and soil analysis as well as survey of water sources.

The Israel Government gave assistance in land development irrigation system arrangement and agricultural techniques by providing experts, equipment and fellowships for training in Israel. The Thail-Israel Rural Development Project started in 1966 and ended in 1971.




## Objectives of the Project

1. To establish the agricultural demonstration and experimentation centre for study and research to promote cultivation and animal raising in the low fertility land and limited water sources as well as to demonstrate the techniques of farming.
2. To experiment the land reform by developing the barren land allocating to landless farmers to make use of the land but ownership of land is not given
3. To set up a model village by grouping farmers to organize the agricultural co-operative and using co-operative methods in production marketing.
4. To serve as the centre for promotion and dissemination of agricultural techniques to farmers, students and the public.



## Organization of Co-operative village

 At present, Hubkapong Co-operative Village has the characteristic of a complete model co-operative village which is developed both in economic and social aspects. Village houses are commonly arranged in compact groupings with the provision for roads and water supply for both consumption and farming in the 1.12 hectares home plots. The advantages of this layout are that the cost of infrastructure is lower and the arrangements for welfare and security services are more convenient.





The project area which has been irrigated and allocated to farmers are approximately 1,483.36 hectares. The area of 1,600 hectares which is adjacent to the mountains was allocated to the Forestry Department for Forestry replanting programmes initiated by His Majesty the King to develop the water resources. In addition, reservoirs were constructed in this project by the Royal Irrigation Department. The remaining of the land is the dwelling area comprising School, Temple, Centre Office of the Co-operative Store and Health Centre. There are roads which help facilitate the communication and transportation of member's farm products.



In 1966, clearance of 80 hectares was completed to set up the agricultural demonstration centre by dividing land into 3 plots of each 20 hectares for the purpose of experimentation on.

- (1) Sprinkle irrigation system
- (2) Surface irrigation system
- (3) Non-irrigation system

After the land had been developed, the vegetable growers comprising 82 families from the nearby district of Cha-am and the 46 families of the former inhabitants of this area were firstly






allocated with land and settled down in this project area. Each family was given 4 hectares of land, 1.12 hectares home plot was partly irrigated while the remaining 2.88 hectares farm plot depended lonely on rain water. The project also provided an amount of 6,000 baht as a loan fund to each family for the expenses of house construction and agricultural supply.

These migrated farmers united themselves to form a village with the government assistance to meet the target of being a model village. In addition, they were familiarized and practices of co-operative. When they realized the benefit of being the co-operatives members, they applied to organize a co-operative. It was registered to be the Hubkapong Agricultural Co-operative Ltd. In 1971 and has been regarded as the Co-operative model village since them.





### Division of land

 As farmers in Hubkapong jointly organized the Agricultural Co-operative, the ownership of land in the project area which covers about 2,008 hectares was given to the Co-operative by His Majesty the King. Therefore, the land in which members of the Co-operative hold for earning their living shall not be sold or transferred but the right to utilize them and could be succeeded by their heirs.



## **TYPES OF AGRICULTURAL COOPERATIVES**

Agricultural cooperatives are organized among the people engaged in agriculture, having various kinds and degrees of needs. There are different types of agricultural cooperatives as follows:-

### **• WATER USERS COOPERATIVE**

Members are farmers living in the same area along a canal or other water source, which they jointly use for irrigation purposes. Joint maintenance of this valuable resource is the purpose of this type of cooperative where members cooperate in minimal and efficient use of water.



### **• LAND REFORM COOPERATIVE**

This type of cooperative is established as part of the Government's land reform program. Cooperatives are organized in land reform areas to assist farmer members in agricultural production and to enable them to gain capital, agricultural necessities at reasonable prices as well as improving of living condition.



### • SPECIAL COOPERATIVE

This is formed among farmers who raise animals such as cattle, pigs, etc., Joint marketing of these products enables members to obtain good prices and fairness in trading. In addition, there are also dairy cooperatives which process milk for sale in the general market or sell raw milk to private firms.



### • NATIONAL SECURITY COMMAND AND COOPERATIVE

This type of cooperative has been initiated by the Supreme Command with the objective to help people in remote areas to improve their living conditions. People are assisted to engage in productive occupations.

**• COOPERATIVE IN THE BORDER PATROL POLICE SCHOOL**

This cooperative is under the auspices of Her Royal Highness Princess Maha Chakri Sirindhorn, who believes in laying good foundations for the youth, teachers, parents, and people in remote areas. Knowledge of cooperatives is fundamental for understanding and realizing democracy as well as the practice of self-help and mutual help.



**• RUBBER COOPERATIVE**

This type of cooperative is specific to farmers working on rubber plantation. The members use the cooperative method to solve production problems. They share in the different aspects of rubber production and marketing, including product development, processing, efficient management, and dealing with the rubber market for export.



## AGRICULTURAL COOPERATIVE ACTIVITIES: SOME EXAMPLES

A number of agricultural cooperatives have operated well in their chosen business, bringing benefits to members in the form of better income and better living condition. Some examples are as follows:-

- Digging farm ponds has enabled members to engage in integrated farming. Vegetables (eggplant, lettuce, pumpkin, chili, corn, and soybeans, etc.) are grown along with animal raising (ducks, chickens, pigs, fishes, etc.) for sale as well as household consumption. The cooperative members can earn more income as well as minimizing family expenditures.

- Quality Seedlings improvement (rice, soybean, etc.) for sale to members and general farmers results in quality production and higher income.

- Dairy cooperatives have set up modern plants producing different types of dairy products, including pasteurized and sterilized milk, yogurt, and powdered milk, for sale.



- Central markets for agricultural products are established in a large number of agricultural cooperatives, ensuring members of fair prices. They are the certain places for farmers and merchants to meet together and make agreement on prices of agricultural products.



- Cooperatives have set up their own petrol stations, selling petrol at reasonable prices to members as well as the general public.

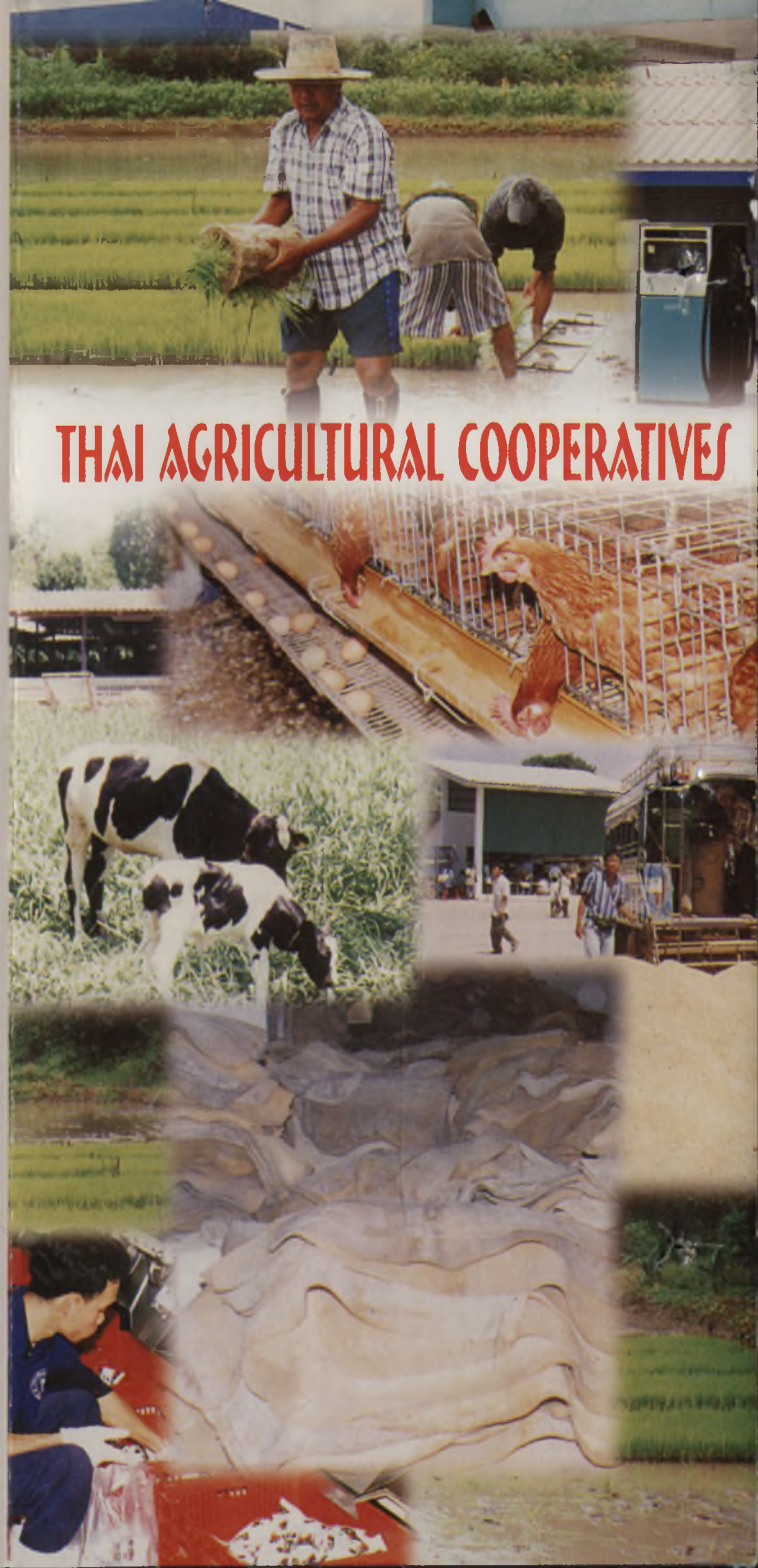


### **DEVELOPMENT PROJECTS SUPPORTED BY COOPERATIVE PROMOTION DEPARTMENT**

The agricultural cooperatives receive government support for development projects through the Department with the purpose to improve the management efficiencies of their operation. Some of the important projects are as follows;

- Green Manure for Soil Quality Improvement
- Improvement of Efficiency and Quality for Agricultural Products of Farmer Institutions: Rice and Soybean Seed Production in Agricultural Cooperatives.
- Distribution of Good Cassava Cutting
- Integrated Farming Promotion in the Farm Pond Areas

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12 Krung kasem Rd., Bangkok 10200, Thailand  
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Website : <http://www.cpd.go.th>





## **COOPERATIVE BUSINESS**

Agricultural cooperatives are engaged in business in response to members' needs in five areas, credit business, savings and deposits, purchasing business, marketing business and agricultural services.

## **CREDIT BUSINESS**

Through the assistance of the Government, the Bank for Agriculture and Agricultural Cooperatives, foundations and other lending agencies, members of agricultural cooperatives can access loans at low interest rates. Thus, loans can be classified into two categories; short-term and medium-term. Members can gain the utmost benefit, which enables them to purchase seeding, fertilizer, insecticide, farm machinery, etc., and buy or improve their land.

## **SAVINGS AND DEPOSITS**

Agricultural cooperatives promote thrift among members, savings can also be used to carry out business that can turn a profit for both cooperatives and their members. Currently, members can have savings or fixed deposits at their cooperatives.



## **PURCHASING BUSINESS**

The business of buying and selling agricultural necessities (farm tools, rice seedling, fertilizers, etc.) benefits members because it helps reduce production costs as well as household expenses. They are assured of fair prices when they buy and sell through their cooperatives.



## MARKETING BUSINESS

An important cooperative business is the collecting members' products for sale, thus giving them bargaining power in the sale of their products. Members can obtain good prices, while fairness in weight and measures can be guaranteed. In recent years, food processing is being introduced to generate more income for members, such as milled rice and canned fruit.

Such joint efforts also facilitate the linkage of local marketing to export. With the assistance of government, some cooperatives have been developed to be centers for marketing of members' products not only at local level but also abroad. A successful example is the chemical-free Hom Thong bananas now being exported to the Tokyo Tohto Consumers Cooperative Society in Japan. This business has generated income with an average of 30,900 Baht per annum per participating family.



## AGRICULTURAL SERVICES

Cooperatives provide agricultural extension services to members at reasonable fees. Examples are in the areas of ploughing, land improvement, irrigation, demonstration farms, etc. Costs are made affordable using the expense-sharing principle.

## THAI AGRICULTURAL COOPERATIVES

Agricultural cooperatives are basically established to enable members, whose occupation is engaged in agriculture, to produce, improve, and market their agricultural products by means of self help and mutual help in order to bring about a better living.

### BACKGROUND

Established on 26 February 1916 in Muang District, Phitsanuloke Province, named Wat Chan Agricultural Cooperative Unlimited Liability was the first cooperative in Thailand. From then on, the number of credit cooperatives steadily increased until the promulgation of the Cooperative Act in 1968. Several of these cooperatives then grouped together, forming agricultural cooperatives at district level. The bigger and stronger they are, the more services they can provide to members.



Wat Chan Agricultural Cooperative Unlimited Liability

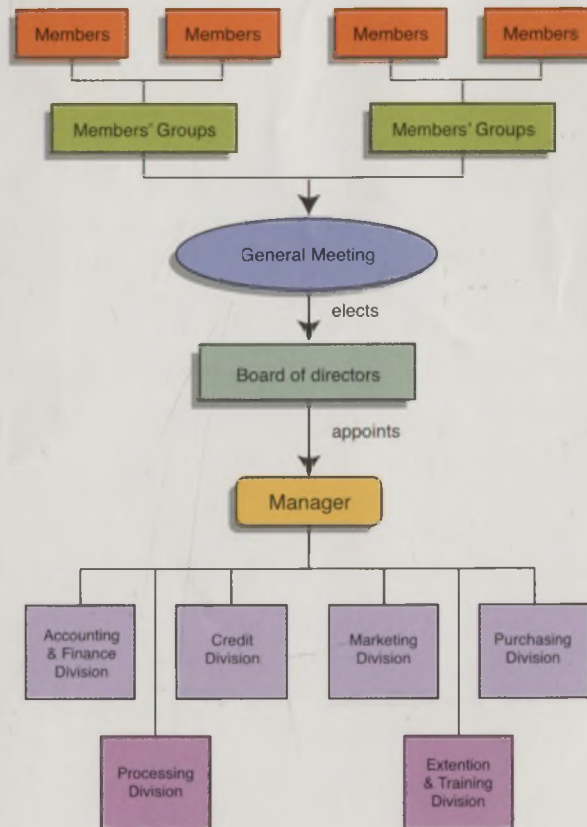
## **OBJECTIVES**

Agricultural cooperatives are formed to achieve their objectives, which can be summarized as follows;

1. To provide loans to members for productive and providential purposes at affordable rates of interest.
2. To encourage thrift among members through savings and deposits.
3. To provide agricultural products as well as daily necessities for sale to members at reasonable prices.
4. To promote good farm production methods and disseminate technical know-how aimed to help members reduce production costs and obtain higher yields. With government assistance, members are introduced proper cropping techniques as well as the use of fertilizers and insecticides.
5. To provide farm equipment such as tractors, water pumps, etc., to members at a minimum charge.
6. To enable members to market products at good prices and to maintain fairness in terms of weight and measurement.
7. To educate and train members on cooperative principles and method.



### General Structure of Agricultural Cooperatives



A primary cooperative consists of individual members who are divided into groups at village level. According to the Cooperative Act, the general meeting of members elects the board of directors who formulates the policy of the cooperative. The board of directors appoints a manager and staff to run cooperative operation.



## 2. An Establishment of Tumbon Agricultural Product Central Market of Cooperatives

The CPD started to provide financial supports in grant term for Cooperatives in establishment of Agricultural Product Central Market since 1993. The assistance package is generally comprised with : (1) drying spaces, 2 rais, (2) paddy warehouse, 500 tonns capacity, (3) moisture reduction machine, 30 tonns a day capacity, and (4) weighing scale, 40 tonns capacity, with its plant.



## 3. Intregated Farming Promotion Project in Small Farm Pond Project Areas

Following His Majesty the King's initiation, the CPD has paid strong emphasis to promote intregated farming in Small Farm Pond Project areas where small farm pond, 1,250 m<sup>3</sup>. capacity, are already developed, also by CPD's efforts some years earlier.



#### 4. Hygienic Vegetable Production Promotion Project project

With an increasing interests of health care, clean environment and sustainable development, green production is also recently introduced to the cooperative members. Through this project, the CPD will provide loan with free interests to participated Cooperatives for further lending to their members in construction of green houses and related production activities.



#### 5. Cooperative Women Development

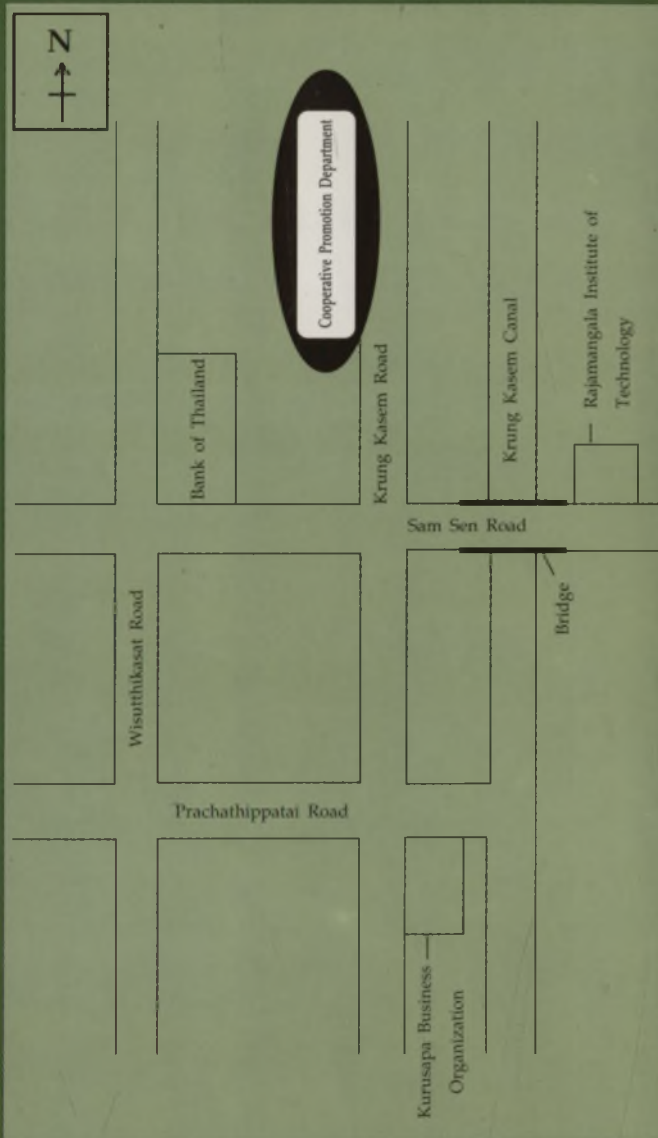
Recognizing an important role of women in household and societies, the CPD has launched Cooperative Women Development Project since 1985 to encourage cooperative women organized themselves as group(s) or cooperative(s) for improving their supportive occupations, attitude and general knowledges for proper ways of life style.



6. Saving Promotion Program Among Cooperative Members

In order to ensure a self-reliant operation of Cooperatives, the CPD has continuously encouraged each Cooperative to accumulate its own capital through various means such as share capital building and deposit campaign for business expansion.





**Technical Division**

Cooperative Promotion Department

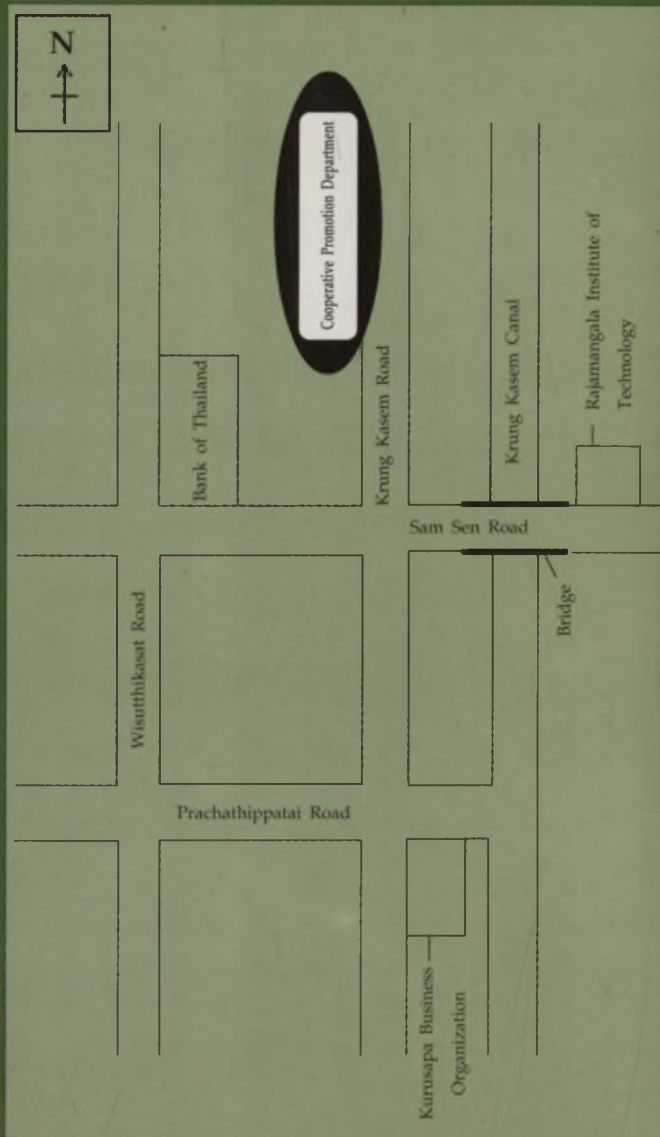
12 Krung Kasem Rd., Theves, Bangkok 10200, Thailand.

Tel. 281-1944, 628-5543, 628-5516

Fax. 281-0004

*Cooperative  
Promotion  
Department*

*in brief*



**Technical Division**

Cooperative Promotion Department

12 Krung Kasem Rd., Theves, Bangkok 10200, Thailand.

Tel. 281-1944, 628-5543, 628-5516

Fax. 281-0004

2. To study and conduct cooperative researches ;
3. To promote and advise an establishment and business operation of Cooperatives ;
4. To assist and seek for cooperation from concerning agencies for financial, basic infrastructure and other service supports which are necessary for Cooperatives to be exactly self-reliant organization ;
5. To consolidate and allocate land to landless farmers using the cooperative practices ; and
6. To supervise and guide cooperative operation following laws, regulations and the Cooperative Registrar's Orders.

### **Organizational Structure**

The administration of CPD is subdivided to Central and Provincial Administration. Central Administration which is located in Bangkok comprises with 10 Divisions and two Offices. The Office of Secretary, Personnel Division and Finance Division are incharged general office works and legal duties, personnel and finance, respectively. Planning Division is responsible for planning, budgeting, project monitoring and evaluation, and data processing. Technical Division takes part on cooperative research, public relation and international relationship. Training Division assumes training function for CPD's staff, cooperative members and occasionally Board of Directors and staff of Cooperative and the public through its 10 Regional Cooperative Training Centres. Agricultural Cooperative Division concentrates on promotion of Agricultural Cooperatives and Fisheries Cooperatives, while Land Settlement Cooperative Division targets on promotion of Land Settlement Cooperatives. Promotion of Thrift and Credit Coop-

eratives, Consumer Cooperatives and Services Cooperatives is under the Non-agricultural Cooperative Division's responsibility. Engineering Division is responsible for providing engineering services to all Cooperatives through its 10 Regional Engineering Centres. The Office of Cooperative Inspectors is organized for inspecting, advising and promoting all Cooperatives throughout the whole country. Lastly, the Internal Checking Office is responsible for checking the Department accounting and financing.

Provincial Administration is consisted of 76 Provincial Cooperative Offices and 816 District Cooperative Offices. These local offices are responsible for supervising and promoting all Cooperatives within their responsible areas.

### **Major Cooperative Development Schemes**

Through the passing years, the CPD has continuously invested a big amount of resources for cooperative development through various programs and projects. Most of such programs and projects, however, are concentrated on Cooperatives in agricultural sector, the sector of majority groups of Thai people. Among them, the examples of important cooperative development schemes are :

#### **1. Credit Linkaging Project for Production and Rice Marketing Services of Cooperatives**

In this project, the CPD will allocate involving fund for Cooperatives in collecting members' paddy for processing and distributing at higher price levels. Since its first implementing in crop year 1980/81, the participated farmer members generally gained their paddy prices 200-300 baht per ton higher than the market price level.



# Organizational Structure of CPD

## Cooperative Promotion Department

### Central Administration

Internal Checking Office

Office of Cooperative Inspectors-9 Regions

Office of Secretary

Finance Division

Personnel Division

Planning Division

Technical Division

Training Division

Agricultural Cooperative Division

Land Settlement Cooperative Division

Non-Agricultural Cooperative Division

Engineering Division

### Provincial Administration

76 Provincial Cooperative Offices

816 District Cooperative Offices

# Cooperative Promotion Department

## Brief Historical Background

In 1915, a year before the first cooperative was introduced to Thailand, the Cooperative Section was established under the Ministry of Finance in responding for cooperative promotion. With an increasing role of Cooperatives in the Thai economy, the Cooperative Section was transformed to be Cooperative Department under Ministry of Commerce in 1920, then being Ministry of Cooperatives in 1952.



The re-organization of the government agencies in 1963, however, was concluded with the abolishment of Ministry of Cooperatives. All previous cooperative duties, including the three newly established departments - - -

Land Cooperative Department, Cooperative Auditing Department and Trade and Finance Cooperative Department, were transferred to attach with the newly established ministry, the Ministry of National Development.

Again, since 1972, all cooperative works, except for duties under the Cooperative Auditing Department, were merged together under the new department named as Cooperative Promotion Department (CPD) and attached to the Ministry of Agriculture and Cooperatives, the newly established ministry in substituting for the abolishment of Ministry of National Development.

### Functions and Responsibilities

In general, the CPD is responsible for promoting and disseminating of cooperative methods. Its main areas of concern are as follows :

1. To Promote and disseminate the cooperative ideology, principles and practices including cooperative knowledges and informations ;



## Onion

- San Patong Onion Grower Coop., Ltd.  
Moo 5, Ban Kad Sub-district,  
Mae Wang District, Chiangmai Province 50360, Thailand  
Tel/Fax: 66-53-489145
- Mae Wang Onion Grower Coop., Ltd.  
8/1 Moo 3, Sanpatong-Mae Win Rd.,  
Mae Wang District,  
Chiangmai Province 50360, Thailand  
Tel/Fax: 66-53-830306



- Kanchanaburi Onion Grower Coop., Ltd.  
850/22 Moo. 2, Toong Thong Rd.,  
Tah Muang Sub-District, Tah Muang District,  
Kanchanaburi Province 71110, Thailand  
Tel. 66-34-61190
- Fang Onion Grower Coop., Ltd.  
165 Moo.1 Fang- Monpin Rd., Monpin Sub-District,  
Fang District, Chiangmai Province 50110, Thailand  
Tel. 66-53-451626

### Hygienic Vegetables.

- Lomsak Agri. Coop., Ltd.  
92/1 Soi Fai Nasang, Kotchaseny Rd.,  
Lomsak Sub-district, Lomsak District,  
Petchabun Province 67110, Thailand  
Tel. 66-56-701439
- Khao Kor Vegetable & Fruit Grower Coop., Ltd.  
45 Moo 4, Sai Sadorpong-Son Camp Rd.,  
Khao Kor District, Petchabun Province 67270, Thailand
- Bangliang Hygienic Vegetable Grower Coop., Ltd.  
38 Moo 3, Bangliang Sub-district,  
Kuan-Neang District,  
Songkhla Province 90220, Thailand  
Tel. 66-01-4788825
- Tah Rua Agri. Coop., Ltd.  
448/22-23 Tedsaban Rd.,  
Tah Rua District,  
Ayutthaya Province 13130, Thailand  
Tel. 66-35-341589
- Te Pa Agri. Coop., Ltd.  
Moo 1, 25 Pratasukhla Rd.,  
Te Pa District, Song Khla Province 90150, Thailand  
Tel. 66-74-375045
- Poe Thong Agri. Coop., Ltd.  
16 Moo 6, Ang Kaew Sub-district,  
Poe Thong District,  
Anghong Province 14120, Thailand  
Tel. 66-35-691160

### Technical Division

Cooperative Promotion Department

12 Krung Kasem Rd., Theves, Bangkok 10200, Thailand

Tel./Fax. (66-2) 2810004

**Contacted cooperatives.**

**Fresh Fruits**

**Durian**

- Chong Mai Kaew Agri. Coop., Ltd.  
45/5 Moo1, Toong Takrai Sub-district,  
Toong Tako District, Chumporn Province 86220,  
Thailand  
Tel. 66-77-566116
- Agri-Product Coop. for Export of Rayong, Ltd.  
181 Moo 5, Wang Wa Sub-district, Klaeng District,  
Rayong Province 21110, Thailand.  
Tel. 66-38-672136, 66-01-9961657
- Pa Toh Agri. Coop., Ltd.  
147 Moo 8, Pa Toh Sub-district,  
Pa Toh District, Chumporn Province 86180, Thailand  
Tel. 66-77-539032



**Bananas**

- Ban Lard Agri. Coop., Ltd.  
91 Moo 7, Ban Lard Sub-district, Ban Lard District,  
Petchaburi Province 76150, Thailand  
Tel. 66-32-491268, 491368 Fax. 66-32-491355
- Tah Yang Agri. Coop., Ltd.  
157/57 Petchakasem Rd., Tah Yang District,  
Petchaburi Province 76130, Thailand  
Tel. 66-32-461153, 437556 Fax. 66-32-461979



### Mangosteen

- Agri- Product Coop. for Export of Rayong, Ltd.  
181 Moo 5, Wang Wa Sub-district, Klaeng District,  
Rayong Province 21110, Thailand  
Tel. 66-38-672136, 66-01-9961657
- Muang Chantaburi Agri. Coop., Ltd.  
52 Moo 9, Plubpla Sub-district, Muang District,  
Chantaburi Province 22000, Thailand  
Tel. 66-39-312240
- Lang Suan Agri. Coop., Ltd.  
89/11-13, Khao Ngern Sub-district, Lang Suan District,  
Chumporn Province 86110, Thailand  
Tel. 66-77-541139

### Coconut

- Ban Paew Agri. Coop., Ltd.  
44 Moo 2, Pra Patone-Ban Paew Rd.,  
Ban Paew Sub-district, Ban Paew District,  
Samutsakorn Province 74120, Thailand  
Tel. 66-34-481113





**The Produced Fresh Vegetables of the Thai Cooperatives**

Onion, lemon, carrot, and various hygienic vegetables such as string bean(s), cucumber, Chinese kale, and Chinese pakchoi are examples of the quality fresh vegetables which are now ready for export by Thai cooperatives.





### Bananas

(Thai name : Kluay, Scientific name:  
Musa Sapientum Linn.)

In Thailand, different kinds of bananas are available all year round. The most well-known variety for export, however, is "Kluay Hom" which means "sweet fragrant banana," a name that attaches to its delicate aroma of its sweet creamy texture.

### Preparation

To taste fresh ripe banana, particularly for Kluay Hom, just peel their outer skin and eat. Still be in other ways, banana can be boiled with water, sugar and coconut milk to become an excellent sweet dessert. Fresh banana can also be prepared in forms such as frying and baking, and processed to various products like dried banana, banana sauce and crispy banana.

### Nutrition Facts

Banana is known as a good source of carbohydrate, dietary fiber and rich with vitamin A,B and C. It is also full with necessary minerals which are good for human body like calcium, potassium and iron.



### Durian

(Thai name : Thurian, Scientific name:

*Durio Zebethinus* Linn.)

Durian, which may be regarded as the King of all tropical fruits, is considered as the ultimate Thai delicacy fruit. It has subtle flavor and fine creamy texture. The three popular varieties are Chanee, Kanyao and the most extraordinary one "Mon Thong." Its season is generally ranged from May to August each year.

### Preparation

For fresh eating, run a sharp knife to make slit along the natural grooves on the outer skin of the ripe one. Once it opened, carefully lift out the inside pods and serve immediately. The uneaten pods, however, can be kept in refrigerator better with a tightly sealed container up to around one week. Applying food processing techniques, fresh durian can be processed in various products such as crispy durian, durian jam and durian candy.

### Nutrition Facts

Durian is rich with carbohydrates, lipid fat, protein, vitamin c, and dietary fiber.

### **Mangosteen**

(Thai name : Mangkhut, Scientific name: *Garcinia Mangostana* Linn.)

With a snow - white texture of exceptional sweetness and its delicious taste in a thick and dark purple skin, mangosteen is generally known as the Queen of Thai fruits. The fruit generally come to the market in durian season, May to August each year.



### **Preparation**

For fresh eating, carefully run a sharp knife around the outer skin, not to cut the inside delicate texture, or just simply break the fruit by bare hands. Ripe mangosteens can be kept outside for a few days or up to around two weeks if refrigerated. Similar to durian, fresh mangosteen can also be processed in various forms for late consumption.

### **Nutrition Facts**

Mangosteen is considered as a good source of high calcium, phosphorus and vitamin B and C.

LECTURE  
PAPERS

# Women Entrepreneurship and Economic Empowerment

September 20, 2002(9:30-16:00)

Facilitator: Noriko Furutani

---

## 1. Objectives:

By the end of today, participants are expected;

- ① To understand how to analyze and plan the promotion strategy to support women entrepreneurship towards women's empowerment at program/policy level.
- ② To learn some participatory methods of analysis, education and training to apply at each cooperative related organization.

## 2. Program (tentative):

Time	Activities	Topics
9:30-10:00	Introduction *Participatory activity	Ice-breaking by participatory activity: Introducing the partner participant
10:00-10:20	Expectation exercise	What do you expect to learn by the end of today?
10:20-11:10	Group Work: Problem Analysis  *PCM method	What is the gender issue at your organization as it promotes women entrepreneurship towards women's economic empowerment? What is the relation between cause and effect?
11:10-11:20	Break	
11:20-12:00	Group Presentation	What each group discussed is reported.
12:00-13:30	Lunch	
13:30-13:45	Starting Activities *Participatory activity	Learning participatory activities for training.
13:45-14:15	Video	Women in Development
14:15-14:45	Mini-lecture	Vocabulary (WID, GAD, etc.), World Women's Conference, An example of Development study on women's empowerment, Gender Analysis, and more.
14:45-15:00	Coffee Break	
15:00-15:20	Discussion	Any clarification on the information previously given and discussion on them.
15:20-15:50	Application exercise & Presentation by each participant	
15:50-16:00	Wrap-up	Towards Women's Economic Empowerment

## 3. Working Language:

English

1. NAME - THAIYA THAMMAK from Thailand

4. Hobby Sing, Dance

2. Position Co - Ad - Pu off Thit  
Nothakuri,

3. Where (where) T H m h

5. - Thai Food

6. - 2 about Family & <sup>Mix</sup> <sub>Per</sub>

7. Religion Buddhist / Buddhism

---

- Name AB

- Hobby Singing & Dancing

Theater going, Travelling, shopping

- Position IDACA Training Manager, work at IDACA

- Foods I like Japanese for about 20 years

- Family one wife & one cat

=

## Entrepreneurial Activities of Rural Women in Japan and Cases:

IDACA 2002.9.19 by Kazuko Kano

1. Overview: Trends of Population and Women Farmers
  - 1) Population trends
  - 2) Women farmers, Membership of agricultural cooperatives, agricultural committee etc.
  - 3) Comparison with other countries
  - 4) Characteristics of the Japanese population: low fertility, high life expectancy, aging population, average marriage age
  
2. Problems of Agricultural Women in Japan
  - 1) Indistinguishable role of agricultural women in their farm management
  - 2) Lack of recognition of their contribution in agriculture
  - 3) Triple roles of women: production, reproduction and community work
  
3. Policies and Programs to cope with Agricultural Women's Problems
  - 1) The Basic Law for a gender-Equal Society
  - 2) The Basic Law on Food, Agriculture and Rural Life
    - (1) Comparison with the old Law
    - (2) Women's participation : Article 26
  
4. Entrepreneurial Activities of Agricultural women in Japan
  - 1) Entrepreneurial Women in Rural Areas(Video)
  - 2) Role and function of Entrepreneurial Activities(concept chart)
  - 3) Result of the Survey by the Ministry of agriculture
  - 4) Supporting programs :
    - (1) Ministry of Agriculture and other Ministries
    - (2) Prefectures(One Village, One Product)
    - (3) Cities, Towns, Villages
    - (4) JA's Women's Department
    - (5) Technical supports by extension workers
    - (6) Award systems
  - 5) Value added(Soba,Ubi)

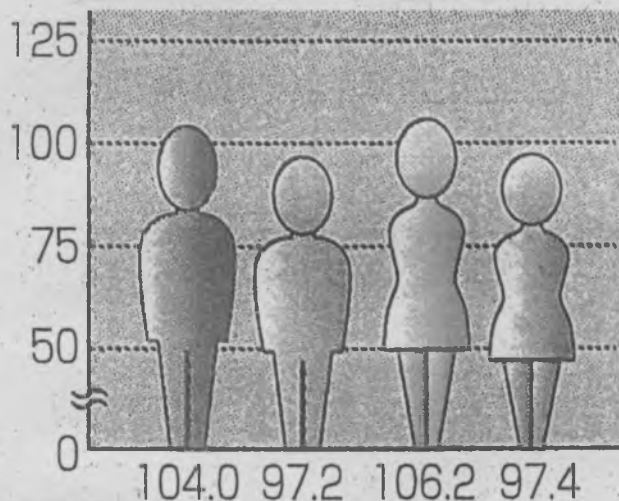
Cases:

1. Direct-sales
  2. Food-processing (with added value)
  3. Farmers' restaurant (with further added value)
  4. Exchange between rural and urban people and activities
  5. Community services: care for the aged, meal delivery, and etc.
- 
1. Direct sales
    - (1) "Shiki-no-Sato", Nakakawane, Shizuoka
    - (2) "Karari", Uchiko, Ehime
  2. Food-Processing
    - (1) "Taima-no-ie", Nara
    - (2) "Irodori", JA, Kamikatsu-cyo, Tokushima(IT)
    - (3) "Ume", Minabekawa Wakayama (No1)
    - (4) "Yuzu", JA, Umaji, Kochi
  3. Farmers' restaurant
    - (1) "Taima-no-ie", Taima, Nara
    - (2) Italian resutaurant, Iide, Yamagata
    - (3) "Yamabiko cyaya", Saijyo, Hiroshima
  4. Exchange between rural and urban
    - (1) Kawaba-machi, Gunma and Setagaya-word, Tokyo
    - (2) Mita, Hyogo
  5. Community services
    - (1) Fishing village, Yamaguchi Pref.
    - (2) The Rainbow Plan, Nagai: School lunch, Environment Education
  6. Rural Road-side Station:
    - (1)"Karari", Uchiko, Ehime(IT)



# 子どもたちの栄養素などの摂取状況 (必要な量を100としています)

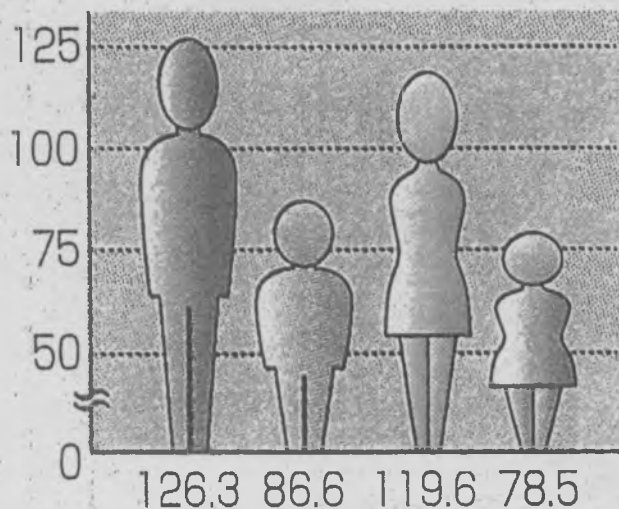
## エネルギー



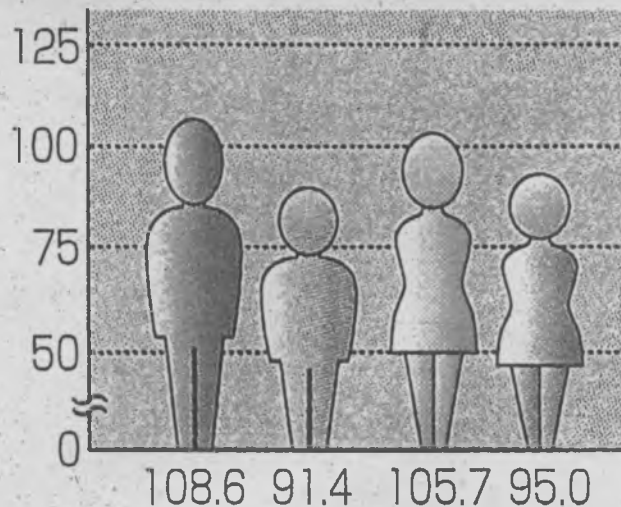
小学5年生の男子と女子が給食のある日とない日、それぞれの日に食事でもったエネルギーとカルシウムと鉄の量を表しています。



## カルシウム



## 鉄



# Rural women and their waterwheel bring vitality to mountain village

By MASAYUKI KITAMURA

TENRYU, Shizuoka Pref. (Kyodo) "One thing is crystal clear. All of us became much younger than 14 years ago when we started this facility together," said the 62-year-old leader of a women's group in this mountain community.

The Kumma district in the city of Tenryu, located 50 km north of Hamamatsu, Shizuoka Prefecture, is known as one of the three most beautiful forests in Japan.

The village of Kumma — 350 households with 1,200 people — had been in a slump for years due to depopulation, a decline in local industries and an aging population, common woes across rural Japan.

Dozens of village women decided on a plan to reactivate their community.

They set up a better-living group in the early 1980s with prefectural help, and through it have been learning skills to make traditional food items like miso and "soba" (buckwheat noodles).

Takako Ota, 62, head of the group, said, "We cherished the idea of setting up our own food-processing plant, as well as a shop, to revitalize the rural community."

In 1987, they reorganized to realize their dream to open Kumma Suisha-no-Sato (Kumma, the Waterwheel Hometown), a major service and entertainment complex.

"At first, it was very difficult to persuade our husbands and other conservative people, but eventually they gave us full support. The local community even invested as much as ¥40 million by selling the forest," Ota said.

In May 1988, Kumma Suisha-no-Sato was completed at a cost of ¥160 million.

The 4,200-sq.-meter complex has an eatery, shop, meeting hall, three food processing plants, accommodations, amusements for children and a waterwheel mill. An arm of the Atago River flows through the complex.

Immediately after the opening, the Mothers' Store restaurant acquired a reputation for tasty soba. On Sundays and holidays, visitors flocking to the complex outnumber the local population.

In the first year, they also organized several events to attract urbanites.

According to Ota, an annual firefly observation night held in summer gathers some 2,000 visitors every year.

Annual visitors now number between 70,000 and 80,000.

Nobuko Ohira, one of the founding members of the facility, said, "We currently sell more than 180 goods at the store — agricultural products, handicrafts and a variety of foods produced in our own plants."

Besides generating jobs for village women, the complex helps senior citizens by purchasing their agricultural products and handicrafts.

Ohira said: "For encouraging senior citizens, we do not deal these goods on a commission basis. We purchase items on the spot, in cash, if the products are good."

If fresh vegetables are not sold on the same day, they are used to make pickles and other processed foods.

"Senior citizens apparently find the salt of life in delivering their products to our store. We think this might be the ultimate way for senior citizens to keep their health," Ohira said.

"This morning, an 80-year-

old delivered 80 pairs of 'wajaji' (straw sandals) to our store. We have already made a deal to sell 50 pairs to a local organizing committee for a fall festival. The other 30 pairs will be put on sale at our store," she said.

As many as 30 women now work at the facility permanently.

The total turnover in 1998 amounted to nearly ¥100 million, and Ota said every year they donate some ¥2 million to the community from their profits.

In 1989, only three years after opening, Kumma Suisha-no-Sato was awarded the Emperor's Cup in the rural development category of the annual National Agricultural, Fisheries Festival.

In 1995, the facility was also designated a Michi-no-Eki, a site worth visiting, by a Construction Ministry affiliate.

Michi-no-Eki, numbering more than 500 across Japan, are service areas for major trunk highways and are expected to serve as bases for regional development. There are several criteria, including clean toilets, vast parking areas and restaurants with local specialties.

Kumma Suisha-no-Sato pioneered the role long before the Michi-no-Eki project began.

Kazuko Kano, senior technical adviser of Japan Bank for International Cooperation, said: "Women account for 60 percent of Japan's agricultural population. Believe it or not, there are some 6,000 women's business promotion groups in rural areas throughout Japan. But most Japanese do not know the strength of women's power in Japanese agriculture."

	<b>Old Law : 1961 Basic Agricultural Law</b>	<b>New Law:1999 Food,Agriculture, &amp;Rural-Life Law</b>	
<i>Food/ Multiple functions Of Agriculture</i>		Secure supply of Food	Multiple functions of Agriculture
<i>Agriculture</i>	Increasing Productivity: Filling Income-gap between Farmers/Non-farmers	Sustainable Development of Agriculture	
<i>Rural-life</i>		Improvement of Rural Life : Article 26; Role of women in Agriculture	

Year	Agricultural Products	Food-processing	Other: processing	Sales. Delivery	Exchange Between Rural-cities	services	other
2002	553 (7.5%)	4,962 (67.7%)	302 (4.1%)	2,976 (40.6%)	467 (6.4%)	30 (0.4%)	53 (0.7%)
2001	460 (6.7%)	4,495 (65.9%)	260 (3.8%)	2,832 (41.5%)	382 (5.6%)	34 (0.5%)	42 (0.6%)

# Present status of women in rural areas in Japan

**Japan is implementing actions for the enhancement of the status of rural women based on the enforcement of “the Basic Law for a Gender-Equal Society” in June 1999 and “the Basic Law on Food, Agriculture and Rural Areas” in July 1999.**

**The Article 26 of “the Basic Law on Food, Agriculture and Rural Areas” is stated to promote the creation of an environment in which women’s role in farming operations are fairly assessed and women can be provided with opportunities to become involved in farm management and other relevant activities on a voluntary basis.**

**“The Basic Plan on Food, Agriculture and Rural Areas” was established in March 2000 and “the Basic Plan for Gender Equality” was established in December 2000.**

**The Ministry of Agriculture, Forestry, and Fisheries is promoting rural areas where women are taking important roles in the management of agriculture and regional community. They can live comfortably and work easily and their requests can be reflected as well.**

## MILESTONES IN THE ADVANCEMENT OF WOMEN SINCE INTERNATIONAL WOMEN'S YEAR

		United Nations	Japan
Proclamation of the United Nations Decade for Women(1976-1985)by the General Assembly	1975	Establishment of International Women's Year by the General Assembly (Goals: Equality, Development and Peace) The World Conference of the International Women's Year (Mexico City) Adoption of the World Plan of Action	Establishment of the Headquarters for the Planning and Promoting of Policies relating to Women Convening of the Council on Women's Issues, a private advisory body to the President of the Headquarters
	1977		Formulation of the National Plan of Action Opening of the National Women's Education Center
	1979	The 34th Session of the General Assembly of the United Nations Adoption of the Convention on the Elimination of All Forms of Discrimination against Women	
	1980	World Conference of the United Nations Decade for Women (Goals: Equality, Development and Peace) (Copenhagen) Adoption of the Program of Action for the Second Half of the United Nations Decade for Women	
	1981		Formulation of the Priority Targets for the Second Half of the Period Covered by the National Plan of Action
	1985	World Conference to Review and Appraise the Achievements of the UN Decade for Women (Goals: Equality, Development and Peace) (Nairobi) Adoption of the Nairobi Forward-looking Strategies for the Advancement of Women	Amendment of the Nationality Law (employing a bilineal system) Promulgation of the Equal Employment Opportunity Law Ratification of the Convention on the Elimination of All Forms of Discrimination against Women
	1986		Expansion of the Headquarters for the Planning and Promoting of Policies relating to Women (the organization was expanded to all ministries and agencies; mandate was also expanded) Convening of the Advisory Council to the President of the Headquarters for the Planning and Promoting of Policies relating to Women
	1987		Formulation of the New National Plan of Action towards the Year 2000
	1989		Revision of the Course of Study (making home economics a requirement subject for both girls and boys in senior high schools, etc.)
	1990	The 34th Session of the UN Commission on the Status of Women Adoption of the First Review and Appraisal of the Implementation of the Nairobi Forward-looking Strategies for the Advancement of Women by the UN Economic and Social Council (ECOSOC)	
1991		Formulation of the New National Plan of Action towards the Year 2000 (First Revision) Promulgation of the Child Care Leave Law	
1994		Establishment of the Office for Gender Equality, the Council for Gender Equality and the Headquarters for the Promotion of Gender Equality	
1995	The Fourth World Conference on Women (Beijing) Adoption of the Beijing Declaration and Platform for Action	Revision of the Child Care Leave Law (legal establishment of the Family Care Leave System)	
1996		Establishment of the Liaison Conference for the Promotion of Gender Equality (Egalite Network). Formulation of the Plan for Gender Equality 2000 - the National Plan of Action for Promoting a Gender-Equal Society by the Year 2000	
1997		Establishment of the Council for Gender Equality by Law Revision of the Equal Employment Opportunity Law and related Laws Adoption of the Law concerning the Long-term Care Insurance System	
1998		Establishment of the National Committee of Japan for Women 2000	
1999		Adoption of the Law for Punishing Acts related to Child Prostitution and Child Pornography, and for Protection of Children Adoption of the Basic Law for a Gender-equal Society Adoption of the Basic Law on Food, Agriculture and Rural Areas	
2000	The 23rd Special Session of the United Nations General Assembly "Women 2000" (New York)	Adoption of the Law to Control Stalking, etc. Formulation of the Basic Plan for Gender Equality	
2001		Establishment of the newly formed Council for Gender Equality Establishment of the Gender Equality Bureau Enactment of the Law for the Prevention of Spousal Violence and the Protection of Victims Revision of the Child Care and Family Care Leave Law	

## 1. What is Marketing?

Customer Orientation: The purpose of a business is to create and maintain profitable customers. Customer satisfaction leading to profit is the central goal of marketing.

The customer is king.

Customer Satisfaction

What is Marketing? Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others.

Marketing is a way of doing business that is focused on the customer.

## 2. Marketing Mix

4P's

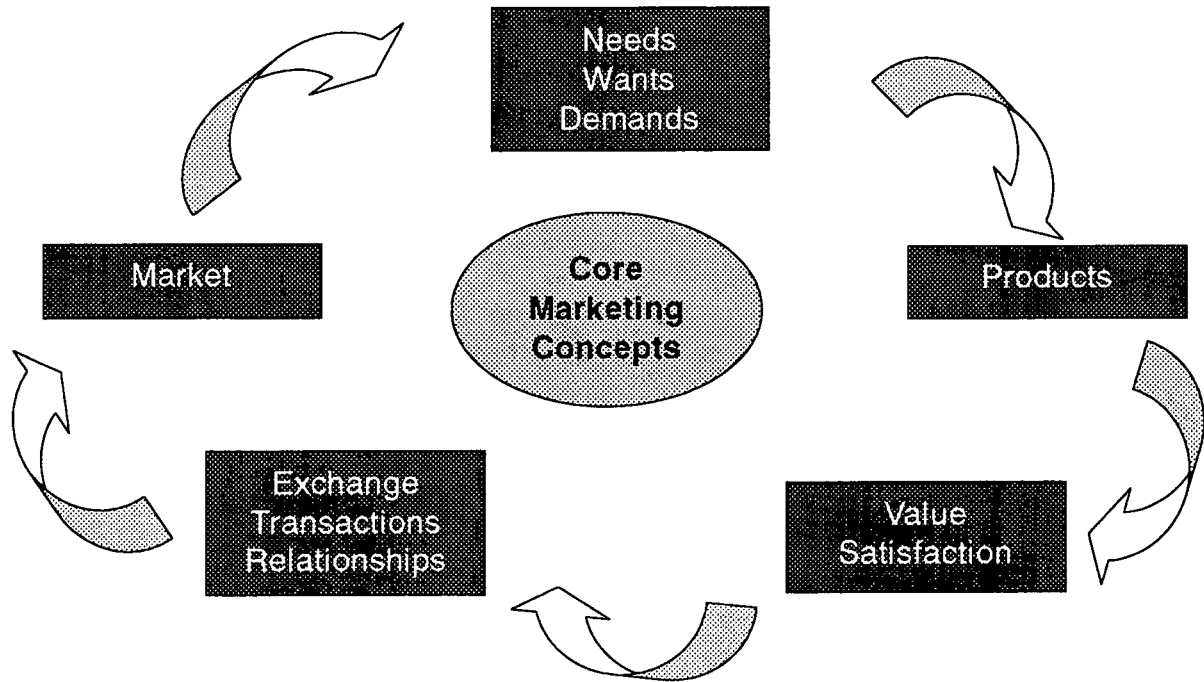
Product

Price

Place (Distribution)

Promotion

### 3. Human Needs



**Needs:** State of felt deprivation, including basic physical needs for food, clothing, warmth, and safety; social needs for belonging, affection, fun, and relaxation; esteem needs for prestige, recognition, and fame; and individual needs for knowledge and self-expression.

**Wants:** The form taken by human needs as they are shaped by culture and individual personality. Wants are how people communicate their needs.

**Demands:** People have almost unlimited wants, but limited resources. When backed by buying power, wants become demand.

#### The Selling Concept

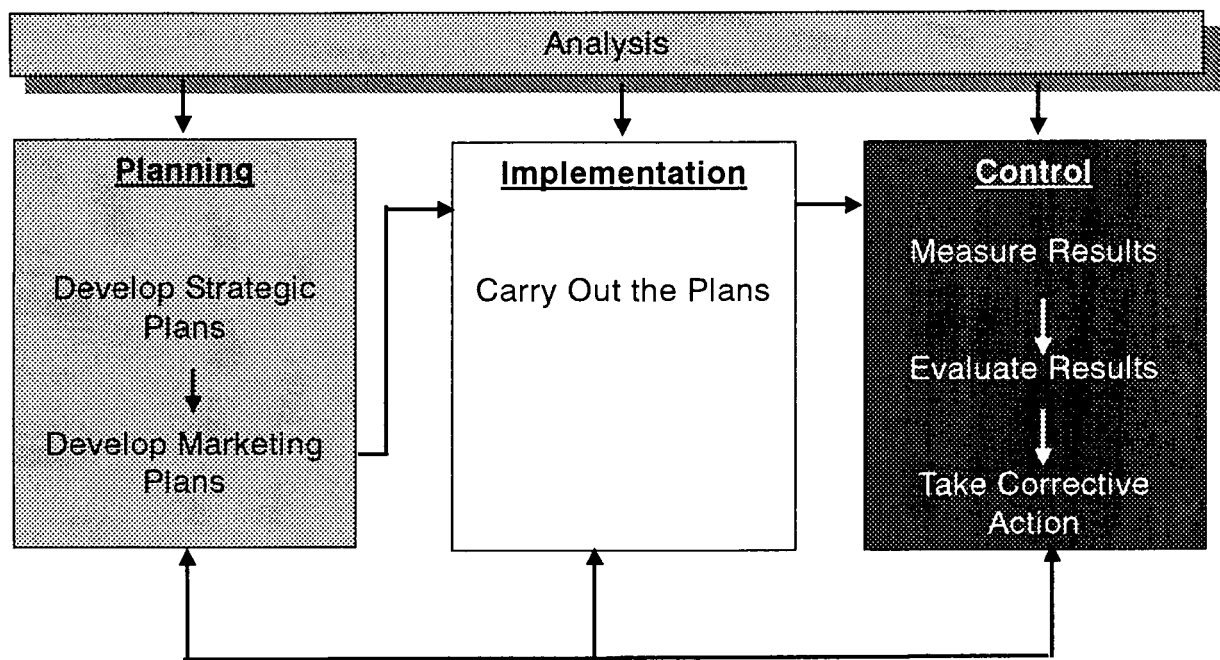
Starting Point	Focus	Means	Ends
Factory	Existing Products	Selling Promoting	Profits through Sales Volume

#### The Marketing Concept

Starting Point	Focus	Means	Ends
Market	Consumer Needs	Integrated Marketing	Profits through Consumer Satisfaction



## 4. Strategic Planning



## 5. Consumer Buying Behavior

### Marketing Stimuli

Product  
Price  
Place  
Promotion

### Other Stimuli

Economic  
Technological  
Political  
Cultural

### Factors Influencing Behavior

Cultural  
Social  
Personal  
Psychological  
Buyer

### Steps Between Evaluation of Alternatives and Purchase Decision

1. Evaluation of alternatives
2. Purchase intention
- 3-a. Attitudes of others
- 3-b. Unexpected situational factors
4. Purchase decision

## 6. Market Segmentation, Targeting, and Positioning

*Market Segmentation:* The process of dividing a market into distinct groups of buyers who might require separate products and /or marketing mixes.

Measurable  
Accessible  
Actionable

Geographic  
Demographic  
Psychographics  
Behavioral

*Market Targeting:* The process of evaluating each segment's attractiveness and selecting one or more of the market segments.

*Positioning:* The process of developing a competitive positioning for the product and an appropriate marketing mix.

# CHECK SHEETS

What are Your Problems?

		Problems	Solution
<b>Products</b>	<b>Quality</b>		
	<b>Taste</b>		
	<b>Sanitary</b>		
	<b>Healthy</b>		
	<b>Brand</b>		
	<b>Package</b>		
	<b>Others</b>		

		Problems	Solution
<b>Pricing</b>	<b>Cost-based</b>		
	<b>Target Profit</b>		
	<b>Buyer-based</b>		
	<b>Competition-based</b>		
	<b>Others</b>		

		Problems	Solution
<b>Place (Distribution)</b>	<b>Distribution Channel</b>		
	<b>Others</b>		

		Problems	Solution
<b>Promotion</b>	<b>Advertising</b>		
	<b>Direct Marketing</b>		
	<b>Sales Promotion</b>		
	<b>Others</b>		

Training Course on Business Leadership Development Among  
Women Members in Agricultural Cooperatives in Asia  
From September 9 to October 4, 2002 Tokyo Japan

***Roles of Women in Rural Development***

*September 19 (Thu), 2002*

**By Ms. KANO Kazuko**  
Senior Technical Advisor,  
Project Development Department  
Japan Bank for International  
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The Institute for the Development of Agricultural Cooperation in Asia (IDACA)



## 1. Status of Women in Japan

- 1) 60% of farming population is women, which shows important position of women in agriculture. (18% in fisheries and 17% in forestry)
- 2) International Comparison
  - In Asia and Africa women's position in agriculture is relatively high; 73% for women and 70% for men in Vietnam
  - Relatively low in the women's position in European countries
- 3) Characteristic in Japan: Aging population
  - Characteristics in Population of Japan: Birthrate, Average Life Expectancy,
  - Farming Population of Women by Age:
    - 67% at the age of 50 to 59, 60% at the age of 60 and over, 61% at the age of 40 to 49
- 4) Women's Position in Regular Members of Agricultural Cooperatives, Agricultural Committee and Directors of Agricultural Cooperatives: Small in number, but it shows increasing trend.

## 2. Issues of Women in Agriculture

- 1) Women's Contribution in Agriculture is not recognized well.
- 2) Evaluation of Women in Society is not adequate.
- 3) Excessive Workload on Women: Triple Roles (Farming, Housekeeping, Nursing Care, and community activities)

## 3. Efforts made to solve problems on Rural Women

- 1) Suggestions made in 1994
- 2) Enactment of Two Basic Laws in 1999
  - (1) Basic Law on Equal Participation of Men and Women in Society
  - (2) Basic Law on Agriculture, Foods and Rural Life: Article 26 (Recognition of women's roles in agriculture and importance of creating environment for women's farming)

## 4. Concrete Measures for Assistance to Rural Women

- 1) Status of Entrepreneurship of Rural Women and Support
  - (1) Survey conducted by Ministry of Agriculture, Forestry and Fisheries in Feb., 2000 shows;
    - (1) Number of Entrepreneur Group : 6,800 ( Mostly group activities)
    - (2) Distinctive Activities: 67% in food processing,
      - 45% in Direct sales by morning and evening market and restaurants
    - (3) Scale: Small / 3 million yen income or less- 60%, 10 million yen or more-11% ,
  - (2) Position of Women's Entrepreneurship in Rural Life
  - (3) Assistance from Government
    - At National Government Level:
      - Ministry of Agriculture, Forestry and Fisheries (appropriation of budget),
      - Ministry of Home Affairs, Agency of Natural Resources and Energy, etc.

- At a Prefecture and Municipal Level:
  - Assistance Programs for technology, subsidy, loan, training and establishment of processing facilities
  - Role of agricultural extension center,
  - Incentive system
  - “Michi-no-eki” program for assistance to marketing
- 2) Family Management Agreement
  - (1) Number of Concluded Cases:
    - Approximately 14,000 cases in Japan
    - In Tochigi Prefecture 1,000 cases are expected.
    - 30% increase by year.
  - (2) Contents of Agreement :
    - Objectives, Management Planning, Division of labor, Work Conditions, Others (training, exchange program, health control, nursing care, family trip,hobbies, etc)
    - Freely decided by family, concluded and changed anytime.
  - (3) Conclusion of Agreement:
    - Role of Extension Officer, Seminar for Couple, Adequate Preparation and Study needed, Witness
  - (4) Aims of the Agreement:
    - Measures to solve problems of rural women,
    - Promotion of conclusion of the agreement on the assumption of women insured in farmers’ pension system
    - Improvement of image on farmers and effective for securing farm successors’ partn
    - Improvement of family’s health management
  - (5) Effects by the Agreement:
    - Contribution to solve problems of rural women
    - Roles and reward made clear
    - Holidays secured.
    - Empowerment
    - Improvement of family atmosphere
    - Improvement of image on agriculture and securing partners
  - (6) Actual Cases: (4 cases to be listed)

## 5. Recent Movement related to Rural Women

### 1) New Roles: Environment and Rural Women

#### (1) Case of Women’s Activities for Improvement of Environment

##### ~ Rainbow Plan in Nagai-shi, Yamagata~

- Leadership taken by the local residents, Active Contribution by Women’s Groups and Cooperation of the Local Government
- Most Advanced Kitchen Refuse Recycling Activities in Japan involves 5,000 households and mobilizes 9,000 people to make quality compost from the kitchen refuse for farmers to produce and sell organic vegetables to the residents which

contributes to reduction of dioxin and waste treatment expenses by 2 million yen, revitalize the community's activities and make the people confident in the movement.

(2) Activities of the Women's Association of JA in Yusa-cho at the foot of Mt.Chokai.

- Movement to produce soap from used coking oil, which contributes to clean Gekko River water and return of salmon to the river.

(3) Sorted Waste Collection in Takahata-cho (sorted into 17 categories)

-Women's "My Bag" movement(women using their own shopping bags rather than bags from the shops) and cooperation with shop owners.

-Recycling plastic trays by reduction into heavy oil.

2) Rural Women's Management Conference (held in Tottori in 1999 and in Niigata in 2000)

(1) The conference proves that rural women have gained more power and influence.

(2) The conference is held on the Day of Women in Farming, Fishing and Mountain Village (In March every year)

3) Changes of Awareness of Japanese People on Environment and Agriculture

-Return to Farming after Retirement

-Seminar for New Entries into Farming

-Assistance Measures to start farming

-Increasing Female Students, who are not from farming family, from Department of Agriculture at a university

6. Case of Rural Women's Entrepreneurship

1) Case by Form of Activity

(1) Group centering Women and the Elderly

- "Uchiko Karari Park" (Uchiko-cho, Ehime/ "Michi-no-eki") utilizing POS system and local human resource.

- "Irodori Group" (JA in Uekatsu-cho, Tokushima) work out outstanding ideas

- "Miso"(soybean paste) Processing Group utilizing locally procured "Kuro-daizu", black soybean in Asago-cho, Hyogo

(2) Case without any assistance from Government

- "Shiki-no-sato" (Nakakawane-cho, Shizuoka)

(3) "Rural Restaurant" and Network

- "Yamabiko-jaya" Restaurant (Saijo-cho, Hiroshima)

- Network with eight restaurants

(4) Successful Case of Activities by Agricultural Cooperative (Umaji-mura, Kochi)

-Cultivation of Yuzu citrus, processing and marketing to overcome disadvantages of geographical condition and elderly working force.

-Utilizing all Yuzu citrus produces no waste.

-Establishing network of 250,000 people to achieve surprising sales

-By this success village people have gained confidence and dignity exemplified by baseball team of elementary school pupils.

2) Assistance for Marketing, etc: "Michi-no-eki" Program

(1) Status and Background: 661 Mich-no-eki in hilly and mountainous areas in Japan

(2) Taking Advantages of Geographical Features, Full Participation of community, Revitalization of hilly and mountainous areas

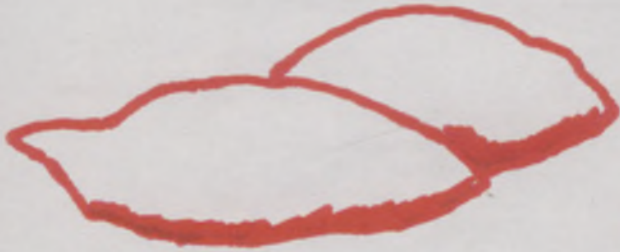
- (3) Great Contribution of Women: Cultivation, Agro-processing, Rural Restaurant
- (4) Case:
- “Meiho” in Meiho-mura, Gifu
  - “Chokai Flat” by JA’s Women’s Association utilizing products from mountain and the sea in Yusa-cho, Yamagata
  - “Horigane” in Horigane-cho, Nagano with 130 marketing farm households and many active women~ female management and director, enhancing ability.
  - “Tomiura” in Tomiura-cho, Chiba~ Grand prix awarded, Symbiosis with Nature and Regional Community, Utilizing abilities and experience of the elderly, Agricultural Cooperative as a largest organization for employment and 90% of the employees is woman with sound management.
- (5) Roles of JA and JA’s Women’s Association
- (6) Functions of “Eki-no-michi”
- Regional Revitalization
  - Regional Resources~ natural and human resources
  - Employment of women and Creation of Income
  - Women to be empowered to raise her status
  - Enlightenment of Importance of Environment Preservation
  - Preservation and Promotion of Various Traditional Culture
  - Experience of farming, Exchange Program between People from Urban Areas and Rural Areas
  - Disclosure of information and model of good management
- (7) Applicable Ideas to the Developing Countries
- Includes Rural Development, Direct Sales, Employment of Women, Creation of Income, Preservation and Promotion of Various Traditional Cultures, Enlightenment of Traffic Safety, Environment Preservation, Exchange Program between People Urban and Rural Areas and other multi-functions suitable to the region.
  - Correction of Gaps between Urban and Rural Areas and Alleviation of Poverty in Rural Areas are also expected by application of experiences of Japan
  - Currently a joint project is under way by Japan Bank for International Cooperation, Government of Thailand and Gifu of Japan

# Population and Development Indicators for Asia and the Pacific, 2002

Country or area and region	Mid-2002 population (thousands)	Annual growth rate <sup>a</sup> (percentage)	Crude birth rate (per 1,000)	Crude death rate (per 1,000)	Total fertility rate (per woman)	Age-specific fertility rate 15-19 (per 1,000)	Contraceptive prevalence rate <sup>b</sup> (percentage)		Life expectancy at birth (years)		Infant mortality rate (per 1,000)	Mortality under age 5 (per 1,000)	Sex ratio of population 65+ (males per 100 females)	Percentage aged			Elderly dependency ratio <sup>c</sup>	Urban population 2002	Annual population growth rate (%)	Adult (15-64) living with HIV/AIDS <sup>d</sup> (1995-1997)	
							All Methods	Modern Methods	Males	Females				0-14	15-64	65+					Percentage
<b>The ESCAP region</b>	<b>3,840,148</b>	<b>1.2</b>	<b>20.0</b>	<b>7.8</b>	<b>2.4</b>	<b>3.6</b>	<b>63.6</b>	<b>58.5</b>	<b>66</b>	<b>70</b>	<b>53</b>	<b>69</b>	<b>80</b>	<b>29</b>	<b>65</b>	<b>6</b>	<b>10</b>	<b>39</b>	<b>2.3</b>	<b>5,992,900</b>	<b>0.30</b>
<b>EAST AND NORTH-EAST ASIA</b>	<b>1,500,467</b>	<b>0.8</b>	<b>14.6</b>	<b>6.6</b>	<b>1.6</b>	<b>4</b>	<b>72.6</b>	<b>72.4</b>	<b>70</b>	<b>74</b>	<b>34</b>	<b>39</b>	<b>82</b>	<b>23</b>	<b>69</b>	<b>8</b>	<b>12</b>	<b>39</b>	<b>1.9</b>	<b>516,500</b>	<b>0.06</b>
China <sup>1,2,3</sup>	1,292,656	0.9	15.2†	6.5†	1.8†	5†	83.0	82.8	69	73	37	42	85	24	69	7	10	33	2.4	500,000	0.07
Democratic People's Republic of Korea <sup>1</sup>	22,620	0.7	16.9	10.0	2.1	2	61.8	53.0	62	68	40	51	74	26	68	6	9	61	1.7	<100	<0.01
Hong Kong, China <sup>4</sup>	6,854	0.9	8.1†	5.1†	1.0†	5†	86.2	79.7	77†	82†	3†	4†	89	17	72	11	15	100	0.9	2,500	0.06
Japan <sup>5</sup>	127,329	0.2	9.4†	7.8†	1.3†	5†	58.6	52.8	78†	85†	3†	5†	72	15	68	18	26	79	0.3	10,000	0.02
Macao, China <sup>1</sup>	484	0.9	9.0	4.6	1.1	6	..	..	77	82	8	9	72	20	73	7	10	99	0.8	..	..
Mongolia <sup>1,2,6</sup>	2,462	1.4	21.9	7.3	2.3	6	59.9	45.7	62	66	59	87	71	36	61	4	4	65	2.3	<100	0.00
Republic of Korea <sup>1,7</sup>	48,062	0.8	13.2†	5.3†	1.5†	3.8	80.5	66.9	72	79	7	10	65	22	71	8	11	83	1.4	3,800	0.01
<b>SOUTH-EAST ASIA</b>	<b>538,466</b>	<b>1.4</b>	<b>21.4</b>	<b>7.0</b>	<b>2.5</b>	<b>4.5</b>	<b>57.2</b>	<b>48.7</b>	<b>65</b>	<b>70</b>	<b>41</b>	<b>55</b>	<b>81</b>	<b>31</b>	<b>64</b>	<b>5</b>	<b>8</b>	<b>40</b>	<b>3.0</b>	<b>1,690,300</b>	<b>0.61</b>
Brunei Darussalam <sup>1,2,8</sup>	354	2.3	22.3†	2.8†	2.7†	29†	..	..	74†	76†	6†	7†	97	31	66	4	5	73	2.5	<100	0.20
Cambodia <sup>1</sup>	13,204	2.5	35.2	10.6	4.9	99	23.8	18.5	54	59	74	106	53	43	54	3	5	17	4.2	210,000	4.04
Indonesia <sup>1</sup>	217,660	1.2	20.3	7.1	2.3	54	57.4	54.7	65	69	40	51	82	30	65	5	8	43	3.6	52,000	0.05
Laos People's Democratic Republic <sup>1,9</sup>	5,536	2.3	36.0	12.8	4.8†	96†	32.2	28.9	57†	61†	82†	107†	87	42	54	4	7	25	4.9	1,300	0.05
Malaysia <sup>1,10</sup>	24,109	1.8	25.6†	4.6†	3.1†	24†	54.5	29.8	70†	75†	8†	9†	87	33	63	4	6	59	2.9	48,000	0.42
Myanmar <sup>1</sup>	50,633	1.2	23.5	11.6	2.9	29	32.7	28.4	54	59	88	134	85	32	63	5	7	29	2.8	510,000	1.99
Philippines <sup>1</sup>	78,744	1.9	26.2	5.2	3.2	34	46.0	28.2	68	72	30	36	79	37	60	4	6	60	3.2	26,000	0.07
Singapore <sup>1,2,11</sup>	4,157	1.7	13.6†	4.5†	1.6†	7†	74.2	73.0	76†	80†	3†	4†	83	22	71	7	10	100	1.7	3,900	0.19
Thailand <sup>12</sup>	63,430	0.8	14.0	6.0	1.8	65	72.2	69.8	70	75	21	31	82	25	69	6	9	31	0.6	740,000	2.15
Viet Nam <sup>1</sup>	80,639	1.3	19.9	6.5	2.3	21	75.3	55.8	67	71	34	46	85	32	63	5	9	20	2.2	99,000	0.24
<b>SOUTH AND SOUTH-WEST ASIA</b>	<b>1,550,916</b>	<b>1.7</b>	<b>26.0</b>	<b>8.6</b>	<b>3.3</b>	<b>5.6</b>	<b>48.1</b>	<b>40.4</b>	<b>63</b>	<b>64</b>	<b>69</b>	<b>92</b>	<b>90</b>	<b>34</b>	<b>61</b>	<b>5</b>	<b>8</b>	<b>33</b>	<b>3.0</b>	<b>3,630,000</b>	<b>0.48</b>
Afghanistan <sup>1</sup>	23,443	3.6	47.3	21.5	6.8	112	1.6	1.6	43	43	162	280	96	43	54	3	5	23	6.7	<100	<0.01
Bangladesh <sup>1</sup>	143,495	2.1	30.1	8.8	3.6	127	53.8	43.4	60	61	68	94	99	38	59	3	5	26	4.0	13,000	0.02
Bhutan <sup>1</sup>	2,202	2.6	34.9	8.7	5.1	58	18.8	18.8	62	64	55	82	87	42	54	4	8	8	6.0	<100	<0.01
India <sup>1</sup>	1,051,644	1.5	24.0	8.5	3.0	45	48.2	42.8	63	65	66	87	89	33	62	5	8	29	2.8	3,500,000	0.70
Iran (Islamic Republic of) <sup>1</sup>	69,047	1.4	22.2	5.0	2.8	29	72.9	56.0	69	71	37	43	91	35	61	4	6	63	1.9	1,000	<0.01
Maldives <sup>1</sup>	310	3.0	36.1	6.1	5.4	54	..	..	68	67	38	49	110	43	54	4	7	27	3.5	<100	0.05
Nepal <sup>1</sup>	24,179	2.3	34.2	10.0	4.5	125	28.5	26.0	60	59	72	100	94	41	55	4	7	13	5.1	33,000	0.29
Pakistan <sup>1,18</sup>	149,163	2.6	36.5	9.8	4.8	65	27.6	20.2	61	61	85	103	99	41	55	4	7	38	4.1	73,000	0.10
Sri Lanka <sup>1</sup>	18,989	0.9	17.3	6.3	2.1	23	66.1	43.6	70	76	20	24	82	25	68	7	10	25	2.8	7,300	0.07
Turkey <sup>1</sup>	68,444	1.4	20.4	6.2	2.3	52	63.9	37.7	68	73	39	50	84	30	64	6	9	77	2.6	2,500	0.01
<b>NORTH AND CENTRAL ASIA</b>	<b>218,879</b>	<b>-0.2</b>	<b>11.9</b>	<b>12.5</b>	<b>1.5</b>	<b>3.6</b>	<b>58.3</b>	<b>47.1</b>	<b>62</b>	<b>73</b>	<b>29</b>	<b>38</b>	<b>50</b>	<b>21</b>	<b>68</b>	<b>11</b>	<b>16</b>	<b>67</b>	<b>0.4</b>	<b>135,400</b>	<b>0.12</b>
Armenia <sup>1</sup>	3,791	0.1	9.6	7.4	1.1	33	60.5	22.3	70	76	16	18	70	21	69	9	14	71	0.7	<500	0.01
Azerbaijan <sup>1</sup>	8,137	0.6	13.0	6.2	1.5	27	..	..	69	75	30	41	66	27	66	8	11	58	1.4	<500	<0.01
Georgia <sup>1</sup>	5,207	-0.5	10.4	9.9	1.4	34	40.5	19.8	69	78	18	22	62	19	67	14	21	62	0.7	<500	<0.01
Kazakhstan <sup>1</sup>	15,902	-0.4	16.4	10.1	2.0	45	52.7	52.7	60	71	42	53	52	26	67	7	11	57	0.1	3,500	0.04
Kyrgyzstan <sup>1</sup>	5,036	1.2	19.9	7.2	2.4	30	59.5	48.9	65	72	38	47	61	32	61	6	10	33	0.8	<100	<0.01
Russian Federation <sup>1</sup>	143,963	-0.6	8.6	15.2	1.1	33	..	..	60	73	17	21	47	16	70	13	19	78	0.2	130,000	0.18
Tajikistan <sup>1</sup>	6,320	0.7	23.6	6.3	3.0	25	..	..	65	71	54	77	73	37	58	5	8	28	1.3	<100	<0.01
Turkmenistan <sup>1</sup>	4,924	1.9	25.6	6.6	3.2	18	61.8	53.1	64	70	49	69	66	36	59	4	8	45	2.0	<100	0.01
Uzbekistan <sup>1</sup>	25,599	1.4	20.9	5.8	2.4	52	55.6	51.3	67	72	37	52	69	34	61	5	8	37	1.5	<100	<0.01
<b>PACIFIC</b>	<b>31,420</b>	<b>1.4</b>	<b>17.5</b>	<b>7.6</b>	<b>2.4</b>	<b>3.9</b>	<b>67.2</b>	<b>63.0</b>	<b>73</b>	<b>78</b>	<b>25</b>	<b>33</b>	<b>80</b>	<b>25</b>	<b>65</b>	<b>10</b>	<b>15</b>	<b>70</b>	<b>1.2</b>	<b>20,700</b>	<b>0.15</b>
American Samoa <sup>14</sup>	61	2.6	30.0†	4.2†	4.5†	29†	..	..	69†	77†	..	..	87	38	59	3	6	54	4.4	..	..
Australia <sup>1,2,15</sup>	19,621	1.2	12.8	7.4	1.8†	18†	76.1	72.2	76†	82†	6†	7†	79	20	68	12	18	85	1.0	14,000	0.15
Cook Islands <sup>14</sup>	20	0.7	23.1†	6.8†	3.7†	82†	63.2	60.4	70†	73†	25†	..	115	35	60	5	9	60	1.0	..	..
Fiji <sup>1,14</sup>	840	1.7	24.6	5.5	3.0	54	41.0	35.1	68	71	18	22	84	33	64	4	6	51	2.9	300	0.07
French Polynesia <sup>1</sup>	241	1.6	20.5	4.8	2.5	58	..	..	71	76	9	12	93	30	66	5	7	53	1.5	..	..
Guam <sup>1</sup>	162	2.1	26.6	4.9	4.0	109	..	..	72	77	10	12	99	35	59	6	10	40	2.5	..	..
Kiribati <sup>14</sup>	92	2.5	33.1†	8.4†	4.5†	61†	..	..	61†	67†	..	..	73	41	55	4	6	40	2.7	..	..
Marshall Islands <sup>14</sup>	54	1.9	41.8†	4.9†	5.7†	94†	..	..	67†	71†	..	..	91	44	53	2	4	73	3.7	..	..
Micronesia (Federated States of) <sup>14</sup>	124	2.4	31.1†	6.2†	4.9†	62†	..	..	67†	69†	..	..	85	40	56	4	6	29	3.1	..	..
Nauru <sup>14</sup>	12	1.8	22.9†	5.1†	4.4†	64†	..	..	57†	64†	..	..	67	39	60	2	3	100	1.8	..	..
New Caledonia <sup>1</sup>	224	2.0	19.7	4.9	2.5	31	..	..	72	78	7	10	91	29	65	6	9	79	2.9	..	..

# VALUE ADDED

1. FRESH POTATO



2. STEAMED POTATO



3. MASHED POTATO



3 TIMES <sup>of</sup> NO.1

4. PIE AND SESAME BALL



4 TIMES <sup>of</sup> NO.1

∴ ALTOGETHER 12 TIMES

# Outline of JA Isehara

(Isehara-city Agricultural Cooperative, Kanagawa Prefecture)

## 1. Outline of Isehara City

Isehara City is located in the center of Kanagawa Prefecture, having the area of 55.5km<sup>2</sup>.

Total population is about 100 thousand and household number is 38 thousand.

Since 40 years ago, the region has experienced a fast industrialization due to establishment of many factories and development of collective housing area. Due to industrialization of the area, the population has increased sharply.

The ratio of farm households in the city is about 3.8%. Main agriculture are paddy cultivation, horticulture like orchard, flower plant growing, and vegetable growing and livestock like dairy, cattle breeding and poultry.

## 2. Outline of the Agriculture in the City

Paddy cultivation, dairy, hog raising and poultry account for the 50 % of the agricultural production in value. Fruit tree cultivations like pear, grape, persimmon, and orange are also very popular. There are tourist farms along the national highway. Horticulture is also popular farming in the region like strawberry, tomato, cucumber in green houses. In Hibita District where orange is extensively grown, there is an orange grading factory. Flower plant like rose, carnation, orchid, etc. are also extensively grown.

### (1) Types of farm households in the city.

Full time farm households : 230

Part time farm households earning the main income from agriculture : 200

Part time farm households earning the main income from non-agriculture : 605

Subsistence farm households : 427

Total : 1462

### (2) Agricultural operational area

Paddy field : 403 ha

Gardening field : 421 ha

Orchard field : 173 ha

Total : 997 ha

### (3) Area of cultivation

Paddy : 347 ha

Wheat : 10 ha  
Grape : 18 ha  
Persimmon : 45 ha  
Pear : 35 ha  
Orange : 60 ha  
Potato 31 ha

*997 hectare*

(4) Production in value (mil. Yen)

Paddy : 416  
Potato, etc. : 100  
Vegetable : 1,186  
Fruit : 685  
Flower plant : 298  
Dairy : 1,735  
Hog raising : 143  
Poultry : 205

3. Outline of the JA

JA Isehara City covering the whole area of the Isehara City was formed by merger of 6 small cooperatives about 35 years ago. *in 1966*

It has vigorously undertaken agricultural development of the region as suburban agriculture with emphasis on agricultural extension services and long term agricultural development planning of the area. It has undertaken several development schemes like 3 year integrated development plans after oil shock crisis in order to protect farming and livelihood of the members. Since 1978, it has launched into several series of the movement of cooperative strengthening. *to the*

In the recent years, the region has experienced the wave of urbanization and the agriculture of the region was transformed greatly changing the farmers to part time farmers. In such a situation, the cooperative has started the Nine 3 Year Plan of Cooperative Strengthening Movement since 2002

Since 1975 the coop has hold agricultural festival every year, which has become very popular festival in the city.

(1) Membership of the cooperative. (As of March 2002)

Regular Membership : 2,545. Associate Membership : 3,709. Total : 6,254

(2) Managers.

Directors : 23. Auditors : 7. Total : 30.

*23 - 7 = 16 are 30:  
(23 - 7)*



(3) Staffs.

Men : 175 (of which part time : 20). Women : 158 (o.w. part time : 77).

Total Staffs : 333 (o. w. part time : 97).

(4) Fixed Assets. (mil. Yen)

Building : 2,108 Land : 1,082, Equipment : 451. Others : 658, Total : 4,294

Of which, already depreciated value : 1,868. The balance : 2,376

(5) Important Accounts. (As of Feb. 2002, unit : mil. yen)

Outstanding Saving : <sup>105.6</sup>105,548. Outstanding Loan : <sup>37.6</sup>37,623

Long Term Insurance (Total Amount of the Guaranty) 476,564.

Goods supply to the members : 4,226. Marketing of Ag. Products : 2,208.

(6) Capital (As of Feb. 2002, unit : mil. yen)

Share Capital of the members : 1,524. Statutory Reserves : 2,060

Special Reserves : 3,424.

Accumulated Profit : 103. Profit of the Year : 144. Total : 7,256

4. Group Activities of the Members (As of April 2002)

- |                      |                          |
|----------------------|--------------------------|
| (1) Production Group | 87 groups                |
| (2) G C Group        | 128 groups               |
| (3) Youth Clubs      | 4 branches (44 members)  |
| (4) Women's Club     | 6 branches (614 members) |

Flesh JA clubs : 43 members, Calligraphy clubs : 10 members,  
Traditional singing club : 18 members, Japanese harp club : 36members,  
Dried and pressed flower club : 7 members,  
Traditional dance club : 56 members, Tea ceremony club : 20 members,  
Cooking club : 44 members, Art flower club : 6 members,  
Handcraft club : 130 members, Horticulture club : 8 members,  
Health exercise club : 182 members, Karaoke club : 34 members,  
Ballket ball club : 93 members, Pingpong club : 12 members,  
Kikou club : 44 members, Food processing club : 7members.

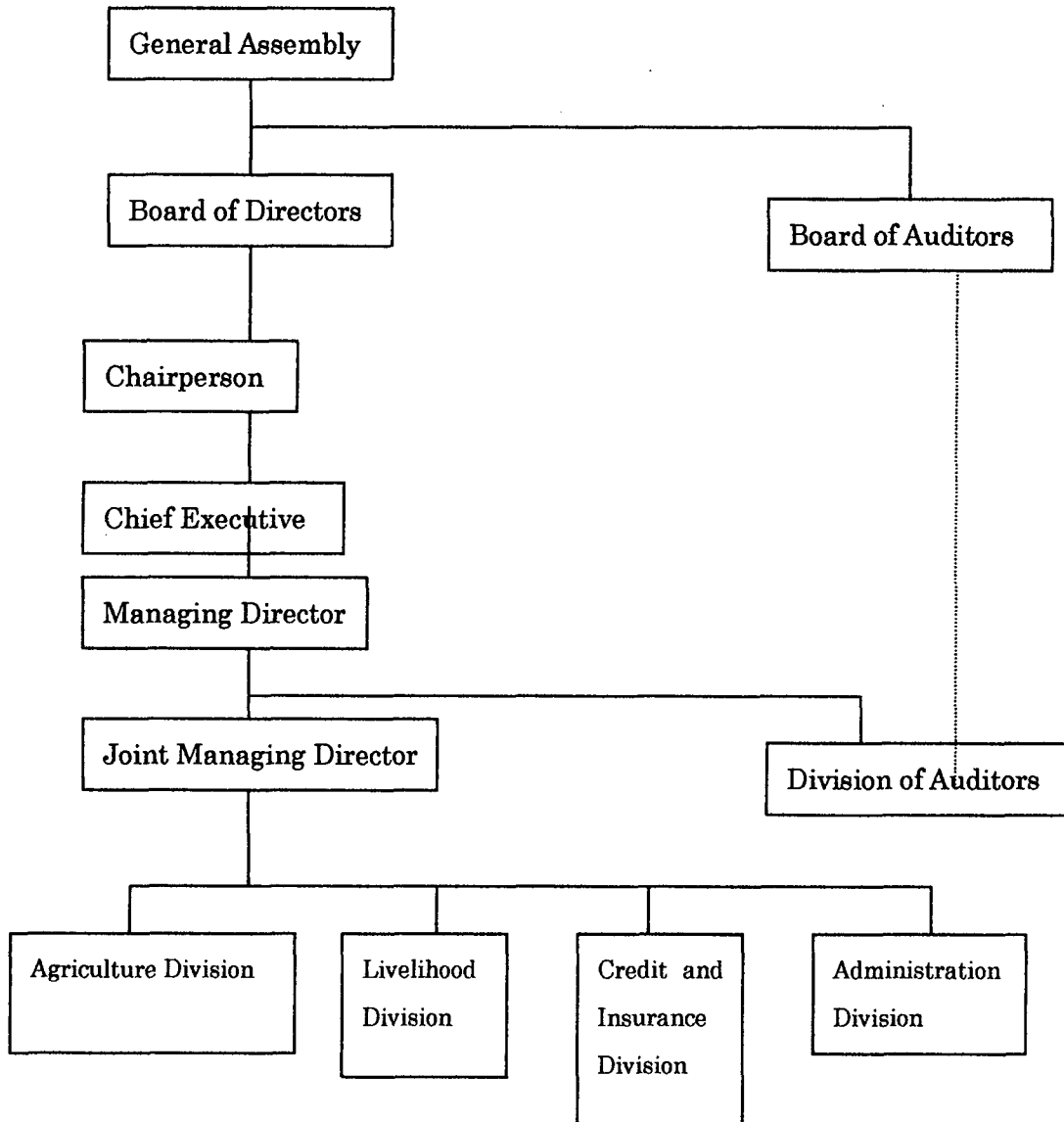
- |                       |            |
|-----------------------|------------|
| (5) Dairy Group       | 81 members |
| (6) Hog Raising Group | 7 members  |
| (7) Poultry Group     | 6 members  |

(8) Orange Growing Group	174 members
(9) Fruit Growing Group (Pears, Persimmon, Grape)	138 members
(10) Strawberry Growing Group	27 members
(11) Flower Growing Group (Rose, Carnation, Bulb Flower, Orchid)	32 members
(12) Tree Plant Growing Group	13 members
(13) Green House Group	15 members
(14) Mushroom Growing Group	16 members
(15) Assets Management Group	498 members
(16) Tax Management Group	275 members
(17) Other Groups	
Azalea Lovers Club : 45 members, PC Learning Club : 23 members, Japanese Cattle Raising Club : 9 members, etc.	
(18) Circle Activities of members and users.	36 groups
(19) Friends Club of Retired Directors	109 members
(20) Piano and Organ Learning Club	11 members
(21) Livestock Club	99 members
(22) Horticulture Association	526 members

## 5. Various Committees of JA Isehara

(1) General Assembly of the Representatives of Members	500 persons	<i>No women</i>
(2) Board of Directors	23	
(3) Board of Directors of Respective Divisions (Administration, Economic Activities, Finance Activities)	29	
(4) Board of Auditors	7	<i>women's included.</i>
(4) Committee of the Representatives of Production Groups	6 branches 16 persons	
(5) Committee of Cooperative Activities Strengthening Movement	46 persons	
(6) Branch-wise Promotion Committee of Activities	6 branches 121 persons	
(7) Promotional Committee of Activities' Coordination	6 branches	
(8) Government Policy Promotional Committee	49 persons	
etc.		

## 6. Structure of JA Isehara



*Tabe no 4 Dekinbutsu  
JA ISEHARA*

*① FARM Credit & Debt*

*② general Affairs Dept  
- Planning Section*

*③ Finance Dept - MUTUAL*

*④ Health Care Dept*

PLACES VISITED

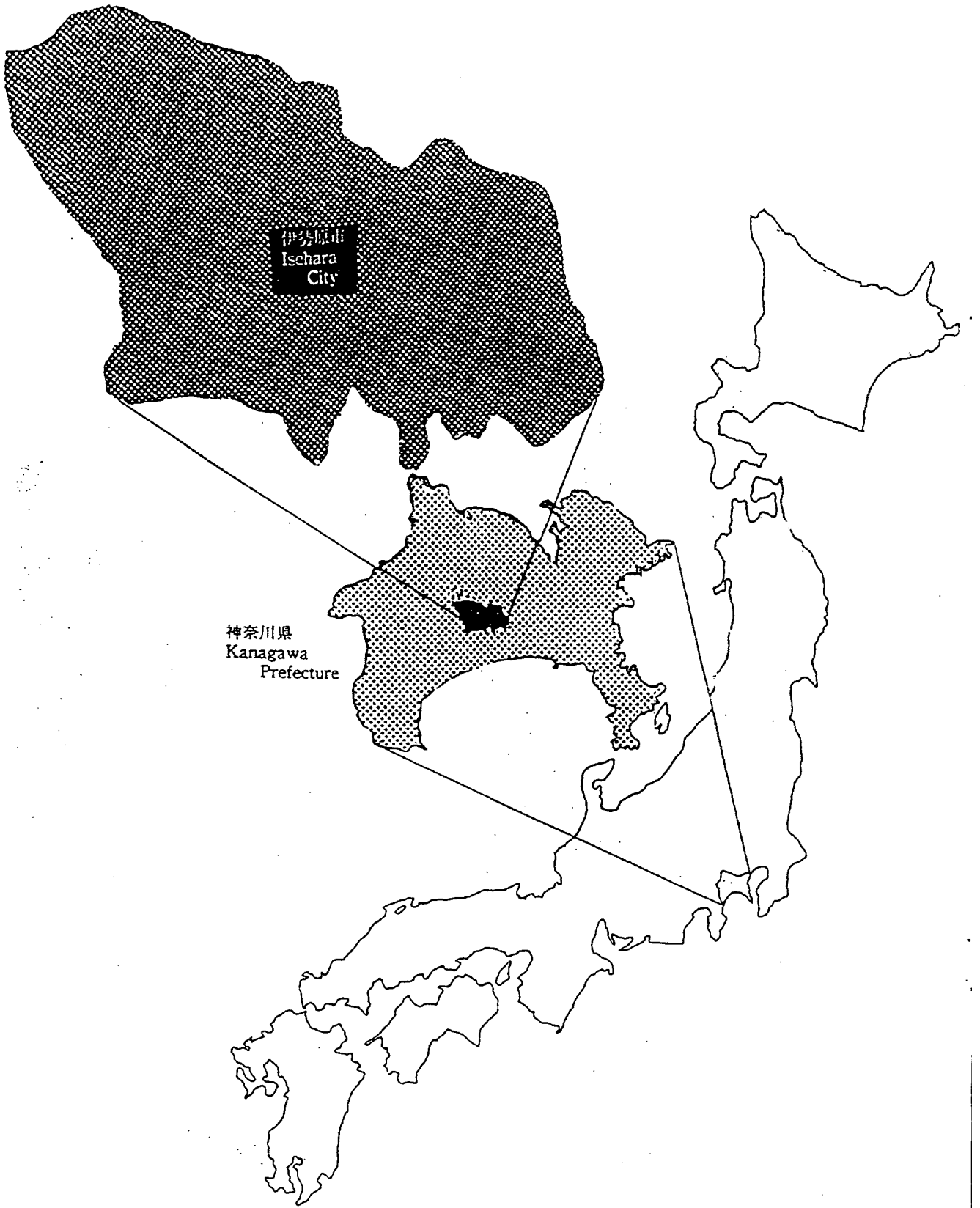
- DIRECT SALE SHOP (over 100 goods)
- GASOLINE STATION
- ONE of the Six Branches of JVA.

Training Course on Business Leadership Development Among  
Women Members in Agricultural Cooperatives in Asia  
From September 9 to October 4, 2002 Tokyo Japan

## ***Outline of JA ISEHRA***

*September 17(Tue), 2002*

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)



伊勢原市  
Ischara  
City

神奈川県  
Kanagawa  
Prefecture

## 1. Outline of Agriculture in Isehara City

### (1) No. of farmhousehold

Full-time farmhouseholds	Part-time I farmhouseholds	Part-time II Farmhouseholds	Self-supply farm households	Total
230	200	605	427	1,462

### (2) Cultivated Land Area

(Unit:a)

Paddy Field	Up Land Field	Orchard	Total
40,294	42,096	17,318	99,708

### (3) Agri. and Livestock Products

(Unit:ha)

Classification	Area	Classification	Area
Paddy Rice	346	Pear	35
Rice grown in a dry field	1	Mandarin orange	60
Wheat	10	Strawberry	4
Grapes	18	Potato	31
Persimmon	45	Welsh onion	22

### (4) Agricultural Gross Production Turnover

Classification	Amount	Classification	Amount
Paddy Rice	416	Flower	298
Potato	100	Dairy cattle	1,735
Vegetables	1,186	Pork	143
Fruits	685	Chicken	205

## 2. Outline of JA Isehara

### (1) No. of Members

Regular Member	2,561
Asso. Member	3,692
Total	6,253

## (2) No.of Officials

Directors	23
Auditors	7
Total	30

## (3) Fix Assets

(Unit: thousand yen)

Buildings	2,090,101	Intangible fixed assets	211,809
Facilities	215,211	Total	4,281,890
Machinery devices	126,163		
Vehicles for transportation	104,892		
Appliances, instruments	450,915	Total of depreciation	△1,868,179
Land	1,082,799	Balance	2,413,711

## (4) Main Account

Classification	At the end of Feb.2001
Deposits	101,341,208
Loans	35,085,986
Long-term Mutual Insurance New Contracts	35,703,070
Long-term Mutual Insurance holdings in forced	476,167,120
Purchasing supply Turnover	4,338,753
Marketing Business Turnover	2,384,504

## (5) Share capital

(Unit: thousand yen)

	At the end of Feb.2000	At the end of Feb.2001	Increase/ decrease
Share capital	1,527,403	1,527,475	72
Legal reserves	1,900,000	1,980,000	80,000
Special reserves	3,230,000	3,383,932	153,932
Surplus transferred to the next year	219,031	100,207	△118,824
Current surplus	176,621	176,863	242
Total	7,053,055	7,168,477	115,422

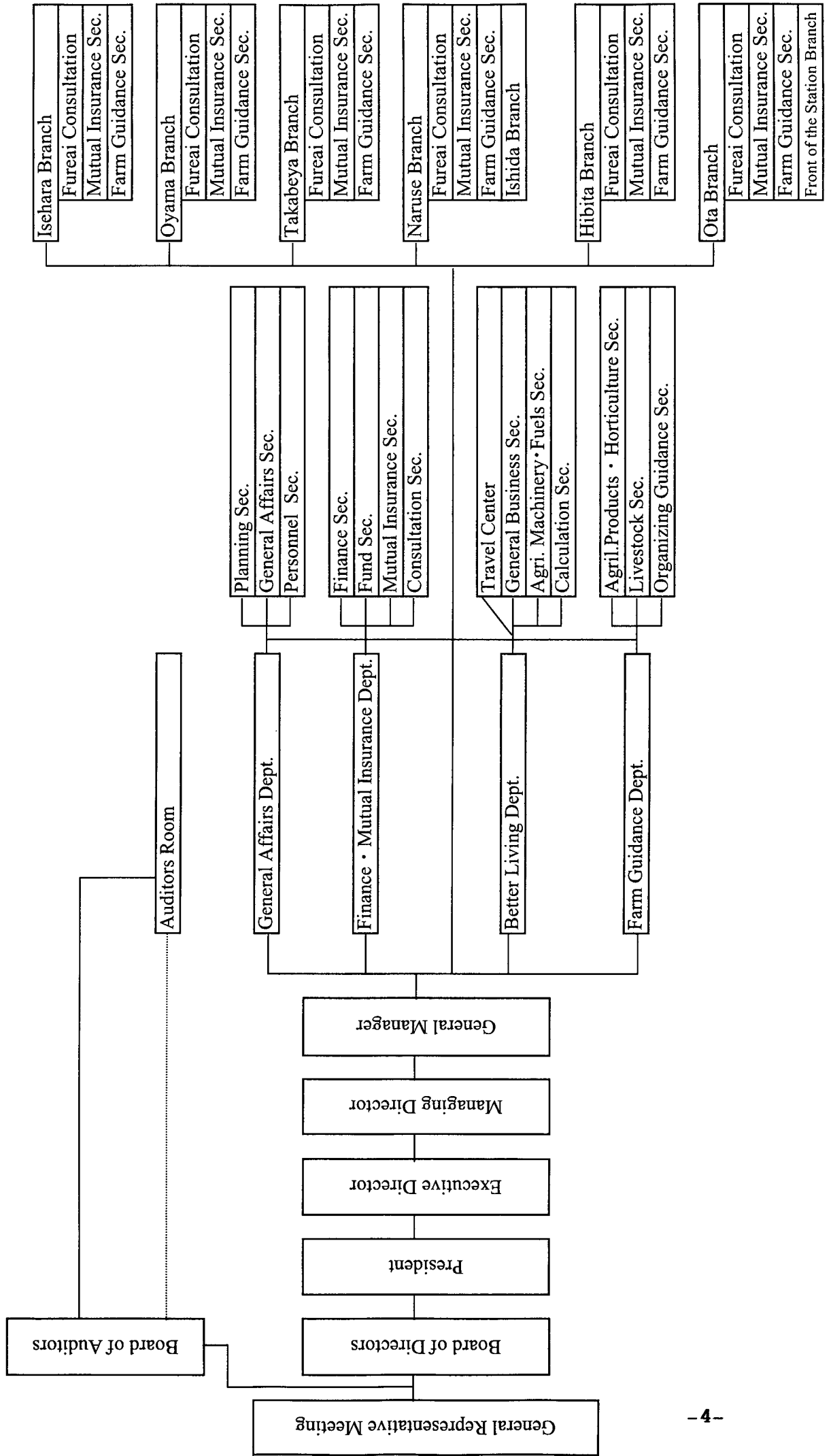


## 3. Situation of Member's Organizations

(Unit: person)

Name of Group	Total	Name of Group	Total
Producer's Group	87group	Green House Group	15
GC Group	129group	Mushroom Group	16
Youth Association 4 branches	44	Vegetables Group	111
Women's Association 6 branches	614	Property Maintenance Group	498
Daily Farmer's Group	81	Tax Management Group	275
Pig Raising Group	7	Others	88
Poultry Farming Group	6	Members/users circle activity	36 groups
Citrus Group	174	JA officials' OB Group	109
Orchard Group	138	Piano · Organ Group	11
Strawberry Group	27	Livestock Group	99
Greenhouse Group	32	Horticulture Group	526
Plant Group	13		

# Organizational Structure of JA Isehara



## 5. Outline of business activity

### (1) Guidance Business

(Unit: thousand yen, %)

Items		Results of current year	Ratio to the plan (%)
Income	Subsidy for guidance activities	15,130	382.7
	Actual income	57,042	124.2
	Farmers' pension consignment fee	884	80.4
	Total	73,056	143.3
Expenses	Farm guidance improvement	68,949	146.9
	Agri. policy activity	1,013	92.1
	Life & culture	3,788	105.2
	Education & information	19,570	93.4
	Fostering organization	20,171	93.0
Total		113,493	120.4
Balance		△40,436	93.4

### (2) Nursing care activity

(Unit: thousand yen, %)

Items	Current year	Ratio to the plan (%)
Earnings	10,387	114.3
Expenses	8,478	76.1
Profits & Loss	1,908	—

## (3) Trust sales handling turnover

(Unit: thousand yen, %)

Items		1997	1998	1999	Current year	Ratio to the plan (%)	Ratio to Previous year (%)
Cereals	Rice	202,736	143,884	144,650	144,261	95.6	99.7
	Wheat	4,071	2,572	2,724	3,180	129.3	116.7
	Peanut	1,397	1,141	1,232	1,185	92.2	96.2
	Sub-total	208,204	147,598	148,607	148,628	96.1	100.0
Livestock	Milk	756,949	738,121	710,214	662,262	95.0	93.2
	Eggs	85,444	71,017	84,528	85,690	142.8	101.4
	Pork pig	28,020	24,213	16,282	12,195	52.0	74.9
	Beef cattle	165,510	225,017	215,088	236,351	135.4	109.9
	Calf	69,991	42,768	40,728	53,838	132.3	132.2
	Stud cattle	18,060	22,302	26,779	27,274	127.5	101.8
	Piglet	49	489	163	259	—	158.4
	Stud pig	881	678	376	356	118.8	94.6
	Others	44,740	43,395	39,273	35,397	80.8	90.1
Sub-total	1,169,644	1,168,006	1,133,435	1,113,626	104.9	98.3	
Vegetables & Fruits	Vegetables	551,081	581,768	514,621	506,507	81.5	98.4
	Strawberry	35,005	35,134	42,145	41,487	104.5	98.4
	Grapes	78,628	75,363	88,516	105,725	123.4	119.4
	Pears	128,00	127,747	143,32	149,126	104.4	104.2
	Persimmon & chestnut	19,450	20,501	20,502	16,326	90.2	79.6
	Mandarin orange	43,377	50,626	36,561	38,954	103.9	106.5
	Mushroom	53,415	41,604	40,040	38,853	80.1	97.0
	Flowers	167,981	141,841	148,800	145,921	84.8	98.1
	Flowers & plant	34,160	31,979	24,855	22,848	98.1	91.9
	Others	39,170	54,041	38,182	49,386	134.2	129.3
	Sub-total	1,150,267	1,60,610	1,097,358	1,15,137	91.0	101.6
Others	Horticulture	585	372	336	396	198.2	117.8
	Materials	8,646	6,464	7,632	6,714	87.7	88.0
	Sub-total	9,231	6,836	7,968	7,110	90.6	89.2
TOTAL		2,537,346	2,483,051	2,387,369	2,384,503	97.3	99.9

(4) Compost central business

(Unit: thousand yen, %)

Items	1997	1998	1999	Current year	Ratio to The plan	Ratio to Previous year
Earnings	28,270	28,182	22,002	18,288	75.9	83.1
Expenses	10,165	10,111	9,308	6,797	77.2	73.0
Profits & Loss	18,105	18,070	12,694	11,491	75.1	90.5

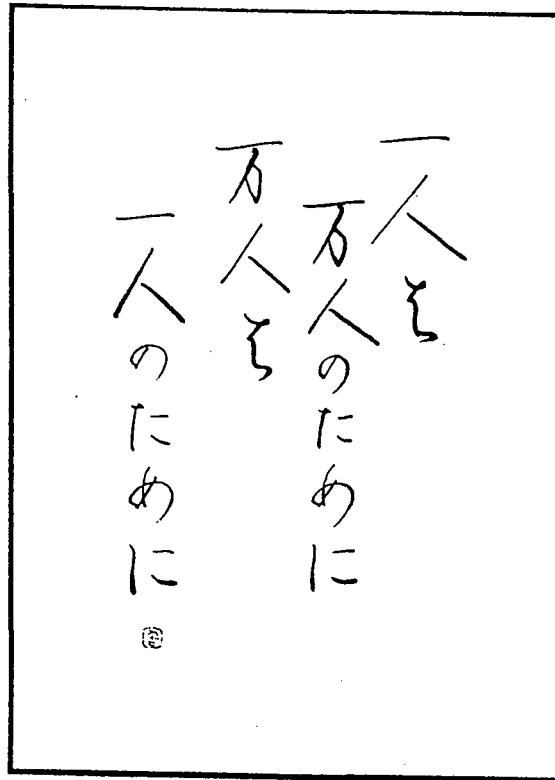
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*Agricultural Cooperative Movement in Japan and Various  
Approaches to Some Cooperative Development Efforts*

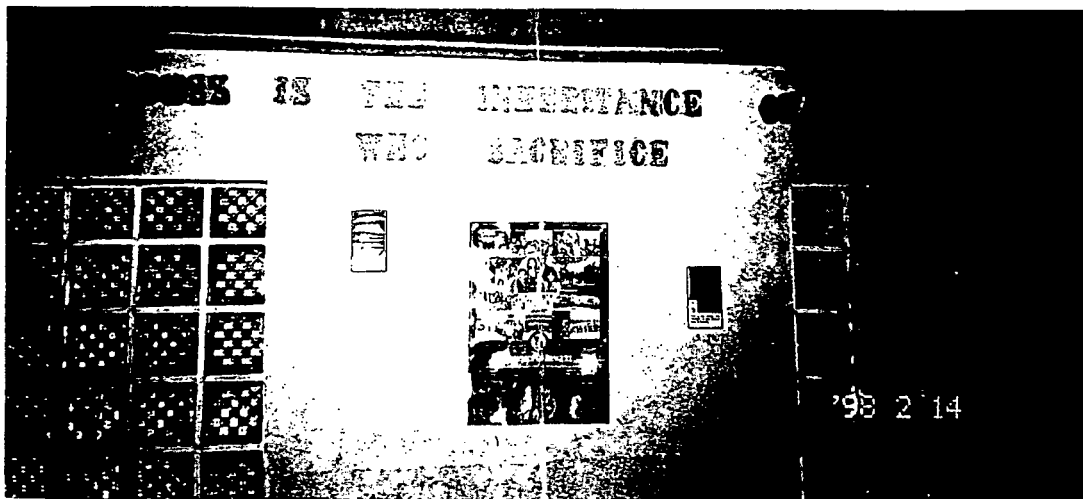
*September 18 (Wed), 2002*

By **Mr. ABE Yukio**  
Manager, Training Department  
IDACA

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)



ONE FOR ALL, ALL FOR ONE.



Badyanbugias Coop in the Philippines (Baguio City)  
"Success is the Inheritance of Those who sacrifice"  
put up on the all of the visiting coop

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**A. Lecture note on agriculture and agricultural cooperative system in Japan**

Yukio Abe  
Instructor, IDACA

**1. Agricultural situation in Japan**

★ *Keyword: From the feudal system to the democratic system*

- Before the world war II----Existence of landlord system
- After the world war II ----Implementation of various reforms including the land reform

**2. Principal Characteristic features of Japanese agriculture**

★ *Keywords: Trends of dwindling farming and multi-functional roles of agriculture*

- 1) Governmental assistance ( subsidy ) for the development of basic infrastructure)
  - Land consolidation project, establishment of agr.warehouse, grading center
  - Establishment of various price stabilization system on agricultural products
  - Provision of cheaper loans such as institutional fund, modernization fund and etc.
- 2) Effective governmental extension activities and cooperative farm guidance  
Activities and existence of coordination and linkage among the development institutions such as extension office, research station, coop and etc.,
- 3) Small scale farming ----- Average size of holding per farmer is only 1.3ha
- 4) Overproduction of farm products centering on rice which is the staple food.
- 5) Increasing oversea farm products as a result of the liberalization policy of the gov' t
- 6) WTO related problems
- 7) Local farm products have less competitive power due to the high cost of living  
despite the farmers' efforts to cut down the costs
- 8) Lack of farm successor
- 9) Progress of aging of farmer( labor forces)
- 10)Progress of entrusted farming and hamet based farming
- 11)Increase in abandoned farmland
- 12) Low food self-sufficiency ( only 40% at present→45% in the future)
- 13)Decrease of arable land area ( from about 6million ha in 1960 to 4.9million ha in1998 ( planted area from 8million ha to 4.7million ha)
- 14)Idea of securing food safety and improvement of food quality

- 15) Value added activities
- 16) Direct compensation scheme for those who reside and maintain farming in hilly and mountainous areas
- 17) Vitalization efforts for sustainable development of rural area
  - Creation of beautiful and resident friendly rural area
  - Promotion of exchange between rural and urban residents (promotion of green tourism)
  - Promotion of citizen's garden
- 18) Thriving green house farming

### 3. Characteristic features of agricultural cooperative in Japan

★ *Key word* : Shift from agricultural cooperative to regional cooperative

- 1) Membership
  - Regular membership and associate membership
- 2) Dominant multi-purpose business operation system
  - Credit, marketing, supply, mutual insurance
  - Farm guidance, better living activities
  - Member relation activities (publication of news paper, bulletin, wire-broadcasting etc.)
- 3) Observance of ICA principles
  - Democratic control, member participation and etc.
  - Democratic general meeting ( election system, tenure of board members)
- 4) Existence of organic linkage with various administrations
- 5) Existence of farmers volunteer groups such as commodity-wise group, women's **men's** association, youth association, pensioners' groups and etc.
- 6) Heavy reliance on two businesses ( credit and mutual insurance) to offset deficit in other businesses
- 7) Active education and training including on the job training
  - Officials, employees, members and non-members
  - Theoretical as well as practical
  - JAs have many training centers
- 8) Business operation based on the formulation of long term plans ( production, marketing, shipment, regional agricultural promotion plan and so on)
- 9) Progress of restructuring and reorganization of JAs
  - Promotion of amalgamation of coops ( from 12000 in 1960 to 550 in 2002)
  - Review of the present three tier system ( from three to two tier system)

## 4. Various Governmental Support

### Income Support Policies

Price stabilization ( a form of income support ) has been an important national policy for promoting agriculture, forestry and fisheries. Price stabilization measures—which affect nearly 80 % of the value of Japan's agricultural production—fall into five categories.

*The controlled price system* is used for rice. Under the Food Control Law of 1947, the marketing of rice and its purchasing and selling price had been under government control up to the end of October 1995, with several amendments to the Law and the government ordinances concerned as occasion called. Purchase price was calculated on the basis of production costs that assumed urban rather than rural wage rates. The government had purchased a certain proportion of the commodity ( the government rice ), and a considerable parts of markable rice had been traded mainly through the agricultural cooperative system under supervision of the government ( the semi-controlled rice ). On the occasion of acceptance of the Uruguay Round Agreement in 1994, the governmental controls on domestic marketing and distribution of rice were removed in principle in 1995 under the New Staple Food Law. However, the management of government rice for market operation, including purchasing, selling and fixation of prices, and the external trade of rice are still under the state control.

*The stabilization price band system* is used for beef, pork and raw silk. The government sets maximum and minimum price for the commodity on the basis of prices in a base year and production trend. In recent years, import controls have been removed and the price stabilization system revised.

*The minimum price guarantee system* is used for wheat, barley, beet, sugarcane, and potatoes and sweet potatoes which are to be processed. If the market price falls below the guaranteed price, the government purchases the commodity to maintain its price. The guaranteed price is based on prices during a base period, taking changes in the agricultural parity index into account.

*The government payment system* is used for soybean, rape seed, and milk which is to be processed. The government fixes a price according to changes in production costs. Any difference between this fixed price and the price received by the farmers is paid by the government.

*The stabilization fund* is used for certain vegetables and fruits for processing, beef calves and eggs. Market intervention is not normally suitable for perishable product such as vegetables, fruits and eggs, so over-production of these commodities has been often simply destructive to keep market prices up. But, this stabilization fund, to which central and local governments and producers when markets are dull.

In common with much else in Japanese agriculture, the cooperative have concentrated on rice. A major part of the income of the cooperative had come from charges on the government for handling and warehousing rice. Unfortunately, giving the highest priority to rice in operating price stabilization measures had led to a failure to diversify into other food commodities, adding to a growing gap between supply and demand, so far.

### **Improving the Rural Infrastructure**

Japan's rural infrastructure has been carefully supported and developed by the government. The post-war boom in the use of fertilizers and agricultural chemicals, for example, made land improvement a priority. Existing irrigation and drainage systems were unsuitable for the sophisticated farming systems that were being introduced.

### **Encouraging rural producer's organization**

Improvements of infrastructure have been made through, and in partnership with, rural organizations. Support for these organizations forms part of the policy for development of the rural infrastructure. It has provided food producers with access to resources that they would not be able to afford otherwise.

The Land Improvement Districts provide the best example of this policy in operation. Under the Land Improvement Law of 1949, public bodies called Land Improvement Districts can be formed to carry out land improvements. The group must contain 15 or more farmers who have a plan for improving an area. The group first submits the plan to the prefectural government. If the plan is approved, and two-thirds of the qualified people in the area consent to it, then the government provides assistance for the work to be carried out.

Scene of the 12th National Congress of Agri.Coops in Japan



21st JA National Congress



## B. Overview of Agricultural Cooperative Movement in Japan

### 1. Introduction

I would like to express my thanks for being given the opportunity today to talk about the problems facing Japanese agriculture and agricultural cooperatives.

In addition, I want to refer to factors behind the development of Japanese agricultural cooperatives.

The modern history of Japanese agricultural cooperatives dates back to 1900 when the Industrial Cooperative Law was established on the model of the Raiffeisen Credit Cooperative as in the case of Thailand, Indonesia, India and other Asian countries. In the preceding feudal days, mutual aid in the form of mutual financing associations was a general practice.

As a result of the promulgation of the Industrial Cooperative Law, four different types of cooperatives came into being. Subsequently, the law was amended to lay the foundations for multipurpose agricultural cooperative societies.

During this time, Japanese agricultural cooperatives went through a lot of difficult twists and turns as they faced acts of sabotage by merchants and were compelled to operate as collecting agencies for the government throughout World War II.

After the end of the war, farmland reform was introduced under the directive of the Occupation authorities, and in 1947, democratic cooperatives started with the establishment of the Agricultural Cooperative Society Law.

But many agricultural cooperatives faced a management crisis in the process of a shift from a wartime controlled economy to a free economy.

In an effort to save cooperatives, the government implemented elaborate protective policies, such as the Agricultural Reconstruction and Reorganization Law and a low-interest lending policy, including an agricultural bill system, for the relief of destitute farm households.

The government's policies, introduced primarily to help alleviate dire poverty in the immediate postwar chaos, aimed to encourage the increased production of rice, traditionally the staple food, thereby promoting political and economic stabilization, and the reconstruction of the country.

From the second half of the 1950s up to the so-called oil crises in 1974, Japan basked in a high-growth era that Southeast Asian nations had enjoyed until recent years.

In the intervening years, the government established laws to narrow income gaps between agriculture and other industries, introduced a policy supporting the

prices of farm products and aggressively forged ahead with an agricultural development promotion policy, such as pushing, on its own initiative, the amalgamations of cooperatives, to consolidate their organizational and management foundations. In this way, Japanese agricultural cooperatives attained impressive development.

As a result, they established a three-tier operating system, which enabled them to bolster their organizations, thus becoming recognized as one of the nation's three major pressure groups, the other two being the business community and the Japan Medical Association. During this time, they formed strong links with the governing Liberal Democratic Party.

## 2. Moves of Japanese agriculture and agricultural cooperatives

In and after 1975, the waves of agricultural and financial liberalization began sweeping Japan in tandem with a shift of the national economy from peak growth to a low growth rate.

On the other hand, with the advent of an "affluent society," changes developed in the eating habits of the people, leading Japanese agriculture, traditionally centered on rice, to transform, with the result that there developed a trend toward an oversupply of farm products, resulting in the compulsory reduction of the acreage for rice cultivation.

In and after 1985, problems surfaced, such as the progress in liberalization, deregulation, information-intensiveness and globalization, and a decrease in the farming population, the aging of the farming population and shortages of young people to take over farm labor while agricultural cooperatives came to be pressed hard by economic rationalism-minded business groups, notably big business, which advocate the import of large quantities of farm products in return for the export of automobiles and household electrical appliances. This compelled cooperatives to change their conventional ways of operating and services.

For small-scale Japanese farm households, however, that engage in family farming because the percentage of arable land in our mountainous country is as small as that in Switzerland and Nepal, it is extremely difficult to compete with cheap farm imports no matter how hard they may try.

Even if farm products from abroad are cheap, total reliance on imports from other countries could expose any sovereign state to a national risk.

This is readily surmisable from the fact that in the past, food was used as a diplomatic instrument or embargoed.



Full dependence on foreign countries for food supplies could imperil the existence of any nation. The government, therefore, has taken a variety of steps to ensure the sustainable development of agriculture and agricultural cooperatives, now experiencing difficulties in the face of liberalization, etc., fully aware of the importance of protecting domestic agriculture from the standpoint of securing a given quantity of food and conserving national land as EU nations do.

And partly in line with such steps, agricultural organizations, which are central to agricultural cooperatives, are now staging vigorous activities urging the government to establish new agricultural policies geared to the call of the times, i. e., a "New Agricultural Basic Law," for the sustainable development of Japanese agriculture.

The contents of the new law we have proposed are roughly as follows:

(1) To establish a policy aimed at securing the stable supply of food, based on domestic agricultural production;

(2) To establish a policy to ensure the sustainable development of agriculture;

(3) To establish a policy for the creation of rural communities that are full of vitality and capable of giving full scope to multilateral functions; and

(4) To reform the services and organization of agricultural cooperatives.

Of these items, the rural policy (3) urges agricultural cooperatives to introduce a "system to guarantee direct income" like that in Switzerland to apply to agricultural production activities in less favored areas, to ensure the maintenance of the multilateral functions intermediate mountain areas have.

As regards the reform of the services and organization of agricultural cooperatives (4), on the other hand, we are lobbying the government to continue acknowledging cooperatives as vitally responsible for the nation's agricultural and rural policies, in view of the leading role they play in promoting the development of regional agriculture and stabilizing the management of member farm households.

In the meantime, in a bid to cope quickly with the changing times as a strategy for the survival of agricultural cooperatives, we are forging ahead with the reorganization of agricultural cooperatives by promoting their mergers.

We have plans to reduce the number of cooperatives from the present 2,000 to about 550 by the year 2000 through amalgamations.

As part of such plans, we have decided to unify about 49 primary agricultural cooperative societies in Nara Prefecture, the nation's most ancient capital region, into a single cooperative.

In addition, prefectural economic federations in three out of 47 prefectures nationwide have merged with the National Federation of Agricultural Cooperative Associations in a move to consolidate them yet further structurally.

In this way, Japanese agricultural cooperatives are fast reforming their organizations to adopt to problems in terms of liberalization, deregulation, etc.

In such a situation, we are shifting the nation's agricultural cooperative organizations to a two-tier system as in the case of South Korean cooperative organizations.

#### 4. Conclusion

As you may already be well aware, the Southeast Asian financial crises, which started in Thailand, have indicated signs of abating little by little.

But Japan is still in the grip of economic uncertainties with a postwar-high jobless rate of 4.5 percent, and the recovery of the Japanese economy is a pressing need for the economic rehabilitation of the Asian region.

In addition, Japan at present remains unstable politically under a coalition government, and predictably, a general election will take place this year.

On the other hand, when we turn our eyes to the world, we find that this year has witnessed the birth of the Euro and tangible trends toward domestic, as well as international, industrial mergers. In Japan, Nissan Diesel Motor's tie-up with DaimlerChrysler was made public last year, to our surprise.

Again, as an ignominious world event, a scandal involving members of the International Olympic Committee has surfaced, exposing the true faces of Japan and other industrial democracies rushing about madly working behind the competition to secure host rights to the Olympic Games.

However, it may be said that the fact that the Olympic scam came to light instead of being hushed up testified to justice having been done.

Well, as I commented earlier on the actual status of Japanese agriculture and agricultural cooperatives, with the intensification of competition under the market economy system, the climate surrounding them is growing increasingly severe every year, and, moreover, Japanese agriculture, which has in the past been sheltered by the government's warm protective policy, is facing new ordeals, such as a re-examination of the subsidy policy.

This is also the case with Southeast Asian countries, but unless something is done, there is the strong possibility of Asian agriculture and rural communities, centered on family farming, being brought to ruin by the U. S. and other food-exporting

countries.

I think that in order to cope with such problems, there is the absolute need for Asian agricultural organizations to unite.

This is why in Japan, agricultural cooperatives, as I said earlier, are staging vigorous activities to improve agricultural administration with the cooperation of the government in a bid to have a domestic production-based food security policy incorporated into the New Agricultural Basic Law.

And in tandem with these activities, the 21st National Congress of Agricultural Cooperatives in 1997 adopted a resolution calling for "symbiosis with Asia, " and agricultural cooperatives have started searching for a way to form solidarity with farmers' organizations in Asia.

I will be very happy if my speech helps promote your better understanding of Japanese agriculture and agricultural cooperatives.

Thank you very much.

## 2. History of Agricultural Cooperative Development

### (1) Modernization of Japan and Cooperatives (Proceeding Era )

- a. The Meiji Restoration and Modernization
  - Modernization of Japan started with the Meiji Restoration in 1886.
  - Social systems were totally renewed, and a lot of technologies and cultures were introduced from the western countries.
- b. Market Economy and Widening Gap between the Rich and the Poor
  - Shift from feudalistic economy to market economy
  - Widening gap between the rich and poor brought political and economic tasks for relief of so-called "people under the middle-class"
- c. Native communities and Introduction of cooperative system
  - Native communities had existed before the modernization started
  - Modern cooperative system was introduced by the Government following the systems of Europe, especially, from Germany

### (2) Era of Industrial Cooperative

- a. Establishment of the Industrial Cooperative Law
  - In the beginning the bill of Credit Cooperative Law was studied, but it was not passed in the parliament.(1891)
  - The Industrial Cooperative Law was enacted.(1900)
- b. Characteristics of Industrial Cooperatives
  - They originally held characteristics as the Cooperative Law from the beginning.
  - No conditions on kind of occupation for membership
  - Three types of liabilities are admitted in relationship between members and the Cooperative: limited liability, unlimited liability and liability of a surety
  - Four types of cooperatives are admitted: credit cooperative, marketing cooperative, purchasing cooperative and production cooperative
- c. Spread of Industrial Cooperatives
  - Spread of the industrial cooperatives was initially led by the administrative organs and the imperial agricultural association, organization for agricultural improvement formed by landlords
  - High ranking officials of the Government initiated the establishment of the Industrial Cooperative Union of Japan aimed at the spread of the Cooperatives (1905), and later the Unions at a prefectural level were established
  - The Industrial Cooperative Union was approved in the Industrial Cooperative Law (1909)
  - It took more than 40 years for primary cooperatives to be disseminated in all villages, towns and cities.
  - Many of the members were farmers, and the number of cooperatives located in urban areas, such as purchasing and credit cooperatives, was rather small.
- d. Agricultural Panic, Impoverished Rural Areas and the Roles of the Industrial Cooperatives
  - The Industrial Cooperatives were assumed important position in the Government policies in the wake of the Agricultural Panic and Implementation of its remedy measures (1930's)

- Primarily municipal governments, elementary schools, the imperial agricultural associations and the Industrial Cooperatives implemented economic Rehabilitation Project for Villages in Agricultural, Forestry and Fishery Areas, which was started from 1932
- The Industrial Cooperative Union drafted a 5-year Plan for Expansion of Industrial Cooperatives (1933) for the purpose of setting up industrial
- Cooperatives in all municipalities, encouraging all the farm households to join the cooperatives, and realizing a cooperative to manage four different businesses.
- As a result, prototypes of the present cooperatives were formed in 1930's

### (3) Era of Agricultural Association

#### a. War-time Regime and Its Control over Economy

- The process of escape from the economic panic took the same process as one for transition to war-time regime and controlled economy

#### b. Agricultural Bodies Law and Integration of Agricultural Bodies (Agricultural Association)

- Industrial cooperatives in rural areas were integrated into agricultural bodies to form the Agricultural Associations (1943)
- The Agricultural Associations became the controlling organs for the Government thus compelling farmers to become members of the Associations

#### c. Division of Industrial Cooperatives

- In this period industrial cooperative in urban areas were parted from ones in rural areas (the Agricultural Associations)

### (4) Era of Agricultural Cooperatives ( 1947 ~ )

#### a. Defeat in the War and Land Reform

- Defeat in the War in 1945 brought collapse of the war-time regime
- The Occupation Forces carried out land reform, disbanded military, vested suffrage to women, admitted labor unions and conducted educational reform. These events were rather a big change compared to the Meiji Restoration

#### b. Establishment of Agricultural Cooperative Society Law and Controlled Economy

- Agricultural Associations were dissolved, and the Agricultural Cooperative Society Law was enacted (1947)
- Cooperative societies for consumers, people engaging in fishery and forestry and merchants of small- and medium scale businesses were established in accordance with the each respective law.
- Agricultural cooperatives were positioned as cooperatives for landed farmers stemming from the land reform.
- Amid economic chaos right after the war, controlled economy lasted, and organs replacing the agricultural associations became essential.

#### c. Mushrooming of Agricultural Cooperatives and Sluggish Management of the Cooperative

- Establishment of agricultural cooperatives was rapidly promoted keeping pace with dissolution of the agricultural associations. Some people called it mere change of the name
- As agricultural cooperatives mushroomed and economic environment changed rapidly from the state of inflation to deflation, agricultural cooperatives fell into economic

difficulty one after another

d. From Reconstruction and Restructuring to High Economic growth, Blooming Integrated Businesses and Firm Establishment of the Organizations

- The Government shored up reconstruction and restructuring of sluggish cooperatives, and in the process amalgamation was also promoted to strengthen management
- The standards of accounting of agricultural cooperatives was stipulated by the Government ordinance, and the Unions were established as a comprehensive guidance organ.
- As the nation was riding on the track to high economic growth from post-war recovery, the management of agricultural cooperatives improved.
- As the modernization measures of agriculture were launched, securing farmer's income became one of the government targets with employment of price-related policies centering on rice. However, structural improvement policies for eliminating petty farming did not bring the desired results as expected.
- Diversification of agricultural production, improvement of distribution systems of agricultural products, increase of farmer's income and progress of urbanization, etc. led to the development of different types of businesses, ranging from farm management to better living, to meet the needs of the members.
- Self-made 3-tire system of agricultural cooperative-related organizations was established.

e. Changes of Agriculture and Rural Areas and Economic Environment, Deregulation, and Market Economy

- The needs of the members drastically changed as the part-time farmers increased, urbanization trends of rural areas and mixed of living by farmers and non-farmers progressed.
- As import liberalization of agricultural products progressed, their price stabilization policies stepped back.
- Due to on-going liberalization of rice trade and financial services put the agricultural cooperative management has been adversely affected by market economy.

f. Establishment of the Basic Law on Food, Agriculture and Rural Area and Era of Reform

- As GATT system was switched to WTO system, a new basic law was established aimed at improvement of food self-sufficiency and establishment of new agriculture and rural communities
- Strict self-reform of agricultural cooperatives are called.

### 3. ORGANIZATIONAL STRUCTURE

#### Primary Societies

Primary agricultural cooperative societies are organized at village, town and city level with farmers as regular members and non-farmer residents as associate members. The former has a voting right, while the latter does not have a voting right.

There are two types in primary societies. One is multi-purpose agricultural cooperative society which operates a wide range of services such as credit, marketing, purchasing, utilization, guidance on farm management and better living, etc. and the other is single-purpose agricultural cooperative society which concentrate on marketing of specific products such as orange, mushroom, cocoon, dairy products, etc.

Multi-purpose agricultural cooperative societies cover almost all the farmers in Japan and play a central role in the agricultural cooperative movement.

#### Prefectural Federations and Unions

Primary societies are federated at prefectural level according to functions. They are prefectural economic (marketing and purchasing) federation, credit federation, mutual-insurance federation, welfare federation, dairy federation, sericultural federation, horticultural federation, etc. Besides these business federations, there is a prefectural union in each prefecture which is not engaged in economic activities. Functions of the union are guidance, education, auditing, research, publicity and legislative activities.

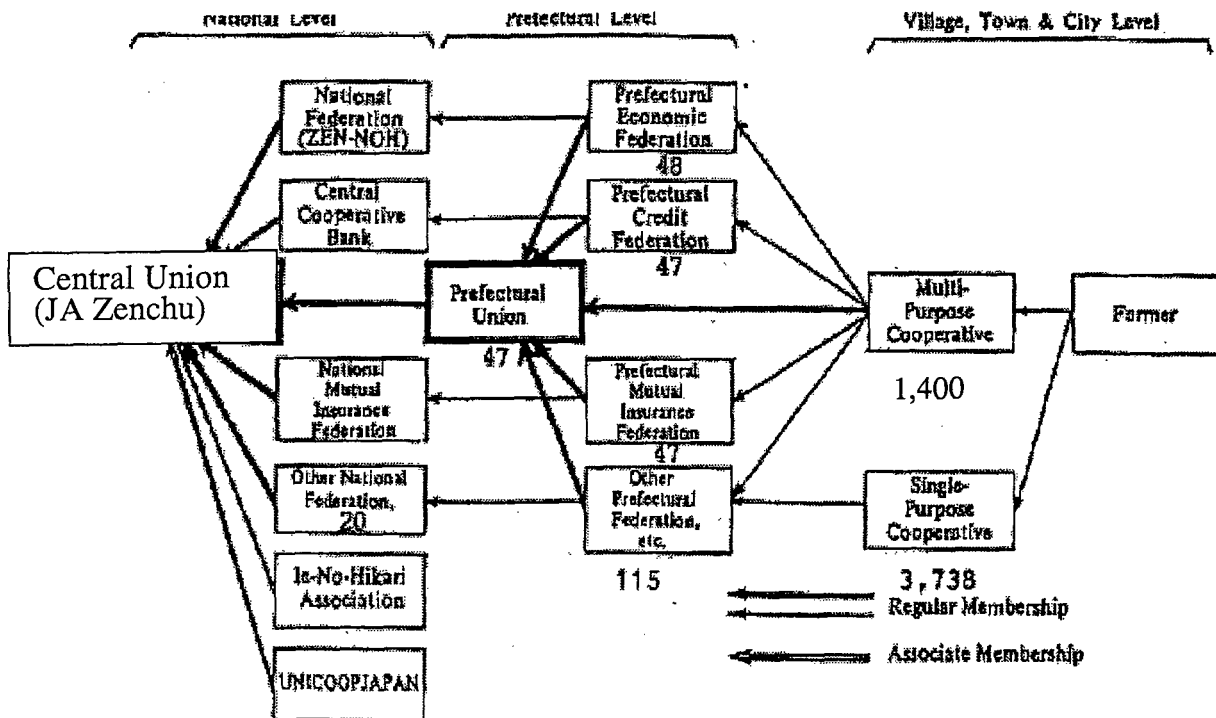
#### National Organizations

Prefectural federations and unions have their national counterpart. Among important national organizations, there are those which are not registered under the Agricultural Cooperative Law such as the NORINCHUKIN BANK, IE-NO-HIKARI Association and UNICOOPJAPAN.

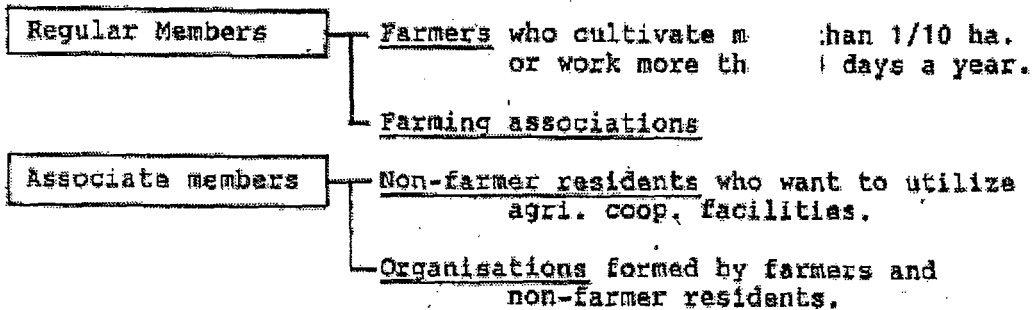
COOPERATIVE LAWS enacted after the World War II

Agricultural Cooperative Law	1947
Consumer Cooperative Law	1948
Fisheries Cooperative Law	1948
Small & Medium Enterprisers Coop. Law	1949
Forestry Owners' Cooperative Law	1951

**Organizational Structure in F.Y. 2000**

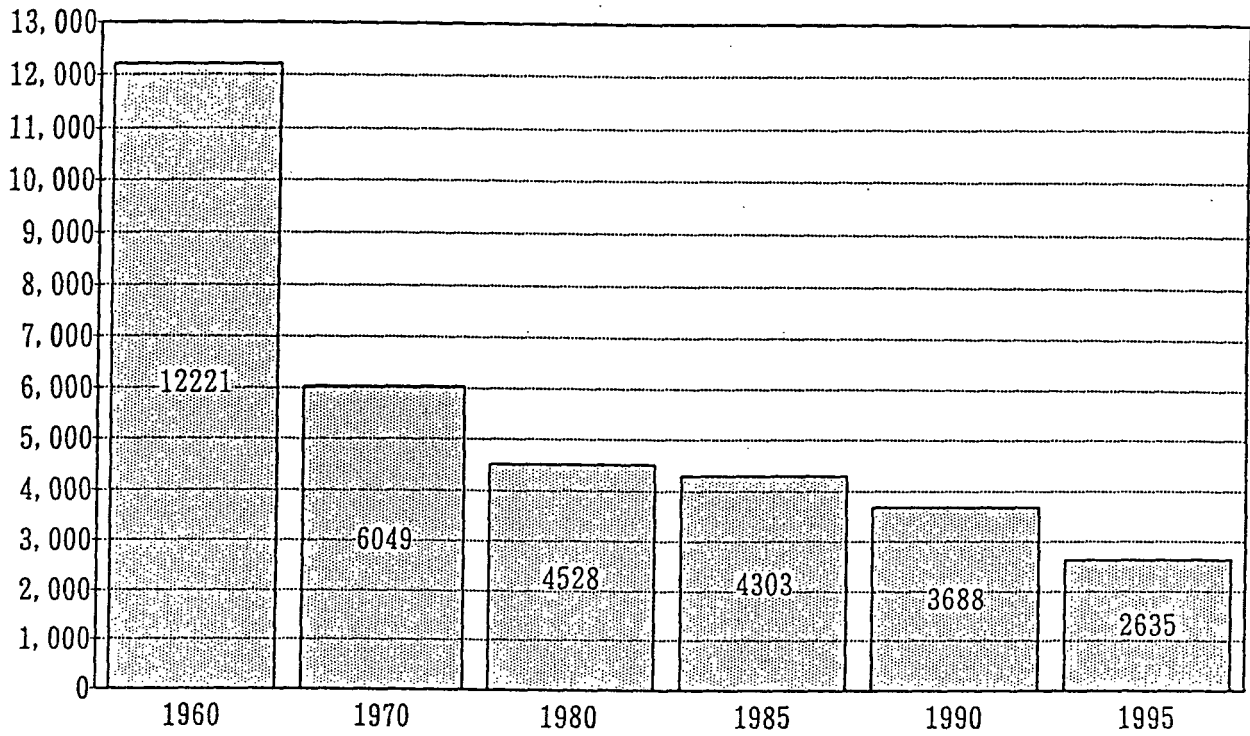


**Membership of Multi-Purpose Coop.**

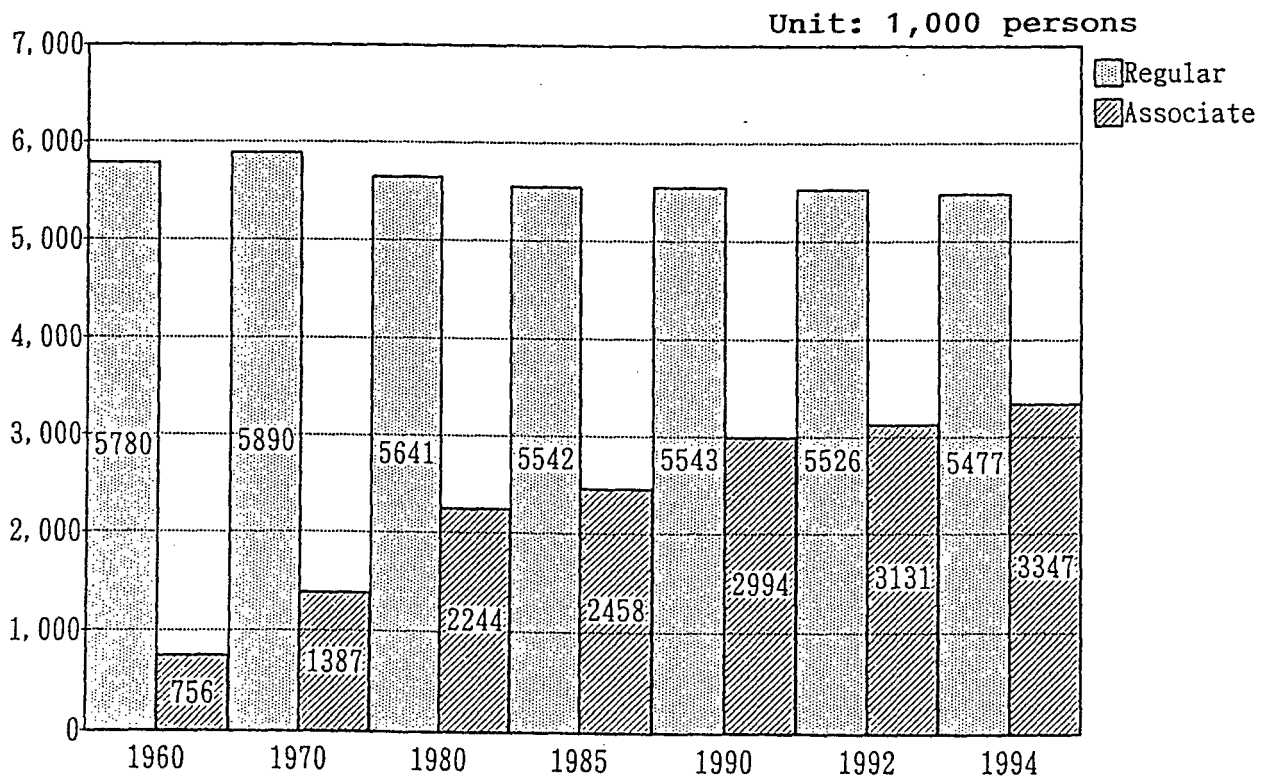




NO. OF MULTI-PURPOSE AGRICULTURAL COOPS.



TREND OF MEMBERSHIP



MULTI-PURPOSE AGRICULTURAL  
COOPERATIVE SOCIETY  
(Average figures per society)

Fiscal Year 1998

		persons	TOTAL
Membership	Regular members	2,904.5	4,961.1
	Associate members	2,056.7	
Elected officials	Directors (Board of)	17.4	20.5
	of which full-time	1.8	
	Auditors	4.6	
Employees	General managers	0.8	103.6
	Farm advisors	8.9	
	Better-living advisors	1.6	
	Other employees	140.8	
Share capital	428 million yen (¥260,000/member family)		(F.Y. 1994)
Turn over per coop (¥ million)	Marketing	2,950	
	Supply	2,070	
	Balance of loan advanced	12,000	
	Balance of savings	37,000	
	Long term insurance (Amount Insured)	212,726	
	Short term insurance (Premium received)	237,593	

Note: 1. Of the turnover, the parenthesis shows the figure per coop.  
2. Average number of coop as 1840.

#### 4. DISTINCTIVE FEATURE OF AGRI. COOP. MOVEMENT

The distinctive feature of the Japanese agricultural cooperative movement is the multi-purpose system which is characterized by its integrated operation of a wide range of business activities. Particularly, credit, marketing, supply and utilization are integrated through farm guidance services.

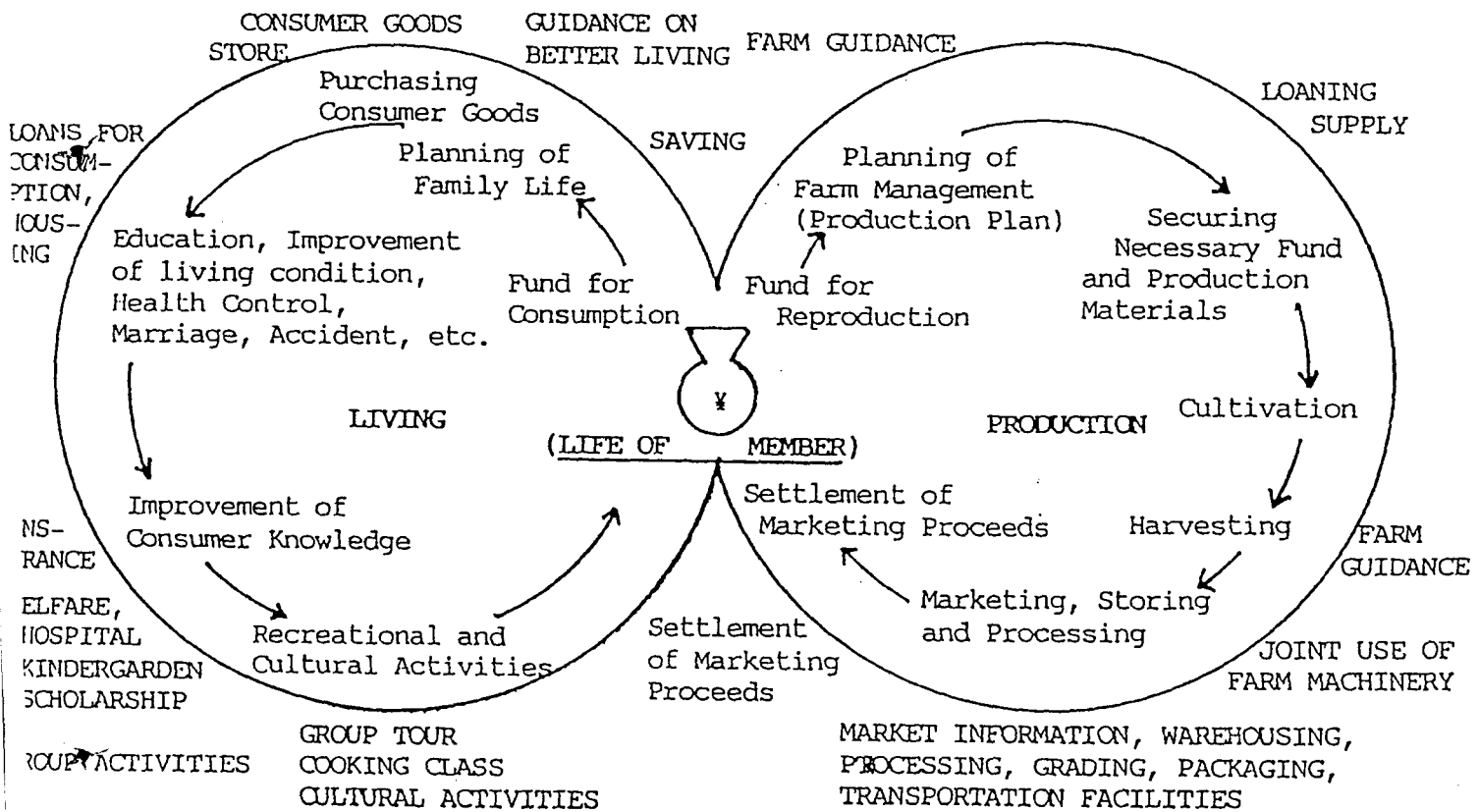
##### Integrated Approach of Multi-purpose Cooperatives

Though credit, marketing, supply and utilization services were undertaken by one society even pre-war days, it was not called as multi-purpose cooperative society. In these days, four services mentioned above operated independently and there was not much linkage between them. Any one of these four services, however, is an integral part of farmer's economic life. It was necessary, therefore, for agricultural cooperatives to contribute more effectively to the increase of agricultural production and to the improvement of economic and social standard of farmers by integrating various functions through farm guidance service. This idea was realized after World War II and it has become a special feature of the agricultural cooperative movement of Japan.

- 1) Ways of integration of various activities for the increase of agricultural production and farm income.
  - i. Guidance service on formulation of farm management improvement plan based on the regional and individual conditions.
  - ii. Procurement of the fund required for implementing such farm management improvement programme of individual farmers.
  - iii. Establishment of facilities required for implementing such programme and supply of production materials.
  - iv. Guidance service on effective use of facilities and materials.
  - v. Grading, assortment, processing and packaging of products.

- vi. Joint shipment and marketing.
  - vii. Collection of marketing proceeds and settlement of the payment.
- 2) Ways of integration of various activities for the improvement of living standards
- i. Guidance service on formulation of long-term and short-term planning for better living.
  - ii. Savings to meet household expenses in immediate and distant futures.
  - iii. Supply of consumer goods and establishment of facilities required.
  - iv. Correct use of consumer articles and facilities.

ACTIVITIES OF MULTI-PURPOSE SOCIETIES IN RELATION TO THE LIFE OF MEMBER FARMER



## 5. System of Agricultural Cooperative

### (1) Organizing the Cooperative

- a. Farmers should be the promoters, and 15 promoters or more are required to take necessary procedure for establishment of a cooperative.
- b. Administrative approval is required for the establishment

### (2) Members

#### a. Qualification of Members and Operational Area of Agricultural Cooperative

- Basic qualifications of the members are stipulated in the law concerned, and more detailed conditions are regulated in the by-law of the respective cooperative
- Operational area of the cooperative is stipulated in the by-law. The area for credit business operation by one cooperative should not overlap the other cooperative's area. By amalgamation, it has become usual that the operational area is not limited into one municipality.

#### b. Regular Member and Associate Member

- Regular member should be an individual farmer and a group of farmers (or corporation). In historical process almost all farmers are members of the cooperative, disregarding the degree of patronization to the cooperative.
- People living in the operational area of the cooperative are entitled to become associate members if they so wish. The associate members were originally exceptional. However, nowadays some cooperatives have more associate members than regular members

#### c. Rights and Obligations of the Members

- Regular members have rights to participate in management of the cooperative such as utilization of businesses, voting in election of officials and in general meeting or general representative meeting based on a one-vote-for-one-member. However, in some respects they have obligations to pay share capital. Liability on the cooperative should be limited liability.
- Associate members are entitled to utilize the businesses and to be paid dividend, but not to participate in the management. Obligation for pay in share capital is equally imposed on the associate members.

### (3) General Meeting / General Representative Meeting

#### a. General Meeting / Agenda / Procedure

- Decision making body on wills of members is a general meeting
- Chairperson of the general meeting should be selected in the meeting
- Special decision should be made on matters such as revision of by-law, dissolution and liquidation of the cooperative, amalgamation, expel of members, transfer of businesses (all businesses, credit business, mutual insurance business)

#### b. General Representative Meeting / Agenda / Election of Representatives

- In case that the cooperative has 500 regular members or more, it can hold a general representative meeting instead of a general meeting.
- Representatives should be elected from regular members and their tenure is 3-year.
- Election for representatives shall not be conducted in general representative meeting.
- Important decisions over dissolution / liquidation and amalgamation require voting not

only by the representatives but also by the members.

#### (4) Directors / Auditors

##### a. Directors / Board of Directors / Qualifications, Election, Rights and Obligations of Directors

- Members of executive organ of the cooperative are directors.
- The quorum of directors shall be five or more, and two-thirds or more should be farmers as regular members.
- Directors shall be elected or appointed from members, and the term of service is within 3 years.
- Directors consist of board of directors. The board of directors is responsible for executing businesses of the cooperative, and elect representative director who should supervise the duties of the directors
- Directors shall be loyal to members and the duties. In case of negligence of duties by the directors, they shall jointly take the responsibility and compensate for the damage caused therein.

##### b. Business Management Committee

- The cooperative may have a business management committee as an official. The quorum of the committee is five or more, and they should be regular members
- In case a business management committee is organized in the cooperative, the committee shall appoint directors.
- The business management committee should make decisions over basic policy on business and other important matters for execution of duties.
- Members of the business management committee should not control directors, auditors, or the cooperative.

##### c. Auditors ~ Qualifications / Election / Rights and Obligation

- Auditors shall be elected from members. The quorum is two or more. Specific qualifications are not required as directors, but some special cooperative are required to hold one or more non-member auditors and full-time auditors
- Auditors shall audit what's been executed by directors.
- Directors shall get the business reports and the financial statements audited by the auditors, and submit them with audit report.
- In case of negligence of duties by auditors, they should take the responsibility the same as the directors.

#### (5) By-law / Rules and Regulations

##### a. By-law / Approval / Model By-laws

- By-law should hold the content of businesses, the name of the cooperative, the operational area.
- Revision of by-law requires the approval by the government.
- The government may set model by-laws.

##### b. Rules and Regulations

- Matters other than what's stipulated by-law may be regulated in the rules and regulations.
- Special business such as credit business and mutual insurance business shall have its regulations, and in case of revision the approval by the government is required.

## (6) Members' Organizations

### a. Hamlet Group

- Basic groups formed by hamlet. The traditional rural communities or joint groups become basic organizations leading to agricultural cooperative
- The groups, which should be the most important organizations, disseminates information, act as mother organ for election of officials and general representatives and study business plan.

### b. Commodity-wise group

- Special groups formed by producers in accordance with the type of commodity
- The groups assume an important position in production and marketing to spread production technologies, to acquire information on marketing, shipping control, facilities management, etc

### c. The Youth Association / The Women's Associations / Other groups

- Since membership is given to one in farm household, the necessity to reflect young men's and women's voices led to forming the youth association and the women's association. Each association has apex organizations.
- Other members' organizations have been doing different kinds of activities in the field of better living and production. Active members' organization may bring better management of agricultural cooperatives

## (7) Federations

### a. Federations at a prefectural level and a national level

- Federations are organized at a prefectural level and a national level.
- Unlike primary cooperatives, which are rather dominant, federations are set up by types of business
- Union of agricultural cooperatives, which has the functions of comprehensive guidance, liaison, coordination, representation, and auditing,
- Is set up at a prefectural level and a national level.

### b. Affiliated organizations

- Subsidiary companies and affiliated companies are established for primary cooperative and unions / federation
- Other groups, which are not incorporated, are also organized

### c. Amalgamation and integration of primary cooperatives and business federations

- Following amalgamation of primary cooperatives, the prefectural federations and the national federations are being integrated. In some prefectures, the amalgamation and the integration are promoted to form prefectural-wide cooperatives.

## 2. Management of Agricultural Cooperative

### (1) Business

#### a. Domain of business / Regulations stipulated in the Law concerned and By-law

- Domain of business is stipulated in the law concerned. More concrete description of the business are made to a primary cooperative (stipulated in the by-law)
- Diversification of the needs of the members and the changes of the economic environment has expanded the domain of business.
- To some extent non-members are allowed to utilize the services of the cooperatives.

b. Non-profit Making and Anti-monopoly Law

- Agricultural cooperatives should not be allowed to conduct profit-making business
- As far as agricultural cooperatives do fair business deal and control free competition, they are an exemption to anti-monopoly law.

c. Integrated Management / Farm Management and Better Living / Asset Management

- The majority of agricultural cooperatives, which conduct businesses in an integrated manner are predominant. The businesses cover farm management, better living and asset management
- Historically, credit and purchasing-related cooperatives emerged first, which were followed by marketing mutual insurance as a part of better living activities. Asset management is rather a new business

d. Business Methods

- Commissioning system is employed especially for marketing business, and purchasing business adopts an advance order system. Settlement of account is done by pooling account system.
- New business launched as a part of better living are not always conducted in a conventional manner.
- New business methods are sought as they face fierce competition with other private companies

(2) Fund

a. Procurement of Fund (Share Capital, Installment, Savings)

- Member is required to have one or more shares. Appropriation to share capital dividend and to revolving capital are also possible. Share capital dividend is 8% at maximum. For some cooperatives the regulations for the minimum share capital are applied.
- Internal reserves are legal reserve, fund for education and information, which is carried over from the previous year, special installment and capital installment.
- Fund created in credit business can be appropriated for other business to some extent.

b. Use of the Fund

- The businesses are diversified so that the fund is used for many fields.
- The surplus of the cooperatives are invested to prefectural credit federations and the Norinchukin Bank, and the fund created in the mutual insurance business of prefectural mutual insurance federation is invested to the national mutual insurance federation.

c. Financial Management and Government Ordinance for Settlement of the Account

- Guidance for business report financial statement is provided in the government ordinance.
- The level of owner's equity, classification of the accounting, the use of the surplus and standards for loan extension from the credit business are stipulated in the government ordinances.

(3) Settlement of Account

a. Commission-based / Surplus

- Settlement of account is made on a commission basis upon use of the business.
- The surplus is appropriated for share capital dividend, patronage dividend and internal reserve.
- More attention has been paid to the internal reserve.



- b. Management of the Budget / Management Diagnosis
  - Management of the budget for more sound management (1 year, every 6 months, every four-month, or monthly. And the prefectural unions provide management consultation.
  - Recently the use of private consultants is increasing.
- c. Profit and Loss by business division, by the establishment, by Branch Office
  - In the wake of the financial crisis, the law concerned clearly stipulates profits and losses by business.
  - For amalgamated cooperative, more attention should be paid

#### (4) Management

- a. Top Management
  - Under the deregulation and fierce competition, representatives of the cooperative's should seek for management model
  - With business management committee. The functions of the staff, especially directors of learning and experiences are strengthened.
- b. Regular Staff / Management
  - The cooperatives with several hundreds staff are commonly observed, and important point is how to cope with the regular staff and the management are efficiently conducted.
  - How the cooperative foster capable staff, who should have originality and expertise, to keep up with the other private companies
- c. Labor Management / Labor Union
  - Typical labor management inherent to Japan such as life-time employment system and seniority system are being shifted to merit basis and result basis. Another active scene is that the companies utilize part-time worker for six month basis.
  - Labor unions are organized all over Japan, and it is necessary to keep good cooperation with labor unions
- d. Internal Control / Auditing / Penal Regulations
  - As far as there exists illegal actions and mistakes, any countermeasures should be ready.
  - Inside the cooperative, the system of internal control, internal auditing, auditor's auditing is established. Internal auditing should be done by the prefectural union. In additions the government conducts inspections.
  - Lastly it is necessary to have supervision and legal actions taken by the government.

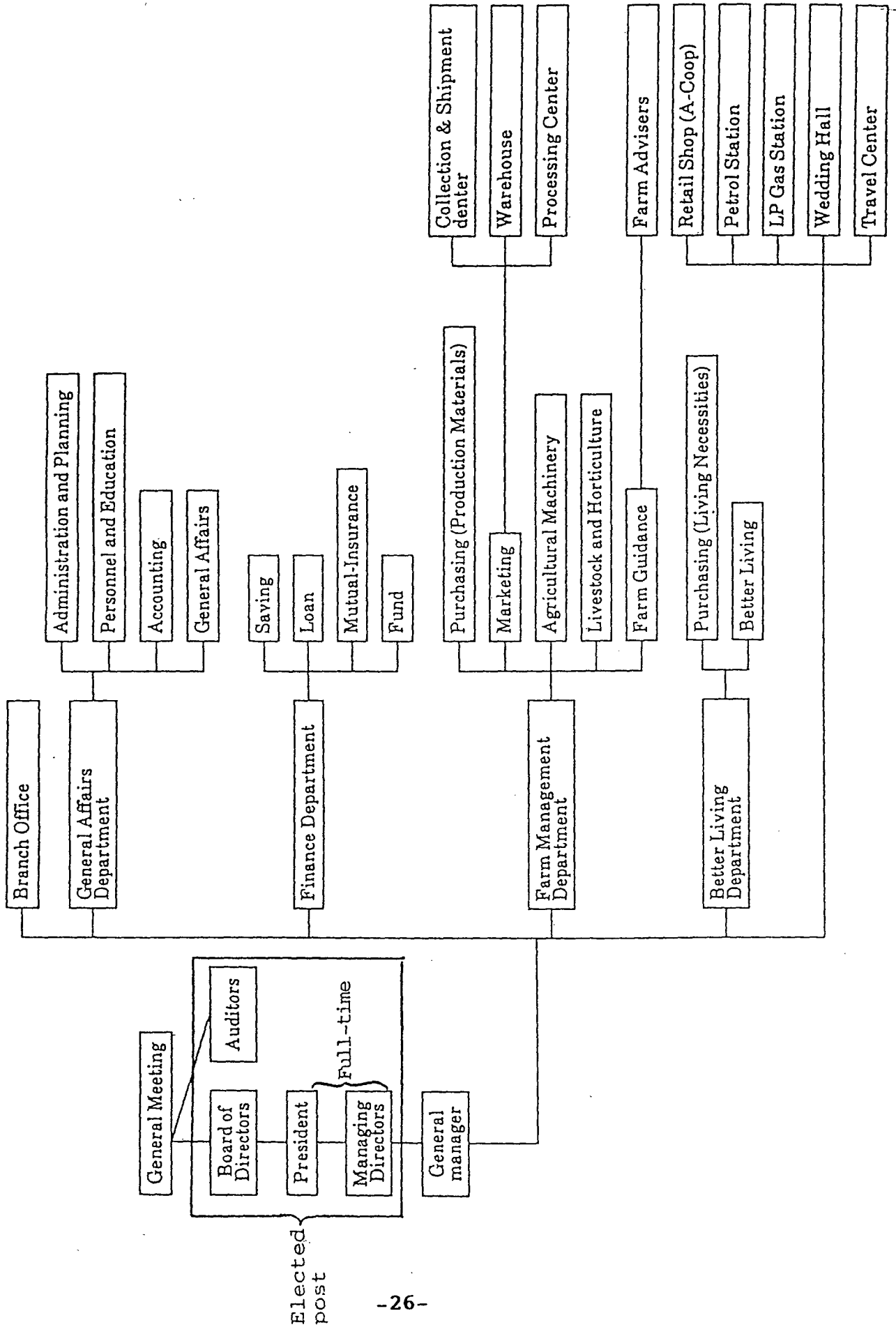
#### (5) Supervision over the Cooperatives

- Supervision over the cooperatives is conducted by Ministry of Agriculture, Forestry and Fisheries, and the Financial Reconstruction Commission and Ministry of Finance supervising the cooperatives with credit business. Part of authority is delegated to the local government.
- Supervised are: permission and approval, and submission of reports is made for permission and approval, submission of reports and other materials, auditing inspection, measures against disobey to order, or instructions and illegal actions, order for dissolution or liquidation, decision making, election and cancellation of elected post
- Punishment or penalty are applied against abusing official authority, false statements, obstruction against report and inspection, no-competition base

### 3. The Future Tasks

- 1) Agriculture, Farmers, Regional Area, Members
- 2) Market Economy, deregulations, competition
- 3) Information-oriented system, the aging society, environmental problem

MULTI-PURPOSE AGRICULTURAL COOP SOCIETY



## 6. ACTIVITIES OF MULTI-PURPOSE SOCIETY

### 1) Guidance Activities

#### (1) Farm Guidance

Farm guidance is to help farmers in planning and operating their farm production more efficiently and in establishing better terms of marketing. Guidance services are extended in the following areas by farm advisors of multi-purpose agricultural cooperative societies.

- i. Planning of farm management in accordance with regional agricultural promotion plan
- ii. Improvement of farm infrastructure
- iii. Quality control and joint marketing of farm products and joint purchase of farm inputs
- iv. Promotion of group farming by commodities
- v. Exchange of cultivation and breeding techniques
- vi. Close collaboration with agricultural extension office and other relevant institutions

#### FARM ADVISORS

(Mar. 1998)

Total No.of Farm Advisors	16,443
Average per society	8.90%

Socs. By No.of Farm Adv.	
Non	10.7%
1	14.1%
2	10.1%
3	9.8%
4	7.7%
5 - 6	11.6%
7 - 10	12.0%
11 - 20	12.4%
21 - 30	4.9%
More than 31	6.6%
	100.0%

Specialized area of Farm Advisors	
Rice cultivation	23.8%
Silkworm raising	0.9%
Livestock	16.0%
Vegetables	26.6%
Fruits	11.6%
Fame management	10.1%
Farm machineries	2.9%
Others	8.1%
	100.0%

#### (2) Guidance on Better Living

Multi-purpose society extends guidance service on better living to improve standard of living of member

## 2) Marketing

Characteristics of marketing practice

- i. Unconditional consignment
- ii. Pooling account system
- iii. Planned production and shipment

### Marketing Turnover per Society

Fiscal Year 1993

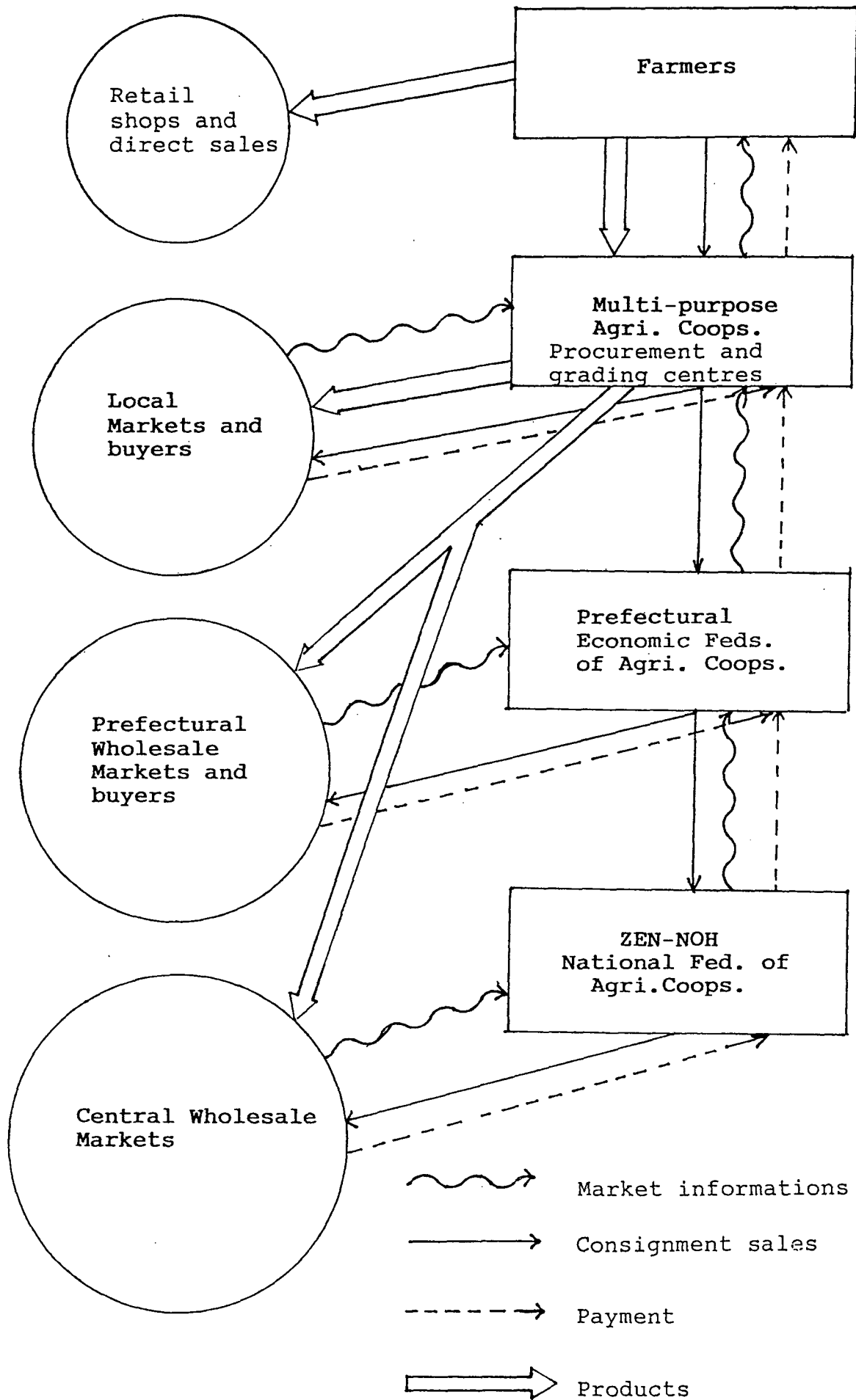
	Per society (¥ million)	Composition (%)	Rate of commission(%)
Rice	606	29.7	3.0
Vegetables	497	24.3	2.2
Fruits	236	11.5	2.4
Fresh milk	130	6.4	1.2
Eggs	18	0.9	2.5
Broiler	6	0.3	0.8
Beef cattle	124	6.1	1.1
Others	426	20.8	-
Total	2,043	100.0	2.4 (average)

### Share of Agricultural Cooperatives in Total Sales of Member Farmers

Fiscal Year 1993

	Multi-purpose Agri. Coops.(%)	Pref. Econom. Federations %	ZEN-NOH %
Rice	95.0	95.0	95.0
Vegetables	53.1	51.0	30.9
Fruits	52.4	46.4	21.3
Beef cattle	47.6	41.5	27.5
Pig	29.5	35.0	15.2
Fresh milk	59.7	59.3	14.1
Broiler	5.2	17.0	18.0
Eggs	14.8	30.1	31.2

Marketing System



### 3) Purchasing

Characteristics of purchasing practice

- i. Order in advance
- ii. Quick settlement of bills

#### Purchasing Turnover per Society (M-P)

Fiscal Year 1993

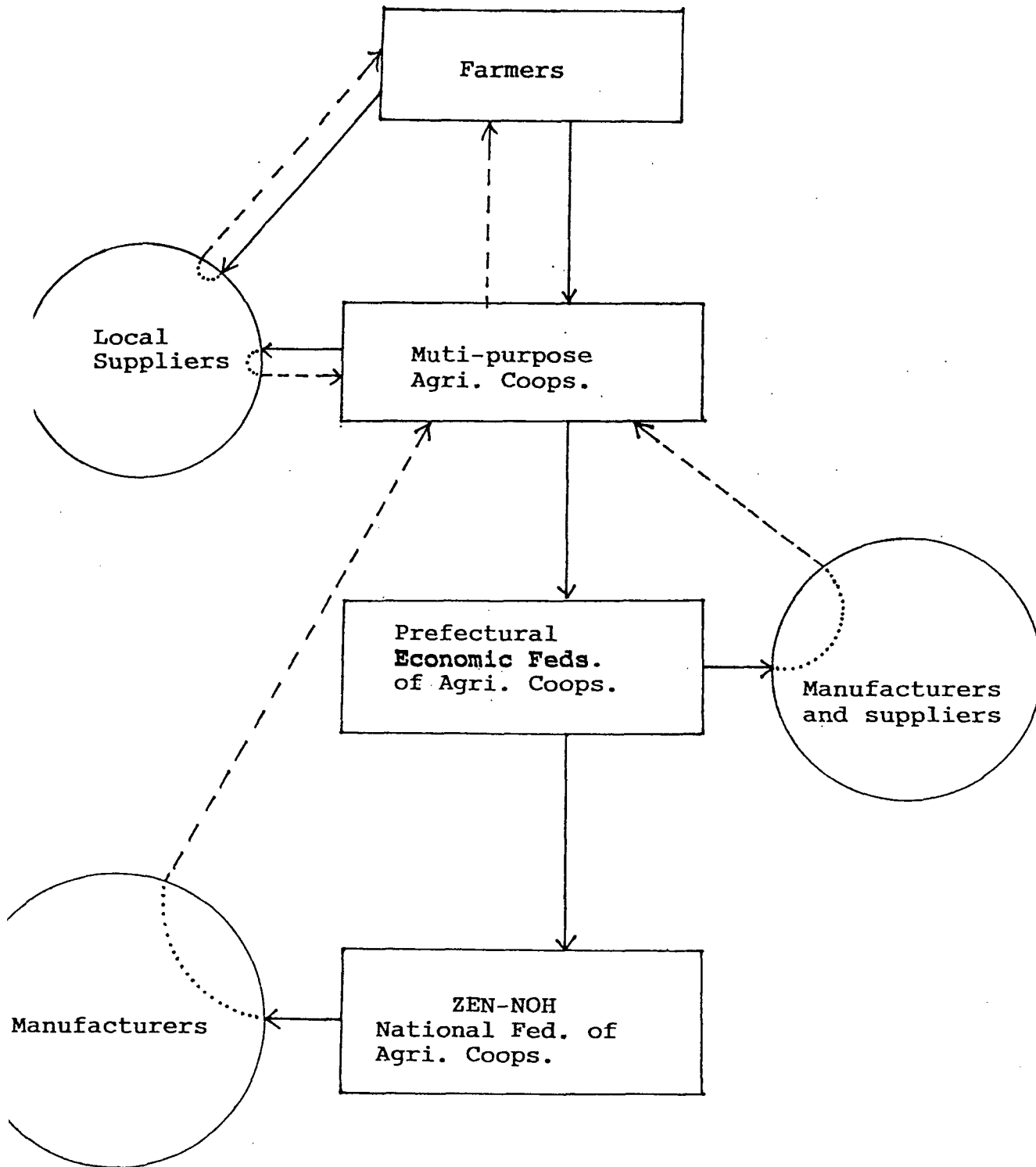
	Purchase per society (¥ million)	Composition (%)	Rate of commission (%)
Feeds	160	8.8	4.8
Fertilizers	140	7.7	12.0
Agri. chemicals	112	6.2	10.1
Agri. machinaries	134	7.4	10.3
Petrol products	220	12.2	20.5
Automobiles	106	5.9	6.0
Other prod. materials	218	12.0	-
Consumer goods	719	39.8	18.7
Total	1,808	100.0	14.0

#### Share of Agricultural Cooperatives in Total Purchase of member Farmers

Fiscal Year 1993

	Multi-purpose Agri. Coops. %	Pref. Economic Federations %	ZEN-NOH %
Feeds	36.5	32.4	32.4
Fertilizers	91.6	80.6	70.0
Agri. chemicals	70.0	50.0	45.0
Corrugated paper agricultural use	79.7	72.7	61.6
Kraft bags	88.9	77.8	60.0
Vinyl for green house	66.0	31.0	21.0
Polyethylene for agri. use	66.0	30.0	17.0
Farm machinery	53.0	41.7	26.6
Automobile	24.8	17.5	12.9
Petrol products	57.0	53.0	52.1
LP gass	46.9	42.3	36.1
Consumer goods	15.6	12.4	4.2

Purchasing System



—————> Orders

- - - - -> Delivery of goods



#### 4) Credit

##### (1) System of Farm Finance

Farm finance in Japan is operated by three types of institutions:

- (i) Multi-purpose Agricultural Cooperative Societies  
(Loanable funds are savings of members)
- (ii) AFFFC (Agriculture, Forestry and Fishery Finance Corporation) Funds are from the Government
- (iii) Private financial institutions such as commercial banks

(i) and (ii) account for the dominant portion of outstanding farm loans of members. Also various types of government programmed loans provide funds to farmers at concessional terms in order to support agricultural policies of the government.

##### OUTSTANDING SAVINGS AND LOANS OF MEMBER (AVERAGE PER FARM HOUSEHOLD)

Fiscal Year 1993

Savings with:	Agri. Coops.	35.8%
	Post office (Postal savings)	8.7%
	Commercial banks	22.1%
	Insurances	33.4%
		100.0%
Loans from:	Agri. Coops.	46.0%
	Government Fund	18.3
	Commercial banks	23.9%
	Others	11.8%
		100.0%

## (2) Government Programmed Loans

Government programmed loans are classified into three types according to the sources of the loanable funds.

- (i) Loanable funds from the Trust Fund Bureau of the Ministry of Finance (AFFFC loans, etc.)
- (ii) Loanable funds from the budget of the National and Prefectural Governments (Agri. Improvement Loans)
- (iii) Loanable funds from agricultural cooperatives and other commercial banks. Interest subsidies are provided by the government (Agricultural Modernization Loans, Natural Disaster Relief Loans, etc.)

### OUTLINE OF GOVERNMENT PROGRAMMED LOANS

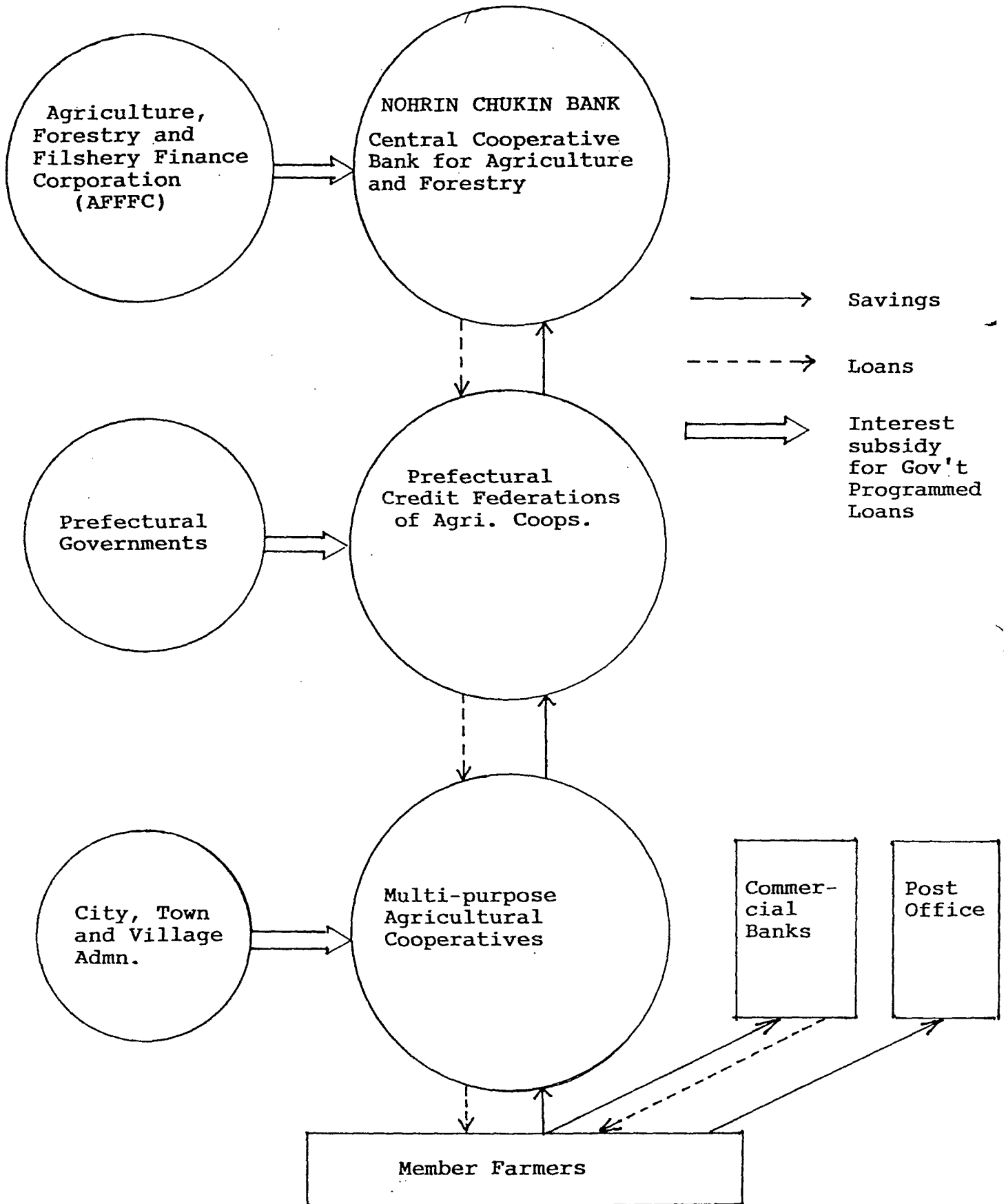
	AFFFC loans	Agri. Modernization loans	Agri. Improvement loans	Natural Disaster loans
Source of fund	Government	Agri. Coops.	Government	Agri. Coops.
Loan Agency	AFFFC	Agri. Coops.	Prefectural governments	Agri. Coops.
Term	Long	Medium, Long	Medium, Short	Medium, Short
Interest rate	Low	Low	Free	Low
Purpose	Maintenance and promotion of Agri. Production	Modernization of Agri. Machinery and facilities	Adoption of New Technologies	Relief of damaged farmers by natural disaster

## (3) Terms of Loans

In case of AFFFC loans, interest rates are 3.0 - 5.6 percent and the period of redemption 10 - 25 years. The loan covers up to 60 - 90 percent of the total cost of the borrower's project. Either or both collaterals and guarantors are required.

Interest rates are generally low for those projects which the government seeks to encourage for policy reasons and those for the rehabilitation of damage caused by a natural disaster. They are also lower on loans made to unsubsidised projects than those to subsidised ones.

Credit System



## 5) Mutual Insurance

Multi-purpose agricultural cooperatives are the original contractor of the insurance policies and they are reinsured with the prefectural mutual insurance federations and national mutual insurance federation.

Types of insurance are as follows;

Long-term insurance	Life Endowment
	Juvenile
	Building Endowment
	Home Construction
Short-term insurance	Fire
	Coop Building Fire
	Automobile
	Group Term Life
	Automobile Liability

### LONG-TERM INSURANCE, POLICIES IN FORCE

Fiscal Year 1993

Types of Insurance	Amount insured (¥billion)
Life Endowment Insurance	180,593
Whole Life Insurance	45,626
Children's Insurance	1,283
Long-term Life Insurance	29
Building Endowment Insurance	115,420
Others	41
<b>Total</b>	<b>342,994</b>

### SHORT-TERM INSURANCE

Fiscal Year 1993

Types of Insurance	Premiums (¥million)
Fire Insurance	13,161
Automobile Insurance	281,457
Personal Accident Insurance	16,960
Group Term Life Insurance	6,077
Automobile Liability Insurance	70,518
Others	5,608
<b>Total</b>	<b>393,782</b>

## 6) Utilization and Processing

Primary agricultural cooperative societies try to provide facilities and services that members would otherwise be unable to access. There is a variety of facilities, such as heavy tractors, grain elevators, repair shops, pumps, pig breeding stations, and chicken and food processing plants. Joint use of these facilities not only raises productivity but also is essential for unified grading, planned production and marketing.

Joint facilities designed for personal use are also extremely diverse, ranging from medical, barber and wire broadcasting services to wedding halls.

The purpose of cooperative processing is not only to increase the value of agricultural products but also to encourage individuals to produce their own supplies cheaply. While primary societies have comparatively small plants of their own, prefectural economic federations and the National Federation engage in large-scale processing in their directly managed plants or fully paid-up joint stock companies.

### TYPES OF FACILITIES FOR JOINT USE owned by MULTI-PURPOSE AGRI. COOPS.

Facilities for production activities of members	Facilities for home-life improvement activities
Large-size tractors Combines Power sprayers Rice centre Country Elevator Grading Centre Farm machinery workshop Fertilizer mixing plant Joint nursery centre Livestock breeding centre Joint transportation facility Warehouse Chicken processing centre Meat processing centre	Meeting hall Living improvement centre Consumer goods stores LP gas service facility Petrol stations Rice polishing facility Flour mill Noodle processing plant Simple food processing plant Baking plant Joint cooking facility Wire broadcasting studio Barbershop/Beauty parlor Resort facilities Sports facilities Library Wedding/Funeral facilities Mobile clinics, hospitals Rehabilitation centre

## 7) Welfare

Medical care and health control services are also important activities of multi-purpose agricultural cooperative societies. Medical treatment of members and residents in rural communities is undertaken in agricultural cooperative hospital which are run by prefectural welfare federation of agricultural cooperative societies. Health control services are provided by multi-purpose societies with the help of agricultural cooperative hospitals. These services are as follows;

- Health consultation
- Periodical health check-ups
- Examinations for adult diseases
- Campaigns to improve nutrition

Women's association of agricultural cooperatives are involved in these activities.

### AGRICULTURAL COOPERATIVE HOSPITALS owned and operated by Pref. Welfare Federations of Agri. Coops.

March 1994

Number of Agri. Coop Hospitals	115
Number of Clinics	57
Mobile Clinics	194
Number of Beds for inpatients	38,012
Doctors (full-time)	3,207
Nurses	18,733

### C. Various Approaches to some Cooperative Development Efforts

一人は万人のために

万人は一人のために

EACH FOR ALL

ALL FOR EACH

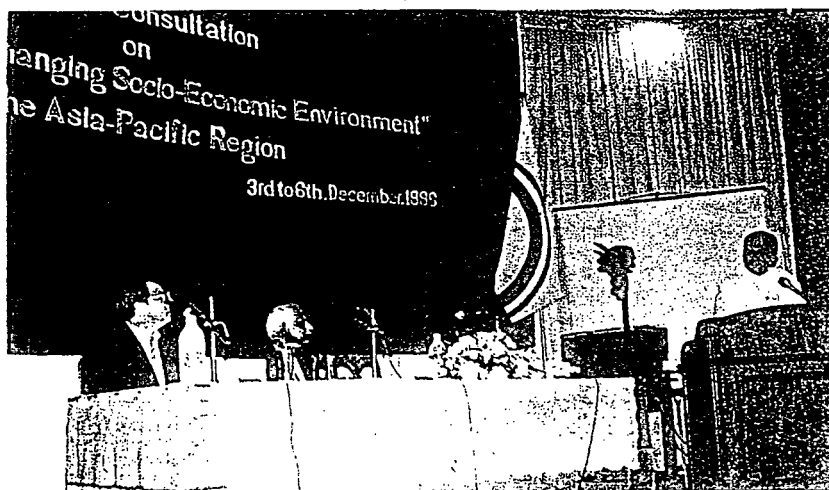
We have enjoyed a decade of "almost enough", enough to cause complacency. If there is a touch of hunger in the Sahel, then we have tried to patch it up with a few concerts and shipments of food.

However, we are now looking toward a much more difficult decade, one in which many will face a rude awakening. The world faces a grave agenda: poverty, hunger, a deteriorating environment, growing populations, new and dreadful diseases. These problems respect no artificial boundaries. Nor are these simply the problems of governments and international organizations, I firmly believe that it is only when people and their structures become directly involved, when responsibility is with those whose interests are genuinely, at stake, then solutions are possible. We can no longer afford the luxury of leaving problems to governments. We must seize the initiative and involve ourselves and the people of the world in attacking hunger, disease and poverty. The future of our world depends on it.

Dr. V. Kurien  
Chairman, National Dairy  
Development Board, India

## Cooperation in the Changing Environment

ICA ROAP organized a Regional Consultation on Cooperation in the Changing Environment in the Asia Pacific region as a prelude to the forthcoming Cooperative Ministers Conference in March 1997. The consultation was hosted by the ministers of Cooperatives in Myanmar at Yangon from 03 to 06 December 1996.



Hon'ble Minister for Cooperation of Myanmar addressing the Consultation.

Thirty-nine delegates at the level of secretaries to the ministers and CEO's of national federation from 17 countries had joined the consultations. In addition 21 observers from Canada and Myanmar participated. Hon. Minister for Cooperatives, Myanmar inaugurated the Consultation.

The major recommendations of the consultation to be presented before the Cooperative Ministers Conference are :

1. For ICA and Member Co-operatives:

1.1 To identify other government entities in member countries which play key roles in cooperative development and consider their representation in future dialogues.

1.2 To advocate among major multi-lateral agencies (e.g., ADB, the World Bank) the adoption of "Policy on Cooperatives" which

should have a shared vision on accepted principles.

1.3 To ensure consistency in implementing the Statement of the Cooperative Identity as adopted by the ICA Centennial Congress in Manchester in 1995 given the following considerations:

1.3.1 the political and bureaucratic realities of the Region.

1.3.2 the pressures of competition due to trade globalization.

1.3.3 diversity of needs and impact of technology in operations.

1.3.4 rapid growth which could result in erosion of cooperative values and favour privatization.

1.4 To promote sustainability of cooperatives, a smooth collaboration between government and cooperatives must be ensured along the following areas:

1.4.1 service to members;

1.4.2 member education and information;

1.4.3 professional and efficient management;

1.4.4 cost and quality consciousness;

1.4.5 incorporation of reformulated cooperative principles in Cooperative Laws;

1.4.6 support to cooperatives to enable them to adjust to global

and open market economies.

1.5 To provide or advocate technical assistance (e.g., from cooperatives in developed economies) to the Regional country-members' apex organizations and cooperative training centres to enable them to cope with the diverse and specialized training needs of rapidly expanding cooperatives.

1.6 To continuously advocate for appropriate legislation and policies that will enable cooperatives to develop themselves as autonomous and democratic people-based associations, while preserving their true identity. The cooperative movement must seek methods of advocacy that are persuasive, appropriate, and done in the spirit of cooperation.

1.7 To avail of government support and assistance in a manner that will consistently maintain the cooperatives' attributes as self-help and self-reliant economic units.

1.8 To solidify its structural and financial base while maintaining the flexibility to mobilize the full potential and active participation of members, not just as passive "shareholders" but as concerned "stockholders".

1.9 To set up and/or strengthen their own financial institution (e.g. banking, insurance), which could be wholly owned and self-initiated, or developed in collaboration with other institutions, preferably cooperatives, nationally or internationally, by way of tactical or strategic alliances as the situation permits.

1.10 To revitalise the ICA Banking and Financial Coops Committee in the Asia-Pacific region and for the said Committee to study the feasibility of a Regional Cooperative Development Bank and draw the support of existing international financial institutions for coop development.

1.11 To consider education and



training as a vital and strategic factor to ensure sustainable cooperative development. A network of cooperative institutes and other centers of excellence must be created. The movement must take advantage of the vast educational experiences and systems already developed in selected member countries.

1.12 To set up a sustainable cooperative development fund utilizing a "cooperative taxation scheme" similar to the Singaporean model" or any other viable schemes.

1.13 To commission a study on Cooperative Taxation schemes and recommend an appropriate tax treatment for cooperatives.

1.14 To identify potential exchanges and strategic alliances on trade and investment, technology transfer, joint projects and to commission a study on expanding trade among member organizations.

1.15 To develop and support an appropriate role for government by collating the country Development Plans incorporating the role of cooperatives from the government of each member country. ICA, together with the member organizations will analyse the same for the purpose of making it consistent with the Cooperative Identity Statement and assisting the National Governments in ensuring the implementation of the Plans.

1.16 To strengthen collaborative efforts of the ICA with the United Nations, bilateral and multi-lateral funding agencies.

1.17 To enhance relations with government, private sector and selected social development organizations.

1.18 For the ICA and the Asia-Pacific countries to discuss ways of maximizing the participation of Asia-Pacific National Cooperative Movement in ICA ROAP affairs and activities.

2. For Government Authorities :

2.1 For Cooperative Authorities, to advocate for ensuring a common understanding of the cooperative Identity Statement among government agencies which play many roles in cooperative development.

2.2 To formulate laws and policies consistent with the cooperative Identity Statement.

2.3 To advocate for macro and sectorial policies and programs deemed vital to the development and competitiveness of cooperatives.

2.4 As agricultural Cooperatives play an important role in national development, the ICA urges National Governments to:

2.4.1 support agricultural cooperatives as they play an active role in agri-business;

2.4.2 give priority to farmer cooperatives in the agri-business industry by providing:

2.4.2.1 concessionary loans based upon business feasibility;

2.4.2.2 infrastructure, research and development and other pre-conditions of agri-business in the public domain;

2.4.2.3 concessions on imports of technology relating to agri-business;

2.4.2.4 education and training relating to business operations;

2.4.2.5 regulatory conditions to ensure a free and fair market;

2.4.2.6 fair price policies; and

2.4.2.7 otherwise, make it possible for cooperatives to adjust to global and open market economies.

2.4.3 ensure that cooperatives or small and medium industries are not disadvantaged by industry and trade regulations;

2.4.4 review and rectify discrepancies caused by multi-level taxation;

2.4.5 extend to cooperatives incentives and concessions granted to private and public sectors; and

2.4.6 recognize cooperatives as

partners in regional accords and agreements regarding agri-business;

2.5 To review the progress of implementation of the recommendation adopted in the last 3 Cooperative Ministers' Conferences.

2.6 Gender and Development :

2.6.1 For National Governments and Cooperatives to eliminate all legislation, policies and criteria which hinder the full participation and leadership of women and men in cooperatives.

2.6.2 For government and cooperatives to provide training opportunities to ensure that gender issues in cooperatives are properly understood by governments and cooperative officials.

2.6.3 For government and ICA members to set up gender segregated data base to carry out proper gender analysis.

2.6.4 It is recommended that the Cooperative Ministers/departments and cooperative organizations allocate funds for gender and women's activities, such as data collection, gender sensitivity training, women leadership training, women's entrepreneurship development programmes, etc., where such funds do not yet exist.

2.7 Sustainable Development :

2.7.1 To enjoin cooperatives and government agencies to establish strategic alliances for the purpose of pursuing :

2.7.1.1 sharing of research information and resources;

2.7.1.2 working towards creating public awareness on ecosystem management and sustainable livelihood;

2.7.1.3 provision of incentives for labour contribution to sustainable development; and

2.7.1.4 introduction of environmental accounting and other measures for development projects including entrepreneurial activities.

... Cont'd on page 7

sometimes said to express, together with the co-operative values, a co-operative ideology. The concept co-operative ideology is often used, however, as a kind of religion, i.e., diffuse demands are placed on logic, consistency and stringency. In the way many writers treat the co-operative ideology it can contain almost anything without much being explained other than the author expressing sympathy with certain ideas and ideals. Co-operative ideology of this kind may be destructive, since it can entice people to attempt to achieve things that do not concur with the economic demands

an antiquated ideology.

Thus, we can hear people in Swedish agricultural co-operatives arguing that distance neutrality (no geographical price differentiation) must be maintained because it is a co-operative principle, that interest should not be paid on individual equity capital in a true co-operative, etc. Arguments of this kind prevent innovations and improvements in efficiency. It is close at hand to believe that members demanding status quo do so simply to protect their own interests, e.g., that members wish to retain freedom from interest, but these relationships do not appear to be

In circles characterised by a co-operative ideology it is not unusual to find that co-operative values are regarded normatively. There is a desire to demand that members, elected representatives and officials have certain co-operative values in their norm system and to demand that co-operative societies and enterprises are based on these values. It is difficult to fit this view into a scientific context. Its character of authoritarianism and hierarchy is also difficult to fit into a set of democratic values. In other words, there is a contradiction here. Use of administrative or political means to demand

Figure 2: Co-operative Values

Autor	a. Sociality Values					b. Sovereignty Values		c. Rejected
	a1 goals	a2 resources	a3 operations	a4 member treatment	a5 control	b1 member independence	b2 enterprise independence	
Münkner (1974 p.14-17)	economy social advancement	self-help (solidarity)	equity	democracy	liberty			altruism
Marcus (1988)		member commitment		honesty care for others	democracy			
Böök (1992, p 51)	economy (meeting peoples' economic needs)	social emancipation (mobilization of human resources)	mutual self-help (solidarity & self-reliance)	equity (social justice)	equality (democracy)	liberty (voluntariness)		altruism (social responsibility) internationalism (international solidarity, peace)
Böök (1992, p.52)			solidarity mutuality constructive- ness	honesty humanity, caring fairness responsibility fidelity	democratic approach			
Böök (1992, p.219)	economic activities meeting needs	human mobilization		social responsibi- bility	participatory democracy			national & international co-operation
Craig (1993, p.44)			mutual assistance	economic justice equality human rights.		freedom		

and which thus may in fact work against their own interests. Many co-operative enterprises have attempted to justify the failure of unfortunate commercial decisions by referring to

entirely clear-cut. Observations suggest that there are members who genuinely experience a co-operative ideology, though ideologies with often quite different contents.

that members of co-operatives should adhere to a certain set of values is unreasonable, particularly since members are independent beings and co-operative organisations are autonomous, to-

not those of the leadership or the employees. To the extent the latter have observed co-operative values it is through implantation by members and elected representatives in connection with recruitment and socialisation. That there are no co-operative values within an organisation as such is obvious - they can be characterised by co-operative principles to the extent they have been entered into statutes, policies, and sets of rules.

The co-operative values are thus found in the members and the co-operative principles are attributes of the co-operative organisation. Naturally, if the employees of the organisation accept co-operative values much is gained, since they will then probably work for the benefit of the members and the communications between members and employees will be easier. A specific co-operative organisation culture is valuable for the enterprise to operate for the benefit of the members.

The values that are called co-operative values are entirely general and are widespread within many cultures. They may be closely characterised as

humanistic values and are found in different ideologies and different cultures. Co-op values thus consist of a set of

values that they have a positive effect on human efforts to run a business together in order to achieve common benefits.

The role of co-operative values is explained in Figure 1 (on page 4). If the co-operative firm is to be able to work for the benefit of the members the relationship between members and the co-operative must be designed in accordance with certain principles. If the members are to accept that these principles are to be adhered to, they must pay tribute to certain sets of values. The co-operative values are, thus, conditions for the co-operative principles, and the starting-point for both the values and the principles is the cooperation concept as established in the definitions. If the principles of open and voluntary membership and domestic control mentioned in the figure are to be maintained, then there must be accepted opinions among the members that equality, human rights and freedom are im-

## Statement on the Co-operative Identity

### Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

### Values

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

### Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

#### FIRST PRINCIPLE : VOLUNTARY AND OPEN MEMBERSHIP

Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

#### SECOND PRINCIPLE : DEMOCRATIC MEMBER CONTROL

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.

#### THIRD PRINCIPLE : MEMBER ECONOMIC PARTICIPATION

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operatives. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

#### FOURTH PRINCIPLE : AUTONOMY AND INDEPENDENCE

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

#### FIFTH PRINCIPLE : EDUCATION, TRAINING AND INFORMATION

Co-operatives provide education and training for their members, elected representatives, managers, and employees, so they can be elected representatives, managers and employees and can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

#### SIXTH PRINCIPLE : CO-OPERATION AMONG CO-OPERATIVES

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

#### SEVENTH PRINCIPLE : CONCERN FOR COMMUNITY

Co-operatives work for sustainable development of their communities through policies approved by their members.

values that co-ops by no means have a monopoly of, though the concept of co-op values is rarely ever used outside co-op circles. What makes these common values appear to be co-opera-

important facets of human interaction. With such member opinions it will be easier to get the co-op firm to function well. The set of values and principles presented in Figure 1 is only one sug-

## 2. Cooperative Values and Management Development

**M**anagement development in the context of a cooperative can be viewed as a process of honing the skills and competencies of its elected leaders, managers and staff in order to enable them to manage the cooperative to the satisfaction of its members. The broad indicators of the success of management of a cooperative can be said to be: it is effective i.e. the cooperative increasingly and efficiently meets the complete needs of products and services of its members; viable i.e. it covers its costs through its earned incomes from business and services with its members and does not depend on subsidy for its survival; self-reliant i.e. it is autonomous and capable of meeting the challenge of market place and raise resources on its own without any artificial props; competitive i.e. it offers services and products in terms of price, convenience, quality and customer-satisfaction at levels which are significantly at par with similar other enterprises in the market; and on a growth trajectory i.e. the cooperative is growing at least at a rate which helps it retain competitive edge in the market place and enables it to effectively serve its membership.

As well as the main goals before the cooperative management, these are also the areas which determine the framework for management training and development efforts for a cooperative.

# COOPERATIVE VALUES AND MANAGEMENT DEVELOPMENT

In its pursuit to effectively manage a cooperative, its management encounters the issue of cooperative values, when it begins to tackle the following aspects of its mandate:

- developing mission statement;
- corporate governance;
- dealing with members;
- human resource management

### Developing mission statement

The values included in the ICA Statement of Cooperative Identity provide the basic coordinates for evolving and developing a mission statement by a cooperative. The values that are of particular significance are: democracy, self-help and equity and ethical values of openness, social responsibility, and caring for others. These values not only help a cooperative to stand out, but also instil confidence among all stakeholders in the cooperative. The usual emphasis on commitment, service, quality, community and environment generally included in a corporate mission statement ought to be tempered, in the case of a cooperative, by these values which inspire them and underpin their operations.

Asia-Pacific  
Coopnet Update July 1996  
ILO

Corporate governance refers to the organs, processes and positions that are created and used to direct, manage and carry out the activities of a corporate body. In the contemporary context, the dominant defining features of effective corporate governance are: centralism, professionalism and profit maximization. The measure that is employed to gauge the success of corporate governance is the stock-market price of the equity of the corporation. It is a neat arrangement, evolved and honed over a number of years. In the emerging era of liberalization, privatization and globalization, the above is seen almost a natural way to corporate governance. Even some cooperative managements seem to accept its rationale and logic; this could either be because of ignorance, or out of frustration born out of slow pace of traditional decision-making processes involved in governing cooperatives; or merely due to its "simplicity" and "neatness" - no hassles of consensus-building, no intrusion by small-holders in corporate management, and no accountability other than of EPS - earning per share.

The second area, therefore that needs to be addressed, while instilling cooperative values ought to be corporate governance. The design of corporate structure - the organs of decision-making, the processes used for setting objectives and harnessing resources and defining the role and responsibility of various positions in a cooperative - ought to be based on the overriding values of democracy, equality, equity, and self-help.

Democracy, as MacPhearson, has stated, is a complex word. It can usefully be thought of as a listing of rights; indeed, the struggle for democratic rights on a political level is a common theme of the history of the two last centuries. Within cooperatives, "democracy" includes considerations of rights; indeed rights and responsibilities. But it also means more: it means fostering the spirit of democracy within cooperatives, a never-ending, difficult, valuable, even essential, task.

The values of equality and equity are also closely related to the value of democracy. Taken together these result in empowerment of membership, make elected office-bearers accountable to members (and not to stock markets) and members participation an article of faith. The value of self-help points to the imperative of helping members to develop themselves through cooperative action by the skills they learn in facilitating the growth of their cooperatives. In this respect, cooperative is an institution that fosters the continuing education and development of all those involved with it.

All these values thus provide an alternative basis of designing and organizing the corporate governance structure. Such a structure provides for democratic control on the basis of one-member one-vote and an elected board of directors which is

encourage members closer involvement and participation, so that they can learn develop themselves to realize their potential; and positions that can effectively implement policies and programmes decided by members and their representatives.

In so far as these organizational positions are concerned cooperatives can a few lessons from investor-owned corporates. Among these lessons are: the professionals should man these positions; the professionals should enjoy enough autonomy; and these professionals should be adequately rewarded and encouraged to create a result-oriented culture where the entire staff seeks to achieve excellence.

#### Dealing with members

Corporates often determine their business activities on such considerations as profitability, market share and leadership, export market potential; core competence etc. In cooperatives, activities are determined on the sole consideration of members' needs. The central focus of the cooperative movement must always be the best interests of members in both short and long term. Cooperatives exist primarily to serve them, and any measure of their effectiveness must be based on how well these needs are served.

On the basis of the logic of its definition and the value of self-help, cooperative management has to seek and develop alternative frameworks for starting, expanding and establishing forward and backward linkages. Here, it is not simply the question of starting an activity or offering a service to members; it is really the issue of fostering relationship with members - widening and deepening it all the time. Ideally, a cooperative should offer a range of services that encompass the entire needs of an average household. The growth strategy should be focussed on expansion of relationship with members. Only then can a cooperative ensure its most stable growth and its long-term permanence.

It should be understood here that members of most cooperatives relate to their organization in three ways: as owners (decision makers and controllers); users of its services (provide income earning activities); and investors (provide finances). All these three kinds of relationships need to be fostered. This is best done through, on one plane, efficient service, and, on another, education. Corporate managements in investor-owned organizations seldom if ever bother themselves with such an idea. For cooperative management, this is crucial to their survival and success.

#### Human resource management

Finally the cooperative values must permeate all human resource management policies, practices and programmes in every cooperative. Human resources here include elected office-bearers, employees and members. The values of self-

help, equality, solidarity, openness, and caring for others must always inform all human resources-related action. Human resource management and development efforts in cooperatives must be geared to i) provide opportunities to all to grow, develop and realize their full potential; ii) provide working conditions that induce them all to give their best contribution to cooperatives; iii) deepen their relationship with cooperatives;

iv) effectively participate in appropriate manner in the management, activities and operations of cooperatives; and v) make all people feel important and worthy of the trust and confidence that cooperatives have reposed in them.

That is how cooperative Management can be made effective and purposeful

### 3. Prerequisites for Co-operative Success or Criteria for Genuine Co-operative Societies By Karl Fogelstrom, ICAROAP

This paper identifies a number of factors or prerequisites considered essential for the success of co-operative society. In the view of the writer a large number of co-operatives in developing countries do not meet the requirements that would characterize a genuine co-operative society. Most co-operatives are government-initiated and should rightly be labelled "pseudo" co-operatives as they do not fulfill the criteria for a genuine co-operative society.

Still government has a positive role to play in supporting and promoting co-operative development in the same way as government support and encouragement is important for the development of other types of economic enterprises.

The writer states that there are definite limits to what can be achieved by "engineering" genuine co-operative development. Government need to take cognizance of true nature of a co-operative society and revise its policies accordingly.

Finally the writer points out that there is an increasing realization among politicians and government officials that government-initiated co-operative societies need to be transformed into independent and member-led co-operatives.

For a primary society to succeed not only one but several requirements must be satisfied in order to create a situation conducive to the formation and growth of a viable co-operative society:

#### • Prerequisites for Cooperative Success

1. "Awareness, realization and felt need" among the prospective members
2. Basic knowledge of the co-operative principles and a basic understanding of the mechanics of operating a co-operative society among the members & leaders
3. Honest local leaders with unblemished integrity
4. Honest and competent staff
5. Adequate base/volume or potential to sustain viable business
6. The existence of and access to a functioning market and marketing structure
7. Co-operative legislation allowing the co-op to function as independent, democratic and member centered business organization

#### 4. Case study on Grameen Bank (Banking on the poor)

- Giving credit where it is due

When Mohammed Yunus set up the Grameen Bank, he challenged not only Bangladesh's entrenched social structure of poverty and deprivation but the well cherished economic theories of the West. Gray Segal reports on the man Bill Clinton thinks should get a Nobel Economics Prize.

When Bill Clinton was still on the campaign trail, presenting voters with his vision for rebuilding the American social landscape, he amazed journalists and economists by his espousal of a minor Bangladeshi bank as a grassroots example of how to reinvigorate the world's largest economy. The Grameen Bank has so impressed the new president with its program of providing very small loans for microenterprises in poor communities that he has been advocating it as a model for similar community development banks in the United States, to help stimulate depressed urban and rural areas.

The idea of giving the poor greater access to credit may appear radical in a U.S. context, but in Bangladesh - one of the world's poorest and most densely populated countries - it is having a profound, almost revolutionary impact on literally millions of people.

The Grameen Bank (grameen means "village" in the Bangla language) had its tentative beginnings in the late 1970s. It is the brainchild of Dr. Mohammed Yunus, a former Fulbright scholar and economics professor, who is passionate about eliminating the extreme poverty in his country.

"Economic development," he says, "Must be treated as matter of human rights. The elimination of poverty should be recognized as the central issue in all development thinking. Unfortunately, most planners don't think enough about who the poor are and how they can contribute to improving their condition and that of the country. Most obviously forgotten are the women."

Since he first formed the bank, Yunus has focused on the rural women of Bangladesh as the key to its success. Grameen began as a research project when he was teaching at Chittagong University, and was becoming increasingly disillusioned with his attempts to apply



western economics to a country like Bangladesh, with its bitter recent history of hardships - first its savage war for independence from what was then West Pakistan, and then the terrible famine of 1974 which killed over 1 million people.

In the villages near his campus Yunus found that although the women were generally more industrious than the men, they were underpaid for their efforts. He also saw that when women did have some control of household finances the family income was better spent, especially where children's health and education were concerned. However, not even the smallest amounts of capital were available to them from traditional banks: as in any country, the poor were seen as a credit risk because of their lack of assets. This reluctance was compounded by the traditional disapproval of lending and borrowing in Bangladesh's Islamic society. The moneylenders that do exist charge exorbitant rates of up to 10 percent per day.

The event that convinced Yunus that something had to be done was when he discovered the plight of some local women who were weaving bamboo stools and were making only 2 cents a day because they had to borrow the money to buy their bamboo from the same traders to whom they would then sell their products. The women said that if they could just raise a total loan of only 30 dollars they would be able to buy enough supplies to increase their incomes and escape from this vicious circle of poverty.

"I was terribly ashamed of myself for being a part of a society which could not provide 30 dollars to 42 able, hard-working, skilled persons to make a living for themselves, and for teaching fancy 'development' theories in the classroom," says Yunus.

He decided to lend the women the money himself. However, realizing that securing just one loan for a single group of people was a short-sighted solution, he asked a local bank to provide the women with some credit. The bank manager turned down his request. There was no profit from such tiny loans, he said, and anyway these people had no collateral to offer the bank - and besides, they were illiterate and could not fill out the loan application!

Yunus eventually offered to act as the loan guarantor himself, and had his own students complete the complex paperwork. After six months of letter-writing and red tape, the bank's head office approved a loan totaling approximately 26 dollars. It took far less time for the borrowers to increase their incomes even while

repaying the loan. But what moved the professor and his team most was to see a new sense of dignity and self-esteem in the eyes of these women.

The experiment was repeated in other villages with similar success. After failing to convince the traditional banks to adopt his ideas, Yunus decided he must start an alternative bank. After several years of persistently knocking on the doors of the Central Bank and other government offices, official approval for the Grameen Bank was finally granted in 1983.

Today, the Grameen Bank can boast some remarkable statistics: over 1,000 branches in almost every province in the country; borrowing groups in 28,000 villages; 1.2 million borrowers, of whom 92 percent are women; a loan repayment rate of over 98 percent - vastly higher than other banks in the country and highly favorable in banking anywhere in the world; and a rapid growth rate of about 20 percent a year. Like other community development projects in Bangladesh, the Grameen Bank also has a wider social agenda, encompassing adult education classes for the borrowers, as well as preparatory education system for their children.

The rapid growth of the Grameen Bank has not been without opposition. Not only was the concept of a bank for the poor a challenge to the existing banking structure, its focus on women borrowers also upset religious leaders and (male) village elders. Even the women's husbands were suspicious and hostile to the idea of their wives going into business. The bank was accused of being full of CIA spies, of trying to convert people to Christianity, and even of kidnapping women and making them sex slaves.

Left-wing opponents accused it of being a Western conspiracy to plant capitalism "like opium" among the poor to cool down their revolutionary zeal and prevent them becoming involved with larger issues. But the women themselves have shrugged off all threats and rumors, recognizing that they have from this opportunity to improve their lot.

The Grameen lending system is simple but effective. To obtain a loan, potential borrowers must form a group of 5 of the same sex, gather once a week for loan repayment meetings, and learn by heart the bank rules and the "sixteen Decisions" (see box) which they chant in unison at the beginning of their weekly sessions. Once a group is approved, two of the members are given the first loan - usually between 25 dollars and 4- dollars, a very large sum for

landless Bangladeshis. If regular repayments are made on these loans over the next month, then the third and fourth members receive their loans, and after a similar wait so does the fifth. The loans are repaid in weekly installments over one year and have a simple interest charge payable at the end of the year.

Not only is this method readily understood, it is designed so that peer pressure - rather than bank pressure - ensures that repayments are made on time. The borrowers take out loans for income-generating activities that they know will produce immediate results. For women, the usual activities are rice-husking, trading in food and other essentials from their homes, and raising cows or goats. Men usually use their loans for trading in the marketplace (where women are excluded) and for buying rickshaws - the local form of transportation for both people and goods.

As borrowers become more confident in repaying their 12-month loans, so the amounts increase. Ten-year house loans are also available and many have taken advantage of this opportunity. Grameen not only makes available the 300 dollars required for a typical structure, it has also designed a house made of bamboo, concrete and tin which won the prestigious "Aga Khan Award" for appropriate architecture. The pride is obvious in the faces and demeanor of families who have built house for themselves - usually the first home they have ever owned.

The success of the Grameen Bank has inspired similar community development projects in other Asian countries, including Malaysia and the Philippines, and Dr. Mohammed Yunus now travels widely to spread his philosophy and practical experience about development.

Wherever he goes, his message is consistent; the changes must start at the bottom and work upward. He says that development aid must be addressed to the bottom 50 percent of the population if it is to make a difference, because the top 50 percent are already taking care of themselves. And the best way of assisting these people in the bottom strata is by providing them with credit.

"Credit can equip a dispossessed person to fight the economic odds. It creates an opportunity for self-employment, in which the poor person can control his or her economic destiny. Although large institutions such as the World Bank are likely to resist at first, the soundness of this approach will ultimately prevail. Whether in a Bangladesh village or on the south side of Chicago, access to credit must be a central part of any serious attack on-

poverty."

It is a message and a method that President Bill Clinton is taking very seriously. So seriously, in fact, that he has said Dr. Mohammed Yunus should be given a Nobel Prize for economics.

The sixteen decisions

1. The four principles of Grameen - discipline, unity, courage and hard work - we shall follow and advance in all walks of our lives.
2. Prosperity we shall bring to our families.
3. We shall not live in dilapidated houses. We shall repair our houses and work toward constructing new houses at the earliest.
4. We shall grow vegetables all year round. We shall eat plenty of them and sell the surplus.
5. During the plantation season, we shall plant as many seedlings as possible.
6. We shall keep our families small. We shall minimize our expenditures. We shall look after our health.
7. We shall educate our children and ensure that they can earn to pay for their education.
8. We shall always keep our children and the environment clean.
9. We shall build and use pit-latrines.
10. We shall drink tubewell water. If it is not available, we shall boil water or use alum.
11. We shall not take any dowry in our sons' weddings. Neither shall we give any dowry in our daughters' weddings. We shall keep the center free from dowry. We shall not practice child marriage.
12. We shall not inflict injustice on anyone, neither shall we allow anyone to do so on us.
13. For higher income we shall collectively undertake bigger investments.
14. We shall always be ready to help each other. If anyone is in difficulty, we shall help him.
15. If we come to know of any breach of discipline in any center, we shall all go there and help restore discipline.
16. We shall introduce physical exercise in all our centers. We shall take part in all social activities collectively.

Prof. M. Yunus explained how training, retraining, workshops and policy dialogues for and with its staff, form an integral part of Grameen Bank activities.

At present, utmost emphasis has been given to microfinance in all the countries of the world. The Microcredit World Summit was held in USA last year and ended with the decision to increase microcredit.

For poverty alleviation, there is no alternative to microcredit. In our country 85% people live in rural areas. Nearly 65% of the rural people are landless. They have no accessibility to the banks as they have no security to offer. Grameen Bank and different other NGOs have come forward for the upliftment of the down-trodden people. The leading NGOs are BRAC (Bangladesh Rural Advancement committee), PKSF (Palli Karma Shahayak Foundation), ASA (Association for Social Advancement), RDRS, SHOGORIP, MSFSCIP, etc. These NGOs are working all over the country.

The clients of these NGOs are mostly females (around 90%). In the earlier

proper training. All of these have been possible largely due to the close supervision and motivation initiated by the Grameen Bank and other NGOs.

Among the loanees of the Nationalised Commercial Banks (NCB) a trend of non-payment of loan has grown up by this time. This default culture is spreading all over the country for several reasons such as: (1) The influence of the political leaders, (2) Debt amnesty declared from time to time by the Government, and (3) Lack of close

times, poor illiterate females in our country were only housewives. During recent years, they have started working outside the home in different professions along with the males. In our society females are comparatively honest and sincere and for this reason NGOs prefer female clients.

Through the help of the NGOs, the hands of beggars are now turning into the hands of hard labourers. The credit institutions have been providing the poor landless people of the rural areas with microcredit for multi-dimensional economic activities for quite a long period, and they have been successful in achieving this target to a great extent.

On the one hand, they have been able to make these schemes profitable by raising the rate of recovery up to a highly satisfactory level. On the other hand, they have also been successful in raising the standard of living of the target people by making them socially conscious through

supervision and followup of disbursed loan by the bank due to manpower shortage, etc. Besides, NCBs do not have any micro savings project whereas the Grameen Bank and the NGOs are in an advantageous position. It may be mentioned here that the model of Grameen Bank has widely been accepted all over the world by this time.

— Quoted from Mr. Mohammad A. Kasem, "Microfinance in Bangladesh", presented to the 2nd MICROSERY Workshop held in Dhaka on May 16-20, 1998.

## 5. The Socio-economic, Cultural and Political Milieu surrounding cooperatives

A common observation that runs through the literature reviewed is that the cooperative institution has simply been imported from the West and imposed on local rural communities in Asia without considering the differences in the cultural, socio-economic and political conditions between the West and the developing countries in Asia. This is why cooperatives have not been the instruments for the poor in most of Asia, as they were in the West, where the movement originated and grew, often against the opposition of governments.

In Asia, governments usually have been the main promoters of cooperatives, a development started under colonial rule but continued by national governments after the countries had gained their independence. Despite government funds and legislation, co-ops have failed.

Anthropologist Clammer writes that cooperatives performance is greatly affected by socio-cultural factors (1979). Citing the case of Thailand, he shows that cooperatives implementation was difficult because of the traditional rural Thai concept of authority: "Thai villagers have a very rigid concept of superior-inferior relations along with a fear that the rather than help him..." The cooperatives program was being implemented by community development officers. There was a big gap in status and information between these officers and the villagers. So that, either the officer fails to communicate with the villagers because of his own concept of his superiority or the villagers feel "obliged" to the officer rather than treat him as someone who will help them. This affected the effectiveness of cooperatives policy implementations. Clammer also notes that the success of an innovation in the village was tied up with the traditional authority of the innovators, usually those with wide influence through the village and its institutions. In other words, the success of any good idea was conditioned not so much by the economic or social value of the idea itself but rather by the social status of the initiator or backers.

Recognizing the need to identify and assess local conditions that make for effective cooperatives, the United Nations Research

Institute for Social Development (UNRISD) studied 14 cooperatives in 14 rural communities initiated and administered by government in some communities, by non-government organizations in others. The study found that cooperatives that had high impact were established in areas where the social structures was relatively flexible, caste and class barriers relatively weak. Although traditional solidarity remained high, there was a predisposition for community action on a voluntary basis. The communities were furthermore found to have been more exposed to external influences. There also existed high levels belief in growth possibilities and just reward for effort. Communities, on the other hand, with low-impact cooperatives were characterized by low inter-class mobility, isolated class and caste groups, low levels of interpersonal trust, a fatalistic orientation and belief that distributive systems were exploitative. The study then points out that efforts to create workable cooperatives are futile in rural communities where inequalities of wealth, power and status are great, where commitment to traditional structures is strong, and where positive individualism has not developed.

It is significant to note that only 4 out of the 14 communities in the UNRISD study had effective cooperatives. In a 1971 report of farmer cooperatives in developing countries, the Advisory Committee on Overseas Cooperative Development (AC OCD) stated that only 1/5 of farmers in developing countries belonged to farmer cooperatives. Membership in cooperatives seems to be the exception rather than the rule, in Thailand for example (Muralt, 1975).

It has been generally observed that cooperatives have had a limited impact on the rural communities, especially on the poorer sectors. The AC OCD (1971) report found that local leaders tended to monopolize the benefits of the cooperatives. government-initiated and administered cooperatives became forms of official tutelage. Loans which were supposed to be for production needs went either to immediate consumption needs or to the larger farmers. Small farmers, tenants and sharecroppers were unable to qualify for loans. In effect, the cooperatives increased the gap between the poor and the rich.

## 6. Saemaul Movement (New Community Movement)

### 1) Objectives

The Saemaul Movement aims precisely at doing away with the kinds of social ills and problems that undermine the efficiency and productivity of human activity.

### 2) The spirit of the Saemaul Movement

1) diligence 2) Self-reliance 3) cooperation

The people of Korea have evolved a beautiful spirits of cooperation, rooted in the ancient. Three kingdoms period and further development in the Y. Dynasty era.

### 3) Why it started

The people had been accustomed to accepting poverty as a kind of fated condition and were living with an attitude of resignation and despair. In accepting these problems as the result of fate, the Koreans resigned themselves to the unhappy situation, acquiescing in the name of Confucian and Taoist teachings.

A Korean proverb: Blame the ancestors when things don't go well. Thus, people were in the habit of blaming such problem as their backwardness, stagnation, poverty and disorder on their forefather or the government or their leaders.

### 4) Goal of the 5th year plan

To close the gap between the city and the country, agriculture and industry, has been the goal of the Saemaul Movement.

### 5) Path to the success

- The success of the movement is anchored in the intense purpose of "diligence, self-reliance and cooperation"
- Human behavior does not succeed where perseverance is absent
- Diligence and self-reliance kindle self-confidence
- Saemaul philosophy has nurtured an attitude of cooperation

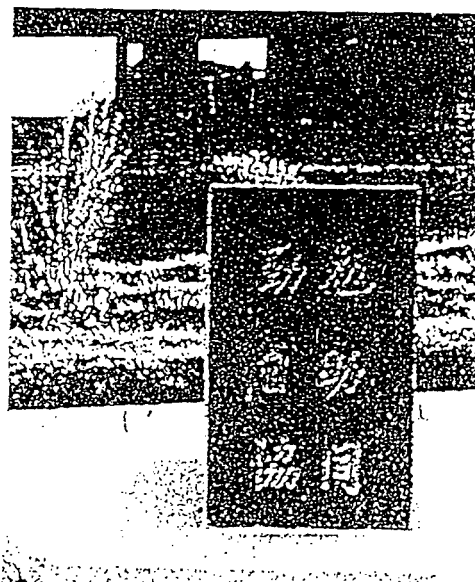
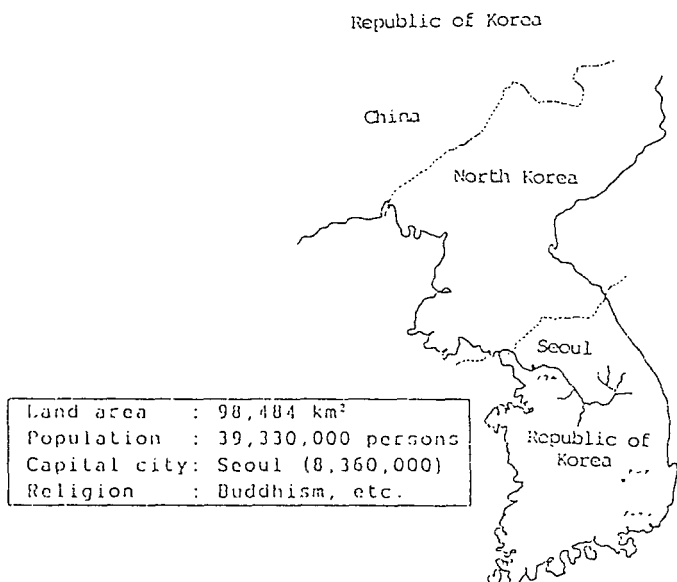


and has inspired new ways to better living.

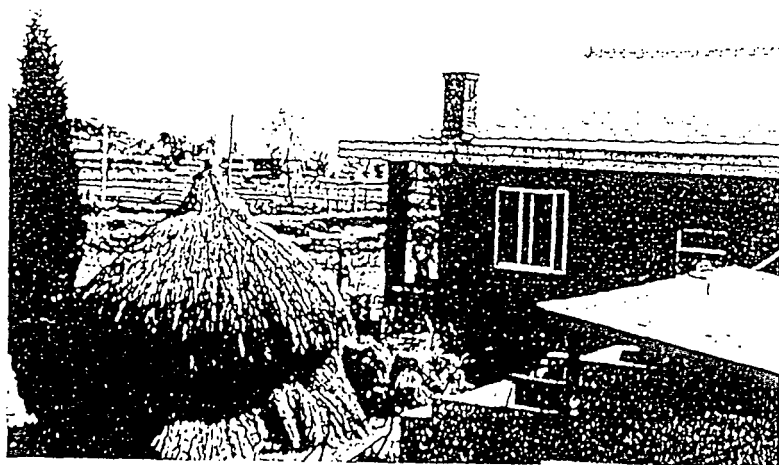
☆ Saemaul is a national campaign to collectively and cooperatively improve the standard of living in the nation. It seeks to restore revival and pursue universal ideals of truth, goodness and beauty and struggles to build a democratic welfare state where justice rules supreme.

(By Kim Joon, Director, Saemaul Leaders Farming Institute)

☆ Saemaul Movement is the shorted route to national renaissance and a righteous path towards the improvement of our destiny. We trust, help and love one another. The saemaul spirit is applied to our daily lives and incorporated into the building of our character. This is the oath of our Saemaul leaders.



The monument reads "diligence, Self-reliance and cooperation"



A farmer's house whose thatched roof was changed into the slate one.

7. Agricultural Cooperative Development Project in Thailand



Opening Ceremony of  
Bamboo Savings

One Bath (5 yen) per day

ピマイ農協における  
竹筒貯金(1日1パーツ)  
開封式典



Improved pig barn

プロジェクトの指導に  
よる改良豚舎(ピマイ  
農協)



ピマイ農協に設けられた  
飼料配合施設(共同利用  
状況は非常に活発)



Joint feed mixing facility  
in Pimai Province

8. A Model of Action Plan Compiled by Former Philippines Participants '97  
and Success Story On Coop Development Efforts

8-① A Model Action Plan

ACTION PLAN FOR THE DEVELOPMENT OF AGRICULTURAL  
COOPERATIVES IN THE PHILIPPINES  
A NEW BEGINNING (JAPANESE EXPERIENCE)

PLANS AND PROGRAMS	ACTIVITIES	KRA	ORGANIZATIONS & AGENCIES INVOLVED	TIME FRAME
1. POLICY ADVOCACY	<ul style="list-style-type: none"> <li>* Drafting of law on amalgamation of Co-ops;</li> <li>* Lobbying lawmakers for sponsorship bill;</li> <li>* Holding of co co-ops forums, seminars, conferences, etc.</li> <li>* Information dissemination through mass media.</li> </ul>	<ul style="list-style-type: none"> <li>* Signing into law through RA or LOI mandating co-ops to amalgamate.</li> </ul>	CUP, FACOP, RCU, and CDA	ASAP
2. AMALGAMATION OF MULTI-PURPOSE CO-OPERATIVE	<ul style="list-style-type: none"> <li>* Regional inventory of co-ops in the country;</li> <li>* Drafting and finalization of bylaws and articles of amalgamation;</li> <li>* Determine the business activities carried by co-ops;</li> <li>* Intensive and massive education, and training on the importance and benefits of amalgamation; and</li> <li>* Conduct of co-op forums and dialogues.</li> </ul>	<ul style="list-style-type: none"> <li>* Agri-co-ops will be strengthened;</li> <li>* Creation of viable and self-sustaining co-ops.</li> </ul>	CUP, RCU, PCU  CUP  CUP, RCU, PCU  RCU, PCU, EdCom, DA  CUP, CDA, FACOP	1998 onward  continuing  continuing
3. FARM GUIDANCE	<ul style="list-style-type: none"> <li>* Establishment of farm guidance counselors and advisers.</li> </ul>	<ul style="list-style-type: none"> <li>* Farm guidance giving advise to the farmer-member;</li> <li>* Maximum production capability providing better living conditions;</li> <li>* Implementation of the formulated and adopted plan.</li> </ul>	CUP, CDA, DA, RCU	January 1998 onward
a. Formulate Regional Agri-Promotion Plan	<ul style="list-style-type: none"> <li>* Survey no. of co-ops involved in agriculture and the actual condition of the area, e.g. no. of members engaged in farming;</li> <li>* Gather opinions related to farming;</li> <li>* Drawing up of Regional Agricultural Promotional Plan;</li> </ul>	<ul style="list-style-type: none"> <li>* Increase members production and income.</li> </ul>	CUP, RCU, DA, CDA, & FARM ADVISER	April 1993 to December 1998
b. Provide guidance and education to members	<ul style="list-style-type: none"> <li>* Guidance on farming techniques;</li> <li>* Guidance on members agricultural management, etc.</li> </ul>	<ul style="list-style-type: none"> <li>* Expansion of co-op business activities that suit the members needs.</li> </ul>	FARM ADVISER, DA, RCU	April 1998 onward
c. Provide advice on the agricultural business that a co-op can undertake	<ul style="list-style-type: none"> <li>* Formulation of marketing policies;</li> <li>* Installation of effective management production facilities;</li> <li>* Policies for the promotion of purchasing and credit business.</li> </ul>		FARM ADVISOR DA, RCU, CUP, FACOP	June 1993 to December
4. DEVELOPMENT OF AGRICULTURAL BUSINESS MANAGEMENT	<ul style="list-style-type: none"> <li>* Develop models for co-op agricultural business ventures;</li> <li>* Conduct advance training for agricultural co-op leaders and managers;</li> <li>* Establish links/tie-ups with local and foreign organizations and agencies engaged in the strengthening of agri-coop management, e.g. IDACA, ICA, JICA, etc.</li> </ul>	<ul style="list-style-type: none"> <li>* Managerial and financial capability and expertise will be developed and strengthened;</li> <li>* Pool of agricultural co-op trainers and consultants will be established.</li> </ul>	CUP, CDA, NFs, RCUs	September-December 1997
5. DEVELOPMENT OF CO-OP MARKETING GRID	<ul style="list-style-type: none"> <li>* Organize marketing network at municipal/city/provincial levels;</li> <li>* Establishment of co-op wholesale market.</li> </ul>	<ul style="list-style-type: none"> <li>* Neutralize capitalists who do not have anything to do with a co-op to intervene in agriculture.</li> </ul>	CUP, CDA, RCU, NFs	January to December 1998
6. ORGANIZE YOUTH IN CO-OPERATIVES	<ul style="list-style-type: none"> <li>* Intensive information dissemination/campaign;</li> <li>* Drawing up plans and programs that will require youth involvement and participation;</li> <li>* Conduct of education and training activities inculcating into their minds the importance of cooperation;</li> <li>* Conduct of baseline survey to get their vision and aspirations about cooperatives.</li> </ul>	<ul style="list-style-type: none"> <li>* Capable, efficient and result-oriented trainers and organizers composed of young adults;</li> <li>* Youth in co-ops will serve as watchers and advocates.</li> </ul>	CUP, RCU	October 1997 onward

Legend:

CUP = Cooperative Union of the Philippines	NFs = National Federations
FACOP = Federation of Agri-based Cooperatives in the Philippines	DA = Department of Agriculture
RCUs = Regional Cooperative Unions	EdCom = Education Committee
PCUs = Provincial Cooperative Unions	CDA = Cooperative Development Authority

*This action plan was formulated by the participants from the Philippines in the Training Course for Cooperators from selected countries (Philippines and Nepal) held at IDACA, Japan, July 14 to Aug. 10, 1997.*

*It was drawn up by the group on the basis of its own ideas after returning home from Japan. Such a plan that takes into account the conditions of the homeland is highly rewarding for both the participants and the organizations they belong to. The fact that the planning work was initiated at all would double the efficacy of training.*

*Other participants are advised to study this example and make action plans of their own.*

It is anchored on the Cooperative Union of the Philippines' Game Plan for Strengthening of Agricultural Cooperatives in the Philippines.

The action plan gives emphasis to the following.

- a. Professionalizing the management of agricultural cooperatives;
- b. Amalgamating or merging small agricultural cooperatives into more cooperative and efficient business enterprises;

- c. Promoting the establishment of farm guidance services in every cooperative to enhance their productivity and capital formation, as well as patronage and repayment of loans by member-cooperators; and
- d. Promoting the use of appropriate technologies of production, processing and marketing of agricultural products.

The participants in the IDACA course will serve as the core group in the implementation of the CUP's Medium Term Plan for the Development of Cooperatives in the Philippines, particularly agricultural cooperatives.



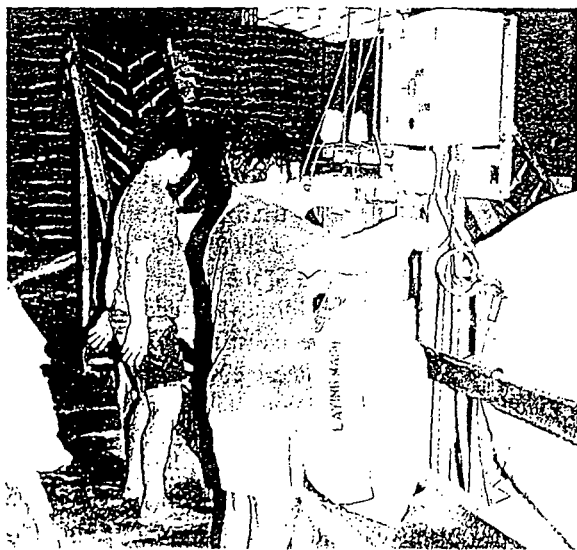
The Philippine participants in the training course for cooperators from selected countries, who worked out an action plan for their country.

## 8-② LIMCOMA Multi-Purpose Coop. SUCCESS STORY: Eight Keys to Growth

*The following short article on Limcoma, one of a few successful agricultural cooperatives in the Philippine, by Ms. Rufinas S. Salas, former participant in IDACA's training course and now general manager of Limcoma. — Editor*

by Rufinas S. Salas

In the Philippines, where only one — third of cooperatives were able to survive and only a minor percentage of the survivors reach such heights of success, Limcoma's feat could not help but be noticed. Through the years, Limcoma earned recog-



Facility at Limcoma

nition regionally and nationally as the most outstanding agricultural cooperative, a model of what a cooperative should be.

What are the reasons for its success? There are many but permit us to mention the most important ones:

1. A sense of mission at the time of its inception that was to ensure survival of the industry and save the farmers from bankruptcy;
2. Dedication, selflessness and integrity of the organizers and officers who steered the cooperative in its initial year;
3. A very strong sense of loyalty of members in patronizing the cooperative's products;
4. Human resource development and professionalization of management from the board to the rank and file;
5. Gradual modernization of facilities as resources would allow;
6. A strong sense of independence, not expecting nor counting on government subsidies;
7. Members' active participation; and
8. Continuing membership education.

There are other reasons, perhaps equally important, that are too numerous to mention here.

It has been a long journey to the top. Difficulties along the way were numerous and the going was never easy. Now that Limcoma is there, a different challenge awaits. To retain this top position is even more difficult but we are confident we will be able to clear obstacles the cooperative way, just like we did before.

## A Member's Pledge

*I pledge to do my part as a good member-patron and assume responsibility in the cooperative association that has been voluntarily established to serve my community.*

### I WILL:

- Be loyal, and consider myself a part of and not apart from, my cooperative association.
- Recognize the financial needs of the association and as a good member-patron willingly furnish my share of the required capital.
- Support my cooperative association with my patronage, to the fullest extent possible, and encourage others to do likewise.
- Help establish and vote for policies for the association which will be fair to all.
- Vote for and urge the election of directors, including both older experienced and younger members, who are capable, progressive and willing to give close attention to the affairs of the association.
- Urge the board of directors to adopt policies and procedures which will improve the efficiency of the association and the services rendered to patrons.
- Carefully read and study the articles of incorporation and by-laws and sincerely try to comply with the provisions in these "guidelines," and with the policies adopted by the board of directors.
- Seek full information about the association and study the problems so that I can ask for advice, and vote intelligently, and help adopt up-to-date and effective methods and procedures.
- Do independent and careful thinking and express my honest opinion, but be open-minded and a teamworker.
- Curb emotion and apply reason and common sense to all association affairs.
- Remember that membership in the association carries with it the obligation to abide by its decisions of the majority, even when I am in the minority.
- Pay cash, if possible, for all goods or services obtained from the association and in any event pay my accounts promptly in accordance with the established credit policy.
- Be prompt and attentive at all association meetings and prevent a loss of time.
- Participate actively in meetings of the association, but take only a reasonable and proportionate share of the time for discussion so that other members may also have an opportunity to express their views.

### I WILL NOT:

- Consider my cooperative as just another place to buy or sell.
- Expect privileges from the association that are not available to other members.
- Insist that my ideas shall always prevail.
- Permit the same directors to be reelected by voice vote each year.
- ✓ Approve the employment of close relatives of directors and executives in the association.
- Unfairly criticize the directors, the management and other employees, or members of the association.
- Carry grudges against members, patrons, directors, the management, or employees.

9. In the Search for relevance of Japanese Agricultural Cooperative Experiences for the Cause of Cooperative Development in Developing Countries

- 1) Japanese coops serve their members from cradle to grave. There's rarely an activity of socio-economic nature that these societies are not engaged in. And that's why they have become a part and parcel of farmers' lives and the latter take pride in identifying themselves with their society.
- 2) Subsistence farming was fast replaced by commercial farming. Agricultural Cooperatives acquired the characteristics of modern business and industry with growing market orientation.
- 3) Relatively egalitarian distribution of land has meant few households can adequately support themselves entirely on agriculture.
- 4) Loyalty to one's hamlet and desire to maintain its solidarity were valued aspects of the Japanese rural society which provided useful foundations to build the modern coop movement.
- 5) Most remarkable achievement has been to adjust to the changing agricultural situation and to help members to earn higher incomes through enhanced productivity, greater efficiency and innovative organizational devices.
- 6) Replication of formal structures often results in failures.
- 7) It is largely due to the loyalty, discipline, industriousness and concerns for communicating interests among their members. These are typically Japanese qualities.
- 8) One has to see what could be done within the framework of one's own culture and values. Every society has its own strength and weakness.
- 9) The Japanese are known for suppression of individual interests in favour of communicating interests and assertion of authoritarian control which perhaps contributes to the success of coops.
- 10) Cooperation involves subordinating narrow individual interests for the interests of collectivity which ultimately safeguards and promotes individual interests, too.
- 11) Create multiplex ties among members in order to strengthen the cooperatives appears to be another important lesson one could learn from the Japanese cooperatives.

## 10. Characteristics of Japan's Coop Movement

- 1) Multi-purpose Agri. Coop
- 2) Emphasis on or existence of small-group activities
  - Producer's groups (commodity-wise G)
  - Women's Associ. of Agri. Coop
  - Youth Assoc. of Agri. Coop
  - Regional farming group etc.
  - Han group for better living activities
- 3) Active Education & training programme to achieve cohesiveness among farmer
- 4) Nearly 100% of all farmhouseholds are members of the Agri. Coops.
- 5) Member participation in Agri. Coop is high
- 6) Strong Gov't supports but no interference in day to day affairs of the coop
  - Joint use facilities
  - Interest subsidy on land (Agri. modernization)
  - Infrastructure building (Land consolidation)
- 7) Linkage (with) among other rural development agencies & constitutions
  - MAFF & local gov't etc.
  - Agri. research statims/Extension office/Land Improvement Distirct, etc.
  - J.J.C. (Japan Joint Committee of Coops)
- 8) Planning (Meticulous planning)
  - Life plan
  - Production, marketing, shipment & sales
  - Long term perspective planning
- 9) Active PR activities

Other salient features:

- 1) Pursuit of quality products unique
- 2) Unique marketing system
  - Consignment, pool account and commission system
- 3) Promotion of amalgamation of Agri. Coop 3,000→ 800  
(by the year 2000)
- 4) Relevance of Japan's to Agri. Coops in developing countries
  - 1) Farm guidance
  - 2) Education
  - 3) Better living etc.

# 11. Developing Leadership in your Organisation need not be a SCHIZOPHRENIC AFFAIR

by Dr Michael Sabiers

All Co-operatives have a "Split Personality" that clashes with itself when trying to define what a good Co-operative leader should be and how he should act.

One of our splits is "democratic", believing that all co-operators are equal, with one vote per person, and that decision-making consists of talking through the pros and cons of ideas to reach the best solution.

For the "democrat", a leader is one with an inspirational vision that others can rally around, one who can diplomatically resolve conflicts between rival factions and still be humble enough to be seen as a "servant of the people". Our democratic personality does not want leaders to be too pushy or too quick to give orders. As volunteer participants in an egalitarian co-operative, members don't expect to be ordered about like the hired help!

The other half of our split personality is "authoritarian", believing that those with proven skills and abilities in the management of complex tasks earn their place at the top of a hierarchy, giving necessary orders to ensure that the production of the co-operative's goods and services are carried out most effectively and efficiently.

To the authoritarian side of our co-operative personality a leader is one with specific technical skills who can make the hard decisions of hiring, evaluating and firing subordinates, on who can plan, organise and control. Certainly we don't want our executive director wasting staff time by having them discuss and vote on work rules. That's for the Board and membership.

Which of these extreme personalities is

right is a moot point. In our less-than-ideal world, co-operatives will need leaders with all kinds of skills who can be effective in both authoritarian and democratic settings and can be a role model for co-operative values.

Those of us now in leadership positions have responsibility to prepare others to take our place when we leave. Although good leaders may share traits they were born with, good leaders don't just happen. All leaders have to improve their skills through practice and experience. Only current co-op leaders, no one else, can provide three critical things to ensure that our successors will do a better job than we are doing:

## 1. Access to management-level information.

Co-ops are more open about the decision-making process at all levels than most organisations, but much still does not filter down. Invite your prospective leaders to sit on as many high-level board or staff meetings as possible. Discuss financial and other reports with them so they become aware of the breadth, depth and types of information needed to make effective organisational-level decisions.

## 2. Access to experiences that require motivating and co-ordinating the efforts of others.

On the "democratic" side, make sure prospective leaders have the opportunity to take responsibility for enlisting the co-operation of volunteers by chairing committees or task groups. On the "authoritarian" side, make sure they experience supervising others, maybe by overseeing a part-timer restocking shelves on a week-end shift. And make sure you give them plenty of feedback on their performance.

## 3. Access to relationships with other leaders.

There is one certain thing that all co-op leaders do: in their behaviour they model the ethics and values of the organisations they represent. We who are now leaders learnt those behaviour by watching and imitating other leaders who we respected and saw in action.

We also have come to rely on a network of our peers who we trust for counsel and advice. Invite your prospective leaders to activities where you meet your peers from other co-ops. Encourage them to get actively involved in professional groups outside your co-operative. Take them along to formal gatherings of regional co-operative society meetings or trade groups.

And don't forget the informal gatherings where supportive friendships are forged - the after-meeting social times, or the pre-meeting breakfasts with just you and a couple of people you think they should get to know (and who should get to know them).

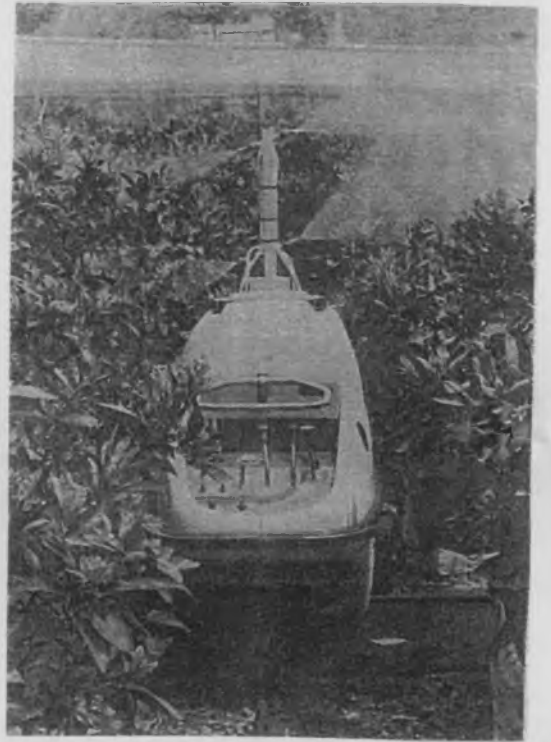
Your good leadership really can "rub off" on other people. You just have keep them close to let it happen.

*Dr Michael Sabiers is the Assistant Professor of Management at the University of Hartford (CT). He teaches in the Master of Science in Organisational Behaviour program and consults on the design and development of co-operative, self-managing work systems.*

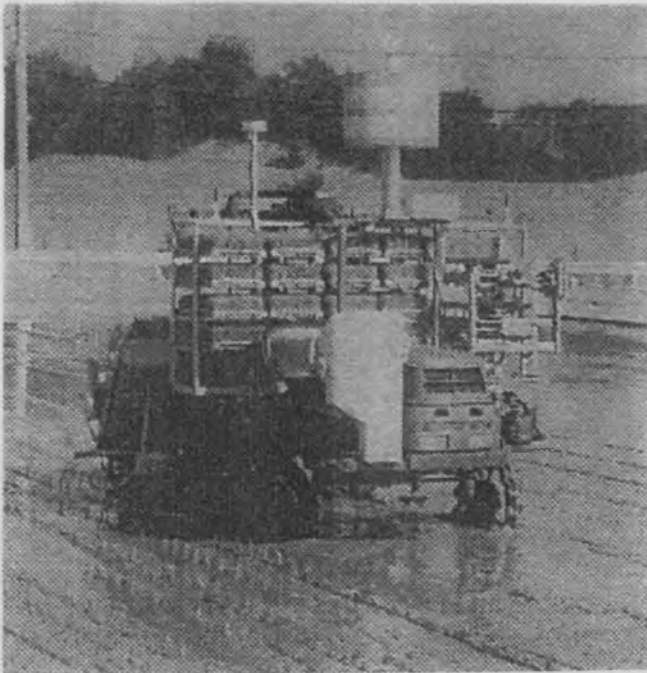




Old days' rice transplanting which lasted until around early 1960



Automatic chemical sprayer in the green house

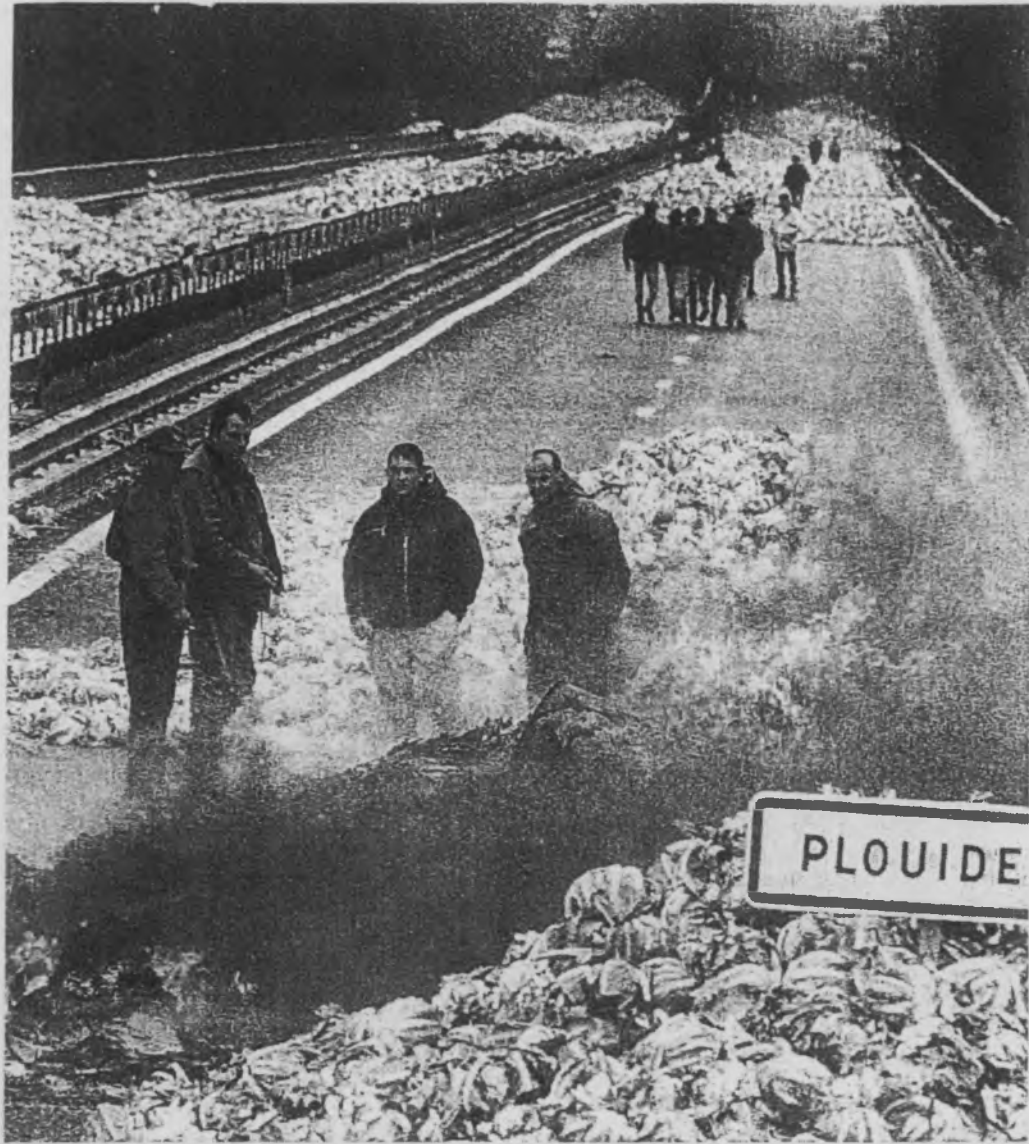


Automatic rice Transplanter



Chemical spraying by remote control helicopter

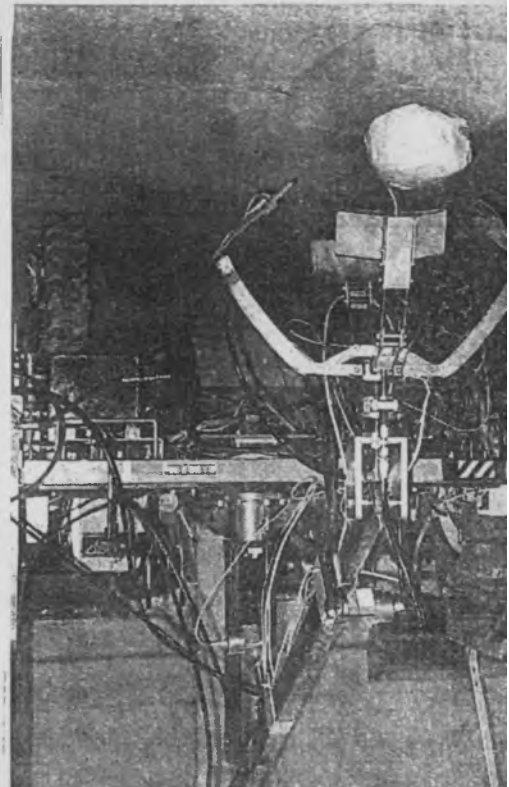
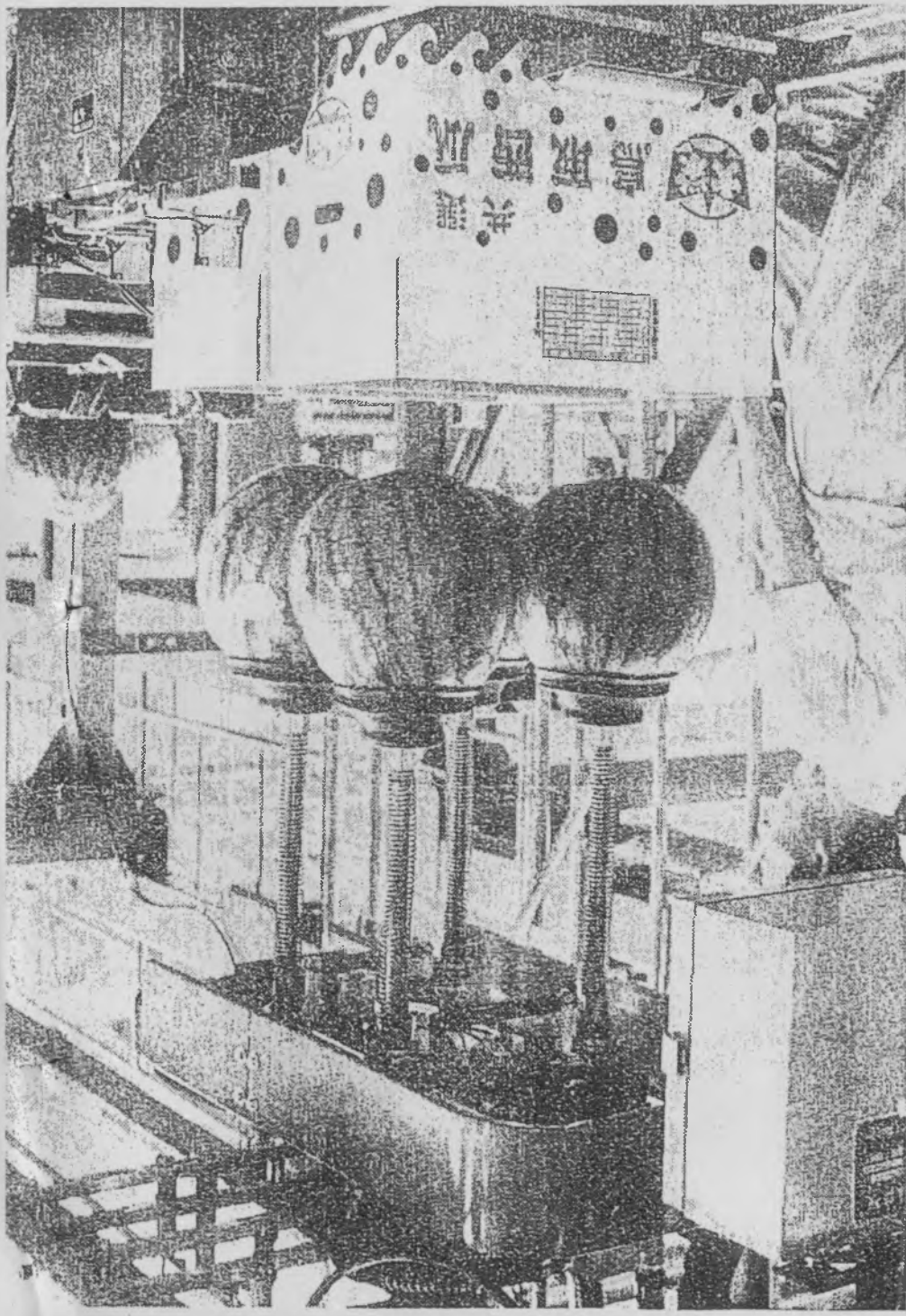
## STALKING FRENCH HIGHWAYS



MORLAIX, France — French cauliflower farmers block a bridge near this Brittany town Friday to press demands for more aid as competition with cheaper imported produce increases. Farmers disrupted traffic in western France all week, and union representatives met with French Agriculture Minister Louis Le Pensec on Friday. REUTERS PHOTO

LII





# 巡回店舗バス 発車オーライ



職員と組合員のコミュニケーションも、ふれあい車の巡回で深まるようになった  
(高知県物部村で)

は週二回巡回することになる。二人の職員が乗り込み、一か所に十分ほど停車して業務をこなして次の集落に行く。

同支所管内は、面積が同じA全体の半分を占めるほど広い。以前は店舗までが遠く、バスやタクシーで行く人おいたが、ふれあい車は十七か所で停車するので、店舗へ出向くよりも利用しやすい。このバスで、支所の千両戸の組合員のうち六百戸をカバーする。

## 山越え家の近くまで 金融「便利です」

高知県のJA土佐香美は、交通の便が悪い山間部の集落をバスで巡回する移動店舗「ふれあい車」のサービスを今年から始めた。金融や食料・雑貨の購買業務を簡便に、店舗と同水準の業務をする。施設廃合の代替措置としての運行だが、一家の近くまで来てくれるので、かえって便利になったと好評だ。運行しているのは同じJAでも山奥の物部支所。六つの店舗を廃止した代わりに一月から始めた。二十九人乗りの中点バスを改造、前半分が金融・共済やレシ業務をするバス。後半は購買品を陳列、体懸用いすもある。

拓地区の山本博哉さん(仮名)は、「バスが家の近くまで来てくれるので便利になった。みんな同じ思いだ」と喜ぶ。一月は七百二十五人が利用した。同支所は「店舗の廃止には抵抗もあったが、運営の効率化と組合員サービスの向上を前向きに考えた」として、ルートや停車場所の設置など利用者の声を取り入れ、サービスを向上させていくという。

高知・JA土佐香美

# HOW TO FORM A CO-OPERATIVE



*This paper describes the procedure that should be followed  
to form a co-operative*

## HOLD A MEETING

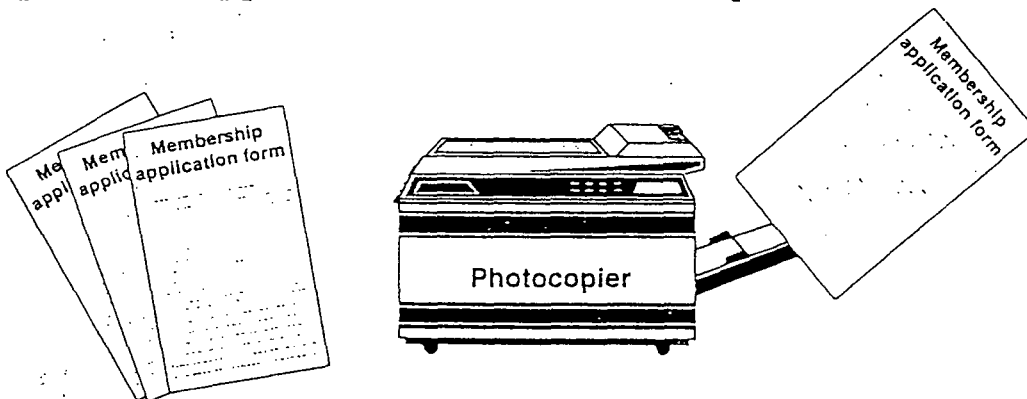


- ❖ To find out whether there is enough interest in the proposed project (to form a co-operative), it is suggested that you ask friends and other people who may be interested to a meeting and discuss the co-operative.
- ❖ If there are enough people who are interested, you should discuss the following:
  - exactly what you want the co-operative to do
  - how you are going to get the equipment, stock, etc to get the co-operative started
  - how you are going to get the money needed, and how much each person should pay to start the co-operative
  - the place where the co-operative will be situated.
- ❖ More meetings may be necessary to discuss all matters and to make sure that there are still enough interested people.

# DESCRIBE THE AIMS OF THE CO-OPERATIVE



- ❖ The steering committee must now draw up a paper which describes the aims of the co-operative and the kind of business it plans to do. For the sake of good business, the steering committee should compile a business plan. Keep in mind that a co-operative is a business and should therefore be sustainable. The business plan must state how the co-operative will meet its goals with the means available and must also contain at least the following information:
  - the volume of business the co-operative expects to do
  - what funds are required to buy the assets needed to manage the business
  - whether experienced people (staff) are available to manage a business of the expected volume.
- ❖ The information given must convince people who plan to join the co-operative that it is an economically sound and sustainable undertaking.
- ❖ Make copies of the application form for membership.

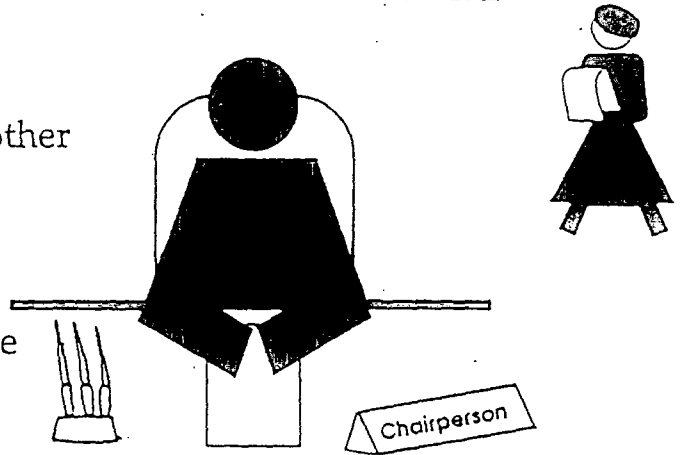


# HOLD A FORMATION MEETING

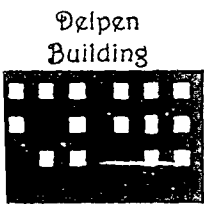
- ❖ The steering committee must hold a formation meeting.
- ❖ Choose a chairperson and a secretary for the formation meeting. The chairperson and secretary of the steering committee may also act as such.

# CHOOSE A STEERING COMMITTEE

- ❖ Choose a chairperson and a secretary
- ❖ The steering committee will hold all other meetings that may be necessary
- ❖ The steering committee will be responsible for the project
- ❖ The steering committee will make sure that the co-operative works well, and
- ❖ that the formation meeting is held.



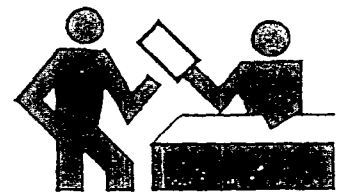
# GO TO THE OFFICE OF THE REGISTRAR OF CO-OPERATIVES



- ❖ The Registrar's office is situated in the Delpen Building at the corner of Annie Botha and Union Streets, Riviera, Pretoria. This office can be contacted at telephone number: (012) 319 7476 or 319 7467 or 319 7466

- ❖ Say that you want to form a co-operative

- ❖ A trained official of the Registrar's office will help you to draw up the statute and answer any questions you may have. The statute is the set of rules which sets out the rights and responsibilities of the members (what they should do) as well as what the co-operative is going to do.
- The official will ask for the following information to help him draw up the statute:
  - three possible names for the co-operative
  - where the co-operative will be situated, for example, Cullinan
  - what the co-operative is going to do and how it is going to reach that goal
  - the plans of action that have been drawn up by the steering committee to get the co-operative started
  - the number of directors (management committee) required to manage the co-operative
  - the number of persons who are interested in forming the co-operative



The official will draw up the statute to suit your needs and you will not have to pay anything.

# Developing Leadership in your Organisation need not be a SCHIZOPHRENIC AFFAIR

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JA-ISE TRIP  
KANAWA

### Itinerary of Study Tour in Chiba Prefecture

September 12 (Thu.) ~ September 14 (Sat.), 2002

Date	Time	Program	Accom.
Sep. 12 (Thu.)	14:00 ✓	Leave IDACA.(by chartered bus) ● On the way to Chiba pref. we will stop at Imperial Palace.	Hotel Sun Garden Chiba Tel.:043-224-1131 Fax:043-224-1156
	18:00 ✓	Arrive at the hotel  Free	
Sep. 13 (Fri.)	9:00 ✓	Leave the hotel, move to JA Chosei (by chartered bus) ● Lecture and exchange meeting with JA Chosei Women's Associations	Hotel Sun Garden Chiba
	12:00 ✓	Lunch at the JA	
	14:00	Visit to farmer's house (horticulture)	
	17:00	Arrive at the hotel	
Sep. 14 (Sat.)	8:00	Leave the hotel (by chartered bus)	IDACA
	9:00	Visit to the Tokyo Disneyland (Free)	
	16:00	Leave the Disneyland for IDACA (by chartered bus)	
	18:30	Arrive at the IDACA	
Sep. 15 (Sun.)		Free	
Sep. 16 (Mon.)		Free	

## How to make handmade environmentally friendly soap from wasted oil (Solid soap)

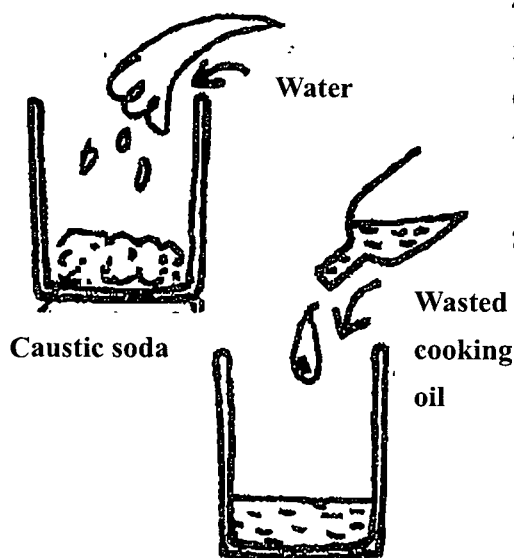
We, JA Chosei Women's Associations, have been promoting on the movement of conversion of a synthetic detergent to the powder soap as a part of the health care activity. Use of the solid handmade soap movement as well as the powder soap has been expanded. The solid handmade soap, we introduce here, is made from wasted cooking oil and caustic soda. Therefore, it is natural and safe. Moreover, we recycle wasted oil, that keeps the river clean. It seems as if we kill two birds with one stone activity.

### (Materials)

Caustic soda	900 g
Water	1.7 liters
Wasted oil	6.0 liters
Container	18-litter can
Stick (for mixing), Box	

### (How to make solid soap)

- 1) Put caustic soda into a container.
- 2) Pour water into it carefully.
- 3) Mix it by a stick.  
(You should be careful because it becomes hot and the gas goes out.)
- 4) When it melts, pour the wasted oil carefully.
- 5) Mix it well.
- 6) It becomes thick and caramel color.
- 7) Wait for 5 ~ 30 minutes and when it gets hard, pour it to a box.
- 8) Leave it for 1 ~ 5 days, before it gets too hard, cut it into pieces.



### 《Others》

You can use liquid of mandarin orange, yuzu citrus, green tea or herb as a perfume. In that case, you have to adjust the amount to the water.

### (Notice)

- Please be careful of handling the caustic soda. You should not touch it with barehanded. Otherwise, it may cause dermalitis.
- Chemical reaction emits heat even if it does not heat. You should use the work gloves.
- The gas comes out in the chemical reaction, so you should wear the mask.
- The alkalinity of this soap is high, so it is unsuitable to wash your body. It is for doing the dishes and laundry.
- It takes about two weeks before you can start using it.

The 2nd ICA-Japan Training Course for  
“Strengthening Women’s Agricultural Cooperatives  
in rural Areas and Improvement of Farm Management  
and Rural Life”  
From September 9 to October 4, 2002 Tokyo Japan

## ***Background Information for JA Chosei Women’s Associations***

*September 13, 2002*



***The Institute for the Development of Agricultural Cooperation in Asia (IDACA)***

## Organization and Activity of the JA Women's Associations

### 1. JA Women's Associations General Principles

- (1) We endeavor to enhance socio-economic status of women to defend their rights by joining forces.
- (2) We promote women's participation and involvement to reflect their voices into JA's movement, thereby furthering JA activities.
- (3) We try to create a livable local community through cooperative activities where there are comfortable and face to face communication with spirits of mutual aid

### 2. JA Women's Association's 5 principles

- (1) It is an independent organization.
- (2) It is an organization for women who have the same aspiration.
- (3) It is an organization which aims to increase number of companions and carries out activities according to age, purpose, and needs.
- (4) It is an organization which carries out activities to make contribution to the society.
- (5) It is a politically neutral organization.

### 3. Contents of activities

#### (1) Organizational activity

- a. Activation of JA Women's Association Junior College OB association
- b. Activation of leaders of JA Women's Association
  - i) Participation in JA festival
  - ii) Holding of training course for women leaders
  - iii) Participation in a farming and fishery village revitalization forum
  - iv) Development of welfare activity for the aged
- c. Use of the "Chosei" news

#### (2) Better living activity

- a. Promotion of a campaign for switching conventional detergent into powdered soap
- b. Promotion of joint purchasing movement
- c. Health care activity

#### (3) Study activity

- a. Implementation of JA Women's Association Junior College (the 20th)
- b. Use of articles on "Ie-No-Hikari" publication

Beltzman

MR. SATO  
Manshi, hikari

#### 4. Statement of income and expenditures

(Income)

(Unit: Yen)

Subjects	Budget	Settlement Of account	Increase/ decrease	Note
Membership fee	168,560	168,560	0	280 yen ×602 people
Subsidy	1,950,000	1,950,000	0	From JA
Miscellaneous incomes	100,000	137,234	37,234	Savings interests and Small token of appreciation and etc.,
Balance brought forward	213,463	213,463	0	
<b>Total</b>	<b>2,432,023</b>	<b>2,469,257</b>	<b>37,234</b>	

(Expenditures)

(Unit: Yen)

Subjects	Budget	Settlement of account	Increase/ decrease	Note
Conference expense	330,000	283,807	- 46,193	General meeting, Officials meeting, etc.
Business expenses	400,000	394,313	- 5,687	Training course, Seminar and others
Branch activity expenses	1,412,600	1,412,600	0	To each branch
Burden charge	62,180	61,910	- 270	To Chiba Pref. JA Women's Association
Traveling expenses	150,000	82,000	- 68,000	Around Chiba pref., Main office and others
Clerical work expenses	40,000	47,499	7,499	Stamp fee
Miscellaneous expenses	37,243	3,672	- 33,571	
<b>Total</b>	<b>2,432,023</b>	<b>2,285,801</b>	<b>- 146,222</b>	

Amount of income settlement	2,469,257
Amount of expenditure settlement	2,285,801
Balance carried forward to the next account	183,456

## Action plan in 2002

### Basic policy

Having celebrated the founding of the 50<sup>th</sup> year anniversary of the JA Women's Associations last year, our associations marked the turn of events. It is essential that we inherit what the old members have built up to the next generation. Now that environment around us is being put in place in regard to the man and woman equal participation promotion campaign, it is a high time that we grapple with it more concretely. Thus we will formulate a plan to revitalize the women's associations in our efforts to make them lively and conduct our activities with JA as the main base with spirits of cooperation, thereby revitalizing the organization positively.

#### 1. Strengthening of organization

- (1) Formulate a policy to revitalize the JA Women's Associations
- (2) Develop a campaign for promoting the man and woman equal participation in management of JA
- (3) Create a system to suit the actual conditions of organization and develop activities which meet the members' needs.
- (4) Reactivate the JA Women's Associations Junior College OB association
- (5) Implement a gathering for dialogue with JA officials and staff
- (6) Positive participation in the public administrations, regional communities and other various bodies.

#### 2. Promotion of agriculture and agricultural administration activity

- (1) Carrying out "Chisan-Chisho (local production, local consumption)" policy like processing of agri. products
- (2) Positive participation in agricultural administration activities
- (3) Development of a campaign to protect food and agriculture

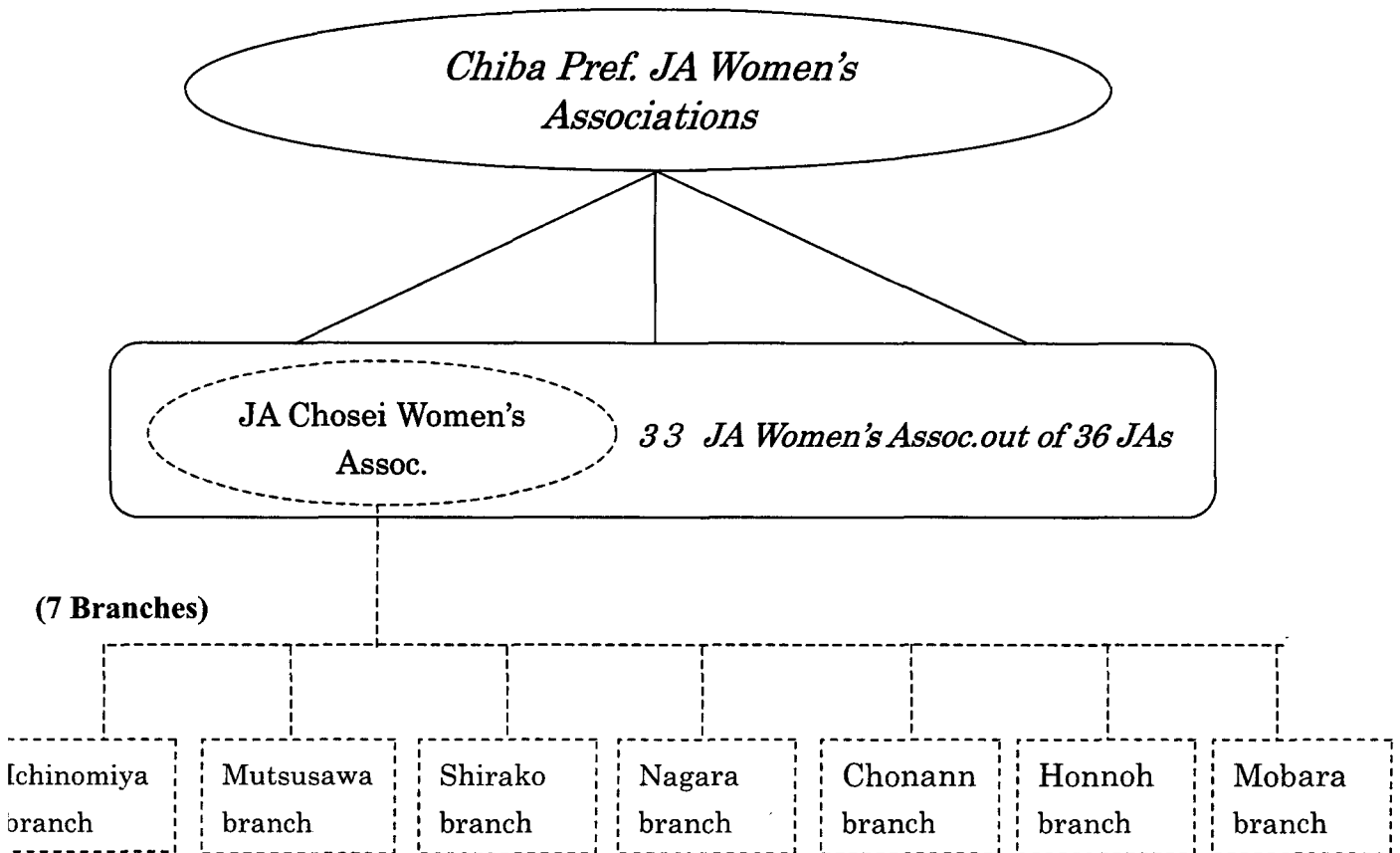
#### 3. Enhancement of better living activity

- (1) Positive participation in the home helper training course conducted by JA
- (2) Holding of Day-care service for the aged
- (3) Promotion of health care activity
- (4) Promotion of joint purchase campaign
- (5) Promotion of healthy, livable community-creation campaign

#### 4. Enhancement of culture and study activity

- (1) Development of better living and cultural activities
- (2) Practical use of Ie-No-Hikari magazines and promotion of its subscription
- (3) Implement travels for members of JA Women's Associations to deepen better understandings between members of each chapter(branch).
- (4) Holding of exchange meeting with members of JA Youth

Organizational Structure of JA Women's Associations in Chiba Pref.



- No. of officials in JA Chosei Women's Associations

Board of directors: 12

Board of auditors: 2

No. of members: 602



Training Course on Business Leadership Development Among  
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***Organization and Activities of the JA Women's Associations***

*September 12 (Thu), 2002*

**By Ms. OSHITA Eiko**  
Coordinator,  
Training Department  
IDACA

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

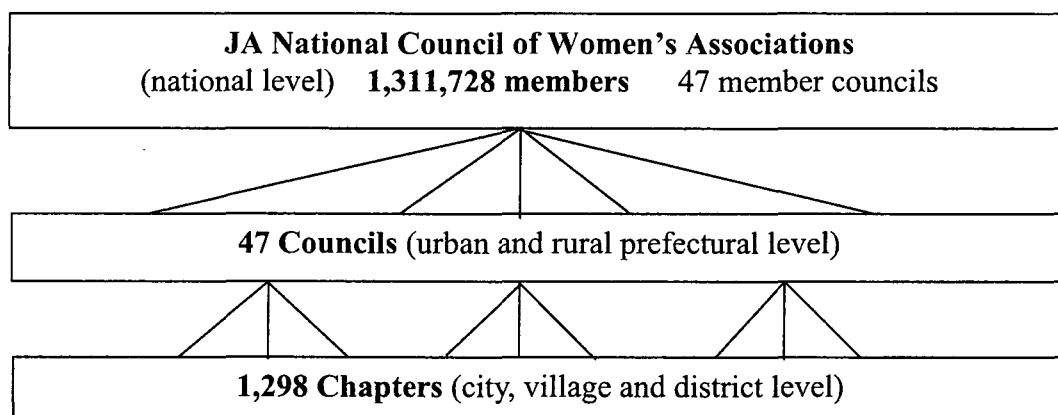
## **【ORGANIZATION OF THE JA WOMEN'S ASSOCIATION】**

The JA Women's Associations were organized primarily among women living in agricultural areas with the purpose of improving their social and economic status. They participate in the JA's activities and work in broad areas ranging from agriculture to the general improvement of regional lifestyles in closely-knit, cooperative societies.

Currently, the organization counts 1,298 chapters and 1,311,728 members (AS OF Dec. 2000). A national council and lower councils in 47 urban and rural prefectures, bodies that collectively work to administer activities nation-wide, lead these.

### *JA Women's Associations Organizational Diagram*

(As of December 2000)



## **【THE DEVELOPMENT OF JA WOMEN'S ASSOCIATIONS】**

### 1. The Emergence of Women's Associations in the Agricultural Cooperative

The period following World War II saw the implementation in Japan of policies aimed at democratization, spurring reform of agricultural land holding, recognition of women's rights and increasing organization of women in their own groups, Agricultural Cooperative Women's Associations started to appear around 1948 and a national administration was formed in 1951.

While the early stages, a slump in business caused the Agricultural Cooperatives to have difficult time, and the JA Women's Associations demonstrated a big power for the reconstruction of the Agri. Coops by making efforts to increase investment and encourage savings.

To improve poor living conditions, the JA Women's Associations actively built up a campaign

of joint purchasing on daily necessities, such as matches and sugar, and improvement of kitchen conditions by setting up small water supply systems, improved kitchen ranges and extermination of vermin. Other programs were birth control, teaching management of family finances and cooking class to improve diet habits of the farmers. The benefits of these efforts soon became apparent.

Together with its activities, the organization's management grew stronger. An official song and badge were adopted. Membership reached a peak of 3.44 million people in 1958.

A movie was independently produced with funds generated by 10 yen contributions from members. Called "Niguruma No Uta (Song of a Cart)," it tells the story of a woman who gets married, deals with her children's illnesses, husband's infidelity, mother-in-law's abuse and the deprivation of wartime before finally finding happiness in her later years. The film was released and drew a very positive response among theatergoers.

## 2. Growth

As activities increased, they were diversified along with change of the lifestyles. Following lists are the main activities that were tackled by the national level.

- \* Holding Announcement Convention of Organizational Activities that is learning from superior examples (1968-).
- \* Nationally uniform "Agricultural Cooperative Women's Associations Pocketbook" issued (1969-).
- \* "Young Wives Suggestions" national contest held to reflect young members' ideas to the organization (1974-).
- \* Joint activities by women in the production side and ones in the consumption side implemented to improve understanding between producers and consumers (1975-).
- \* Living conditions from the point of view of housekeeping guides investigated to reevaluate living standards (1978-).
- \* Campaign launched to encourage use of environmentally friendly detergents (1978-).
- \* Fund-raising campaign launched, calls for contributions of 10-yen coins under the theme "Clean water for the children of the world's cooperative associations." People of Sri Lanka were presented with water well (1979).
- \* Fund-raising campaign mounted to relieve starvation in Africa food warehouse built in Cape Verde (1985).
- \* National campaign calls for promises to be written on "orizuru" folded paper cranes. Theme of "That's enough! Unfair to farmers. Let's reflect women's voice" aimed at preserving food production and farm life (1988).

## Brief Chronology of Developments Related to the JA women's Associations

- 1947 Agricultural Cooperative Association Law promulgated
- 1949 National Committee for the Direction of the Agricultural Cooperative Federation emphasizes the necessity of educating women in rural areas.
- 1950 "National Liaison Committee for Cultural Activities in Rural Regions" a central body of the agricultural cooperatives association, commences efforts to enlighten the women's Associations.
- 1951 National Liaison Council of Agricultural Cooperative Women's Group formed.  
"Letter by the National Agricultural Cooperative Women's Association" published.
- 1952 Song of the Agricultural Cooperative Women's Association and badge of the Agricultural Cooperative Women's Association adopted.
- 1955 Five Principles of the Agricultural Cooperative Women's Association established.  
First National Meeting of the National Agricultural Cooperative Women's Associations held.
- 1958 Name of the National Liaison Council of Agricultural Cooperative Women's Group changed to "National Council of the Agricultural Cooperative Women's Associations".  
Membership of Agricultural Cooperative Women's Associations hits record 3.44 million people.
- 1959 National Council of Agricultural Cooperative Women's Associations independently produced the film "Song of a Cart (Niguruma no Uta)".
- 1960 Chairperson and other members made the first attendance to the Eight National Congress of Agricultural Cooperatives.
- 1961 At the Ninth National Congress of Agricultural Cooperative resolution passed calling for "expanding life activities of the Agricultural Cooperatives"
- 1963 Meeting convened to announce outcomes of the Agricultural Cooperative Women's Associations' activities.
- 1967 National Council of Agricultural Cooperative Women's Associations joined the Agricultural Cooperative Central Rice Measurement Headquarters.  
National Council of Agricultural Cooperative Women's Associations amended the Five Principles of the Agricultural Cooperative Women's Associations and settled upon a "General Plan for the Agricultural Cooperative Women's Associations".
- 1969 Nationally uniform "Agricultural Cooperative Women's Association Pocketbook" issued.
- 1970 "Basic Ideas of Life" resolved at Twelfth National Congress of Agricultural Cooperatives.

- 1973 National Council of Agricultural Cooperative Women's Associations participated in the First Asian Agricultural Regional Medical Convention.
- 1974 The first "Young Wives' Suggestions" National Contest held.
- 1975 Admissions requirements for new women members of the association came under review. Exchange activities of women in the production side and those in the consumption side commenced
- 1977 Closer communication between the Agricultural Cooperatives and Women's Associations proposed.
- 1978 Studies of living conditions from the point of view of household account book commenced.  
Shiga Pref. women's Association of Agricultural Cooperatives decided to use soap made of natural materials.
- 1979 Fund-raising campaign soliciting contributions of 10-yen coins launched under the theme "Clean water for the children through the World's cooperative associations".
- 1980 National Council of Agricultural Cooperative Women's Associations representatives attended the ICA Southeast Asia Region Women's Seminar.
- 1982 Central Union of Agricultural Cooperatives established "Guidance Policy for fostering the Youth and the Women's Associations"
- 1985 Fund-raising campaign launched for relief of starvation in Africa.
- 1986 Three-Year Plan for the enhancement of Regional Activities by the Agricultural Cooperative Women's Associations set forth.
- 1988 Agricultural Cooperative Women's Associations Road to the 21st Century (long term policy for activities of the Agricultural Cooperative Women's Associations) settled.
- 1989 The first attendance to the ICA Women's Committee.
- 1990 New Bulletin for members, named "Fureai (heart to heart)" introduced.
- 1991 National Council of Agricultural Cooperative Women's Associations Three Million People's Study Campaign started.
- 1992 Calling name 'The Agricultural Cooperative Women's Association' changed to the JA Women's Association
- 1994 The First Young Wives National Exchange Meeting was held.
- 1995 Five principles of the JA Women's Association were revised.
- 1996 "5-Year Action Plan of the JA Women's Associations Toward 21st Century" settled.
- 1998 Participation in Female Committee Establishment Forum of the ICA Asia and the Pacific Region

- 1999 Settlement on numerical target of women's participation to the JA management at "Women's Participation Promotion Committee of JA Zenchu".
- 2000 Resolution of the numerical target of women's participation to the JA management in the 22nd JA National Congress.
- 2001 Holding the 50th Anniversary Commemorative Festival  
International friendship and observation trip (14th – 17th October 2001, Seoul, Korea)

## Activities undertaken by the JA Women's Associations

### I. Creation of a society that prioritizes life

#### 1. Food and farming

- (1) Increase in Chisan-Chiso (local production/local consumption)\*
- (2) Implementation of study farm garden activities for schoolchildren
- (3) Processing of agricultural products
- (4) Promotion of a healthy diet that is suited to the local climate, and implementation of the "Breakfast Campaign of JA"
- (5) Implementation of local interaction opportunities, where producers and consumers have the opportunity to deepen mutual understanding on issues of food and farming
- (6) Publication of examples of excellent farm management
- (7) Study of foodstuff and agricultural policy, and involvement in various committees
- (8) Implementation of "Healthy Diet Contests"

\* Chisan-Chisho (=local production/local consumption: a movement to increase the amount of local production that is actually consumed within the production area.)

#### 2. Environment

As producers, we strive to protect the multi-functionality of agriculture, such as the importance of the environment and a landscape containing agricultural activity. We will also strive to adopt environmentally friendly farming. As consumers, we will strive to ensure that activities dedicated to reducing environmental problems through dairy life, such as saving resources and recycling, etc.

## II. Pursuit of independence

1. Life planning for our own – Study and action of “21st Century Vivid Life Plan”
2. Promotion of movement for equal participation of men and women in JA management

① Setting of numerical target of women’s participation in JA management

(Target figures)

- The following targets (nationwide average) will be achieved by the end of 2003 FY.

- (1) Regular members: Ratio of regular members of women to be raised to a minimum of 25%
- (2) General Representatives: Ratio of general representatives of women to be raised to a minimum of 10%
- (3) Board of Directors: A minimum of 2 women board of directors per amalgamated JA.

- ② Communication with JA which encourages women’s participation and deepen understanding women’s activity
- ③ Promotion of understanding in regard to equal participation of men and women through educational materials and seminars

## III. Activities to share affluence through symbiosis

1. Movement to create communities in which people can live comfortably through mutual assistance activities
2. Promotion of interaction and links between various groups – including women’s groups, agricultural organizations and consumer groups.

## IV. Revitalization of organizations

1. Consideration of strategy for revitalization of organizations, and creation of reform proposals  
Establish an investigation committee for the above, jointly with JA Zenchu, and compile to strategy for the revitalization of women’s organizations, Based on this strategy, proposals to be created for operations and activities to revitalize the organizations, and these proposals to be discussed and implemented through an organizational council.
2. 50th anniversary commemorative events
  - (1) International friendship and observation trip (14th – 17th October 2001, Seoul, Korea)
  - (2) Organization of 50th Anniversary Commemorative Festival (23rd – 24th January 2002 at



the Nihon Seinenkan)

(3) Publication of commemorative magazine

3. Dissemination and utilization of a new three year plan

Creation of materials for use in the new three year plan, to be called “JA Women’s Activities 01”, and the promotion of its dissemination and utilization.

4. Strengthening of the “Freshmizu” (young wives) organization

(1) Participation in the National Council of JA Women’s Associations Management Committee

(2) Organization of a Freshmizu National Representatives’ Meeting

(3) Organization of a Freshmizu National Congress

(4) Implementation of a national contest to decide “ Freshmizu Points of View”

(5) Promotion of the creation of Freshmizu organizations at a prefectural level.



Training Course on Business Leadership Development Among  
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From September 9 to October 4, 2002 Tokyo Japan

*Agriculture and Agricultural Cooperative in Japan*

*September 11 (Tue), 2002*

By **Mr. NAKASHIMA Toru**  
Deputy Manager,  
Training Department  
IDACA

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

## **1. Basic Information**

# 1. Basic Information

Japan is an island nation situated off the eastern coast of the Asian continent.

The nation's roughly 7,000 islands extend in an arc of about 3,000 kilometers northeast to southwest. Total land area, if the Northern Territories are included, is 377,864 square kilometers, nearly 1.5 times the land area of the United Kingdom.

## Land Area and 200-Mile Territorial Limit (10/1/2000)

国土面積と200カイリ水域(2000年10月1日現在)

(Unit: km<sup>2</sup> 単位: km<sup>2</sup>)



# 1 Land and Population

## 1-1 Land (1997)

	Area (1,000 km <sup>2</sup> )		Area (1,000 km <sup>2</sup> )
World	135,641		
Asia		Europe	
China <sup>(a)</sup>	9,597	Russia	17,075
India	3,287	Ukraine	604
Kazakhstan	2,725	France	552
Saudi Arabia	2,150	Spain	506
Indonesia	1,905	Sweden	450
Iran	1,633	Germany	357
Mongolia	1,567	Finland	338
Pakistan	796	Norway	324
Turkey	775	Poland	323
Myanmar	677	Italy	301
Thailand	513	United Kingdom	243
Iraq	438	Romania	238
<b>Japan</b>	<b>378</b>	Portugal	92
Vietnam	332	Croatia	57
Malaysia	330	Austria	84
Philippines	300	Ireland	70
Korea	99	Denmark	43
United Arab Emirates	84	Netherlands	42
North America		Switzerland	41
Canada	9,971	Belgium	31
United States	9,364	Africa	
Mexico	1,958	Sudan	2,506
Cuba	111	Democratic Republic	
Jamaica	11	of the Congo <sup>(b)</sup>	2,345
South America		Libya	1,760
Brazil	8,547	South Africa	1,221
Argentina	2,780	Egypt	1,001
Peru	1,285	Oceania	
Colombia	1,139	Australia	7,741
Chile	757	New Zealand	271

(a) Includes Taiwan

(b) Formerly Zaire; officially recognized by the Japanese government in May 1997

\* *Demographic Yearbook, 1997, UN*

## 1-2 Population

	Population (Million)	Density (Per km <sup>2</sup> )	Population (Million)
	1997	1997	2050 (Prj.)
World	5,768.00	43	8,909
1. China <sup>(a)</sup>	1,243.74	130	1,517
2. India	955.22	291	1,533
3. United States	267.90	29	348
4. Indonesia	199.87	105	318
5. Brazil	159.88	19	243
6. Russia	147.11	9	114
7. Pakistan	138.15	174	357
8. <b>Japan</b>	<b>126.07</b>	<b>338</b>	<b>110</b>
9. Bangladesh	122.01	847	218
10. Nigeria	118.37	128	339
Mexico	94.40	48	154
Germany	82.07	230	70
Vietnam	76.55	231	130
Philippines	73.53	245	131
Turkey	63.75	82	98
Egypt	62.01	62	115
Iran	60.69	37	170
Thailand	60.60	118	73
Ethiopia	60.15	54	213
United Kingdom	59.01	243	59
France	58.61	106	58
Italy	57.52	191	42
Ukraine	50.70	84	41
Democratic Republic of the Congo <sup>(b)</sup>	48.04	20	165
Myanmar	46.40	69	81
Korea	45.99	463	52
South Africa	43.34	35	91
Spain	39.32	78	32
Poland	38.65	120	40

1-10: World ranking

(a) Includes Taiwan

(b) Formerly Zaire; officially recognized by the Japanese government in May 1997

\* *Population and Vital Statistics Report, 1997, UN; World Population Prospects, 1998, UN*

## Chronology of Japan

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- 10,000 B.C.–300 B.C. Jomon Period
- 300 B.C.–300 A.D. Yayoi Period; Introduction of a method of rice cultivation
- 538 Introduction of Buddhism
- 607 Founding of the Horyuji Temple
- 710 Founding of the capital Heijō-kyō (Nara)
- 752 Founding of the Todaiji Temple in Nara
- 794 Transfer of the capital to Heian-kyō (Kyoto) from Nara
- 1192 Founding of Kamakura Shogunate in Kamakura by Minamoto-no-Yoritomo
- 1338 Founding of Muromachi Shogunate in Kyoto by Ashikaga Takauji
- 1543 Portuguese cast ashore on Tanegashima; Introduction of firearms
- 1549 Introduction of Christianity; Arrival of Saint Francis Xavier
- 1590 Completion of national unification by Toyotomi Hideyoshi
- 1603 Founding of Edo Shogunate by Tokugawa Ieyasu in Edo (Tokyo)
- 1639 Enforcement of National Isolation Policy
- 1853 Arrival of US envoy Commodore Perry
- 1858 Signing of friendship and trade treaties with US, UK, Russia, the Netherlands, and France (end of National Isolation Policy)
- 1868 Meiji Restoration; Transfer of the capital from Kyoto to Edo (renamed Tokyo)
- 1889 Promulgation of Imperial Constitution of Japan
- 1890 First National Diet
- 1894 Sino-Japanese War
- 1904 Russo-Japanese War
- 1911 Revision of the Anglo-Japanese Alliance; US-Japan, Anglo-Japanese, and German-Japanese treaties of amity, trade, and navigation
- 1914 Entry of Japan into World War I
- 1923 Great Kanto Earthquake
- 1933 Withdrawal from the League of Nations
- 1941 Start of the War in the Pacific
- 1945 Atomic bombing of Hiroshima and Nagasaki; Surrender of Japan; Beginning of Occupation by Allied Powers
- 1946 Beginning of Land Reform Policy; The new constitution enacted
- 1951 Signing of San Francisco Peace Treaty and the US-Japan Security Pact; Japan regains full independence the following year
- 1956 Approval of Japan's participation in the United Nations
- 1960 Announcement of Income-Doubling Plan by Prime Minister Ikeda
- 1964 Japan assumes the obligations of Article 8 of the IMF agreement; Membership in OECD; Shinkansen service begun; The 18th Summer Olympic Games held in Tokyo
- 1967 Adoption of Free Capital Transaction Policy
- 1972 Return of Okinawa to Japan; Diplomatic relations between Japan and the People's Republic of China restored
- 1973 The 4th Middle East War; Oil crisis in Japan
- 1985 Plaza Accord to revalue the yen
- 1987 Breakup and privatization of Japan National Railways
- 1989 Introduction of consumption tax (3%)
- 1991 Liberalization of beef and orange imports
- 1993 Formation of coalition government
- 1995 Great Hanshin-Awaji Earthquake  
Yen reaches its strongest value of ¥79.75=US\$1.00 (April)
- 1997 Consumption tax raised to 5%
- 1998 Financial deregulations implemented (Japanese Big Bang)
- 1999 Bill passed officially recognizing *Hinomaru* and *Kimigayo* as national flag and anthem, respectively



## **2. Current Situation of Agriculture**

## 2. Current Situation of Agriculture

(Source: Annual Report on Food, Agriculture and Rural Areas in Japan - Part 1 Trend of Food, Agriculture, and Rural Areas FY 2001 (Summary))

### Reform of agricultural structure

- 1) The proportion of rice production amount by business farm households is 36%, which is far less than that of other crops (70% to 90%). The cropping area per rice farm household is only 1.5 times (84a) that in 1960. This shows the delay in structural reform mainly in rice farming.
- 2) It is concerned that the recent price fall of agricultural products and the increase of import amounts would have any adverse effects on "efficient and stable farmers" (\*1) and motivated and capable farmers aiming to become such farmers (eligible farmers). Important and urgent issues are to improve the environment that enables "eligible farmers" to start management innovation such as expansion of the management scale and crop transposition and to promote agricultural structural reform.
- 3) The Ministry of Agriculture, Forestry, and Fisheries compiled "Farm Policies Aimed at Promoting Structural Reforms in Agriculture" in August 2001. The document indicates the future direction of farm policies under the basic viewpoints of promotion of structural reform through concentrated and prioritized measures aimed at "eligible farmers" and vigorous emphasis on high-priority measures. The Ministry of Agriculture, Forestry, and Fisheries will examine and implement the policies that comply with this direction in future

\*1 "Efficient and stable farmers" refers to highly productive farmers whose annual working hours of main workers are almost the same as those of the workers of other industries and the lifetime income per main worker is almost the same level as those of other industries.

### Diverse agricultural management

#### 1) Agricultural management in 2000

The agricultural income per commercial farm household was 1.084 million yen in 2000 (decline of 5.0% in comparison to the previous year). Due to the decline of the non-agricultural income, the total income of farm household was 8.28 million yen (decline of 2.1% in comparison to the previous year) and this trend is continuing since

1996. The same trend is observed in 2001 also.

## 2) Farm and agricultural labor force

(1) The total number of farm households in 2001 was 3.07 million, of which commercial farm households account for 2.29 million. As the breakdown, the number of farm households, that don't have any person, less than 64 years old, farming more than 60 days, remains at almost the same level, while the number of the other farm households are declining for this 10 years.

(2) The farming population in 2001 was 3.82 million (commercial farm households), a decline of 70,000 in comparison to the previous year. Although engagement of farming by retirees and aged farmers who are continuously engaged in farming stop the downward spiral of agricultural labor force quantitatively, aging of agricultural labor force is progressing considerably.

## 3) New farmers

The number of new farmers from non farm household is increasing. It is important to support them according to the diversified ways of engagement of farming including engagement to the agricultural corporation..

## 4) Fostering and securing efficient and stable agricultural management

### (1) Actual condition of approved farmers

The number of approved farmers reached 178,000 as of the end of December 2001. (Approved farmer: farmer whose agricultural management improvement plan that was submitted and approved by the municipality as the plan complies with the basic concept of agricultural management compiled by the municipality) As approved farmers are facing with various issues in enthusiastic implementation of management improvements, further concentration and focus of policies for them are necessary.

### (2) Promotion for incorporation of agricultural management

Incorporation is effective for improvement and development of management such as scale expansion and diversification. Promotion for incorporation is necessary while verifying the actual condition of the new agricultural production corporate system that enables selection of a corporation mode.

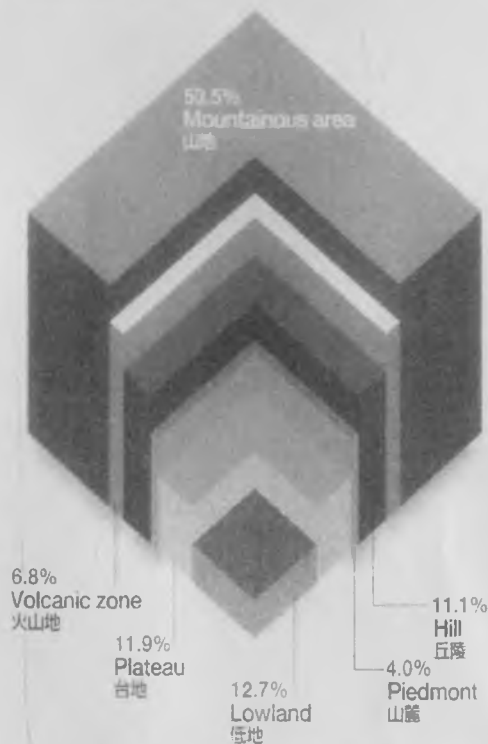
### (3) Large scale management - an example of efficient and stable farmers -

① Large scale management of rice cropping is achieving highly efficient and productive management using the benefit of scale with dramatically exceeding small scale management in terms of both labor productivity and land productivity.

- ② Analysis of fluctuation factors of total income of farm households between large scale management and small scale management indicates that the increase/decrease of agricultural income due to the recent price fluctuation of agricultural products imposes serious influence on the total income of farm households of large scale management since large scale management is more dependent on the agricultural income.
- ③ Under the environment that prices of agricultural products are formed in appropriate reflection of the supply-demand situation and quality evaluation, improvement of the safety net is necessary to reduce the fluctuation of agricultural revenues or income due to dramatic price fluctuations. It is also necessary to examine the concrete mechanism on the condition of public understanding.

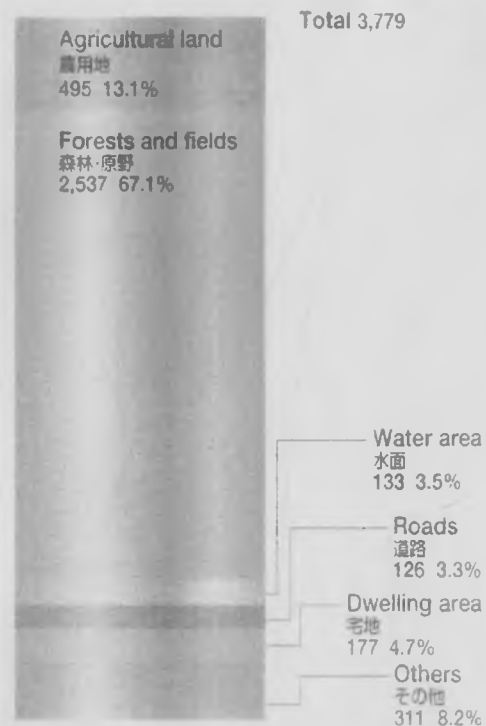
## Land Use

● Classification of Land  
地形による国土の区分



★Geographical Survey Institute 国土地理院

● Current Land Use (1999)  
土地利用の現状(1999年) (Unit: 10,000 ha 単位: 万ha)



★Ministry of Land, Infrastructure and Transport 国土交通省

## Farming Households, Population, Cultivated Area (As of 2/1/2000)

都道府県別農家数・農家人口・耕地面積（2000年2月1日現在）

Region	Prefecture	No. of farming households (10,000)	Farming population (10,000 persons)	Cultivated area (10,000 ha)	Average farm size (ha)	都道府県	地方
		農家数 (万戸)	農家人口 (万人)	耕地面積 (万ha)	経営規模 (ha)		
<b>National total</b>		233.7	1,046.7	373.4	1.51	全国	
Hokkaido	Hokkaido	6.3	26.1	99.6	14.94	北海道	北海道
Tohoku	Aomori	6.0	26.9	11.8	1.87	青森	東北
	Iwate	7.6	34.7	12.3	1.54	岩手	
	Miyagi	7.1	34.9	11.7	1.55	宮城	
	Akita	7.0	31.9	13.3	1.79	秋田	
	Yamagata	5.7	28.0	10.9	1.82	山形	
Kanto	Fukushima	9.2	45.2	13.0	1.36	福島	関東
	Ibaraki	10.3	48.8	13.6	1.26	茨城	
	Tochigi	6.5	31.4	11.3	1.64	栃木	
	Gunma	4.8	21.5	5.5	1.03	群馬	
	Saitama	6.3	29.4	6.5	0.96	埼玉	
	Chiba	7.6	35.3	9.7	1.18	千葉	
	Tokyo	0.9	4.0	0.6	0.64	東京	
Chubu	Kanagawa	1.9	9.2	1.5	0.72	神奈川県	中部
	Niigata	9.6	45.2	15.3	1.49	新潟	
	Toyama	3.9	18.7	5.1	1.21	富山	
	Ishikawa	2.8	12.7	3.6	1.13	石川	
	Fukui	3.1	15.0	3.6	1.10	福井	
	Yamanashi	2.6	11.0	1.8	0.64	山梨	
	Nagano	9.0	39.1	8.1	0.84	長野	
	Gifu	5.5	26.6	4.3	0.74	岐阜	
	Shizuoka	5.6	27.8	5.2	0.86	静岡	
	Aichi	6.5	31.8	5.9	0.86	愛知	
Kinki	Mie	4.9	22.4	4.9	0.92	三重	近畿
	Shiga	3.8	18.3	4.6	1.13	滋賀	
	Kyoto	2.9	12.4	2.4	0.78	京都	
	Osaka	1.5	7.0	0.8	0.52	大阪	
	Hyogo	7.8	34.6	5.9	0.73	兵庫	
	Nara	2.0	9.4	1.5	0.67	奈良	
	Wakayama	2.9	12.2	2.6	0.90	和歌山	
	Tottori	2.9	13.3	2.8	0.94	鳥取	
Chugoku	Shimane	3.6	15.6	3.2	0.83	島根	中国
	Okayama	6.3	26.3	5.3	0.80	岡山	
	Hiroshima	5.2	19.9	4.2	0.76	広島	
	Yamaguchi	4.0	14.7	3.8	0.89	山口	
	Tokushima	2.9	12.6	2.4	0.79	徳島	
Shikoku	Kagawa	3.7	16.0	2.6	0.70	香川	四国
	Ehime	4.5	17.6	4.3	0.93	愛媛	
	Kochi	2.5	9.8	2.1	0.80	高知	
Kyushu	Fukuoka	6.4	28.5	7.4	1.13	福岡	九州
	Saga	3.5	16.7	5.0	1.39	佐賀	
	Nagasaki	3.3	14.8	3.6	1.03	長崎	
	Kumamoto	6.3	26.7	8.9	1.38	熊本	
	Oita	4.2	16.3	4.3	0.97	大分	
	Miyazaki	4.2	16.6	5.3	1.20	宮崎	
	Kagoshima	6.5	20.6	8.3	1.21	鹿児島	
	Okinawa	2.0	7.0	2.9	1.36	沖縄	

★Ministry of Agriculture, Forestry and Fisheries 農林水産省「世界農林業センサス結果概要」 Note: Only farming households that farm with the intention of selling agricultural products are included in the survey. The Okinawa figures are as of December 1, 1999. 農産物を売ることを目的に農業を営む「販売農家」を対象としたもの。沖縄の数値は1999年12月1日現在。

### **Securing and making effective use of farmland**

1) The cultivated areas have shrunk by about 20% from 6.09 million hectares in 1961 to 4.79 million hectares in 2001 and is still shrinking due to the abandonment of cultivation.

The utilization ratio of cultivated land has been in decline over a long term. However, the ratio in 2000 increased to 94.5% due to an increase of the total cropping field area of wheat and soybeans, continuing the trend following 1999.

2) The right transferred area of farmland is increasing mainly by leasing and the integrated use to a large scale farming is progressing. However it is still insufficient. In order to promote integrated use of farmland to the agricultural management to be fostered, it is important to increase the efforts such as promotion of each measure for integrated use of farmland and concentration of the measures to the management that is enthusiastic to the concept of scale expansion.

3) Securing farmlands with favorable agricultural management conditions is necessary for promotion of integrated use of farmlands and sufficient achievement of the effects. Promotion of generalization of paddy fields is also important for activating land-extensive farming in paddy fields and promoting formation of major producing area of vegetables.

4) Facilities of agricultural irrigation and agricultural water supply play important roles as regional water supply functions, such as fire prevention and landscaping of rural areas, as well as agricultural production. To demonstrate the functions on a full scale, planned improvements and updating are necessary.

### **Recent agricultural production**

1) The agricultural production (quantity) in 2000 showed an increase of 0.3% compared to the previous year due to increase of production of rice, wheat, and soybeans, although the production of livestock has declined. The agricultural producer prices of rice and vegetables dropped by 5.9% due to the influence of increase of crop yields. Agricultural production material prices dropped by 0.2% due to decline in prices of feeds and fertilizers.

2) The terms of agricultural trade are continuously deteriorating, resulting in fall of the index number of terms of agricultural trade by 5.2 points in comparison to the previous year. For the improvement of terms of trade from a viewpoint of material supply, rationalization and cost reduction are necessary for distribution of agricultural materials,

and so on. In particular, efforts are important in agricultural cooperatives that support a major part of the distribution of agricultural production materials.

## **2. Activation of land-extensive farming, mainly paddy fields**

### **1) Supply and demand of rice**

(1) Recent supply and demand of rice have been easing dramatically. The production adjustment area has increased to 1.01 million hectares, which is the largest area in the previous history. The price of voluntarily marketed rice in 2000 and 2001 has recovered to the level that exceeds the price of the same term of the previous year in June 2002 as a result of the "Urgent General Rice Measures in 2000." The price of rice in crop year 2001 is also reaching the level that exceeds the same term of the previous year.

(2) The rice consumption per capita per month in FY2000 increased by 0.1% from the previous fiscal year in all households. However, the amount has been declining in FY2001. Increase of rice consumption is an important issue leading to realization of healthy dietary pattern and increase of food self-sufficiency rate and development of national movement is necessary. In particular, increase of the frequency of use of rice dishes in school canteen (2.8 times/week as of May, 2000) that supports inheritance of the traditional food culture to children and improvement of dietary education are necessary.

(3) To handle issues such as dramatic decline of price of voluntary marketed rice, securing of fairness in production adjustment, guiding of the system of rice cropping management stability measures, the "Review of Rice Policies and Efforts for the Current Stability of Supply and Demand" was determined in November 2001. In future, it will be necessary to implement steady and effective reform by cooperation between producer groups and administration on the basis of the understanding and compliance at producing areas.

### **2) Production of wheat and soybeans corresponding to demand**

Production of wheat and soybeans is increasing. However, the sharp production increase

without quality enhancement causes increased mismatching of supply and demand. Producing crops corresponding to the demand and improvement and stability of yield and quality are necessary. For consumption, consumption of local products must be promoted.

### 3. Horticulture and livestock farming

#### 1) Increase of domestic production of vegetables and fruits

- (1) Import of vegetables has been recently increasing and, in 2001 also, the import is increasing although the rate is more gradual than that of the previous years. In particular, imports from China are increasing. Regarding green onions whose import increased sharply, in April 2001, the Government invoked a provisional measure of a general safeguard for three items including green onions due to decline of domestic price and domestic farmers' income. From 2002, the Government established a Japan-China Agricultural Trade Council and is discussing orderly trade with Chinese side. To enhance the constitution of the local producers that can compete with imported vegetables, the Government is making structural reform of vegetable production using the following strategic models as the guide; ① reduction of cost, ② transactions based on contracts, ③ production of high value added products.
- (2) Since the production and quality of fruits are unstable due to the influence of weather change and alternate bearing, management stability measures have been introduced for production of Unshu mandarins and apples since production year 2001, based on enhancement of measures associated with supply and demand adjustments. Since overproduction was predicted for Unshu mandarins in 2001, production was adjusted on the national scale by the Fruit-growing Industry Promotion Special Measures Act. Although consumption of fruits has recently leveled, consumption of fruits by the younger generation is declining. To promote consumption, the "National Council on promotion of dietary pattern with Fruits" started "Movement of taking 200g of Fruit Everyday" from August 2001.

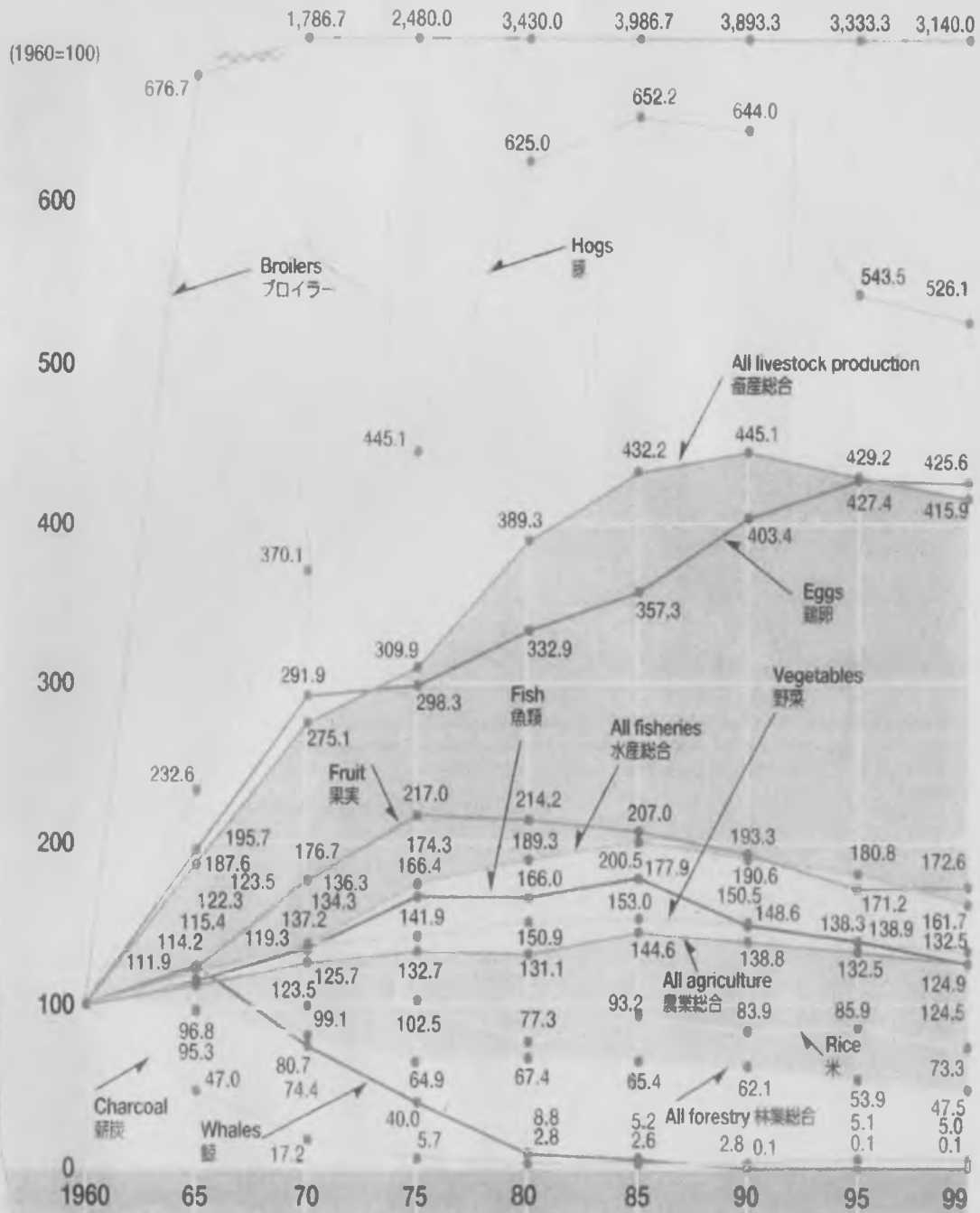
#### 2) Development of livestock farming through association between crop cultivation farming and livestock farming

- (1) The supply and demand of livestock products was stable in FY2000. However, in FY2001, the production of beef declined due to the decline of beef consumption triggered by the discovery of BSE infected milk cow. To stabilize the operations of livestock farmers, various measures related BSE have been taken.
- (2) Production increase of domestic feed is extremely important for enhancement of the feed self-sufficiency rate and reduction of production cost. In FY2001, the production of domestic feed is expected to decline due to a reduction of cropping area and yield. Improvement of yield and expansion of cropping area are necessary on feed crops.



Production Indexes

農林水産業の生産指数の推移

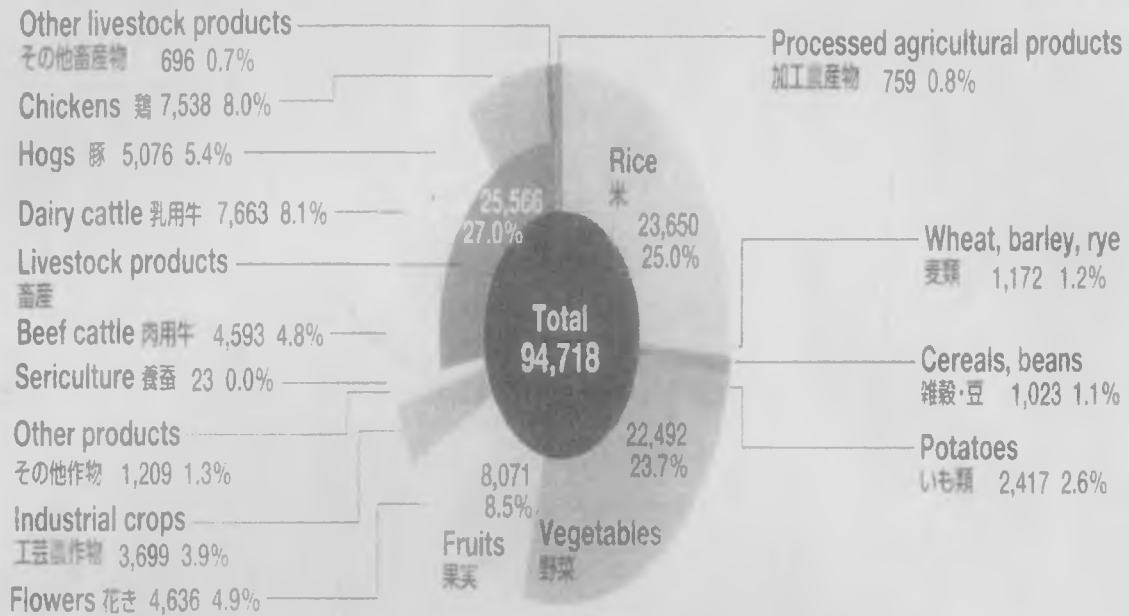


★Ministry of Agriculture, Forestry and Fisheries 農林水産省「農林水産業生産指数」

## Value of Agricultural Products (1999)

農産物の生産額 (1999年)

(Unit: ¥100 million 単位: 億円)



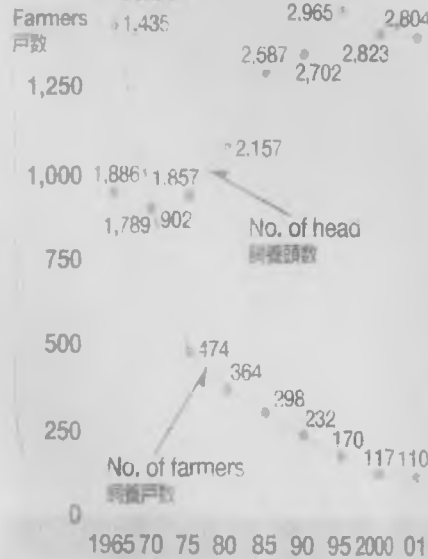
★Ministry of Agriculture, Forestry and Fisheries 農林水産省「農業生産額及び生産農業所得」

## No. of Livestock Farmers and Livestock

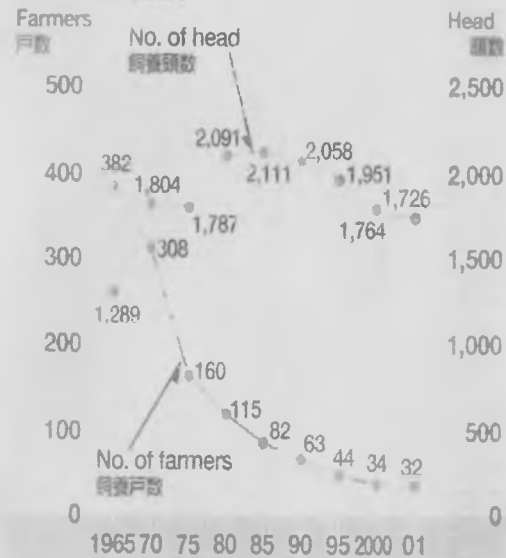
畜産農家数と飼養頭数

(Unit: 1,000 raisers, 1,000 heads 単位: 1000戸, 1000頭)

### Beef cattle 肉用牛



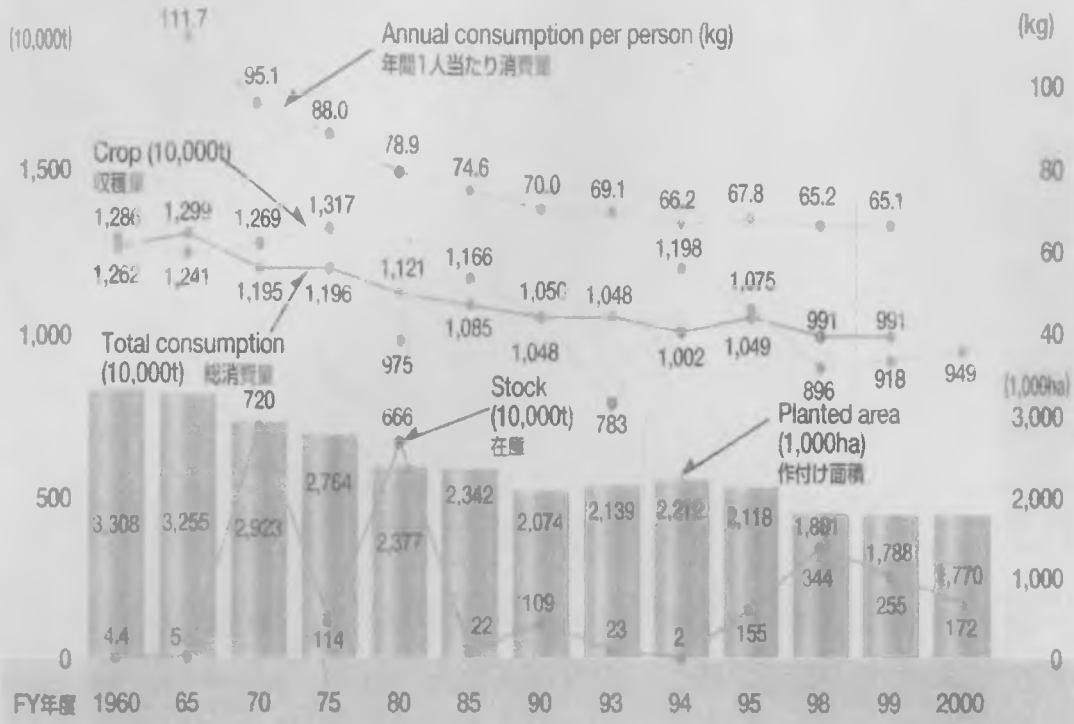
### Dairy cattle 乳用牛



★Ministry of Agriculture, Forestry and Fisheries 農林水産省「畜産統計」

## Demand and Supply of Rice

### 米の需給の推移

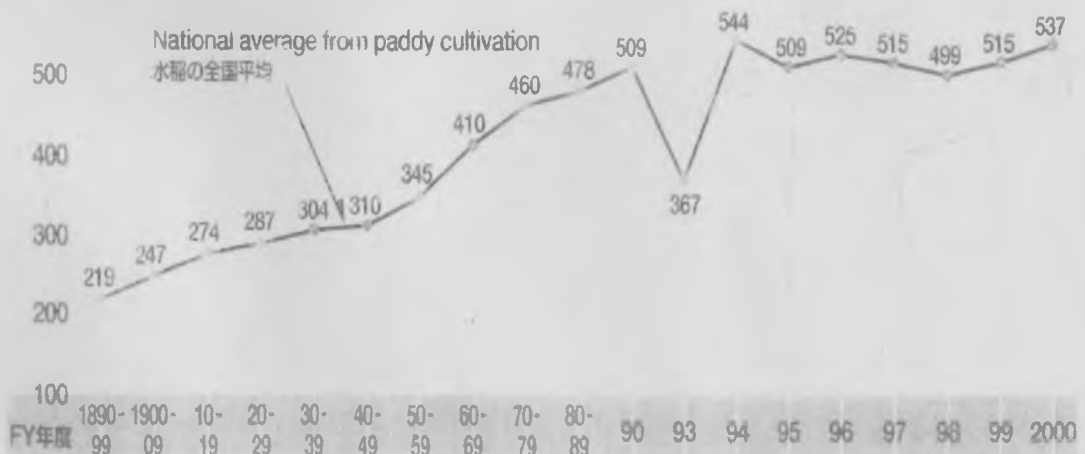


★Ministry of Agriculture, Forestry and Fisheries 農林水産省「ポケット農林水産統計」ほか

## Rice Crop Yield per 10a

### 米の10a当たり収量

(Unit: kg 単位: kg)



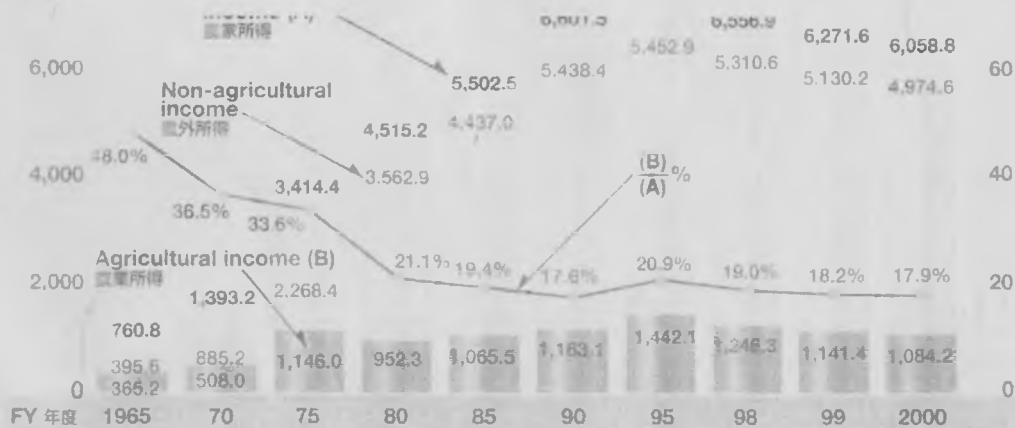
★Ministry of Agriculture, Forestry and Fisheries 農林水産省「ポケット農林水産統計」ほか

## Agriculture in the National Economy

### 国民経済における農業の地位

FY 年度	1960	1970	1980	1990	1993	1999
Total gross domestic product (¥ billion)	16,681	75,299	245,547	438,816	515,835	512,530
国内総生産 (10億円)						
Percentage of GDP from agriculture	9.0	4.2	2.4	1.8	1.2	-
うち農業総生産の割合 (%)						
Total exports (US \$ million)	4,055	19,318	129,807	286,948	387,958	475,584
輸出総額 (100万ドル)						
Percentage of farm exports	4.1	1.9	0.7	0.4	0.4	0.5
うち農業総輸出の割合 (%)						
Total imports (US \$ million)	4,491	18,881	140,528	234,799	280,505	354,588
輸入総額 (100万ドル)						
Percentage of farm imports	19.7	17.2	10.6	11.1	12.1	10.1
うち農業総輸入の割合 (%)						
Total working population (10,000 persons)	4,465	5,109	5,552	6,280	6,514	6,462
総就業人口 (万人)						
Percentage of farm workers	26.8	15.9	9.1	6.2	4.7	4.6
うち農業就業人口の割合 (%)						
National general account budget (¥100 million)	17,652	82,131	436,814	696,512	879,915	818,602
国家一般会計予算額 (億円)						
Percentage allotted for agriculture	7.9	10.8	7.1	3.6	3.8	4.2
うち農業関係予算の割合 (%)						

★Ministry of Agriculture, Forestry and Fisheries 農林水産省「食料・農業・農村白書参考統計書」など Note: Cotton, wool and natural rubber are not included in agricultural imports and exports. National general account and agriculture-related figures include supplementary budget figures. 農産物の輸出入は綿、羊毛、天然ゴムを除く。国家一般会計予算、農業関係予算額は補正後。



★Ministry of Agriculture, Forestry and Fisheries 農林水産省「農業経営動向統計」など Note: From FY1995 figures are for calendar year. 1995年度以降、数字は暦年。

### **3. Historical Development of Agriculture**

## **II .Brief History of Agricultural Development After The Last World War**

### **1 . Land Reform**

During the war period, although rural areas were not directly damaged by bombings, agricultural output was reduced sharply because of shortage in farm labors and fertilizers. Soon after the war, this situation was further aggravated due to unfavorable weather and taking the production index of rice, for instance, was only 65.2 in 1945 compared with 100 in 1933-35. Rice production was remarkably decreased in 1945 to 6,823 million tons from 10,032 million tons in 1939 . With this figure, it will be easily understood what a severe food crisis this country has experienced just after the war. ,

Therefore, the promotion of food production was greatly emphasized in the policies, and the land reform was deemed necessary both to inspire a more democratic atmosphere into rural societies and to increase food productions.

In 1946, despite strong political pressures from the landowners, the first land reform was enforced. But, both the Occupation Army and the Allied Council for Japan were not satisfied with this first reform. All regulations other than the one stipulating a payment of tenancy in cash were not enforced. A new land reform was recommended by the Occupation Army' and was enforced from November 1946 in an almost compulsory way.

### **2. First Decade after the World War II**

The Japanese economy was turned into recovery from damages shortly after the war, it recovered rapidly to regain prewar levels by 1953, and since then, it continued to develop still further. The remarkable development of the agricultural sector in fulfilling its paramount duty of a food production increase made a great contribution to the overall recovery of the Japanese economy. The land reform project, in fact, played an important role for recovering agricultural productions in a short period.

Although the agricultural land reform encouraged small farmers to produce more foods and increased the number of owner cultivators, it resulted a origin of today's Japanese agriculture with small scaled farming characterized by "labor intensive and mechanized operation".

Food supplies, especially that of rice, had almost recovered the pre-war level ( 1934-36 ) , and during the 1955- 56 period , supported by a favorable weather, the production of rice was increased by 20% above the pre-war level. Main factors for such production increase were found in expansion of land improvement projects with governmental subsidies, increase of fertilizers, the control of diseases and insects and extension of experimental achievements.

### **3. Enactment of the Agricultural Basic Law**

Around 1953, it revealed a big social problem that farmer's living standard and income level were being lower than those of workers in non-agricultural sectors. In other words , manufacturing industries rehabilitated and developed with higher growth rate than agriculture.

Under such situations, the major focus of agricultural policy was shifted from ' food problem' to ' agricultural problem'. In 1961, the Agricultural Basic Law was enacted with a view to providing the breakthrough for the agricultural problem. The following three major policies were identified in the Law;

- i) Selective expansion of farm products tied up with rising demands shall be promoted by farmers. This means conversion of products which falling' demands into other commodities with higher demands as well as rationalization of production for gaining domestic products more competitive power with imported farm products.
- ii) Development of viable farm management, and
- iii) Promotion of efforts by cooperative performance or by joint farm management of farmers.

With the policy of selective expansion of agricultural production, the Government took various measures to increase production of selected commodities through improving productivity. Main commodities selected under this policy were dairy and livestock products, and fruits (orange, apple, grape, etc.) , while productions of soybean, wheat, barley, rapeseed, and the like were not actively promoted and these imports were increased year by year . Those commodities were selected in consideration of demand

trends, trade liberalization, and other factors.

At the same time, the Government implemented concrete measures for land consolidation projects, improvement of rural living environments, and introduction of modernized farm facilities.

#### **4. Agriculture under High Economic Growth**

During ten years after the enactment of the Basic Law, the agricultural labor productivity of Japan had risen 90'. While this percentage increase is comparable to those of other developed countries, the prices of domestic farm products are considerably higher than other countries. This illustrates the international competitive weakness of Japanese agriculture.

Especially in a decade of 1960s, Japan performed its rapid high growth of economy mainly by developing its exports of manufactured goods to other countries. On the other hand, Japan remarkably increased imports of farm products, decreasing its import quota items from 73 in 1963 to 22 which are currently comparable to those of most other developed countries.

The growth in per-capita income in the course of high economic development of Japan in turn brought about a steady increase in food demands, averaging 6% per annum in 1960s. People ' s diet habit turned to emphasize quality rather than quantity of foods. Accordingly consumptions of livestock and dairy products, fruits, and vegetables increased year by year, while those of starchy foods such as rice decreased.

However, production of rice almost continuously grew after the world war II, even under the policy of selective expansion of agricultural production. Because the producer ' s price and marketing of rice were guaranteed by the Government under the Staple Food Control Law, rice production techniques of farmers were equally high level, there was no other possible commodity to be converted from rice which guarantee more stable income. Total consumption of rice has been decreased since 1963 and consumption of protein foods, fruits and vegetables accelerated the consumption decline of rice in 1970s.



On the other hand, consumption of dairy and livestock products as well as of fruits turned to be stagnant especially around since the middle of 1970s. The calorie intake of Japanese people has reached the reasonable level of some 2,500 per day. And stagnant income growth of the people was also attributable to the consumption decrease or stagnancy.

Then, the Japanese agriculture has entered into the new age of production controls of main commodities and readjustments of demand and supply situations on farm products.

## **4. Agricultural Cooperative ( JA )**

# I. STAGES OF DEVELOPMENT

## 1. The Origins of Japanese Cooperatives

- 1) The origin of cooperatives in Japan can be traced back to credit unions established by farmers-activists before the Meiji Era (1868-1912). These credit unions embodied the spirit of mutual aid at a time when there were no formal cooperative organizations.



*Sontoku Ninomiya, founder of Hotoku-sha, Mutual-help organization in 1843*

- 2) In 1868 Japan underwent a great transformation. After 300 years of isolationist policy, Japan opened its doors to join the worldwide family of nations. At the same time it embarked on a course of modernization and industrialization. This



*Factory of Usui-sha, silk marketing cooperatives 1878*

necessarily led to a situation where traditional small producers were forced to compete with newer, much larger enterprises, creating an urgent demand for cooperative organizations that would bring economies of scale to small operators.

- 3) Japan's first modern cooperatives were the sales unions established to facilitate community trade. Between the late 1870s and the late 1890s, silk and tea producers established cooperatives in Gunma and Shizuoka Prefectures. Seeing the need for a formal mechanism to promote cooperative development, the government enacted the Cooperative Society Law in 1900.

- 4) Through the individual efforts of Yajiro Shinagawa, Tosuke Hirata, and many others this law authorized the formation of four types of primary cooperatives (Sangyo Kumiai): credit, marketing, purchasing, utilization.



*Tosuke Hirata*

- 5) Leaders of these single purpose cooperatives soon realized that purchasing and other activities required strong financial backing. As a result, in 1906 the government amended the law to allow credit cooperatives to undertake other business activities. Japan's present day multipurpose cooperatives grew from this development.

- 6) In 1910, the Cooperative Society Law established the Central Union of Cooperatives (Sangyo Kumiai Chuokai). It launched an energetic campaign to promote the cooperative movement on a national scale.

- 7) After World War I ended, the Japanese economy entered a severe depression. Farmers were hit by a drastic fall in agricultural commodity prices. The concurrent

financial crisis also affected cooperatives to a great extent. Then, in 1925, cooperative leaders initiated a campaign to revitalize the movement, calling on all farming households to become members. By that time, cooperative members had seen the necessity of a new business federation and consequently established the National Supply Federation of Co-operatives and the Central Bank for Co-operatives in 1923. Various other national federations were established during this period.

- 8) In 1930, Japan again faced an agricultural depression. To overcome this crisis, cooperatives campaigned with government support to establish a cooperative in every town and village in Japan. Such efforts made possible a quick recovery and rapid progress. Although some private merchants campaigned against cooperatives, the strength of the cooperative movement assured its ultimate success.
- 9) Cooperatives continued to refine their organization and activities. Many of today's agricultural cooperative organizations originated during this era. The *Ie-No-Hikari* magazine was first published in 1924 for the purpose of educating cooperative members, and in 1933, the National Council of Agricultural Cooperative Youth Associations was founded. Cooperatives also began to become involved in providing local medical treatment about this time. Japan became a member of the ICA in 1923 (withdrawing before World War II).
- 10) With the beginning of World War II, the government reorganized cooperatives and agricultural associations (Nokai, which engaged in extension services), into agricultural societies (Nogyokai) to secure a war-controlled economy.

## 2. Postwar Agricultural Cooperatives (1945-1960s)

- 1) Land reform carried out with the help of the Occupation Forces between 1947 and 1949 completely abolished the tenant farmer system and gave almost all farmers status as independent farm owners. The Agricultural Cooperative Society Law, enacted in 1947, established agricultural cooperatives (Nokyo) as economic organizations to replace Nogyokai and guaranteed farmers' independence. Consequently, from 1948 to 1949, an increasing number of agricultural cooperatives were established throughout Japan. During this same period, a number of related federations were founded as the Agricultural Cooperative Society Law greatly expanded the activity base of cooperatives. Mutual insurance activities were first established by cooperatives during this time.
- 2) However, many of these agricultural cooperatives soon encountered serious financial difficulties because of ongoing changes in the postwar economy and the government's deflationary policy. A lack of managerial experience compounded the problem. The government subsequently passed laws to help primary agricultural cooperatives and federations overcome their difficulties, and they drafted plans to revitalize their movements.

- 3) In 1954 the Agricultural Cooperative Society Law was revised and an apex organization, the Central Union of Agricultural Co-operatives (JA-ZENCHU) was established to guide and coordinate Japan's agricultural cooperative movement at the national level. Similarly, the Prefectural Central Union of Agricultural Cooperatives was established to carry out the same tasks at the prefectural level.
- 4) Beginning in 1960, Japanese industries, especially the heavy chemical industry, entered into a period of explosive growth, bolstered by the government's economic policies. However, this led to a serious outflow of rural labor and greatly increased the number of part-time farmers, resulting in decreased production and productivity. The Fundamentals of Agriculture Act was enacted in 1961 to mitigate the situation by bringing farm incomes more in line with those of other industries, selectively expanding production, fostering self-sufficient farming practices, and enhancing agricultural management. Agricultural cooperatives responded by establishing cooperative farming complexes in order to concentrate the functions of cooperatives. Additionally, the Agri-related Association System was introduced to promote cooperative management of agricultural production.
- 5) In 1961, the Agricultural Co-operatives Amalgamation Assistance Law was enacted, and by 1965 the number of primary multipurpose agricultural cooperatives decreased by one third. This reduction made it possible to solidify the business and management base, improve facilities, and enter into new fields of activity. Moreover, with an increase in associate membership (non-farmers), agricultural cooperative activities became even more widespread. Agricultural cooperatives began to direct more energy toward international participation, and in 1963 established the institute for the Development of Agricultural Co-operation in Asia (IDACA). The IDACA was established to train cooperative leaders from developing countries, including those in Asia. Since then, the IDACA has accepted more than a hundred trainees annually.
- 6) While agricultural cooperatives have always provided guidance on farm management, during the last decade of this period they aggressively expanded beyond their traditional activities. The involvement of agricultural cooperatives in medical treatment and health care, systematic livelihood improvement, education, and culture expanded significantly during the 1960s. During this time retailing operations were instituted in order to promote sales of daily necessities, supermarkets were opened one after the other, the National Tourism Association of Agricultural Co-operatives was established (1967), and the Central Co-operative College was founded to train officials and employees of agricultural cooperatives (1969).

### 3. The Resurgence of Agricultural Cooperatives (1970-1990s)

- 1) The Japanese economy slid quickly into a low-growth period after the "oil shocks" in 1973.
- 2) Since 1974, conditions surrounding agriculture changed qualitatively. While a sufficient level of caloric value had been achieved in terms of food supply, a structural surplus of rice, oranges, milk, and eggs caused stagnation in the price of agricultural products.
- 3) Despite the setbacks caused by the two oil shocks, Japan found such success at exporting manufactured goods that economic friction with various countries increased. Some countries began to strengthen their trade offensives to increase the export of agricultural products to Japan.
- 4) The size of the agricultural population continued to decrease, and farmers continued to grow older. In addition, less land was cultivated and some land was abandoned.
- 5) At the same time, agricultural cooperatives also faced difficulties in dealing with changing business conditions. Marketing and purchasing were sluggish due to stagnating agricultural production. The deregulation of Japan's financial markets led to a slackening in credit activities such as savings and loans, which provided agricultural cooperatives with operating income. Mutual insurance activity also slowed.
- 6) From the middle of 1970, agricultural cooperatives have struggled to deal with these challenges by restructuring their organization and management in order to revitalize agriculture.

### 4. The Future of Agricultural Cooperatives

- 1) Although Japan has developed into one of the world's most dynamic economic powers, JA as the representative of Japanese agriculture is aggressively pursuing reorganization to cope with the rapidly changing international and domestic economic environments. At the same time, it is promoting activities to further develop Japanese agriculture, increase farming productivity, and provide a higher standard of living for its members. JA's commitment is to meet the diversifying needs of its members by strengthening its ties to rural communities, expanding activities to reflect the changing face of its constituency, and promoting increased community development in rural areas.
- 2) Some of JA's new activities include the following:

#### **Residential Development and Asset Management**

Due to increasing urbanization, the weakening agricultural economy, the aging of the farm labor force, and the difficulty of finding successors to take over

family farms, many farmers are finding it impossible to continue in agriculture. In order to help these farmers, JA is accepting consignment of farmland and assisting farmers to convert their land to residential use.

#### **Comprehensive Life and Home Centers**

A-COOP stores provide an important source of the goods and services demanded by JA members. The establishment of Comprehensive Life and Home Centers bring needed services including lifestyle-related consultation services to rural communities.

#### **Public Relations**

To increase consumption of domestic agricultural products, primarily rice, JA undertakes publicity campaigns in advertising media including TV and newspapers. To further promote rice consumption, four "Rice Galleries" have been opened throughout Japan since 1991 and are being actively promoted to urban consumers.

#### **Welfare for the Elderly**

JA is closely involved in social welfare activities. Since revision of the Agricultural Cooperative Society Law in 1992 enabled it to provide welfare services to the elderly, JA has undertaken a larger role in this area, notably expanding its program to train home-helpers and provide visiting home health services.

#### **Organic Agriculture and Consumer Relations**

To meet consumer need for fresh and wholesome food, JA initiated direct sales of agricultural products and the production of organic agricultural products.

- 3) Its intention is to increase productivity to cope with intensified competition and financial and market deregulation. For this purpose, JA set a goal of reducing the number of primary units (multipurpose agricultural cooperatives) to approximately 570 by the year 2000 through



amalgamation. At present, JAs are organized on a three-tier basis encompassing national, prefectural, and city, town and village levels. This system will be reorganized and the three levels will be combined into two.

- 4) Recently, the simple acronym "JA," for Japan Agricultural Co-operatives, was adopted to popularize the organization among Japanese from every walk of life.
- 5) In 1992, the Ministry of Agriculture, Forestry, and Fisheries embarked a new agricultural policy that focused on fostering large-scale farming. With this, Japanese agriculture entered a new age.

- 6) Concurrently, JA responded by ratifying a new resolution "Challenge and Reform Toward the 21st Century" that expressed its determination to begin a reformation of the Japanese agricultural industry, while reaffirming its commitment to the revitalization of rural communities.
- 7) JA is committed to continuing its efforts to protect Japanese agriculture and bring new life to rural communities.

## 1. Membership

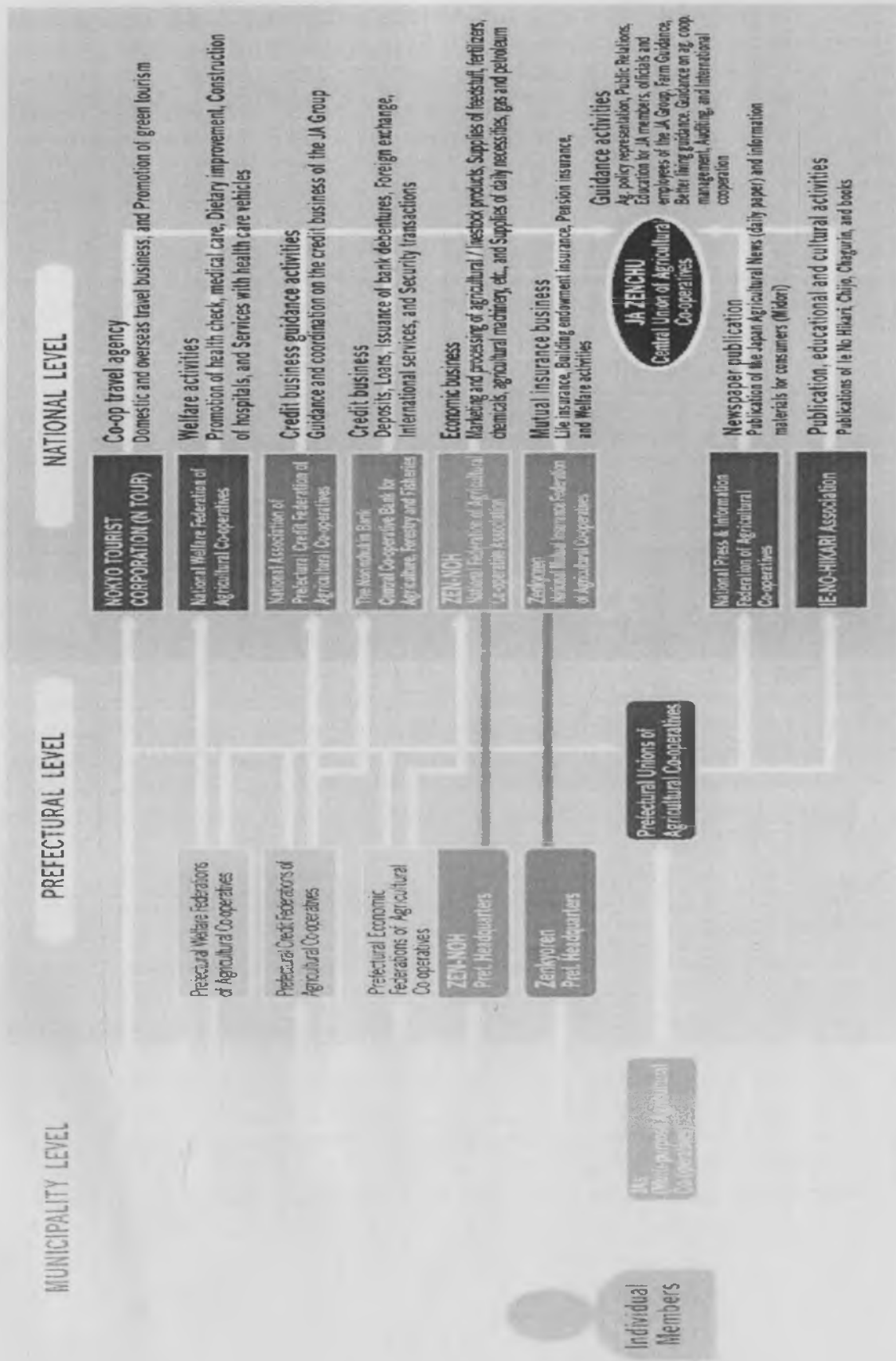
- 1) JA membership is approximately 9,128 thousands (as of March 1998), and includes almost all farmers in Japan. A typical cooperative (4,961 members, on average) consists of farmers as regular members and non-farmers as associate members. Membership requisites are stipulated in the articles of association for respective cooperatives, but they generally require farmers to operate farmland of 10 ares or larger and be engaged in farming 90 days or more a year. Agri-related Association that manages farming operations can also obtain cooperative membership.
- 2) Citizens residing in the vicinity of respective JA can become an associate member of that JA. Associate members benefit from JA services, but cannot vote in general meetings or become board members. Use of any JA's services by non-members is limited by law to less than one fifth that of the members. Regular members account for 70% to 80% of total membership in farming regions, but there are cooperatives in urban areas where the ratio of regular members is less than 50%.

## 2. Types of Agricultural Cooperatives

- 1) JA encompasses both multipurpose and single-purpose cooperatives, the difference determined by the type of farming conducted and services provided. Farmers organize an agricultural cooperative and use its services as well as operate the cooperative.
- 2) In terms of total membership, multipurpose agricultural cooperatives predominate in Japan. They offer guidance on farming and lifestyle matters, market agricultural products, supply production materials and daily necessities, loan and invest funds, provide insurance against emergencies, and establish facilities for joint use. Multipurpose agricultural cooperatives cover all the cities, towns and villages throughout Japan.
- 3) Single-purpose agricultural cooperatives are organized by farmers who are active in specific areas of production such as dairy farming, raising livestock, sericulture, and other specialized farming. They focus on marketing member farmers' products and supplying production materials and guidance. Only a few single-purpose agricultural cooperatives manage credit services.



### III. JA GROUP ORGANIZATIONS



## 1. Prefectural Level Organizations

- 1) Agricultural cooperatives are administered through the Prefectural Federations of Agricultural Co-operative Associations and the Prefectural Unions of Agricultural Co-operatives. There are several prefectural federations and a single prefectural union in each prefecture. The prefectural federations bring economies of scale to individual cooperatives and serve to coordinate the activities of the cooperatives within their jurisdictions. The prefectural federations provide financial, insurance, marketing and purchasing, and welfare services to their member cooperatives.
- 2) Prefectural unions coordinate the activities of member prefectural federations and member cooperatives. They provide leadership on issues concerning organization, services, operations, management, education, and research, as well as make recommendations to government agencies. In their role as leaders of JA operations at the prefectural level, prefectural unions are legally bound to oversee and administer the overall activities of affiliated JAs. The prefectural unions are funded through levies imposed on their members.

## 2. National Federations and other organizations

National federations administer prefectural federations individually and collectively, and through them the agricultural cooperatives that form their membership. The major national organizations of JA are as follows.

**National Federation of Agricultural Co-operative Associations (JA-ZEN-NOH)**  
JA-ZEN-NOH's primary function is to market products produced by JA members to consumers and to provide members with the purchasing and materials necessary for business. In order to maintain stable production levels, JA-ZEN-NOH also carries out nationwide production planning. It provides members with production materials and supplies (livestock feed, fertilizers, agrochemicals, farming machinery, and packaging materials) as well as daily necessities (household goods, gas and oil) purchased in quantity at low prices. Its membership consists of the Prefectural Economic Federations (JA-KEIZAIKEN).

**National Mutual Insurance Federation of Agricultural Co-operatives (JA-KYOSAIKEN)**

JA-KYOSAIKEN brings stability to the lives of JA members by providing insurance against sickness and disaster. It offers a full range of insurance services including life insurance, and insurance for buildings and automobiles, with high coverage guarantees at low premiums. Besides controlling risk, JA-KYOSAIKEN develops overall systems, investment, and lends support to JA and the Prefectural Mutual Insurance Federations.

**Central Co-operative Bank for Agriculture, Forestry and Fisheries (NORINCHUKIN BANK)**

Norinchukin Bank is a specialized bank for the agriculture, forestry and fisheries industries. Its major investors are JA, fisheries cooperative associations and forestry

associations, and federations such as the Prefectural Credit Federations of Agricultural Co-operatives. Backed by substantial assets, Norinchukin Bank also extends funds to related industries and local environmental development projects. Norinchukin Bank offers a wide range of services to JA members including savings programs, domestic and foreign exchange services, securities transaction services, international services, and the issue of its bank debentures.

#### **National Welfare Federation of Agricultural Co-operatives (JA-ZENKOHREN)**

JA-ZENKOHREN and its members, the Prefectural Welfare Federations, oversee health and medical services for JA. Although its medical facilities are available to non-members at no extra charge, JA-ZENKOHREN, in cooperation with JA, conducts its health service, such as group health examinations, to meet the needs of rural communities and JA members. It also provides health-care services and supplies, including medicine, through the Prefectural Welfare Federations.

#### **National Press & Information Federation of Agricultural Co-operatives (JA-SHINBUNREN)**

JA-SHINBUNREN publishes the daily Nihon Nogyo Shimbun (The Japan Agricultural News), with a circulation of 500,000, and is a member of the Japan Newspaper Publishers and Editors Association. "Nihon Nogyo Shimbun" contains timely articles on a range of topics including political, economic, and social trends, written from a viewpoint that takes into account the interests of JA members. It also provides information essential for farmers such as new farming technologies, market conditions, and consumer trends. Additionally, JA-SHINBUNREN also publishes a magazine targeted at consumers, holds seminars to deepen consumer understanding of agriculture, and conducts educational activities such as overseas training seminars.

#### **IE-NO-HIKARI Association**

"IE-NO-HIKARI" is a best-selling monthly magazine filled with light reading on politics, sports, entertainment, agriculture and JA issues, as well as practical articles on farming and lifestyles. Its circulation is 1.1 million. In addition, the IE-NO-HIKARI Association also publishes a second general-interest monthly magazine "Chijoh", and "Chagurin", a monthly magazine for children.

#### **NOKYO KANKO**

Nokyo Kanko serves as a travel agent for JA members, cooperative officials, and employees. It plans group tours (domestic and overseas) and arranges railway and airline tickets for individual tourists. Travel corners have already been established at some JA offices. Nokyo Kanko also sets up mutual exchange programs through tie-ins with foreign travel agencies.

#### **UNICOOPJAPAN**

UNICOOPJAPAN is a trading company established in 1961 through which JA, fishermen's cooperative associations, and forestry associations export products on their own initiative and import necessary raw materials and production materials. It operates seven overseas branch and representative offices (including one in Beijing), and subsidiaries in four countries. UNICOOPJAPAN trades in grains and livestock feed; livestock products; vegetables and fruit; agricultural and marine processed products;

agricultural materials, machinery, and facilities; LP gas and fuel oil; chemical fertilizers; agrochemicals; and consumer goods.

The IDACA was established in 1963 to carry out research activities and conduct training seminars for cooperative representatives in developing regions. Every year approximately 100 leaders from cooperatives outside Japan, mainly in Asia, are invited to Japan to learn about Japanese agricultural methods and JA.

### 3. Central Union of Agricultural Co-operatives (JA-ZENCHU)

- 1) JA-ZENCHU is the apex organization of JA Group. Its primary objective is to establish management policies for JA and JA federations throughout Japan, disseminate and support JA-Group policies and initiatives, and maintain the sound development of the cooperative system. JA-ZENCHU conducts many of the same activities as the prefectural unions while, at the same time, providing them with leadership and guidance. It also assists in training JA members, officials, and employees.
- 2) JA-ZENCHU is represented in international organizations such as the International Co-operative Alliance (ICA) and participates in international cooperative programs and activities. Prefectural unions and national federations make up JA-ZENCHU's membership.
- 3) JA-ZENCHU plays a very important role in representing a united JA Group, in furthering JA's goals in Japan and around the world, and in providing leadership in how best to achieve these goals. Its basic policies are decided at the JA national congress, held once every three years.

### 4. Members' Organizations

- 1) Members' organizations  
Supporting Organizations of Members within Multi-purpose Agri. Cooperative  
Though the institutional framework is established in the agricultural cooperatives to maintain democratic control by the members, it is essential to reflect views of the members to the utmost extent in the management and day-to-day business operation.
- 2) In the multi-purpose cooperative there are supporting organizations which are the permanent groups formed by the members themselves on a basis of regions (hamlets), commodities, gender and function.
  - (1) Commodity-wise group:  
Rice Growers Group, Horticultural Group, Citrus Growers Group, Pig Raising Group, Poultry Farmers Group, Dairy Farmers Group, etc.
  - (2) Functional Groups: Cooperative Store Management Group, Insurance Policy Holders Group, etc.
  - (3) Hamlet Groups: Farming Association
  - (4) Gender Groups: Youth & Women's Associations.

### 3) JA Youth and Women's Associations

(1)JA youth and women's associations can be found within every JA. The JA Youth Association provides young farmers with opportunities to participate in educational activities covering farm operations and management, consumer trends, agricultural issues, and JA policies, as well as exchange programs among JAs, and cultural and sports pursuits.

(2)JA women's associations count on a membership of approximately 1.57 million women in 1,871 (as of Dec. 1997) women's associations around the country. Members include women who are not only responsible for taking care of household budgets but are also active in farm operations. They join agricultural cooperative women's associations to improve health care, standards of living, and buying power. As with the youth associations, women's associations are also represented through councils at the prefectural and national levels.

## IV. AN INTRODUCTION TO JA'S ACTIVITIES

### 1. JA-mandated activities under the Agricultural Cooperative Society Law

#### **Education and Public Relations, Guidance on Farming and Lifestyle Issues**

Providing educational programs for improving agricultural technology and operations, enhancing living standards, and promoting cultural activities

#### **Activities Related to Agricultural Production**

Developing and improving farmland, joint use of irrigation facilities and joint farming work, installation of facilities to improve labor efficiency

#### **Entrusted Farm Operations**

Operating farmland entrusted by members

#### **Farmland Trust**

Overseeing farmland trust holdings

#### **Marketing**

Marketing, storage and transport of agricultural products

#### **Purchasing**

Supplying production materials and essential goods

#### **Credit**

Loaning funds for agricultural production and living expenses, accepting deposits

#### **Insurance**

Providing mutual life, fire, automobile, and building endowment insurance

#### **Utilization**

Establishing agricultural production and residential facilities for joint utilization

#### **Processing**

Processing agricultural products

#### **Public Welfare**

Establishing hospitals and clinics

#### **Senior Citizens' Welfare**

Establishing facilities and programs to care for senior citizens

#### **Residential Land Administration**

Transferring and purchasing farmland entrusted for residential development

## 2. Farm Guidance

- 1) Farm guidance is offered to help farmers operate their farms more efficiently. In addition to providing technical advice, agricultural cooperatives help farming groups in rural communities to establish rational agricultural management. The cooperative farm advisors work throughout Japan who, in cooperation with administrative agencies, agricultural research stations, veterinarians, and other groups, are helping farmers bring their farms into the 21st century.
- 2) Guidance in overall agricultural management is available to all JA farmers. Specific guidance is offered in regional agricultural planning, quality improvement, development of group production systems, lowering production costs through joint use of machinery and facilities and joint purchase of production materials, and regional production and marketing.
- 3) In recent years, to promote more effective use of farmland, JA has taken the lead in leasing or buying members' farmland to sublease or resell to farmers looking to expand their operations. Many JAs also manage land entrusted by their members, arrange for farms to be worked on a commission basis, and secure needed manpower for member farmers.



*Farm advisors of JA give guidance to group of member farmers*

## 3. Better Living Guidance

In order to create livable communities and enhance the standard of living of farmers and their families, JA offers comprehensive lifestyle consulting services to members. Some of the services offered include:

- >Health checkups for members and their families
- >Consultation about traffic accidents, taxes, housing, pensions, and asset management
- >Guidance in lifestyle design and home budgeting
- Activities to improve living standards including promoting self-sufficiency in agricultural products, joint purchase of fresh foods, and doing surveys on commodity prices
- >Cultural activities, including cultural festivals, athletic meets, cooking and folk song classes, and ceremonies
- >Environmental awareness, including such activities as recycling, cleaning, and maintaining a safe water supply



*Food ingredients delivery service by JA*

Activities to give purpose to senior citizens, including employment opportunities, home helpers, bathing assistance, meal delivery, and visiting home health-care services

#### 4. Marketing

1) Agricultural product prices are inherently unstable due to variations in weather conditions, consumer demand, and competition. JA's marketing focus is to increase members' profits by selling their products through joint marketing and distribution. The four basic characteristics of the JA marketing system are:

- >**Unconditional consignment** Farmers consign the marketing of their products to JA without any price, time, and destination conditions
- >**Commission charges** JA collects commissions that cover personnel, communication, and travel expenditures
- >**Pooled accounts** Farmers pool products of the same quality shipped in the same period and collect a stable income based on price averaging
- >**Full utilization** Farmers gain economies of scale by taking advantage of JA's mass marketing and distribution system

2) Although the shipped volume of JA products been increasing annually, sales volume is stagnant due to declining prices, a result of the strong yen and increased imports. This situation has been worsened by flat rice sales caused by a shift in consumer preferences towards other grains.



Collection, grading and shipment facilities of JA

#### 5. Product Processing

- 1) Product processing generally falls into two categories: processing of goods for sale to the public and processing of goods for home use. Starch, miso, soy sauce, milk, vegetables, fruit, juice, ham, and sausage are all processed for sale to the public at JA plants. Additionally, many JA members use cooperative facilities to process products such as miso and pickles for home use.
- 2) Although some JAs and prefectural federations have the facilities to process significant volumes of agricultural products, most JAs have comparatively small plants. These plants are used to process products that are for home use or to be marketed within the community.

- 3) Oita Prefecture's "one product, one village" offers an excellent example of an alternative use. Special local delicacies were processed and marketed to the general public, promoting regional industries and revitalizing small communities.
- 4) With some processed products such as rice cakes, rice crackers, and pickles, a common method is to consign processing to private manufacturers in the same region. This system recognizes the shortage of JA personnel and processing facilities, while assisting in the development of local industries.

## 6. Purchasing Business



*Delivery of joint purchase items by JA*

1) This service exists to supply JA members with reasonably priced, high-quality production materials and consumer goods. Members place advanced orders that are then pooled together, whereupon goods are purchased in quantity. The foundation of the system is made up of stores located at each JA.

- 2) Utilization of the system has been gradually declining in the face of increased competition from outside retailers and less advantageous terms from affiliated suppliers, particularly those for consumer goods, automobiles, and livestock feed.

## 7. Credit Business

- 1) Credit activities mainly encompass collection of savings and the extension of loans to members. To recoup the operating expenses made requisite by the need to offer services to all members, JA credit organizations engage in a variety of businesses including discounting of bill, domestic exchange transactions, liability guarantees, loans to non-members securities transactions, foreign exchange transactions, and trust management.



*Credit business counter at JA*

2) Due to recent financial deregulation, competition with ordinary banks and other financial institutions has intensified. In the interest of fair competition, JA has been granted to expand its business activities including financial services. Today, JA cardholders can perform transactions at almost all financial



institutions using the same card, including all JA, ordinary banks, and credit unions across Japan. They are also able to pay telephone and electrical bills through an automatic bank transfer system.

## 8. Mutual Insurance Business

- 1) The purpose of offering insurance is to have a system that compensates members in times of misfortune, thereby guaranteeing their personal and financial security. Major types of insurance offered include:

### Policies Offered

	Long-Term Insurance (five or more years)	Short-Term Insurance (less than five years)
Life Insurance	Comprehensive Life Insurance Whole Life Insurance Endowment Life Insurance Term Life Insurance Pension Insurance Children's Insurance	Group Term Life Insurance Fixed-Amount Life Insurance
Non-Life Insurance	Building Endowment Insurance	Automobile Insurance Automobile Liability Insurance Fire Insurance Cooperative-Owned Building Fire Insurance Personal Accident Insurance Liability Insurance Volunteer Comprehensive Insurance

### Long-term Insurance

#### **Endowment Life Insurance**

Compensates the policy holder when the insured or family members die, fall ill, or are injured or upon maturity

#### **Whole Life Insurance**

Compensates the policyholder upon death of the insured

#### **Building Endowment Insurance**

Compensates the policyholder for property damage caused by fire, storm, flood, or earthquake or upon maturity

#### **Agricultural Machinery Renewal Insurance**

Compensates the policyholder when agricultural machinery is damaged by collision, fire, storm or flood or upon maturity

### **Pension Insurance**

The insured pays premiums until a predetermined age, after which time the insured receives regular payments until a certain age or death

### **Children's Insurance**

Children are insured against their own death and injury until finished their education, while their parents are simultaneously insured against death or injury

### Short-term Insurance

#### **Fire Insurance**

Compensates the policyholder in case of damage by fire to buildings and non-real estate property

#### **Automobile Insurance**

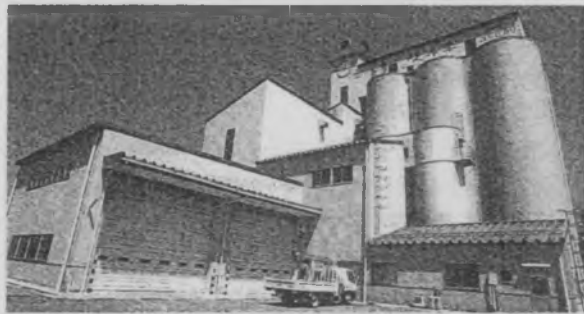
Compensates the policy holder against damage to the insured vehicle(s); includes vehicle liability, personal liability, other liability, and automobile liability insurance

#### **Personal Accident Insurance**

Compensates the policyholder when the insured suffers injury from any accident, in traffic, during work or while traveling

Premiums for these types of insurance are lower than those offered by private insurers, and a portion of the premiums are rebated to members as mid-or long-term funds. At present, JA's insurance accounts for 39% of total insurance on deposit by farmers.

*JA does not provide crop insurance that compensates for damages in agricultural products caused by natural disaster.*



*Country elevator for joint use*

## 9. Utilization

The purpose of joint-use facilities is to provide members with access to facilities that otherwise would be unavailable for individual use. There are many joint-use facilities, which can be classified into two types: agricultural production facilities and home/life facilities. Agricultural production facilities include rice production facilities, grain elevators, grading and packing plants, plant nurseries, and agricultural warehouses. Home/life facilities include A-COOP stores, meeting rooms, home/life centers, ceremonial halls, and gas stands.

## 10. Welfare

Health and welfare services protect members from disease by providing medical and health facilities, thereby bringing medical treatment and preventive care within the reach of all JA members. JA medical facilities are also open to non-members at no extra charge. Treatment is mainly conducted at JA hospitals run by prefectural welfare federations. Preventive health care services are important for maintaining

good health and include periodic health check-ups, preventive examinations for geriatric diseases, and health consulting services.

## 11. Real Estate

With encroaching urbanization, a significant amount of farmland is being converted to residential use, often leading to inappropriate and uncontrolled development. JA is helping to prevent this by administering the conversion of members' land in a manner that protects their assets, while still permitting controlled residential development that minimizes damage to the environment and nearby farms. JAs located in urban areas run cooperative farming and housing complexes and apartments at their own initiative, and in a fashion that protects members' assets.

## 12. Tourism

- 1) Japanese generally love to travel, and JA members are no exception. Travel provides a release from the stress of work and domestic chores, and improves health and mental outlook.
- 2) The Nokyo Tourist Cooperation was established in 1967 to provide domestic and overseas travel services to members. Arranged group tours organized by JA youth and women's associations, business travel, and cultural trips are very popular. Recently, the number of JAs travel centers which can arrange railway tickets and hotels reservations is increasing.

## 13. Education

- 1) Education plays an important role in maintaining the viability of Japanese agriculture and extensive educational programs are offered to members, officials, and employees. Members can enroll in any number of regularly scheduled classes and also attend special educational seminars, training sessions, or international research trips.
- 2) JA publications, including *Ie-No-Hikari* (The Light of the Home) and the *Nihon Nogyo Shimbun* (The Japan Agricultural News) play a large part in bringing members up-to-date on the latest trends, topics, and technology.
- 3) JA officials undergo continuing education to improve their leadership abilities, and JA employees must constantly update their knowledge on business trends and technical innovations. To provide a location where members, executives, senior employees, and newcomers can come to take classes and participate in meetings and seminars ranging from farm management consulting to lifestyle advice, auditing, and computer training. Each prefecture and all JA national organizations maintain specialized training facilities.

## 14. Public Relations

- 1) Public relations provide a vital connection between JA organizations, their members, and the general public. Internal public relations help build solidarity among members while external public relations help educate the public and disseminate JA views and policies.
- 2) Public relations directed at cooperative members consist primarily of print media, including pamphlets and leaflets, but also includes some TV utilization, mainly through small cable channels. JA federations publish newspapers and magazines, and JA-ZENCHU publishes a monthly bulletin targeted to officials and employees of JA Group.
- 3) The importance of external public relations is increasing. In light of recent overseas trade conflicts, the main impetus is to educate the public on the essential role that agriculture and farming communities play in society and emphasize the importance of maintaining a safe and stable food supply. The primary vehicles for disseminating external public relations remain the mass media including newspapers, magazines, TV, and radio, along with various special events such as fairs and JA festivals.

## 15. Lobbying

JA engages in lobbying as a means to promote specific policies. It lobbies at all levels of government to press members' interests on policies concerning land use, production, pricing, distribution, budgets, taxes, social security, and the environment. Lobbying methods range from simple request submissions to major public demonstrations. On important issues, lobbying efforts are mainly spearheaded by the prefectural and the central unions.

## V. DEMOCRATIC CONTROL AND MANAGEMENT

Federations and central unions are governed under the Agricultural Cooperative Society Law, as follows.

### 1. The General Meeting

- 1) The proceedings of a general meeting are decided by a majority of regular members attended, but the first three matters listed below require a majority of two-thirds or more of the members present covering more than a half of the entire membership



*General representative meeting by JA*

- 2) Matters to be resolved at the general meeting are as follows:
  - (1) Amendment of the by-laws
  - (2) Dissolution/ amalgamation of a society
  - (3) Expulsion of a member
  - (4) Annual business plan
  - (5) Membership contribution and method of collection
  - (6) Maximum amount of bill discount
  - (7) Business report, inventory, balance sheet, profit and loss statement and disposal of surplus or loss
  - (8) To become a promoter of a new federation or union and to give consent to the proceedings of the establishment of committee meeting
  - (9) Joint or withdrawal from federation or union
  - (10) Election of board members
- 3) Representative Meeting
  - (1) Any society with more than 500 members may set up representative meeting in place of general meeting.
  - (2) The number of representatives should be more than 1/5 of the entire membership excluding associate members, and 500 representatives in case of a cooperative having over 2,500 members.
- 4) In case of the dissolution or amalgamation was adopted at a representative meeting, the directors have to submit it to a ballot by the entire regular members and get the approval by the majority of two-thirds or more of the members voting covering more than a half of the entire members.

## 2. Directors and Auditors

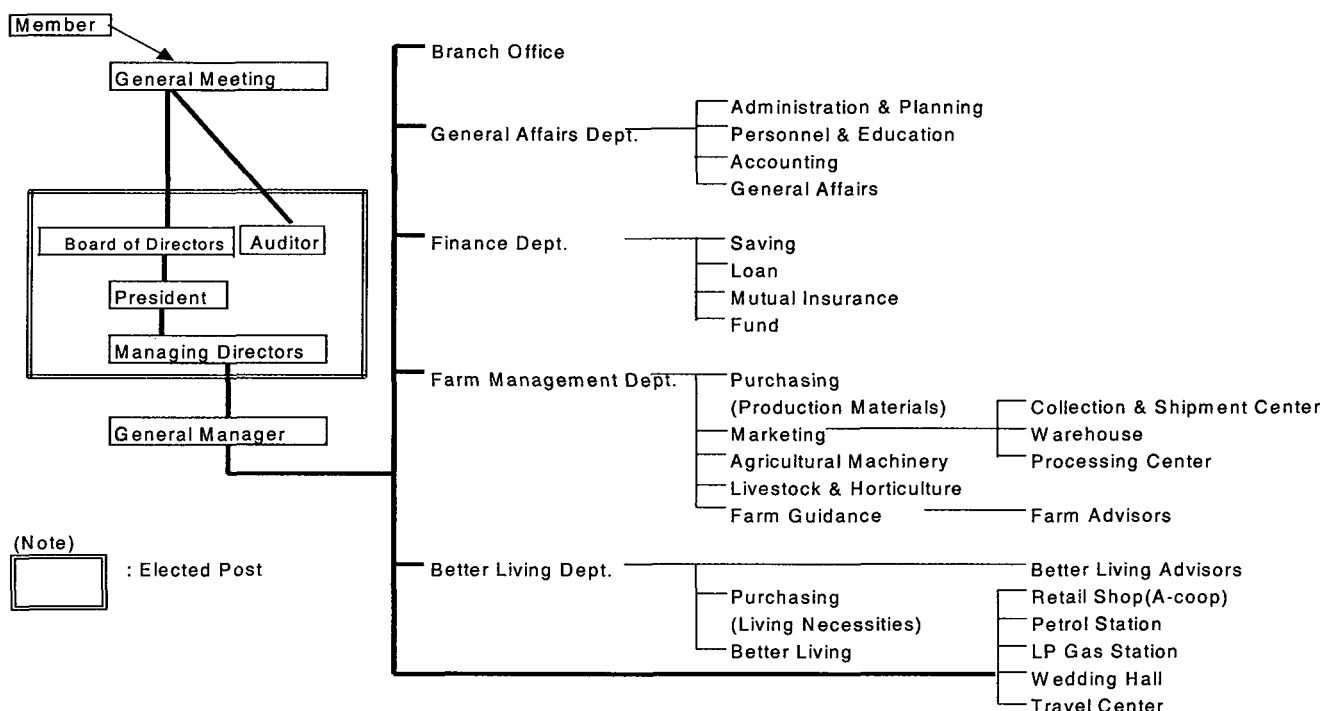
- 1) Members of the board of directors shall be elected at the general meeting of a society
  - (1) Number of directors: More than five (5)
  - (2) Eligibility: More than two-thirds (2/3) of the board members must be regular members.
  - (3) Less than one-third may be non-members.
- 2) No director may hold another post of organization, which is competitive to business of the society.
- 3) Prohibition of interlocking duties: Any of the directors shall not be concurrently be an auditor or an employee of the society
- 4) Term of office: Three years (No restriction for re-election)
- 5) A president and one or more managing director(s) are elected from among the board members by a mutual vote to serve in full time.
- 6) Board of Auditors

The auditors audit assets and business performance of the cooperative at least twice a year and report to the board of directors meeting and the general meeting with their comment. They can also attend a meeting of the board of directors and express their views.

### 3. Employees

JA employees provide the energy that keeps this vast organization functioning and on track. Their ability to coordinate their efforts within the organization is a key element in maintaining the smooth operation of JA.

GENERAL PATTERN OF INTERNAL STRUCTURE OF MULTI-PURPOSE AGRICULTURAL COOPERATIVE



### 4. JA's Principles

- 1) JA's principles are derived from the Agricultural Cooperative Society Law, and govern the day-to-day management of the organization. They are as follows.
  - > Becoming a member of, and resigning from, JA is of one's free will.
  - > "One regular member, one vote", determines elections.
  - > JA is a nonprofit organization whose mission is to protect and enhance Japanese agriculture and improve the standard of living of agricultural workers. For this reason, dividend is limited to not more than 7% for multipurpose JAs, and not more than 8% for federations.
  
- 2) Concerning the settlement of the surplus, in case the loss happens this surplus is allocated to cover this loss. And after funds for JA business development and those to be carried forward are deducted, surplus shall be paid to cooperative members in the proportion to which they utilized the cooperative.

- 3) In order that training programs for new members be adequately financed, not less than one twentieth of a cooperative's surplus must be carried forward to the next fiscal year.

## 5. Governmental Guidance and Supervision

The government audits national and prefectural federations and central unions, while prefectural governments audit JAs within respective prefectures. The government may issue necessary orders to carry out the sound management of JA.

## **V. DISTINCTIVE FEATURES OF AGRICULTURAL COOPERATIVE. MOVEMENT**

The distinctive feature of the Japanese agricultural cooperative movement is the multi-purpose system, which is characterized by its integrated operation of a wide range of business activities. Particularly, credit, marketing, supply and utilization are integrated through farm guidance services.

### *Integrated Approach of Multi-purpose Cooperatives*

- 1) Through credit, marketing, supply and utilization services were undertaken by one society even pre-war days, it was not called as multi-purpose cooperatives society. In these days four services mentioned above operated independently and there was not much linkage between them. Any one of these four services, however, is an integral part of farmer's economic life. It was necessary, therefore, for agricultural cooperatives to contribute more effectively to the increase of agricultural production and to the improvement of economic and social standards of farmers by integrating various functions through farm guidance service.
- 2) Each business activity of agricultural cooperatives covers only partial needs of members in their socio-economic life, while the guidance service on farm management and better-living of agricultural cooperatives looks after the improvement of the members' agricultural production and family life in its totality. The guidance service consists of identification of members' needs, planning, formulation of implementation programme, study of improved techniques and organization of members for joint works.
- 3) When we discuss marketing, purchasing and credit business, commodities handles, funds operated and business efficiency are always focused. This may lead the cooperatives to treat members not as owners but as customers. In guidance service an emphasis is always on how to secure a happy and quality life for the farm family members. It is the focal point, therefore, for the multi-purpose agricultural cooperatives to integrate different services through the medium of guidance service, so that each business programme may well be oriented to the needs at the grass-roots level

4) The basis of the integration is the individual farm management plan to attain the income target and home-life improvement plan, which are formulated with the help of farm advisors and better-living advisors of the cooperatives. Then, the business programme of each cooperative are drawn up on the basis of the needs identified as assessed in the process of each individual planning.

(1) Ways of integration of various activities for the increase of agricultural production and farm income

By Farm Guidance

- Formulation of farm management
- Improvement of infrastructure and land conditions
- Study and introduction of production techniques
- Study and introduction of management technique

By Commodity-wise Group

- Joint work with other member farmers

By Credit Business

- Procurement of funds required for implementing farm management plan (Loaning)

By purchasing Business

- Procurement of farm inputs

By Farm Guidance

- Production

By Utilization of facilities

- Harvesting

By Utilization Business / Marketing Business

- Collection, Grading, processing, packaging and marketing (Joint shipment and marketing)

By Credit Business

- Settlement of the marketing proceeds (Saving)

(2) Ways of integration various activities for the improvement of living standards

By Better Living Advisor

- Formulation of long-term and short-term planning for better living
- Improvement of living and environmental conditions

By women's association

- Study and introduction of improvement techniques
- Participation in group activities (cultural)
  - By Credit Business / Mutual Insurance
- Savings for household expenses and safeguarding life and properties

By Purchasing Business

- Purchase of consumer goods

By Welfare Activities

- Health control and medical care

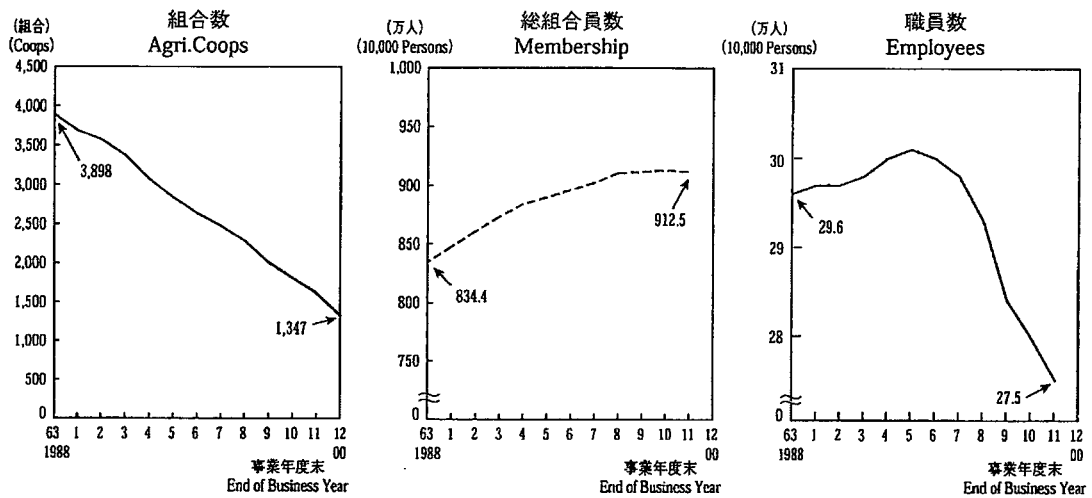
By Utilization for improvement

- Utilization of facilities

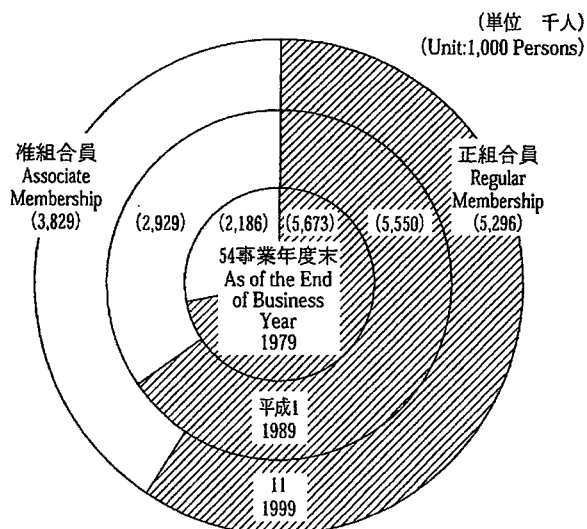


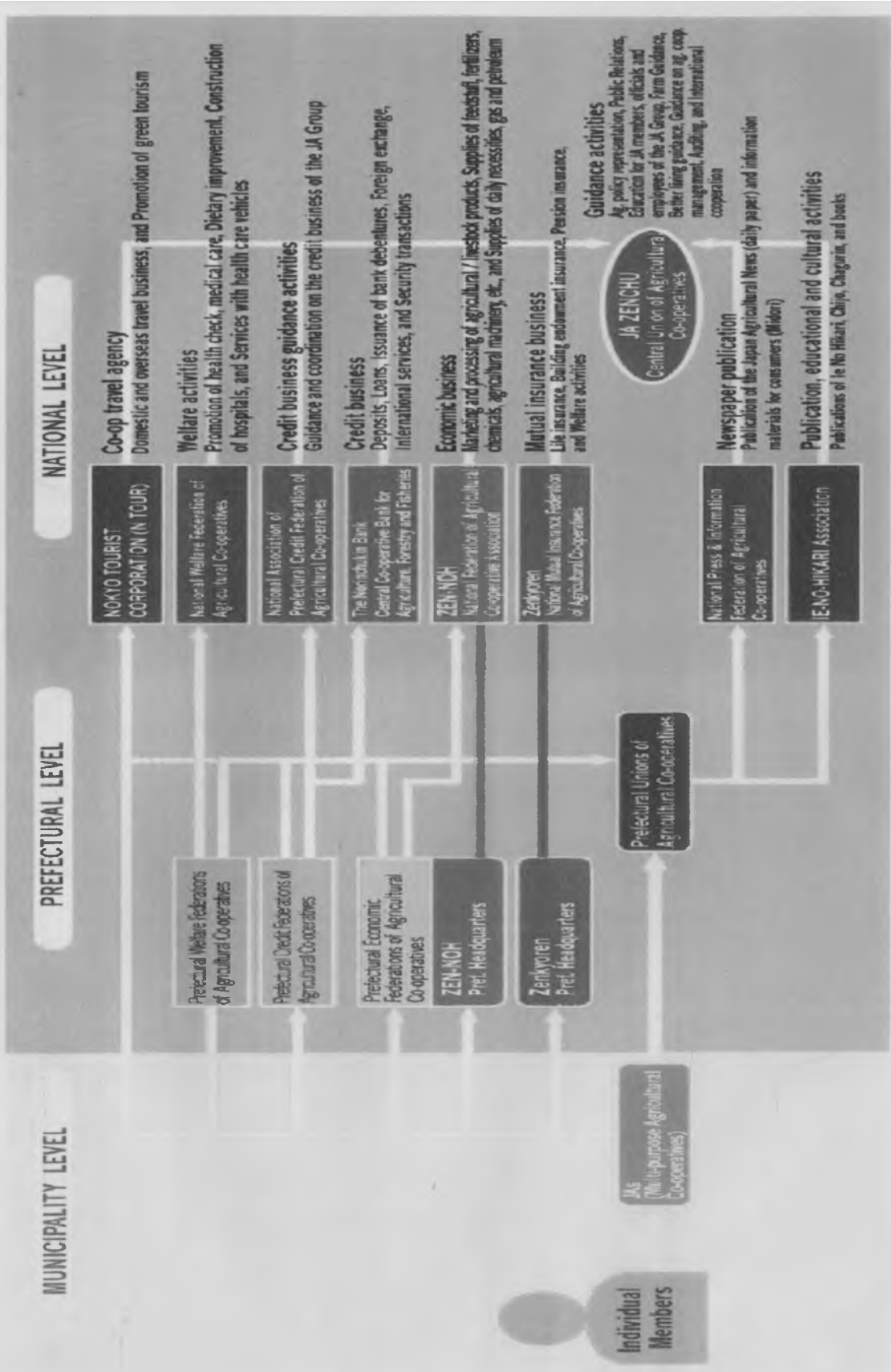
総合農協の組合員等推移  
Change of Number of Members or the like of Multi-Purpose Agri.Coops

総合農協の組合・組合員・職員数の推移  
Evolution of Number, Membership and Employees of Agri.Coops



組合員の正・准組合員の推移  
Change of Regular and Associate Membership





5 総合農協組合員数  
Number of Members of Multi-Purpose  
Agri. Coops

(単位 千人, 千団体, 千戸, %)  
(Unit : 1,000 Persons, 1,000 Groups,  
1,000 Households, %)

事業年度	正組員			正組合員			准組合員			計 B Total	准組合員 比 A/B Ratio of Associate Members A/B	End of Business Year
	個人 Individuals	団体 Groups	小計 Sub-Total	個人 Individuals	団体 Groups	小計 A Sub-Total	個人 Individuals	団体 Groups	小計 A Sub-Total			
5	5,477	7	5,484	4,780	72	3,418	3,347	72	3,418	8,902	38.4	1993
6	5,454	7	5,461	4,750	72	3,505	3,433	72	3,505	8,966	39.1	1994
7	5,432	8	5,440	4,729	73	3,589	3,516	73	3,589	9,029	39.8	1995
8	5,420	8	5,428	4,716	74	3,684	3,610	74	3,684	9,112	40.4	1996
9	5,380	8	5,388	4,677	74	3,735	3,661	74	3,735	9,123	40.9	1997
10	5,336	9	5,344	4,652	75	3,784	3,709	75	3,784	9,128	41.5	1998
11	5,288	8	5,296	4,616	75	3,829	3,754	75	3,829	9,125	42.0	1999
11年度1 平均(人)	3,264	5	3,269	2,849	46	2,364	2,317	46	2,364	5,633	-	Per Coop 1999

資料 農林水産省「総合農協統計表」  
(注) 対象となっている調査組合数は表2に同じ  
Source: Statistics on Agri. Coops, MAFF  
Note : Coops surveyed are the Same with those of Table No. 2.

Average  
Per coop.

## Amalgamated Agricultural Cooperative (JA)

Average Figures of Merged JAs  
with more than 10,000 regular member families as of March 31, 1999

Regular members

15,300

Associate members

9,210

Directors

39

Auditors

9

Employees

757



Average balance of savings

¥ 160.9 billion

Average balance of loans

¥ 47.7 billion

Marketing turnover of  
farm products

¥ 12.9 billion

Supply turnover of production  
inputs and daily necessities

¥ 10.9 billion

Paid-in share capital  
and reserves

¥ 9.2 billion

Training Course on Business Leadership Development Among  
Women Members in Agricultural Cooperatives in Asia  
From September 9 to October 4, 2002 Tokyo Japan

***Culture, Society and Economy of Japan***

*September 10 (Tue), 2002*

TORU MAKASHIMA

By Mr. ~~ABE Yutaro~~

DY. Manager,

Training Department

IDACA

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

# INDEX

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B. Outline of Japanese History & Culture .....	8
C. Japan as Seen by Statistics .....	12
D. Japan as it is .....	29

色は匂へど 散りぬるを

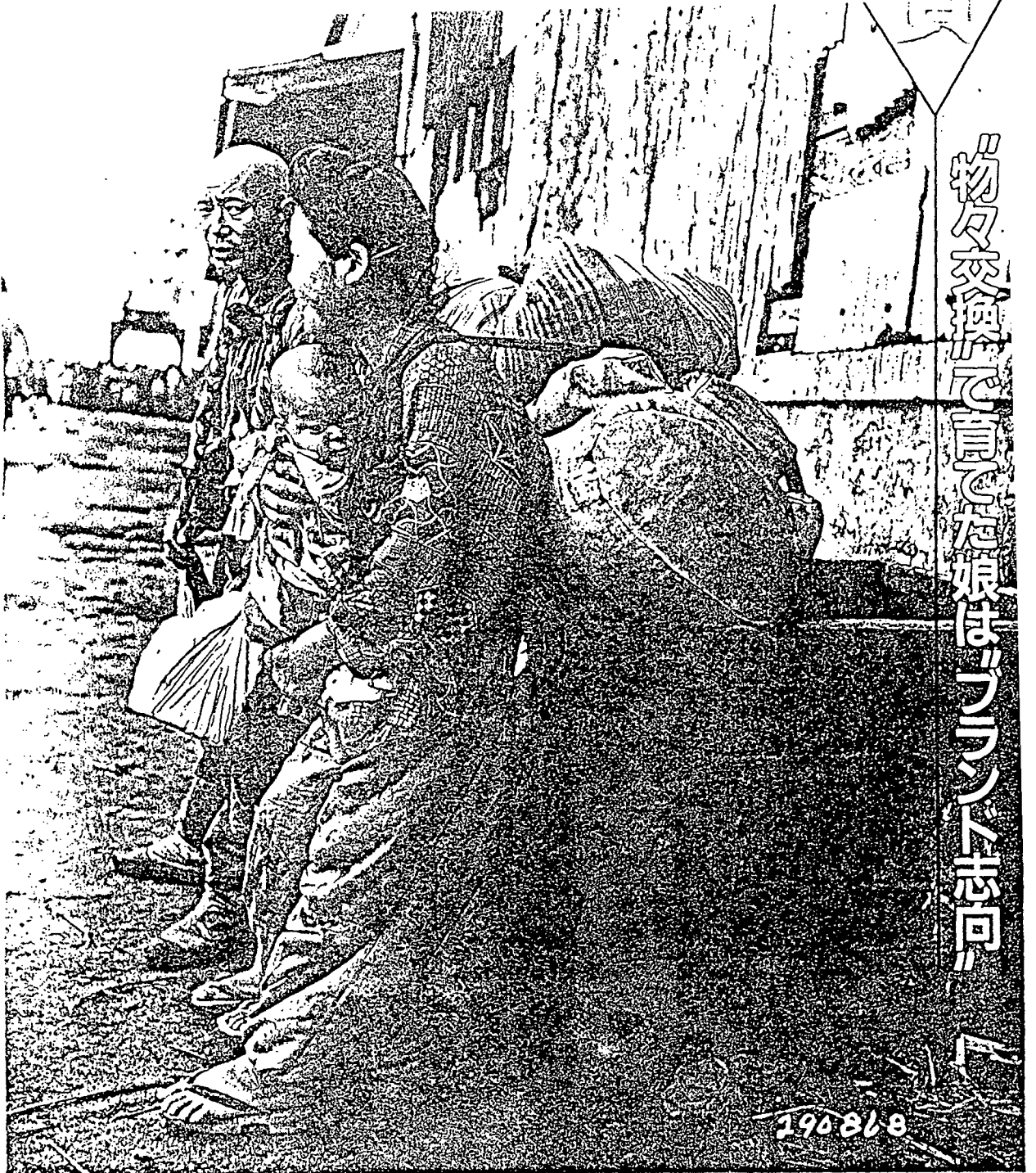
我世誰ぞ 常ならむ

有為の奥山 今日越えて

浅き夢みじ 酔もせず

“Though gay in hue, [the blossoms] flutter down, alas!  
Who then, in this world of ours, may continue forever?  
Crossing today the uttermost limits of phenomenal existence,  
I shall see no more fleeting dreams, neither be any longer intoxicated.”

*Iro ha, a poem of the Heian period, translated by Basil Hall Chamberlain (1850-1935).*



物々交換で育った娘はブランド志向

1968



▲  
A

▲  
B



## Past versus Present

A. Japanese woman taking a rest for a moment on her way to go for food-hunting in 1948.            !!Strong, thy name is woman!!

B. Young Japanese women carrying plenty of souvenirs from their overseas trip at the Narita International Airport in June, 1987.

---

The Message conveys, daughter who has been brought up in such a living environment of "Barter System" seems to be interested only in buying branded goods.

---



## **A. Japan in a Glimpse**

### **1. Short History in Modern Times**

- 1854 Conclusion of a friendship treaty with the United State
- 1867 Collapse of The Shogunate
- 1868 Meiji Restoration – Sovereignty restored to the Emperor
  - Inflow of Western Culture
  - Industrialization , Modernization
- 1894-95 Sino-Japanese War
- 1904-05 Russo-Japanese War
- 1937 China-Japanese War
- 1941-45 War against the Allied Powers (2<sup>nd</sup> World War).
- 1947 Enactment of the New Constitution
  - Collapse of Japanese Economy after the war, food shortage
- 1956 Admission to the United Nations
- 1960's High Economic Growth- Development of heavy and chemical industries
- 1964 Tokyo Olympic Game
- 1972 Oil shortage
- 1991 Collapse of the Bubble Economy

### **2. Land and Climate**

- Mountainous land (70% of the land are mountain and forest)
  - Total land area 377,829 square Kilometers(0.3% of the total surface)
  - 4 major islands(Hokkaido, Honshu, Kyushu, Shikoku) 6,800 islands
- 4 seasons, Heavy snowfall in the Northern Part of Japan in Winter
- Rainy season and typhoon- source of irrigation water

### **3. Population**

- High population density- (338 persons per square kilometre in 1997)
- Trend of decrease of population (126 million in 1997)
- Aging of population (65 years over is 15.7%)
- High concentration in major cities

### **4. Labor Force**

- Labor force in 1997 40.3 million male, 27.6 million female
- Aging of labor force

- Seniority order wage system and its' problem
- Equal job opportunity for women
- Increase of unemployment after collapse of the bubble economy

## **5. Economy**

1960's            High economic growth

1970's-1980's Slow economic growth

1990's            Low economic growth – Collapse of the bubble economy

Asian Currency Crisis and Japanese Economy

## **6. Agriculture and foods**

- Decrease of agricultural production and farming population
- Aging of farming population and shortage of farm successors
- Increase of imported foods- low self-sufficiency rate
- High quality but high price of commodities

## **7. Housing**

- High price of land
- Housing loan

## **8. Education**

- High cost of education
- High education record

## **9. Household economy and price**

- High price of commodities
- Real expenditure was declined by 1.1% in 1994, 0.3% in 1997
- Sales tax and tax system

## **10. Living conditions and environment**

- High diffusion of automobile
- High electrification
- Public pollution by incinerator – Dioxin
- City water supply and sewage
- High expenses for wedding and funeral

### **11. Social security system**

- Health insurance and annuity system
- Welfare for aged people

### **12. Trend of life style**

- Increase of single women
- Decrease of children
- Increase of divorce
- Increase of personal computer and computer crime

4500  
1100  
~~1100~~

## B. Outline of Japanese History & Culture

### 1. History and Culture Of Japan

#### (1) History

- Jomon(BC7000-BC300)-Yayoi(BC300-AD300)-Kofun(300-538)
- Asuka(538-645)-Nara(645-794)-Heian(794-1185)
- Kamakura(1185-1333)-Muromachi(1333-1573)-Azuchi-Momoyama(1573-1600)
- Edo(1600-1868)**
- Meiji(1868-1912)**
- Taisho(1912-1926)
- Showa(1926-1986)**
- Heisei(1986~)

*Why the above-mentioned three periods in bold letter are worthy of special mention? Characteristics of four periods as explained below.*

#### -**Edo period(1600-1868)**

Tokugawa Clan got the dictatorship, ruling the country for about 270 years. It also adopted various policies to protect the interests (feudalism) of the clan such as persecution of Christians, closed door policy to foreign countries, four status system( kind of cast system)and etc. Urban culture is said to have flourished during the period with the rise of bourgeoisie. It is also during this period that the late A.Kurosawa, world-famous film director used to depict his Samurai in his film.

#### -**Meiji Period(1868-1912)**

Toward the end of the Edo period, there occurred a movement for restoration of rule by the emperor system from among some anti-government provincial feudal lords in the southern part of Japan. Moreover, the western powers centering on US forced Japan to open its isolationist policy. The Tokugawa government finally had to yield these powers and handed over their rule to the new Meiji government who was supportive of the emperor system. It strived to modernize the country by strengthening the military and promoting industry, thereby enriching the nation.

#### -**Showa**

Japan got defeated by the US in the WWII and started its economic recovery from the scratch. She underwent an unprecedented miraculous rapid

expansion from the end of 1950s. to the early 1970s which laid a solid foundation for today's Japan number second status in terms of economic strength in the world. After the oil shock in 1974, Japanese economy went into a slower growth.

#### Heisei (present)

South-east Asian economic crisis was preceded by the fall of so-called bubble economy of Japan in 1993, Japan experienced the lost decade which lasted from 1990 to 2000, whereby she suffered an economic recession. It has still been lingering on, causing such problems as increase of unemployment by laying-off of workers, business failure of famous corporations, deflation trends. In order to address these problems, the government is now trying hard to introduce various drastic reform countermeasures on the structural and financial systems by reviewing and abolishing the conventional government-led system(top-down) and so on. Beset by these serious problems, concern has been voiced that it may take a few more years for Japan to get out of the gloomy situation and get on the right track again. Its success largely depends upon the Prime Minister Koizumi's foresight and his strong leadership.

## 2. Political and administrative system

### (1) Political system

There is a clear distinction among the three branches ( legislative, executive, and judicial). The legislative branch has a 500-member House of Representatives and 252-member House of Councilors, all 752 members being elected by direct vote of the people. Prime Minister is designated by the Diet from among its members. In turn, the Prime Minister appoints the Ministers of state. The judiciary is a three-tier structure with district courts, high courts, and the Supreme Court.

### (2) The executive branch (bureaucracy) system

The executive branch administers the actual affairs of government in accordance with the laws and budgets adopted by the Diet. The work of the executive branch is shared by the Prime Minister's Office and 22 separate ministries and agencies. In January 2001, decision was made to overhaul and reorganize the functions of executive branch into a new framework consisting of the Cabinet Office and 12 ministries and agencies. (Reduction of number of ministries and increased trend of transferring authority to local

government( decentralization trends).

The affairs of local government are conducted at two levels in Japan.(47 prefectures and 3230 municipalities.) *For more details, refer to page 184 and 185 of the Statistical Handbook 2001 .*

### 3. Educational system

After the WWII, Japan introduced a new 6-3-3-4 format based on the US system, that is, 6 years of elementary school, three years of lower secondary school and three years of upper secondary school. Education is compulsory through the first nine years. Institutions of higher learning range from universities (622, of which 99 national and 66 public) and junior colleges (585) to advanced specialized schools(3,565). **For more detail, see page 168 of the Statistic Handbook 2001**

Japan boasts one of the world's best-educated populations with 100% enrollment in compulsory grades and zero literacy. While not compulsory, high school enrollment is over 96% nationwide. In terms of the higher learning level, some 48.2% of all high school graduates go on to college or junior college, making this very commonplace.

### 4. Some characteristics of the Japanese society

- Relatively homogenous society, though fast changing recently due to an increase of international marriage
- Group oriented society
- Equal( egalitarian) society
- Consensus approach
- Hierarchical society, though slowly changing because of recent internationalization trends
- Monolithic culture(conformist society)
- Reserve like English people, not so open in public like American
- Feeling preceding reason
- Prefer punctuality, cleanliness, and perfection
- Hard-working with less holiday, some people die of excessive works, so-called Karoshi.
- Some 75% of the population are said to be A-type blood, meaning, particular about minute things and consideration for the others
- Change from materialistic pursuit based living o soul-searching life, though still materialistic thinking still predominate among the many people
- Different values and ways of thinking among generations



- Indifference to religions, though people's ethics are closely interwoven into the fabric of society invisible as it is ( The Japanese believe in Buddhism and Shintoism. It is said that Christians in Japan account for only 1%, while Moslem populations are very few.
- Compared to Thai, the Filipino, status of women has been low because of male dominated society, though changing fast in recent years
- Trends of graying society, fewer children and staying single

## **C. Japan as Seen by Statistics**

# APPENDIX

## **-Statistical Data-**

# Land Area and 200-Mile Territorial Limit (10/1/1999)

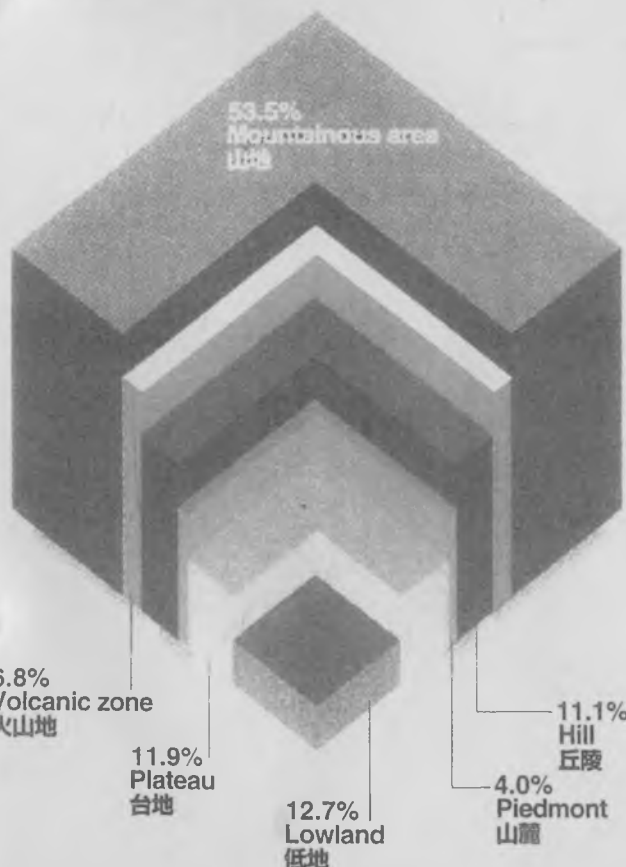
国土面積と200カイリ水域(1999年10月1日現在)

(Unit: km<sup>2</sup> 単位: km<sup>2</sup>)



## Classification of Land

地形による国土の区分



## Current Land Use (1998)

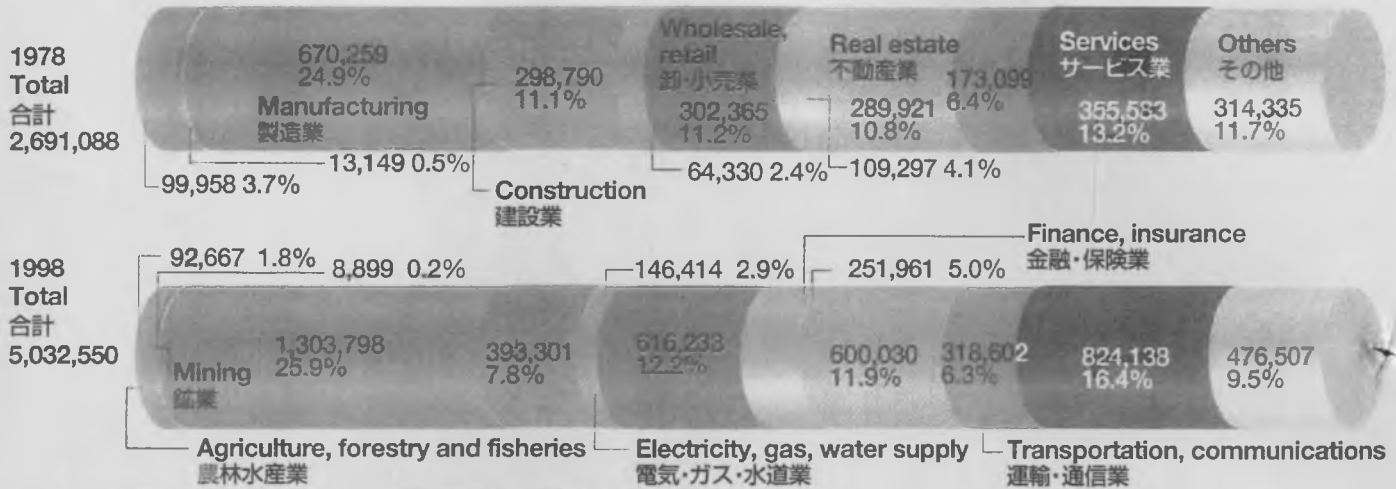
土地利用の現状(1998年)(Unit: 10,000 ha 単位: 万ha)



## Industrial Breakdown of Real GDP

業種別実質国内総生産

(Unit: ¥100 million 単位: 億円)

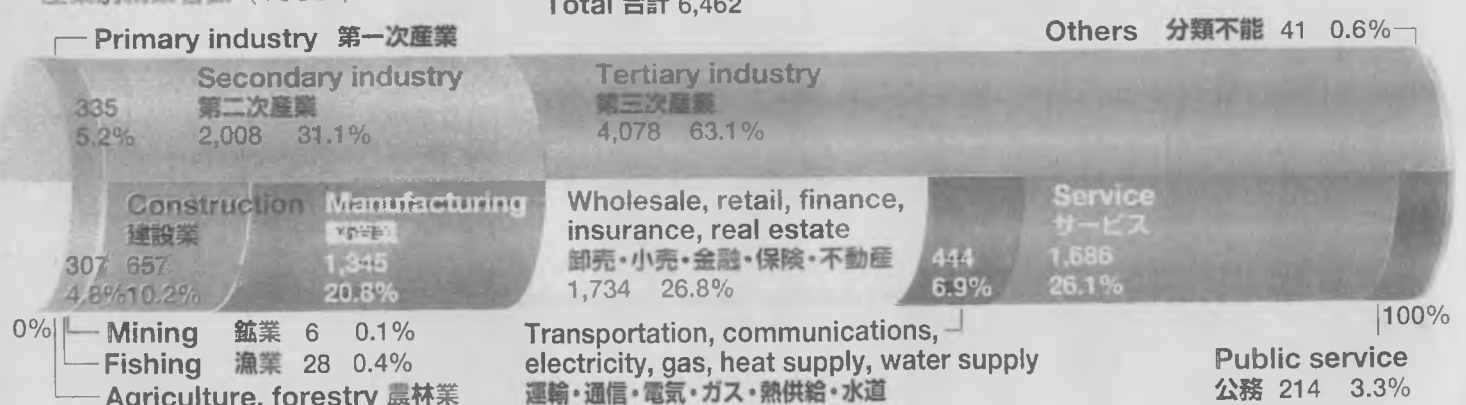


★Economic Planning Agency 経済企画庁「国民経済計算年報」 Note: "Others" are the total of services provided to households by the government and those provided by private non-profit service organizations. Total GDP here does not include import duties (imputed interest and others) and statistical discrepancies. その他は、政府サービス及び対家計民間非営利サービス業の合計。総生産額は、輸入税(帰属利子、その他)、統計上の不突合分を除く。

## Distribution of Employment by Industry (1999)

産業別就業者数 (1999年)

(Unit: 10,000 persons 単位: 万人)

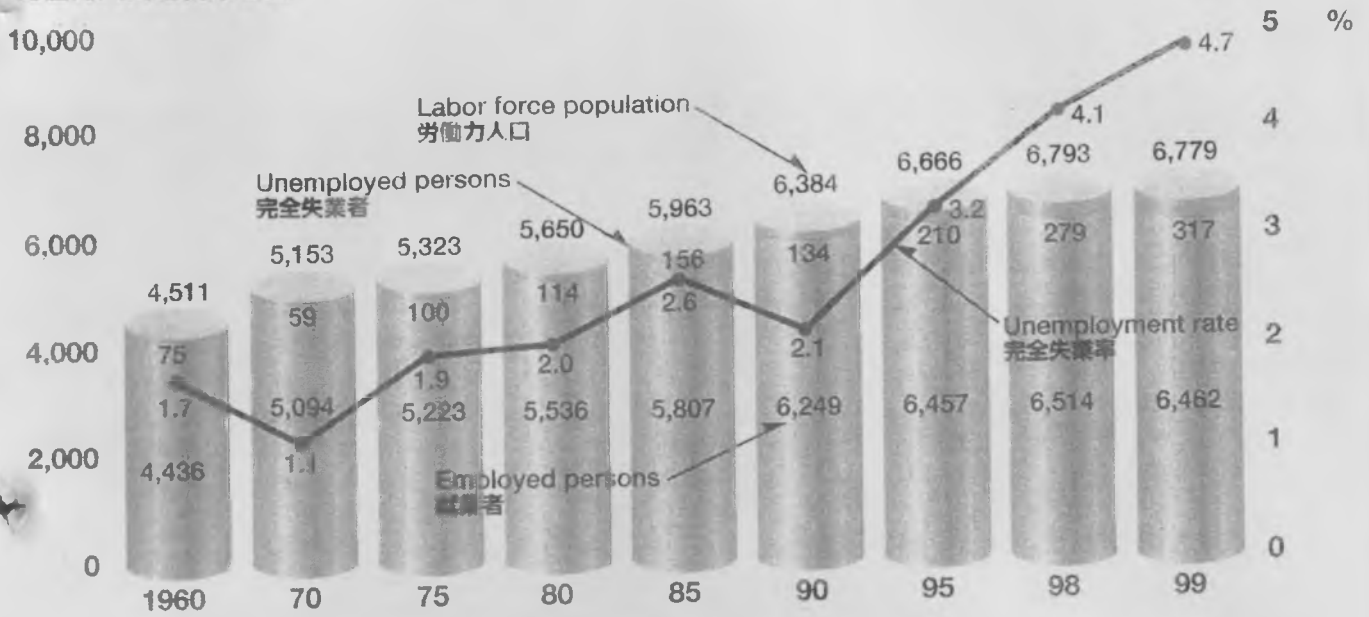


Management and Coordination Agency 総務庁「労働調査」

## Employment

労働力人口と就業者数

(Unit: 10,000 persons, % 単位: 万人、%)

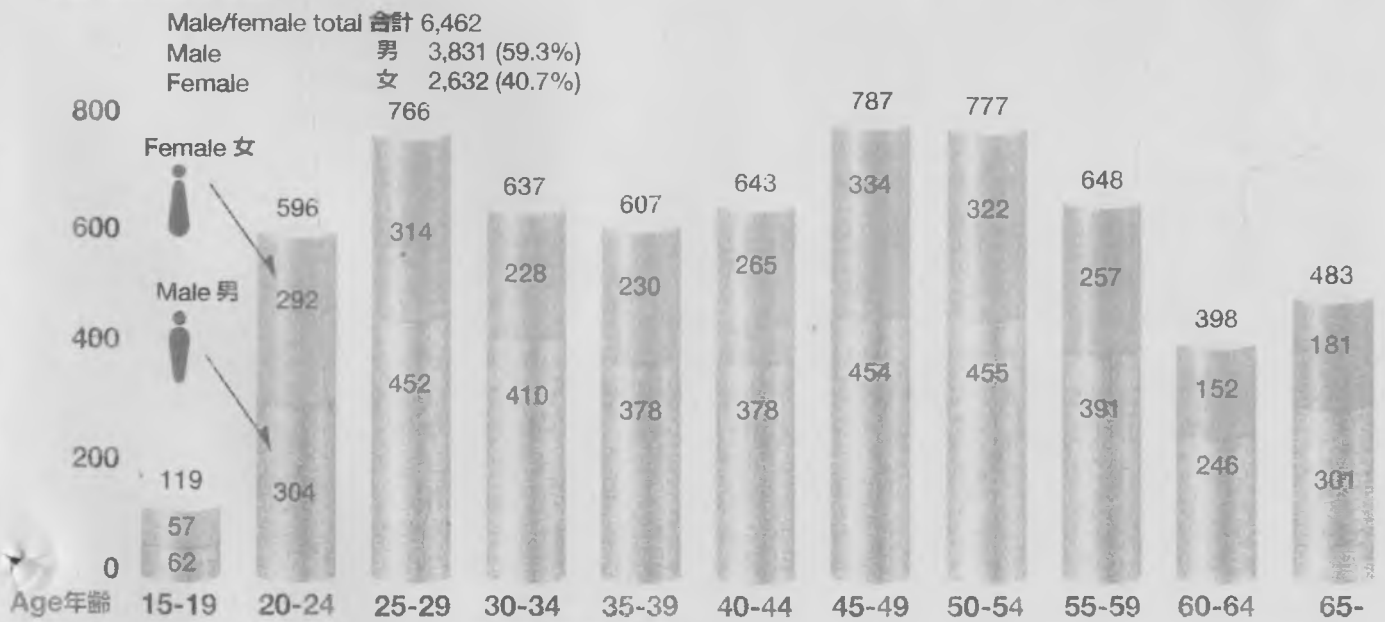


★Management and Coordination Agency 総務庁「労働力調査」

## Employment by Age and Sex (1999)

年齢・性別就業者数 (1999年)

(Unit: 10,000 persons 単位: 万人)



★Management and Coordination Agency 総務庁「労働力調査」

## Value of Exports by Product (1999)

品目別輸出額 (1999年)

(Unit: US\$100 million, % 単位:億ドル、%)

Product type	Value 輸出額	% of total 構成比	商品
Foodstuffs	21.14	0.5	食料品
Fish and Shellfish	7.05	0.2	魚介類
Textile products	79.81	1.9	繊維製品
Synthetic fiber textiles	18.13	0.4	合成繊維織物
Yarn for textiles	10.39	0.2	織物用糸
Chemical products	309.30	7.4	化学品
Organic compounds	101.34	2.4	有機化合物
Plastics	85.74	2.0	プラスチック
Metal products	238.63	5.7	金属品
Iron and steel	135.12	3.2	鉄鋼
Metal goods	58.66	1.4	金属製品
Machinery and equipment	3 079.29	73.4	機械機器
Automobiles	624.93	14.9	自動車
Semiconductors and other electronic parts, etc.	329.26	7.9	半導体など電子部品
Computers	145.11	3.5	コンピューター
Automobile parts	144.32	3.4	自動車部品
Computer parts	112.70	2.7	コンピューター部品
Ships	99.30	2.4	船舶
Metal-working machinery	51.99	1.3	金属加工機械
Communications equipment	56.86	1.6	通信機器
Motorcycles	46.53	1.1	二輪自動車
Copying machines	32.27	0.8	複写機
Video decks	23.04	0.5	VTR
TV cameras	13.10	0.3	テレビカメラ
Non-metal, mineral products	16.78	1.1	非金属鉱物製品
Glass and glass products	13.82	0.4	ガラス及び製品
Other products	246.58	5.9	その他の製品
Rubber tires and tubes	35.09	0.8	ゴムタイヤ・チューブ
Musical instruments	37.0	0.2	楽器
<b>Total</b>	<b>4 193.58</b>	<b>100.0</b>	<b>総額</b>

★Ministry of International Trade and Industry 通商産業省「通商白書」

## Value of Imports by Product (1999)

品目別輸入額 (1999年)

(Unit: US\$100 million, % 単位: 億ドル, %)

Product type	Value 輸入額	% of total 構成比	品名
Foodstuffs	443.09	14.2	食料品
Fish and shellfish	145.21	4.7	魚介類
Meat	78.07	2.5	肉類
(Beef)	24.54	0.8	(うち牛肉)
Fruits and vegetables	64.88	2.1	果実・野菜
Grains, processed grain products	47.29	1.5	穀物・その調整品
Textile raw materials	10.15	0.3	繊維原料
Raw cotton	4.24	0.1	綿花
Wool	2.33	0.1	羊毛
Metal ores and scrap metal	73.61	2.4	金属原料
Iron ore	28.48	0.9	鉄鉱石
Copper ore	21.45	0.7	銅鉱
Other raw materials	139.10	4.5	その他の原材料
Lumber	56.81	1.8	木材
Pulp	14.75	0.5	パルプ
Mineral fuels	502.13	16.1	鉱物性燃料
Crude oil	271.09	8.7	原油
Liquefied natural gas	84.29	2.7	液化天然ガス
Coal	54.55	1.8	石炭
Petroleum products	58.63	1.9	石油製品
Chemical products	233.86	7.5	化学品
Pharmaceuticals	46.01	1.5	医薬品
Plastics	27.29	0.9	プラスチック
Metal products	142.93	4.6	金属品
Non-ferrous metals	82.57	2.7	非鉄金属
Iron and steel	30.01	1.0	鉄鋼
Machinery and equipment	974.09	31.3	機械機器
Computers	193.88	6.2	コンピューター
Semiconductors, ICs	131.33	4.2	半導体素子・IC
Automobiles	63.63	2.0	自動車
Communications equipment	38.83	1.2	通信機器
Textile products	209.45	6.7	繊維製品
Clothes and accessories	164.38	5.3	衣類・衣類付属品
<b>Total</b>	<b>3112.46</b>	<b>100.0</b>	<b>総額</b>

★Ministry of International Trade and Industry 通商産業省「通商白書」

## Comparison of Corporate and Individual Management (1999)

法人経営と個人経営の比較 (1999年) (Unit: 1,000 stores, 1,000 persons, ¥billion 単位: 1000店, 1000人, 10億円)

### Wholesale 卸売業



### Retail 小売業



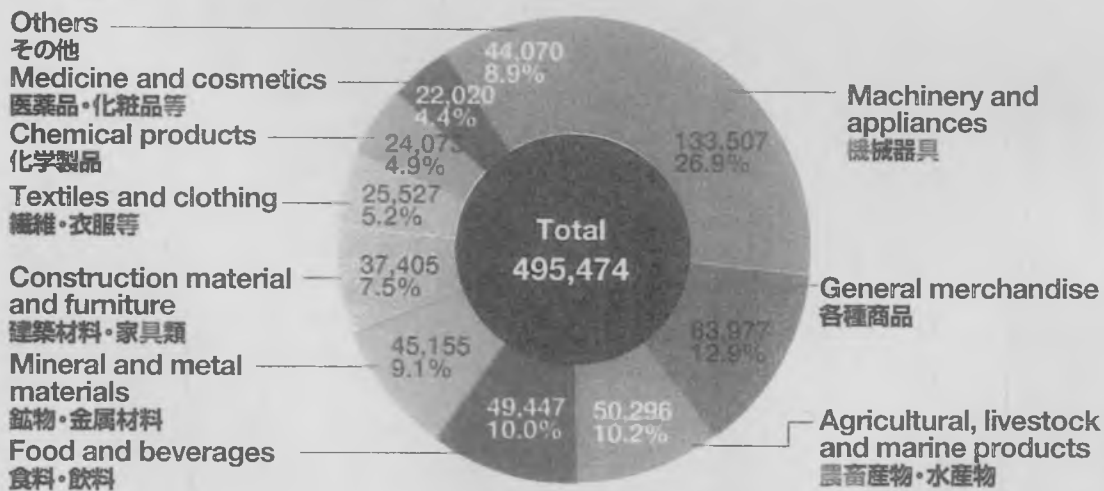
★Ministry of International Trade and Industry 通商産業省「商業統計速報 (卸売・小売業)」

## Annual Sales by Industry (1999)

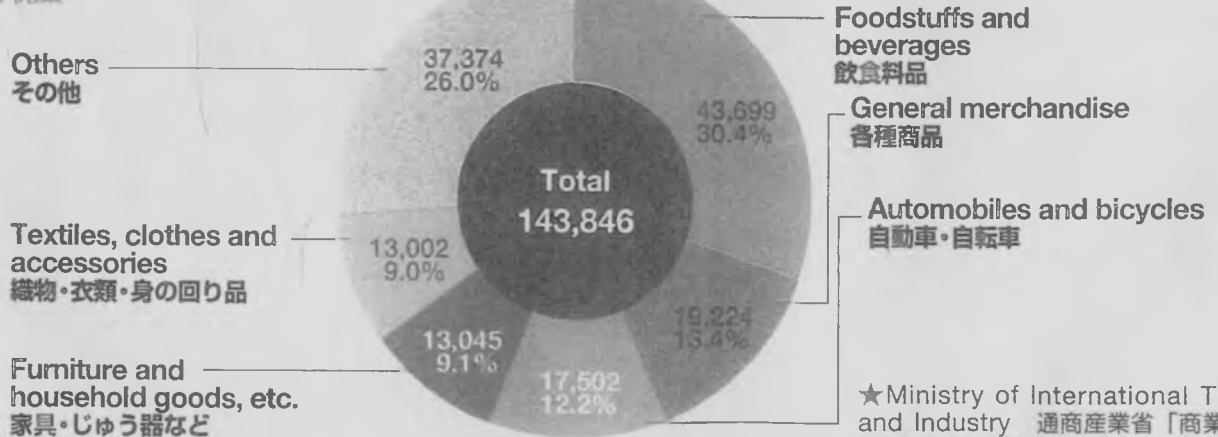
業種別年間売上高 (1999年)

(Unit: ¥billion 単位: 10億円)

### Wholesale 卸売業



### Retail 小売業



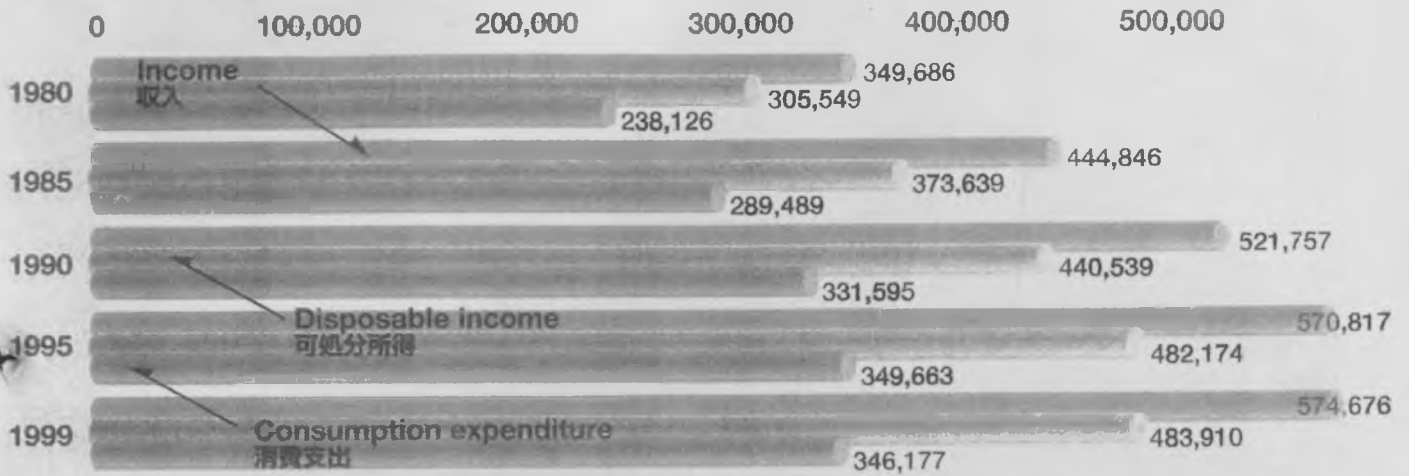
★Ministry of International Trade and Industry 通商産業省「商業統計速報 (卸売・小売業)」



### Salaried Workers' Household Budget

勤労者世帯の家計費

(Monthly average per household. Unit: ¥ 1世帯、年平均1カ月 単位: 円)



★Management and Coordination Agency 総務庁「家計調査」

### Details of Salaried Workers' Household Budget (1999)

勤労者世帯の家計費の内訳 (1999年)

(Monthly average per household. Unit: ¥ 1世帯、年平均1カ月 単位: 円)

#### Householder's spouse's salary income

世帯主の配偶者の勤め先収入

Other household members' income

他の世帯員の勤め先収入  
13,208 2.3%

Business or side business  
事業・内職 3,427 0.6%

Others  
その他

33,788 5.9%

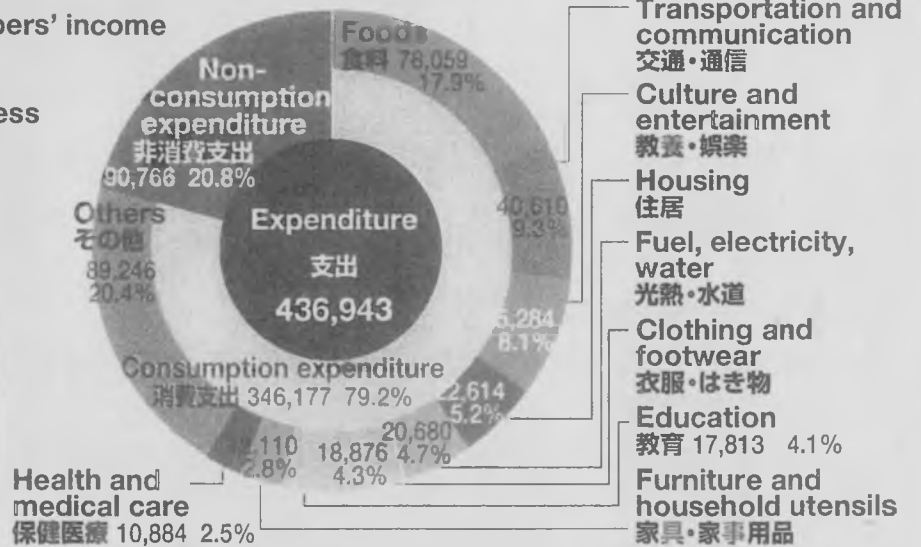
55,943 9.7%

Income  
収入

574,676

Householder's income  
世帯主の勤め先収入

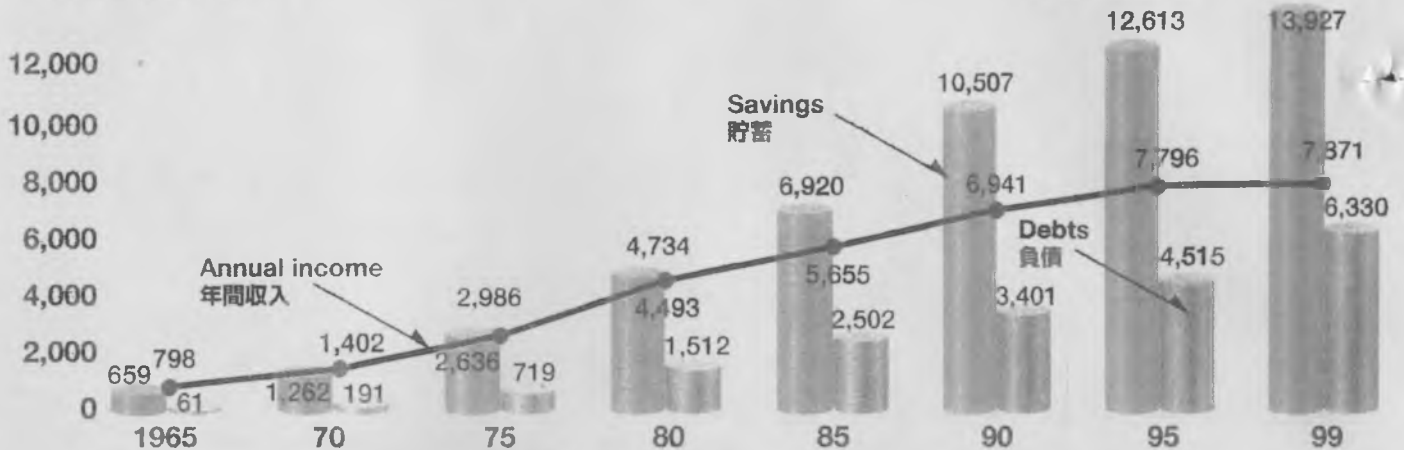
468,310 81.5%



★Management and Coordination Agency 総務庁「家計調査」 Note: "Non-consumption expenditure" includes taxes and social security expenses. 「非消費支出」は税金や社会保障費などの支払い。

## Savings, Debts of Salaried Workers' Households

勤労者世帯の貯蓄・負債額 (Amount per household at the end of each year. Unit: ¥1,000 各年末1世帯当たり 単位: 1000円)



★Management and Coordination Agency 総務庁「貯蓄動向調査」

## Details of Savings (End of 1999)

貯蓄残高の内訳 (1999年末) (Amount per salaried worker's household. Unit: ¥1,000 勤労者世帯1世帯 単位: 1000円)

Employee deposits, etc. 社内預金など

### Deposits and savings

預貯金  
7,452 53.5%

Post offices  
郵便局  
2,586 18.6%

Banks  
銀行  
3,482 25.0%

Others  
その他  
1,384 9.9%

### Life insurance, etc.

生命保険など  
4,550 32.7%

### Securities

有価証券  
1,355 9.7%

Stocks  
株式  
758 5.4%  
570 4.1%

0%

Amount of savings 13,927  
貯蓄残高

Bonds 債券 195 1.4%

Investment trusts 投資信託 223 1.6%

Loan trusts, etc. 貸付信託など 179 1.3%

100%

★Management and Coordination Agency 総務庁「貯蓄動向調査」

## Household Savings Rates (1998)

主要国の家計貯蓄率 (1998年)

(Unit: % 単位: %)

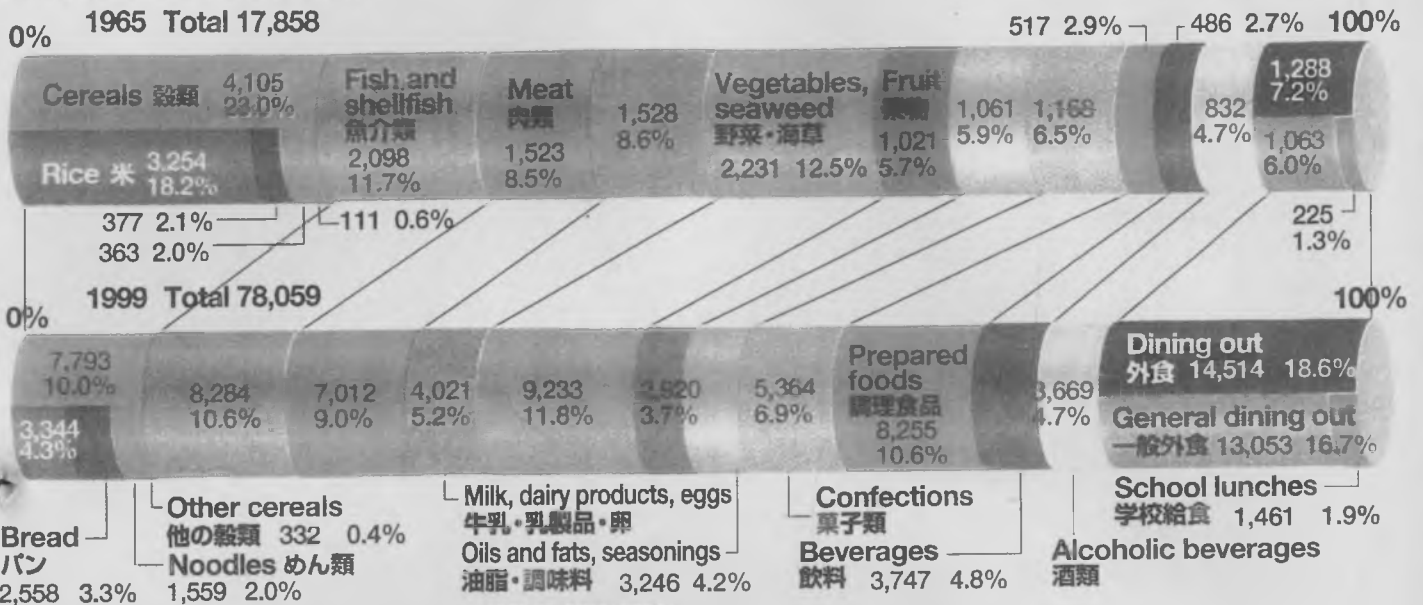
Country	Savings rate	国名
Japan	13.4	日本
U.S.A.	0.5	アメリカ
U.K.	3.1	イギリス
Germany	11.0	ドイツ
France	9.0	フランス
Italy	13.6	イタリア
Canada	1.2	カナダ

★Bank of Japan 日本銀行「国際比較統計」など Note: Household Savings Rate = Savings amount ÷ disposable income. Figures for U.S.A., U.K., Italy and Canada include private non-profit institutions. 1996 for France and Italy. 家計貯蓄率 = 貯蓄額 ÷ 可処分所得。アメリカ、イギリス、イタリア、カナダは民間非営利団体を含む。フランス、イタリアは1996年の数字。

## Household Food Spending (Salaried workers' households)

家計の食料費 (勤労者世帯)

(Monthly average per household. Unit: ¥, % 1世帯、年平均1カ月 単位: 円、%)



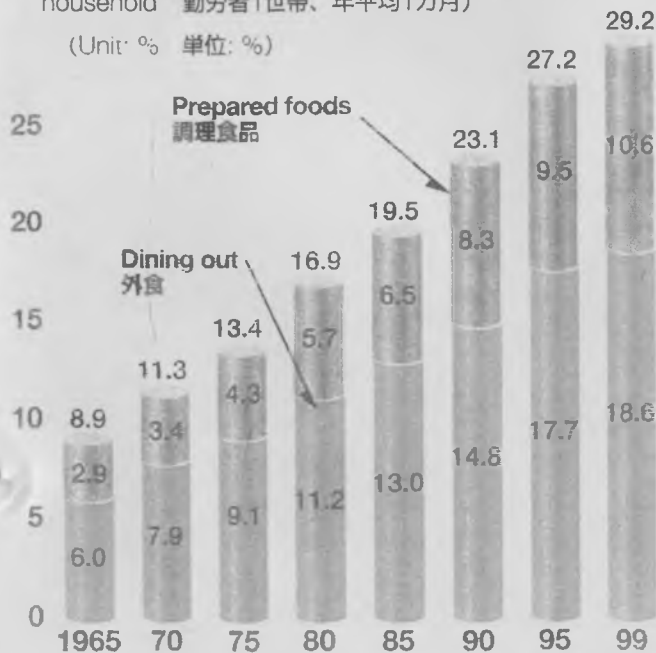
★Management and Coordination Agency 総務庁「家計調査」

## Ratio of Prepared Foods, Dining Out

食料費に占める調理食品・外食の比率

(Salaried workers' households, monthly average per household 勤労者1世帯、年平均1カ月)

(Unit: % 単位: %)

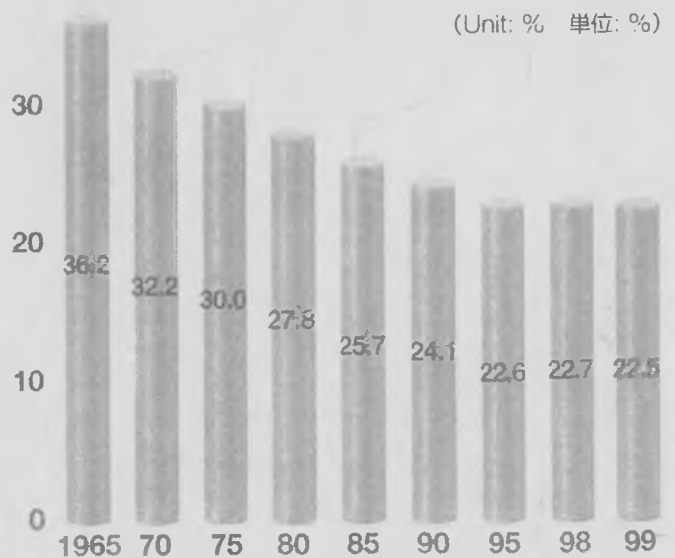


★Management and Coordination Agency 総務庁「家計調査」

## Engel's Coefficient (Salaried workers' households)

エンゲル係数の推移 (勤労者世帯)

(Unit: % 単位: %)



★Management and Coordination Agency 総務庁「家計調査」  
 Note: Engel's coefficient represents household food spending as a percentage of total household spending.  
 エンゲル係数は消費支出に占める食料費の割合。

### Foods Experiencing Great Changes in Intake (Daily, per person)

摂取量の変化が大きい食品 (1人1日当たり)



★Ministry of Health and Welfare 厚生省「国民栄養調査」

### Daily Intake per Person of Staple Foods

1人1日当たり主要食品別栄養摂取量

(Unit: g 単位: g)

	1960	1970	1980	1990	1997	1998	
<b>Cereals</b>							穀類
Rice	358.4	306.1	225.8	197.9	165.4	164.8	米類
Wheat	65.1	64.8	97.8	84.8	92.2	90.9	小麦類
Potatoes	64.4	37.8	63.4	65.3	69.4	71.5	いも類
Sugar	12.3	19.7	12.0	10.6	9.7	9.5	砂糖類
Oils and fats	6.1	15.6	16.9	17.6	17.0	16.0	油脂類
Beans	71.2	71.2	65.4	68.5	70.9	72.5	豆類
Food of animal origin	147.4	250.0	313.3	338.9	354.1	348.9	動物性食品
Vegetables	214.1	249.3	251.2	250.3	288.4	274.6	野菜類
Fruit	79.6	81.0	155.2	124.8	130.8	115.5	果物類
Seaweed	4.7	6.9	5.1	6.1	5.2	6.0	海藻類
Seasonings, beverages, confections	75.6	163.4	134.1	157.7	213.6	217.4	調味・飲料・菓子

★Ministry of Health and Welfare 厚生省「国民栄養調査」

# International Comparison of Retail Prices (11/1999)

小売価格の国際比較 (1999年11月)

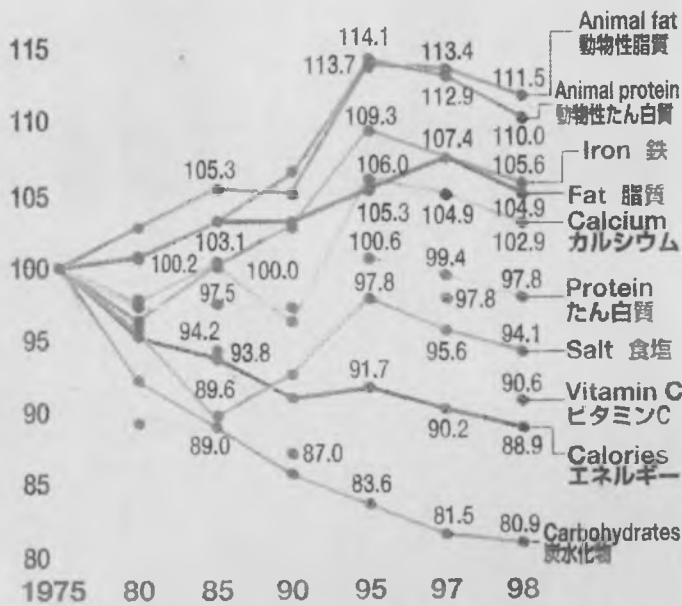
(Prices converted into yen 換算価格: 円)

Item	Unit	Tokyo	New York	London	Paris	Berlin	
Rice	10kg	4,929	1,814	3,556	3,419	2,231	米
Bread	1kg	420	432	156	338	264	食パン
Spaghetti	300g	159	89	77	68	60	スパゲティ
Milk	1liter	211	142	98	93	80	牛乳
Eggs	1kg	320	301	594	295	327	鶏卵
Onions	1kg	220	193	76	122	95	たまねぎ
Oranges	1kg	478	300	145	133	127	オレンジ
Bananas	1kg	260	183	178	113	161	バナナ
Granulated sugar	1kg	268	168	93	139	116	グラニュー糖
Black tea	25 bags	296	195	110	138	174	紅茶
Soft drinks (cola)	1 can	118	46	63	36	43	コーラ
Hamburgers	1 piece	166	116	172	106	137	ハンバーガー
Beer	1 can	218	178	176	89	49	ビール
Men's winter suits	1 suit	53,480	52,221	35,447	23,001	29,210	背広(冬物)
Skirts (winter)	1 piece	10,870	8,348	15,047	5,814	6,793	スカート(冬物)
Shirts	1 piece	5,190	3,660	3,666	2,256	3,918	ワイシャツ
Men's leather shoes	1 pair	13,520	11,368	10,783	9,459	10,020	男子革靴
Tissue paper	3 boxes	383	1,025	2,090	635	1,460	ティッシュペーパー
Gasoline	1 liter	102	47	138	118	96	ガソリン
Video decks	1 unit	19,360	17,619	39,497	24,939	26,843	VTR
Compact discs	1 disc	2,173	2,058	2,874	2,081	1,648	コンパクトディスク
Dry cleaning (2-piece suit)	1 time	1,101	926	7,371	1,162	782	洗濯代(背広上下)
Movie tickets	1 time	1,800	1,048	1,051	753	712	映画観覧料
Haircuts	1 time	3,609	3,101	3,170	1,835	2,127	理髪代
Permanents	1 time	7,628	12,949	4,442	5,586	6,068	パーマメント
Golfing fee	1 person	16,250	7,524	2,765	3,814	5,936	ゴルフプレー料金

★Economic Planning Agency 経済企画庁「物価レポート」 Note: Survey conducted in November 1999. Exchange rates: Average in 1999. 1 dollar=¥113.91; 1 pound sterling=¥184.33; 1 franc=¥16.30; 1 mark=¥54.67. 1999年11月調査。為替レートは99年平均。1ドル=113.91円、1ポンド=184.33円、1フラン=16.30円、1マルク=54.67円。

### Change in Nutrient Intake(1975=100)

栄養素等摂取量の推移 (1975年=100)



★Ministry of Health and Welfare 厚生省「国民栄養調査」

### Nutrient Intake per Person/Day (1998)

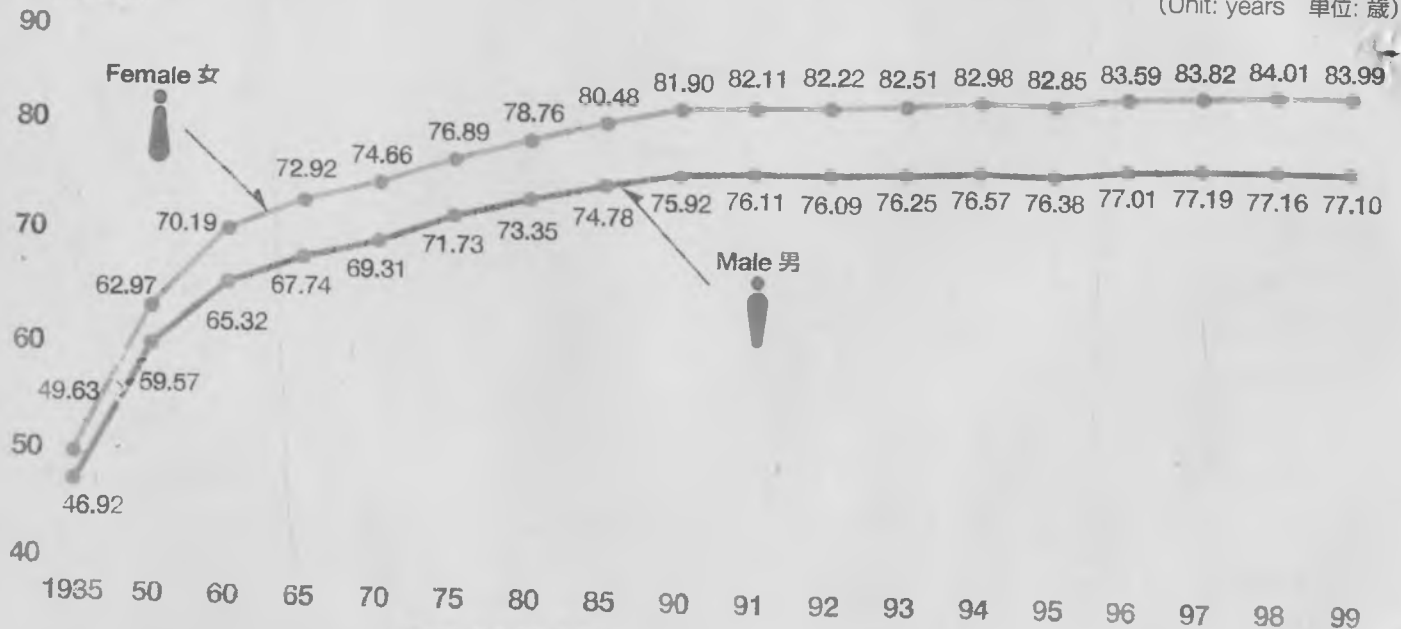
1人1日の栄養素等摂取量 (1998年)

Calories	1,979 kcal	エネルギー
Protein	79.2 g	たん白質
Animal protein	42.8 g	うち動物性たん白質
Fat	57.9 g	脂質
Animal fat	29.2 g	うち動物性脂質
Carbohydrates	271 g	炭水化物
Calcium	568 mg	カルシウム
Iron	11.4 mg	鉄
Salt	12.7 g	食塩
Vitamin A	2,701 IU	ビタミンA
Vitamin B <sub>1</sub>	1.16 mg	ビタミンB <sub>1</sub>
Vitamin B <sub>2</sub>	1.42 mg	ビタミンB <sub>2</sub>
Vitamin C	125 mg	ビタミンC

### Average Life Expectancy at Birth

平均寿命

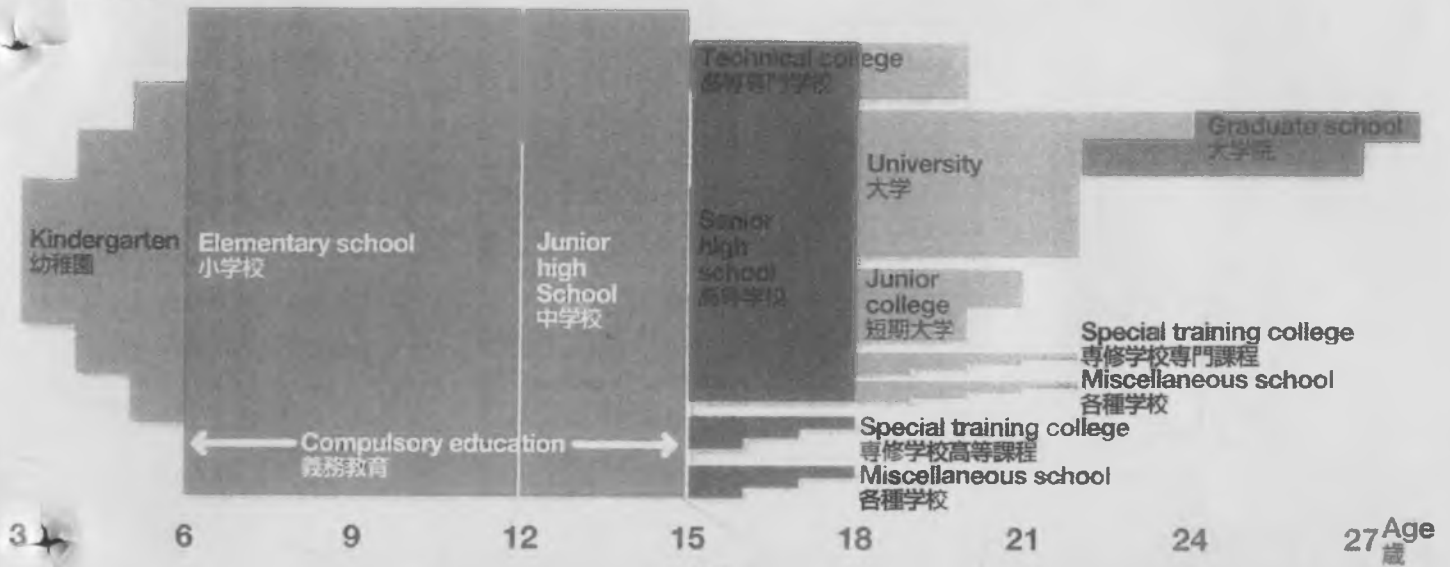
(Unit: years 単位: 歳)



★Ministry of Health and Welfare 厚生省「簡易生命表」

## Education System

### 学校制度

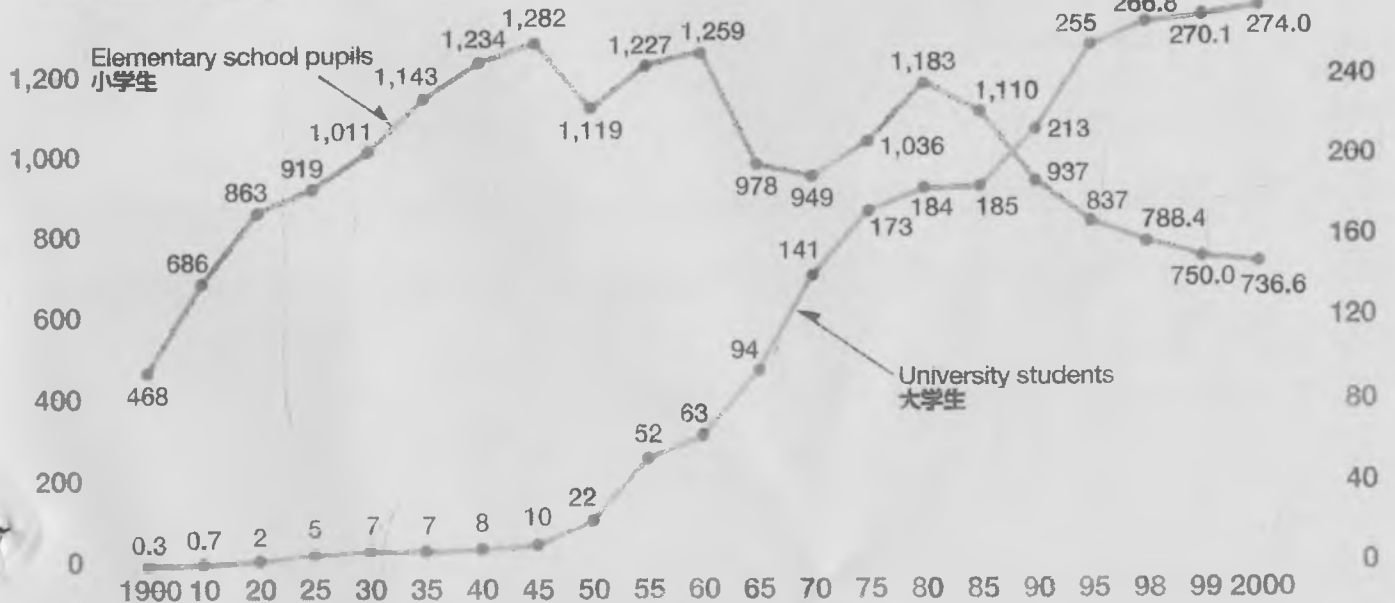


★Ministry of Education, Science, Sports and Culture 文部省 Note: Since September 1989, it has been possible for juniors at university to enter a graduate school without graduating from university. It will also be possible for students who entered university from April 2000 to graduate from university in three years. Since fiscal 1998, second and third year high school students have been able to enter college without graduating from high school. 1989年9月から、必要単位を取得した大学3年修了時の学生の大学院への進学が可能になり、さらに2000年4月以降に入学した大学生は例外的に3年で卒業できることになった。また98年度から、2年以上の高校在学者に大学進学之道も開かれた。

## Elementary School and University Enrollment

### 小学生数、大学生数

(Unit: 10,000 persons 単位: 万人)

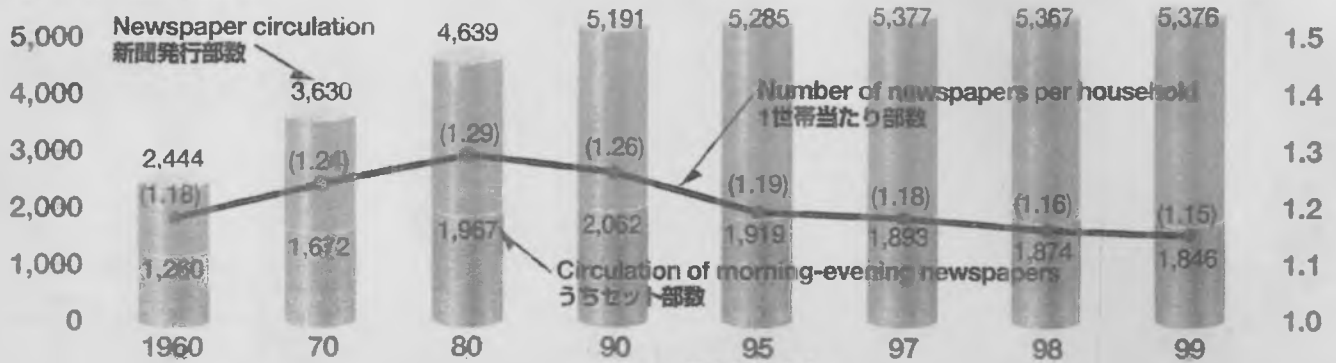


★Ministry of Education, Science, Sports and Culture 文部省「学校基本調査報告書」 Note: As of May 1 each year. Figures for 2000 are estimates. 各年5月1日現在。2000年の数字は速報値。

## Newspaper Circulation in Japan

日本の新聞発行部数

(Unit: 10,000 copies, copies 単位: 万部、部)



★Japan Newspaper Publishers and Editors Association 日本新聞協会 Note: Newspaper circulation calculated with morning and evening editions counted as one subscription in October of each year. 朝夕刊セットを1部と計算した各年10月の部数。

## Newspaper Data

新聞に関するメモ

<b>Newspaper home delivery rate (October 1999)</b>		<b>新聞の宅配率 (1999年10月)</b>	
Delivery	93.3 %	配達	
News stand sales	6.1 %	立ち売り	
Mail or other	0.6 %	郵送その他	
<b>Newspaper publishing companies' income (1999)</b>		<b>新聞社の売上高 (99年第1次推計)</b>	
Total	¥2,455.0 billion	総計	2兆4550億円
Circulation income	¥1,288.9 billion	販売収入	1兆2889億円
Advertising income	¥834.0 billion	広告収入	8340億円
Others	¥332.1 billion	その他	3321億円
<b>No. of newspaper publishing company employees (April 1999)</b>		<b>新聞社の従業員数 (99年4月)</b>	
Total	58,380 persons	総数	5万8380人
Administration	4,020 (6.9%)	総務	4020 (6.9%)
Editorial	24,423 (41.8%)	編集	2万4423 (41.8%)
Production, printing and shipping	13,044 (22.3%)	制作・印刷・発送	1万3044 (22.3%)
Advertising and circulation	8,110 (13.9%)	営業	8110 (13.9%)
Publishing, electronic and radio-wave media	4,012 (6.9%)	出版、電子・電波メディア	4012 (6.9%)
Others	4,771 (8.2%)	その他	4771 (8.2%)
<b>No. of delivery agents (October 1999)</b>		<b>新聞販売店数 (99年10月)</b>	
Total: 22,311 agents		総数: 2万2311店	
<b>No. of delivery agent employees (October 1999)</b>		<b>販売店の従業員数 (99年10月)</b>	
Total: 473,643 persons (Male: 249,804; Female: 223,839)		総数: 47万3643人 男24万9804人 女22万3839人	
Total no. of boys & girls: 51,110 persons		うち新聞少年: 5万1110人	

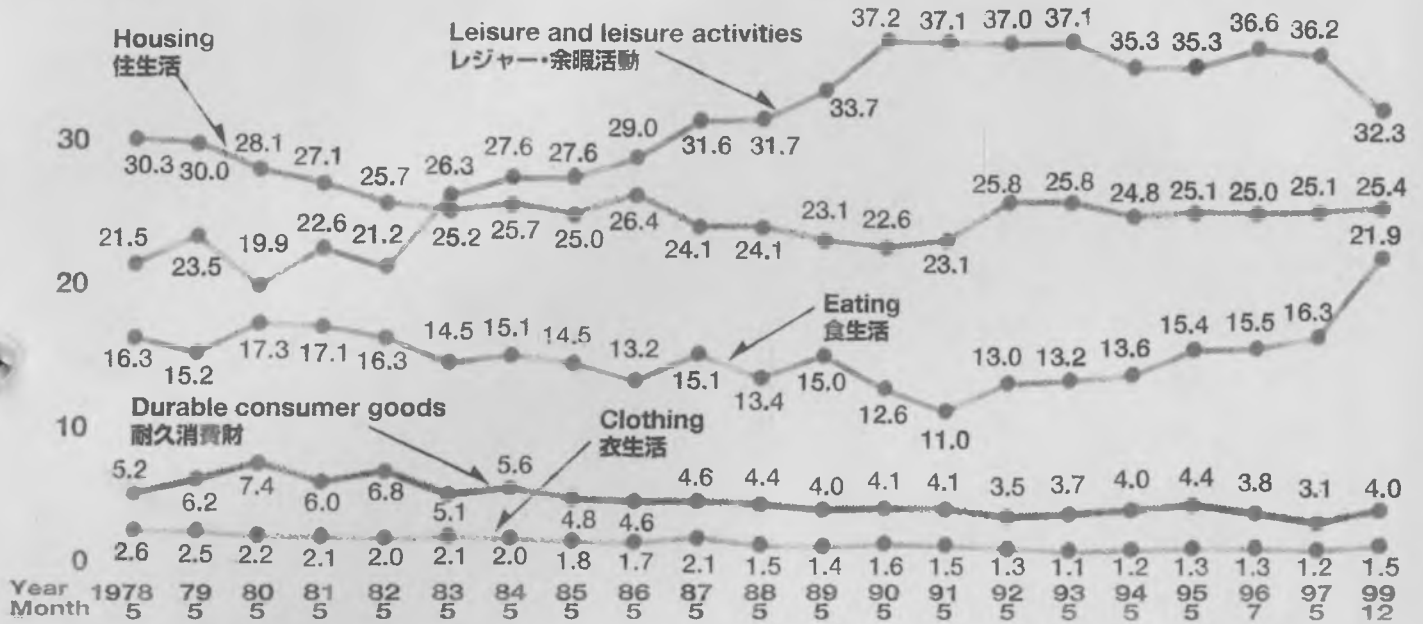
★Japan Newspaper Publishers and Editors Association 日本新聞協会



## Priorities in Life

生活の力点

(Unit: % 単位: %)



★Prime Minister's Office 総理府「国民生活に関する世論調査」

## Change in Popularity of Leisure Activities

余暇活動の人気変動

1996	1997	1998	1999		
1	1	1	1	Dining out	外食(日常的なもの以外)
3	2	2	2	Driving	ドライブ
2	2	3	3	Domestic travel (hot spring, etc.)	国内観光旅行(温泉など)
4	4	4	4	Karaoke	カラオケ
5	5	5	5	Watching videos	ビデオの鑑賞
8	7	6	6	Listening to music (CDs, etc.)	音楽鑑賞(CDなど)
10	9	10	7	Gardening	園芸、庭いじり
5	8	7	8	Visiting zoos, aquariums, museums, etc.	動物園、水族館、博物館など
5	6	8	9	Going to bars, hostess bars, pubs	バー、スナック、飲み屋
9	11	13	10	Playing lotteries	宝くじ
13	13	14	11	Picnicking, walking	ピクニック、野外散歩
12	10	12	12	Going to amusement parks	遊園地
17	16	11	13	Going to movies	映画(TVは除く)
14	14	15	13	Playing TV games	テレビゲーム
15	15	16	15	Playing cards, etc.	トランプ、オセロ、花札
16	17	17	16	Exercising (without equipment)	体操(器具用いず)
11	12	9	17	Bowling	ボウリング
-	-	20	18	PCs (game, communication, etc.)	パソコン(ゲーム、通信など)
-	-	-	19	Going to video game parlors	ゲームセンター
-	-	-	20	Jogging, road races	ジョギング、マラソン

★Leisure Development Center 余暇開発センター「レジャー白書」

## Statistical Data On the Participating Countries

## 1. Comparison of GDP, Per Capita and etc., in FY 1994

	(A)	(B)	(C)	(D)
Bangladesh	26,636	219	11	10.3
China	630,202	420	32	21.0
India	278,739	292	31	7.3
Indonesia	167,632	909	67	10.3
Malaysia	68,674	3,594	34	10.0
Mynmar	.....	1,604	28	....
Pakistan	55,565	404	58	1.6
Philippines	63,311	956	28	11.2
Sri Lanka	11,634	656	45	4.9
Vietnam	13,775	131	67	18.0
Thailand	129,864	2,411	15	3.7
USA	6,737,367	25,852		10.3
JAPAN	4,321,136	36,739		6.7
SWEDEN	206,419	22,366		33.5
GERMANY	2,075,452	29,992		20.0

Source; Sekai Kokusei Zue '96/97

(A) Gross Domestic Products (GDP) Unit: U\$ Million

(B) GDP per Capita Unit: U\$ Million

(C) Ratio of Rual Population not accessible to clean water

(D) Ratio of Women Members of Parliament

## 2. Comparison of GNP according to Economic Blocks and etc.,

	Ratios of GNP	Population
OECD	79.5%	17.5% (the remaining is
EU	29.4%	6.6% developing countries)
NAFTA	29.8%	6.8%
ASEAN	2.0%	7.4%
JAPAN	16.8%	2.2%

## D. Japan as it is

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### Japanese Thought and Conduct

#### Japanese Way of Thinking

The origins of Japanese culture, like those of the Japanese language, are difficult to clarify. Japanese is an independent language containing elements from Siberia and the North, from South-East Asia, and from the South Pacific; the origins and development of both Japanese culture and the Japanese way of thinking are equally unclear.

#### Origins of Japanese Culture



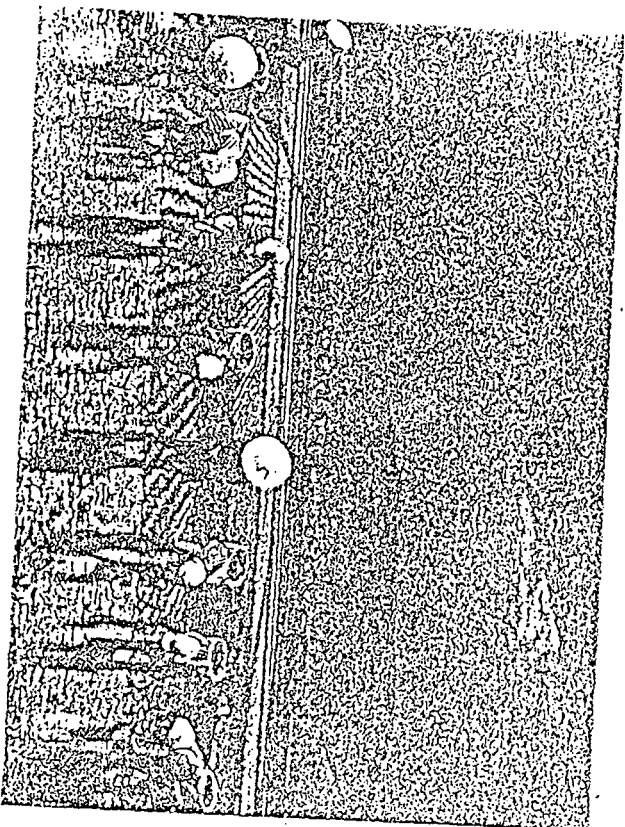
However, there are many points of ecological similarity in the belt of glossy-leaved vegetation stretching from Nepal and the southern reaches of the Himalayas in Northern India through Burma, Thailand, Vietnam, Laos, and Southern China (especially Yunnan) to Japan, and it is certain that the cultures of these regions are basically the same. For example, practices such as tea-growing, the making of lacquerware and sushi and the use of *kōji* (malted rice) to make rice vinegar are particular to these regions and exist in Japan also, suggesting strong connections between Japan and these other areas from prehistoric times. The rice-growing culture of Southern China also came to Japan from South-East Asia in ancient times, and this was overlaid by the strong influences of the two great cultures associated with Confucianism, which came directly from China, and Buddhism, which arrived in Japan via China. Together with Western culture from the 19th century onwards, these influences have helped to shape present-day Japan.

These influences, together with the fact that early Japan was an agricultural nation based on rice-farming, created a tradition in which the virtues of saving, thrift and hard work were highly valued. Also, since rice-growing is easily affected by slight changes in the climate, there has always been a strong tradition of harmonizing with nature. The Japanese have traditionally emphasized spiritual fulfillment over material riches, and the continuation for so long of a way of thought which follows the natural order of the universe is due in large part to this close relation between man and nature.

### Japanese Behaviour

Rice farming relies heavily on irrigation, and it is necessary for families and villages to cooperate and agree on the use of the available water. Japan's two millennia of rice-farming has thus fostered a strong tendency for people to act in groups. Vertical relationships based on age and position are strictly guarded within groups, and group loyalty and a sense of belonging are strongly demanded of the members. This is still clearly accepted in present-day Japanese society; relations between senior and junior members are strictly observed in companies, government organizations, schools and other groups, and the members are expected to show a high degree of loyalty.

In addition to this, rice-farmers are always conscious of how



Rice planting

their harvests compare with those of other villages or farms. This has led to a tendency for people to decide their actions on the basis of what other people will think rather than on their own beliefs and ideas. Even in problems requiring logical solutions, actions tend to be governed by consideration of whether others are observing or by whether one will be exposed to ridicule. Max Weber classified Christianity as a logic of internal worth and Confucianism as one of external worth, and the Japanese tend to the latter, placing more importance on a consideration of what others are thinking and doing rather than on what their own consciences tell them.

This way of thinking leads to the classification of people into insiders and outsiders, with the two classes being treated differently, addressed differently, and accorded different amounts of affection. The conflict between *giri* (duty) and *ninjō* (human feelings) applies only to insiders and in no way to outsiders, for which there exist various derogatory expressions such as "aka no tainin" (a complete stranger, literally "a red outsider") and "doko no uma no hone tomo shirenu yatsu" (a person of unknown antecedents, literally "a horse's bone from who-knows-where").

The term "insider" refers first to one's immediate family and relatives, and then to people from one's home town, fellow students, people in the same line of business, members of the same club or association, people with a common interest, and other groups. People thus belong to various different groups and act in exclusive ways with regard to members of other groups.

Taken to its extreme, the Japanese as a whole can be said to regard themselves as insiders and other nations as outsiders, often leading to conduct which prevents them from a true acceptance of non-Japanese.



Exchanging of business cards

### Human Relationships

Because of the division of people into insiders and outsiders and the strong intra-group vertical relationships existing in Japanese society, the Japanese do not often reveal their own personal opinions when talking with people from outside their particular group. In business discussions, it is more common to

hear expressions such as "Our company feels that...", rather than "I feel that...". When negotiating with people from another company, it is usual to address them by the name of their company rather than by their own names, using expressions such as "How does Mitsubishi feel about this?" or "Marubeni and our company differ on this point".

Society also regards it as important to consider another person's standpoint and try to avoid hurting his or her feelings, rather than expressing one's own opinion forthrightly.

Within a particular group, the members often expect understanding or favours from each other over and above the call of duty or normal custom. This is a form of *amae*, or dependency, and it can lead to a kind of collusion in which the group members present an official position (*fatemae*) to outsiders, and only reveal their true intentions (*honne*) to other members of the group.

One purpose of exchanging business cards, so popular among the Japanese, is to enable people meeting each other for the first time to establish the correct distance that should exist between them. If they belong to the same company or group, they can then decide how to treat each other in the context of their relative positions within the group; and if they belong to different groups, they can decide how far to go in preserving their *fatemae* or revealing their *honne*. Because of this, people often pay more attention to the name of the person's organization and his or her position within it than to his or her actual name.

Any exclusivity that the Japanese express towards non-Japanese can probably be thought of as arising from the inner workings of this mentality of dividing people into insiders (*uchi*) and outsiders (*soto*).

### Religion and the Japanese

Japan is not a monotheistic society and is broadminded towards religion. It is not unusual for a newly-married couple to report their wedding to their ancestors at the family's Buddhist altar, have a Christian wedding ceremony, and go on a tour of Shinto shrines and Buddhist temples during their honeymoon. At New Year, many people visit Shinto shrines to pray; in August they dance at the Bon festival, a Buddhist festival to the spirits of the dead; and in December they attend Christmas parties. These customs form a part of people's lives in spite of the different religions on which they are based, and are practised without any feeling of inconsistency.

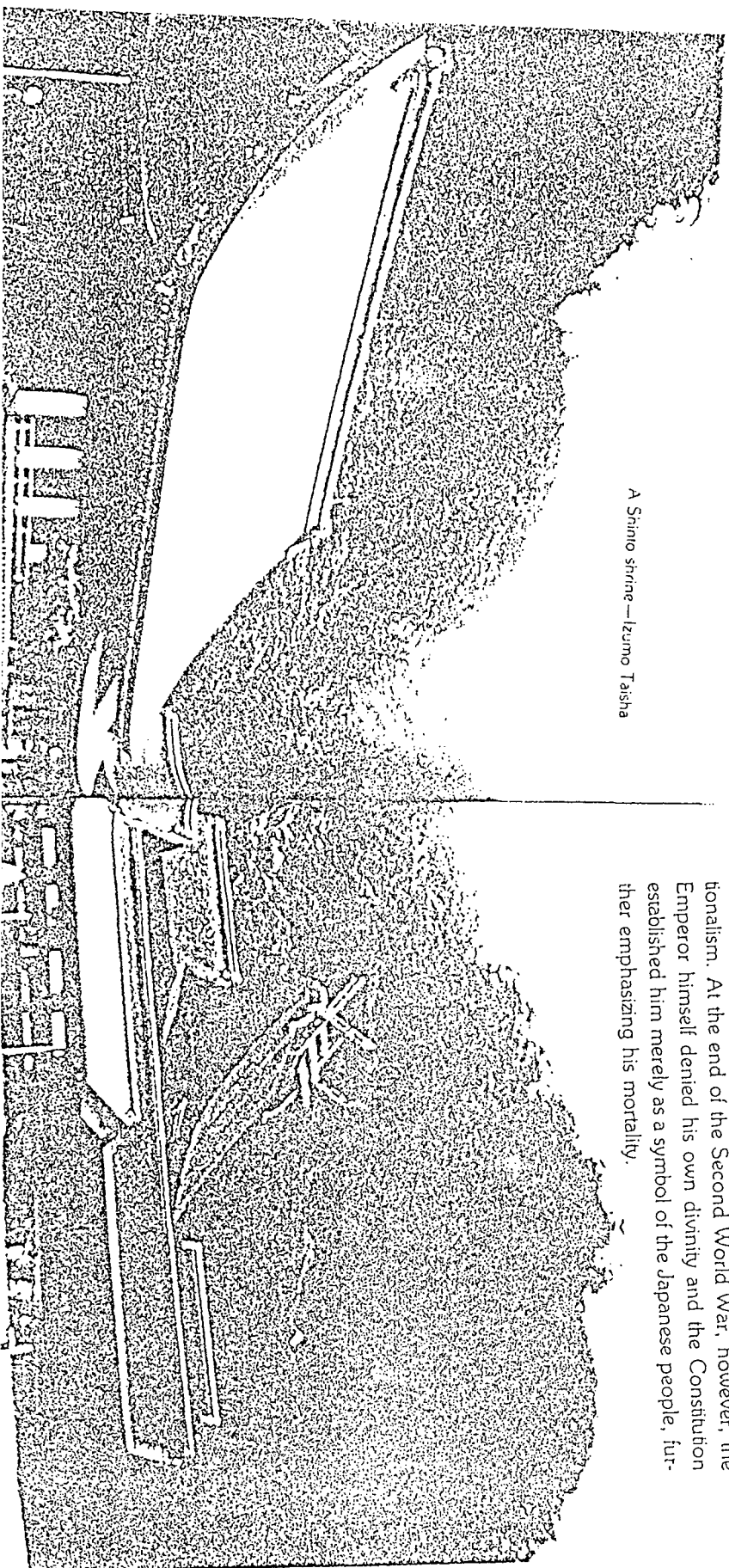
Japan's indigenous religion, Shinto, was never an exclusive

or intolerant religion, and the introduction of Buddhism and Confucianism, and Catholicism later in the seventeenth century, caused little friction. There is relatively little martyrdom in Japan's religious history, and there has been relatively little religious strife.

Two other features of Japanese religion are the fact that marriage between members of different religions can be freely entered into, and that religion is not generally taught in schools. There are almost no religiously-oriented authors, critics or commentators. Many annual ceremonies, festivals and customs are based on religion, but most people participate in them more as a form of recreation than as a religious exercise.

After the Meiji Restoration, Japanese religious feelings were diverted to Emperor-worship and were used to stir up nationalism. At the end of the Second World War, however, the Emperor himself denied his own divinity and the Constitution established him merely as a symbol of the Japanese people, further emphasizing his mortality.

A Shinto shrine — Izumo Taisha



## 日本人の宗教心

## ●複雑な多神教国

日本人の宗教心は、世界の宗教の中でも最も複雑なものの中の1つであることは間違いない。よく言われるのが、正月には神社に初もうでに行き、春秋の彼岸には寺に墓参りし、クリスマスには家中でケーキを食べ、子供にプレゼントするという年中行事や、「七五三で神社にお参りし、結婚式は教会で挙げ、葬式はお寺で」という道過渡裡における宗教の多様性である。

かつう、多神教と言った場合は、1つの宗教が多数の神を持っていることを指すが、日本の場合は、それぞれ宗系化された多神教である仏教や神道があり、日本人の大部分はその両方の信徒であることは神懸もある。加えて、時にはさらに、他の新宗教の信徒であることもありう。例えば、お経祈さん、道祖神といったアミズムやシャナーアミズムに近い神にも抵抗なく手を合わせる。自動車を買えばおはらいをし、もうい、超近代的な工場のロボットに人名をつけて擬人化した扱いをするのなども、アミズムの信仰の表れと言ってよさそうだ。これを真付けるのは、文化庁が調べている「宗教年鑑」である。

1984年版によれば、日本の宗教人口は2億2000万人。このときの総人口が約1億2000万人なので、日本人すべてがほぼ2つずつの宗教の信徒となっていることになる。ところが、1982年のNHKの調査によると、「あなたご自身は、何か宗教を信仰していますか」との問いに、「信仰を持っている」と答えたのは33%だけで、「信仰を持っていない」が65%であった。

## ●根底にある利益求心

このように、ある宗教に対する明確な信仰心は持たないが、心算として、あるいは基本的感覚として存在するのが日本人の宗教心と言えそう。その根底にあるのが、やはり、日本人の自然観に基づく現実族信仰である神道はもとより、現世利益を求める心である。日本国首の民り、インドで発生したときには自らの救いを得る宗教であった仏教も、日本伝来とともに所請する宗教となった。

こうして日本では、宗教は筒売禁煙、家内安全、愛敬合意、宗室に三つまで、多岐多様な現世利益を祈る場となり、宗教法人の経済的基盤もそこにある。「苦しいときの神頼み」「いわしの頭も信心から」のことわざが、日本人の宗教心の現世利益という特色を物語っている。

[Part-1:日本と日本人]

## Japanese Religion

## ●Overlapping Religions

Japanese beliefs are probably among the most complicated in the world because of the openness to all religions, as exemplified by the visits to Shinto shrines at New Year's,\* trips to Buddhist temples in the spring and fall\* to visit the family grave, and the modern custom of a cake and presents at Christmas. The *Shichi-go-san* celebration entails a trip to the local Shinto shrine, weddings are often held in Christian churches, and funerals are most often Buddhist.

Polytheism usually refers to a religion with many gods, but Japan doubles this by having many religions each of which may have many gods. It is not uncommon for a Japanese family to have both Shinto and Buddhist alters even though its members believe in yet a third faith. Many Japanese also feel a close affinity to *Inari*,\* once an agrarian deity but now popular throughout Japan as an all-purpose god, and the *dōsojin*\* on the edges of villages to protect villagers. The same person who has a Shinto priest perform purification rites for his new car may also work in an ultra-modern factory where he animistically gives the robots both nicknames and a measure of affection and respect.

Statistics substantiate the evidence of Japanese culture's polytheistic quality. According to the Agency for Cultural Affairs' *Religion Yearbook*, Japan had a religious population of 220 million in 1984—nearly double the actual population of 120 million. In response to a survey done by the Japan Broadcasting Company in 1982, however, only 33% of those queried said that they had a religious affiliation, and 65% said that they had no religion.

## ●Here-and-now Orientation

While the Japanese tend to avoid identifying with any single religious doctrine, they do have an inherent reverence for all things, a reverence that stems from their strongly-rooted, nearly mystical affinity with nature and quest for this-worldly rewards. Shinto, Japan's indigenous religion, was originally a means of supplicating the gods for aid in agricultural endeavors and for protection at the tribal level. Buddhism, which started out preaching good works to attain *salvation*, was transformed in Japan to a religion of supplication.

In Japan religion is a tool for petitioning for business profits, the safety of the household, success on school entrance exams, painless childbirth, and numerous other concrete rewards now. It is this faith in the power and influence of the gods in this world which is the source of the secular affluence of many of Japan's institutionalized religious organizations. Common expressions such as *kurusshii toki no kami danoni* (turning to religion in times of distress) and *iwashi no atama mo shinjin kara* (even the basest thing is sacred) further reveal the Japanese view of religion as a source of this-worldly benefits.

Japanese has for a long time been considered a difficult language, but if teaching materials and methods are properly developed, there should be no reason why it should be more difficult for a non-Japanese to learn Japanese than for a Japanese to learn English.

Although Japanese does have a large number of words for "I" and "You", and complex honorific forms, the sound system is far simpler and easier to learn than those of many other languages. It is also simple in terms of grammatical points such as tenses and verb conjugation. Since it takes only a matter of weeks to learn the basic minimum required for shopping or travelling, Japanese cannot really be said to be a difficult language.

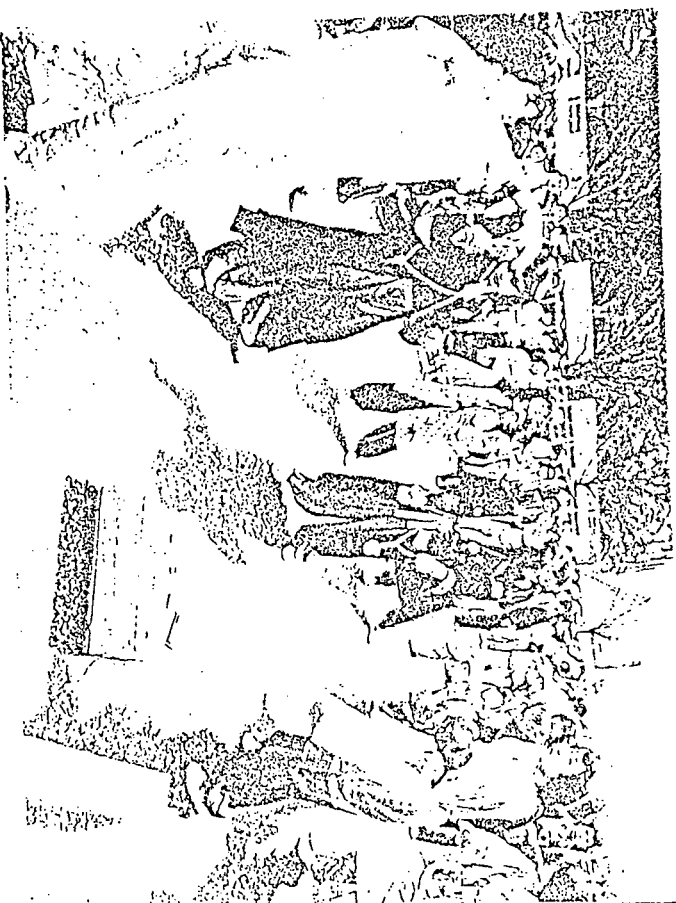
## Characteristics of Present-Day Japanese Culture

### Consumerism and Popular Culture

Consumerism in Japan used to be limited to the Imperial Court, the aristocracy, feudal lords and rich merchants, but it started to become more widespread as Japan became modernized. During the years of rapid economic growth, Japan became a true consumer economy.

The Japanese have always highly valued the traditional Confucian and Buddhist virtues of diligence, thrift and saving, and they still tend to save a high proportion of their income. Their sense of thrift has weakened, however, and their consumption

Harajuku—place for youngsters





of clothing and food has increased dramatically in recent years. The housing problem has yet to be solved, and the amount of living space available per person is still small when considered in relation to the country's degree of economic development. Sewer and mains drainage facilities lag behind other areas of development, and towns and cities are still disfigured by multitudes of unsightly electricity poles. Many roads are narrow, and traffic congestion is bad. In contrast to this, the proportion of people owning video tape recorders, colour televisions, refrigerators, washing machines and other such products is one of the highest in the world, and the number of telephones in relation to the total population is second only to that of the U.S.A. Daily life is therefore highly modernized, but there is still much room for improvement in facilities such as public parks. Nevertheless, sports, music, travel, fashion and good food are being enjoyed by more and more people, and the expenditure of leisure time and money on these is increasing rapidly. One interesting feature of Japanese consumerism and

### Ownership Rate of Consumer Durables, etc. by Japanese Households

<b>Refrigerators</b>	1960 26.3% 1983 98.0% (158.6)	<b>Colour TV Sets</b>	1960 26.3% 1983 98.0% (158.6)	<b>Electric Washers</b>	1960 91.6% 1983 98.2% (105.1)	<b>Vacuum Cleaners</b>	1960 68.3% 1983 95.8% (112.7)
1960 31.1% 1983 99.0% (116.5)							
<b>Video Tape Recorders</b>	1960 — 1983 11.8% (12.3)	<b>Ovens</b>	1960 2.1% 1983 37.2% (37.5)	<b>Telephones</b>	1960 — 1985 38%	<b>Stereo Sets</b>	1960 31.2% 1983 59.0% (63.8)
<b>Passenger Cars</b>	1960 — 1986 67.4% (84.5)	<b>Room Air Conditioners</b>	1960 5.9% 1983 49.6% (73.0)				

Note 1) Figures in ( ) indicate the numbers of holdings per 100 households in 1983.  
2) Figure for telephones indicates the number of holdings per 100 persons.  
3) Figures for passenger cars are based on 1986.

popular culture is their classlessness. Because of the success Japan has had in levelling out incomes and achieving a comparatively fair distribution of wealth, there is no class distinction associated with sports as diverse as golf and bowling; and people from all positions and walks of life are numbered among the fans of professional wrestling. Luxury cars like Rolls-Royces, Jaguars and Mercedes-Benzes are not manufactured; very few people own luxury yachts, even though Japan is the world's top shipbuilding nation; and only a handful of people own their own private planes. There is also no sense of class distinction in pastimes such as pachinko and mah-jongg.

Everyone also enjoys the same kind of food and drink, regardless of social position or income. It is almost impossible to judge people's social status from the food and drink they consume or the restaurants they attend, except at a very few high-class traditional Japanese restaurants which are barred to the ordinary person. The same applies to clothes, since even labourers possess suits and formal wear, and although both men's and women's fashions are highly developed, they are available to all.

Another feature of popular culture is the tendency to act in groups. Most Japanese who go abroad on holiday do so as part of a group, and most people pass their leisure hours in group pastimes ranging from karaoke to mah-jongg. The number of people who like to do things as part of a group rather than on their own is extremely large, whether it is parents taking their children to an amusement park, junior high school students on a school trip, or university students and company employees at camps for sports, drama or other activities. The greater number of radios and televisions in Japan than in many other countries also probably reflects the high group consciousness of the Japanese.

In 1937, only 37% of people surveyed thought that their lifestyles were middle middle-class, but this figure had increased to 61% by 1973. The proportion of people who now consider their lifestyles to be middle-class, including upper middle and lower middle, is now more than 90%. It is probably true to say that both the mentality and the lifestyle of the Japanese have become middle-class.

Tokyo Disneyland



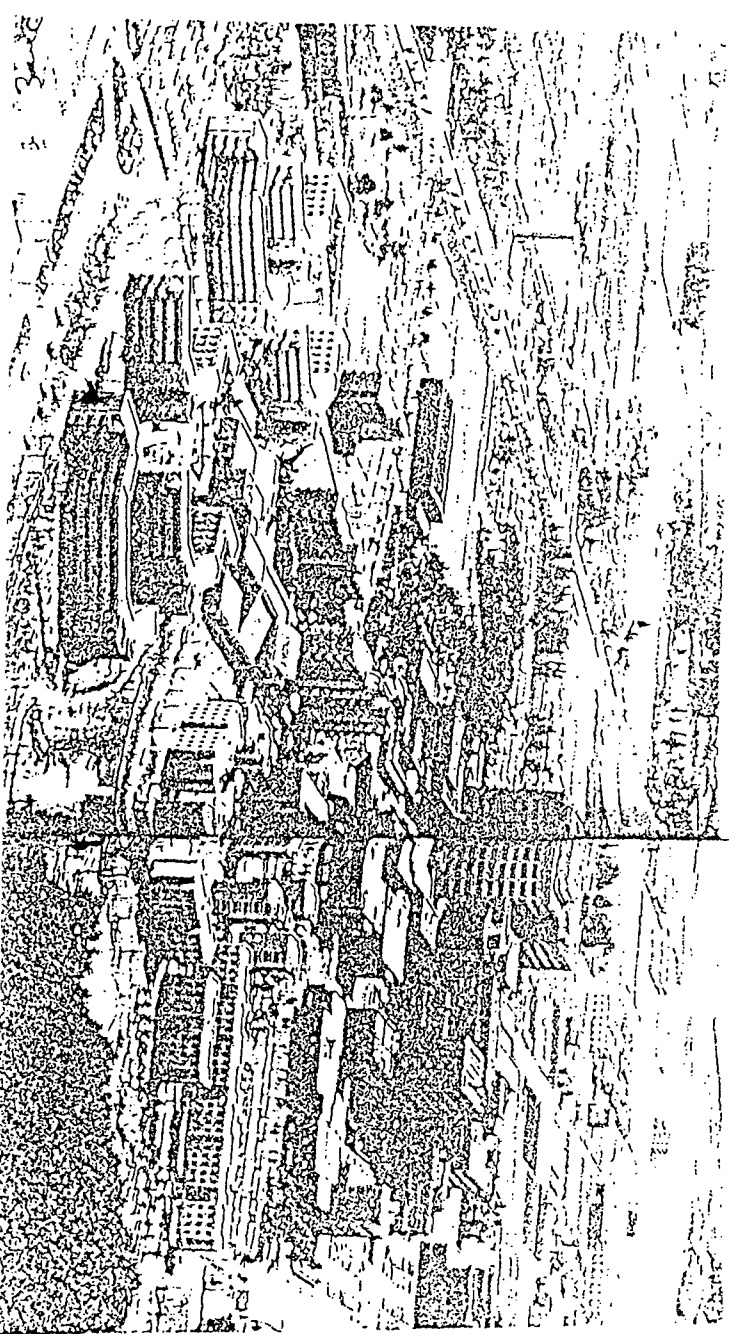
## The Japanese Education System

A modern education system was established in Japan after the Meiji Restoration, and a tradition of compulsory education and higher education was built up in the succeeding years. However, the system was changed after the Second World War to one based on the American system, with compulsory education divided into six years of elementary school and three years of junior high school, followed by non-compulsory higher education consisting of three years of senior high school, four years of undergraduate study, and postgraduate study. In addition to the four-year university degree courses, there are six-year dental and medical degree courses, two-year courses at colleges of further education, and five-year courses at technical colleges. Students enter the last of these after graduating from junior high school. Currently there are 460 universities, 543 junior colleges and 62 higher technical schools. In total the number of students who are enrolled in institutions of higher learning number 2.2 million.

At most universities, the first two years consist of general studies and the final two years of specialist studies. Law, management and similar courses are taught at the undergraduate level rather than in postgraduate schools. Most graduates of four-year degree courses leave university and find jobs as civil servants, company employees, or schoolteachers, while those who want to become academics, educationalists, etc. go on to postgraduate schools. Postgraduate courses are divided into Masters' courses and Doctors' courses, and students taking a Doctor's course obtain their doctorates by submitting a thesis at the end of the course.

Prospective doctors and dentists have to qualify by passing a national examination before they are allowed to practise. Other national examinations are held for lawyers, civil servants and other professions, but an ordinary degree is sufficient for those wishing to join a company after graduating.

The level of Japanese compulsory education is high, and since almost everybody passed through the system, the illiteracy rate is practically zero. In 1982 enrollment of Japanese children



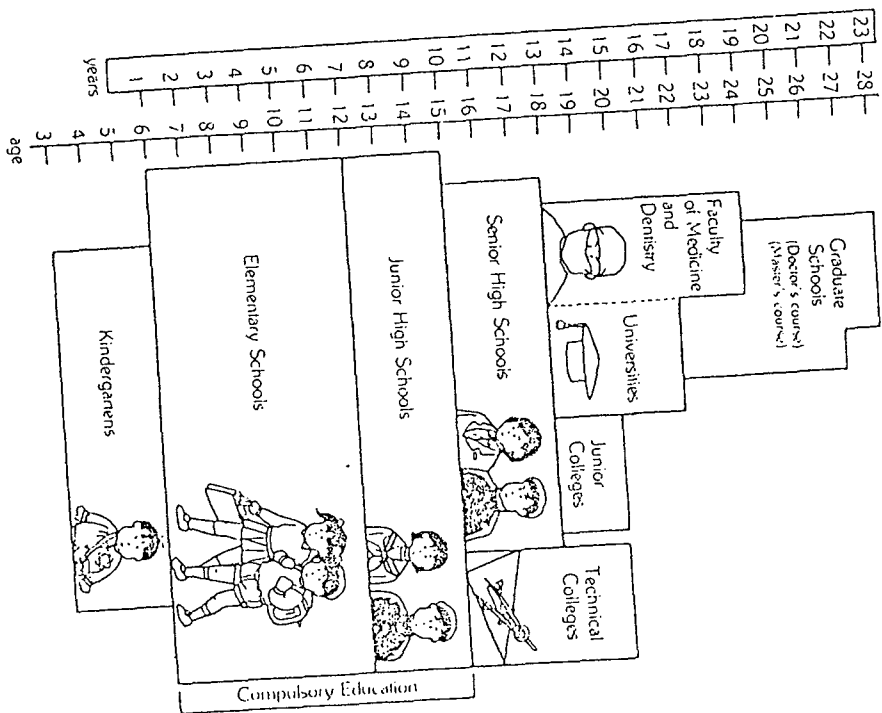
Campus of Tsukuba University

in elementary and middle schools was 100 percent, in high schools, 94.2 percent, and in institutions of higher learning, 36.3 percent. Also, since there is almost no discrimination on the basis of class or family wealth, a great deal of importance is placed on people's academic records. Since graduation from one of the top universities means almost automatic advancement into the higher echelons of society, the competition to get into good schools is extremely fierce. To help their children pass the entrance examinations, many parents send them to private cramming schools for extra tuition. Many families also arrange correspondence courses or private tutors for their children. Families with children spend a very large proportion of their household budgets on this kind of education.

Candidates who fail at their first attempt to get into the university of their choice often go to special preparatory schools for one or two years until they pass the exam. Preparatory schools with a good record of getting their students through the entrance examinations to the top universities are much in demand, and the entrance examinations to these schools themselves have become very difficult.

To get into a good senior high school, it is necessary to graduate from a good junior high school, so the competitiveness of the educational system extends right down to kindergarten. Young parents are very involved in their children's education, and it has even become a status symbol for them to get their children into good schools.

### School Education System in Japan



### ◎よく働く日本人

日本人は非常によく働くという評価は、日本の経済発展とともに今では国際的にも定着している。ただ、そうした評価の裏に日本に対する羨望と嫉妬が潜んでいることは、例えば日本の経済活動に対して「エコノミック・アミーブル」と称していることでもわかる。しかし、日本人からすると、欧米の評価にはどこか隠微の線りがあるようだ。

日本人にとって働くということは、必ずしも利益を求めることが第一義的な目的ではなく、働くという行為そのものに価値を見いだしているという説がある。評論家の山本七平氏によれば、日本人の勤労というのは、すなわち仏教で言う戒仏するたのみの修業であり、経済的利益は宗教的に動機づけられた、つまり、私欲のない勤労の結果とされる。このような、結果としての利益は是認されると考えられているのである。現在の企業活動においても、この勤労に対する精神は生き残り続けており、それが、日本人が非常によく働くことの解答でもある。したがって、経済報酬は労働(時間)に対する対価であるという欧米的な勤労意識とは、その精神においてだいぶ異なることになる。この違いが、一方では契約社会に基づく企業経営を創出し、一方では世帯のいわゆる日本の経営を生み出したと書う。

### ◎変わりつつある労働観

しかし、最近の仕事に対する考え方もだいぶ変化している。基本的に労働に対する価値を依然認めたいものの、意欲の点になるとかなり減少してきている。その背景としては、1つに労働の目的の喪失がある。低成長時代になり、いくら働いたからといって収入は増えない。高齢化により、ポスト不足で出世も期待できない状況で、具体的な目標が立てにくい。

また一方、経済的に一応豊かになるとともに、価値観の多様化が進み、特に若い世代に働くこと以外の価値を認める傾向が強くなりつつある。そして、OA化やロボット化などが進むにつれ、熟練技術が単純労働に取って代わられたり、労働時間の短縮、余暇の増大などにより、従来の勤労そのものの条件も変わってくる。このことは、しだいに労働観の変化をもたらすだろうし、それにつれて当然勤労意識というのも変わると思われる。少なくとも、今までのような企業中心的な勤労意識というのは確実に減退していくであろう。

### 9 Hard-working Japanese

As the Japanese economy has grown stronger, the Japanese people have come to be known the world over as hard workers. However, this perception of Japan often includes negative elements, including the view that Japanese are simply "economic animals" pursuing profit above all else. Yet for their part, the Japanese feel that Western perceptions are distorted by misunderstanding about a number of aspects of life in Japan.

To begin with, the zeal with which Japanese pursue their work has not so much on the profit motive as it is on the value of working. The distinguished social commentator Yamamoto Shichhei, for example, traces the Japanese work ethic to Japan's strong Buddhist tradition. As Yamamoto explains it, the act of working is subconsciously accepted as a spiritual discipline, and Buddhism, not economic gain, is the prize to be gained through selfless devotion to one's work. Even today, this orientation lives on in Japanese companies, and it is a major reason why Japanese work so hard. As such, the Japanese work ethic differs radically from the modern European attitude that work is basically an exchange of labor (time) for money and that neither the work nor the act of working has any inherent value. The difference is also seen as a major cause of the differences between business management in the contractual West and what might be called the distinctively Japanese-style management.

### 9 Changing Attitudes

However, the Japanese work ethic has been undergoing significant change in recent years. While work is still held in high esteem, there has been considerable erosion on the motivation side. This is partly because the goals have become more elusive. In today's slow-growth climate, extra work is not always rewarded by a higher income, and the graying of the Japanese population is creating a shortage of upper-management posts.

In addition, as the Japanese have attained a relatively high level of material affluence, their values have become more individualized, and many people—particularly young people—are placing a greater emphasis on personal-interest activities outside of their work. As tomorrow's increasingly sophisticated office and factory automation technologies change work conditions and make routine jobs out of tasks which formerly required skilled expertise, there will likely be a significant shortening of the work week and the creation of more leisure time, gradually changing the way work is perceived. This will naturally have an impact on people's motivation. At the very least, there will be less of the company-oriented work ethic that has been so pervasive until now.

## ● 集団の道徳

E. O. ライシャローは『ザ・ジアンパニーズ』の中で、日本人と欧米人とのいちばん大きな違いを、日本人の集団道徳に見ている。日本人といえどもこの見方に異論はないだろう。

確かに日本人の集団道徳は過去、第2次世界大戦における玉砕や集団自決の悲劇、一徳一心のスローガン、また今日、企業経営、サラリーマン社会などにおける集団の知の重視、果ては学校の生徒の制服にまで、広く深く根を張っている。「出る釘は打たれる」ということわざは日本人の処世術を端的に表しているし、集団に異を唱えたり、背を向けた者には「村八分」という処罰があった。例外はむろんあるが、日本の社会は個教の主張より、集団あつての個、個は集団にあつて生かされると丁寧に説いてきたと書える。

## ● 集団主義の形成

集団主義の成立は、日本の歴史的背景と無縁ではない。第1に、田代文政時代には始まる稲作文化の影響がある。農村では今日もなお、一部に残っている。侍農文化と異なり、共同作業を行う習慣が必要であり、生活共同体なのである。儒教思想の影響も無視できない。忠孝を重んずるその道徳は江戸時代以降特に広まり、「家」制度にもつながった。家長は絶対的権限を握り、家族は「家」に従わねばならず、武士階級にあつては一朝奉あれば御家断絶と、連帯責任を取らされた。

狭い国土に多くの人口ということも有力な一因だろう。朝晩の通勤電車の殺人的ラッシュは外国人のしほしほは想像するところだが、当時の知恵を身に付けるのである。住宅事情しかり。学校教育しかり。

## ● 集団主義の功罪

集団主義には当然ながらプラス、マイナスの両面がある。戦前の無批判な軍国主義化は後者であらうし、戦後の高度経済成長の原動力となったエッジマン式経営は、たとえ一部にエコノミック・アニマルと批判を浴びても、全体的にはプラスの集団主義であり、外国から「日本へ」の声も出るわけである。しかし、当の日本ではこれとは逆に個性化、多様化への志向が年々強まっており、集団主義を日本人の永く不変の特性とする見方が見直される時代も来るかもしれない。

[Part-1] 日本と日本人

## Groupism

## ● Perceptions of the Group

Edwin O. Reischauer writes in his book *The Japanese that Japanese groupism and Western individualism mark one of the most conspicuous differences between Japanese and Westerners. Very few Japanese would disagree.*

In the past, Japanese group spirit was alarmingly evident in the *kung-ho* zeal of World War II, the mass suicides, and slogans such as *rikishi ishin* (a nation united); and today it is still broadly and deeply entrenched not only in the blue-suit world of the office worker but also in the school-uniform world of children. The pressure to conform is described by a Japanese saying that "The nail that sticks out gets pounded down," and the ultimate punishment of *muradachibu* "ostracism that awaits non-conformists. It can generally be said that the group defines the individual in Japanese society, and the individual is only significant in so far as he or she represents the group.

## ● Historical Roots

Japanese groupism's earliest traces can be found in the rice-farming civilization of the Yayoi period when rice cultivation required group effort. Even today, neighbors in many villages work together in planting and harvesting their crops. Unlike nomadic societies, agrarian cultures demand communal cooperation, discipline, and a sense of shared fate. Japanese groupism was also shaped by the nation's Confucian heritage. Confucian morality stressing filial piety became widespread in the Edo period as an integral part of the household system that made the home the basic unit of society. Under this system, the head of the house's authority was absolute, a person's status was based upon his household's, and all household members were collectively responsible for each other's actions, meaning that all could be punished for a serious offense by any.

Another fact that has helped shape Japanese groupism is that so many people live together on so little land. Foreign visitors stare in disbelief at the crowds who jam the commuter trains morning and evening, yet the Japanese put up with these conditions (at home and at school as well) because they know that harmony is the only choice.

## ● Pros and Cons

Naturally, Japanese groupism has its positive and negative sides. On the negative side, it is reminiscent of the earlier blind obedience to the military, but on the positive side group unity has contributed to the nation's phenomenal postwar economic growth, which, despite its "economic animal" aspects, is drawing positive comment from people interested in learning from Japan. In recent years, however, Japanese have turned increasingly to individualism, and the idea of Japan as a monolithic group is coming up for reexamination.

[Part-1] JAPAN AND THE JAPANESE

日本人の1年

まとまった休暇がのたにどれくらい多くの日本人にとって、大半の職場が休みになる正月は、一年中でいちばんのんびりする期間である。目こう世話にならている知人、仕事の得意先への年始回りなど、まるきり仕事抜きというわけにもいかないが、それでも、こたつを囲んでおとそを飲みながらテレビの正月番組を見たり、いつもは雑誌購読期間の少ない子供たちとも親子の対話をして過ごせる。

1月5日から15日くらいから仕事が始まるが、2月初のぐういまでには付き合いを大事にする日本社会の慣例として、職場の同僚や知人との新年会に出席されて、正月気分がなかなか抜けられない、その期間を過ぎると、今度は1月まで落ちつかない季節が続く。というのも、職場や学校などの新年度が始まるのが1月だからで、自分自身の職場での人事異動がどうなるか、転勤はないか、子供がいる場合は子供の進入学、就職は大丈夫かと、何かと心配事が多くなる。

どうにか新しい生活のペースに慣れるのが1月ごろ。一息ついたところで、6月半ば過ぎから7月にかけて、夏のボーナスが支給される。住宅ローンを払ったり貯蓄に回した残りで、自分の欲しかったゴルフクラブなどを買い、妻や子供たちにも何か買ってやるのが、目こう、雪止めの車のサラリーマンにとつてはささやかな楽しみである。

7月下旬から約1か月間、子供たちは学校が夏休みに入る。父親もその間に1週間ぐういの夏休みをとるのが普通。目こう働きつづの父親としては家でゆっくりくつろぎたいところだが、旅行やドライブなどの家庭サービスマンでふだんの日より稼いでしまうか、逆に妻や子供たちだけ主婦りや旅行に出し、父親は「におかやもの」で留守番というケースが多い。夏休みとは言えゆっくり憩えないのがつらいところだ。

父親が穏やかな秋は行楽シーズン。職場の運動会などに家族そろって参加して体を動かしたり、紅葉を求めてドライブやハイキングに行く家庭が多い。

12月に入ると、夫は年末の休みに入る27、28日まで仕事納めに違われ、妻は大掃除や正月準備であわただしく過ごす。12月31日の大みそかには、家族そろって年越しそばを食べながら、NHKの年末恒例番組「紅白歌合戦」などを見て、新年を迎える。

The Japanese Year

Largely unable to take any long vacations at other times of the year, most Japanese look forward to the New Year's holidays when most of the population is on vacation. Although not completely business-free, since it is a time for courtesy calls on the boss, good customers, and other people who have helped him during the year, this is a rare opportunity for the businessman to relax with his family, sitting around the *kotatsu*, sipping sweet sake, watching the television specials, and talking leisurely with his children in a welcome change from the hectic pace of the rest of the year.

Work resumes about half a dozen days into January, yet the emphasis on congeniality means that the month is filled with new year's parties with friends and co-workers, and it is hard to get over the holiday spirit. Once these parties are over, a period of anxiety sets in from February to April. Because the business and school years start in April, people worry about personnel shifts and possible transfers at work and, if they have children, about whether or not the children will get into the school of their choice or find a good job after graduation.

It is not until May or so that people are able to settle down in the new year's routine. Soon afterward, in late June or early July, it is time for the summer bonus. This is a real treat for the beleaguered employee, enabling him to make another large payment on the mortgage, to put a little money aside for a rainy day, and perhaps even to buy that new set of golf clubs that he wanted or to get something for the wife and kids.

Summer vacation for the children starts near the end of July and lasts about one month, and it is common for the man of the house to take a week off during this period. Although father would like to put-ter around the house and just do nothing for a change, the rest of the family wants to travel, and father often ends up more tired from vacation than from his normal work routine—that is, if he does not stay at home and bachelor while his wife takes the children to visit their grandparents. It is a sad state of affairs when people cannot relax on their summer vacations.

The temperate fall is a season for enjoying outings. There are company field days with the whole family taking part in sports events, hikes or drives in the country to see the autumn foliage, and more.

Come December, and father wraps up the year's work on the 27th or 28th, when his year-end vacation starts. Mother, of course, is busy with the year-end cleaning and many preparations for the New Year's holidays. On New Year's eve, the whole family joins together in eating *toshikoshi-soba*, watching NHK's *Kōhaku Uta-gassen* and other special programs, and welcoming in the new year.

人生80年，男は27，8歳，女は24，5歳で結婚し，結婚して2，3年の間に子供を1人か2人つくり，子供が成長して結婚するのが男女とも50代後半。60歳か65歳ぐらいで夫は仕事をやめ，その後は夫婦だけの老後を送る——というのが，現代の日本人のおおまかなライフサイクルである。

1950年代後半以降の高度経済成長時代には，諸外国から「エコノミック・アニマル」と評されたように，仕事に打ち込むたのにはある程度，家運を犠牲にしてもかまわないと考える「モーメント型」がサラリーマンの主流だったが，現在では豊かで楽しい家運を築くために働きたいとする「マイホーム型」が70%を占めている（日本リクルートセンターが1984年に実施した「新入社員は何を考えているか」の調査結果）。

#### ●子供中心の一生

その家運での中心は，やはり子供である。3歳と5歳の男の子，3歳と7歳の女の子の祝いである11月15日の七五三のほかにも，毎年，3月3日の桃の節句には女の子の，5月5日の端午の節句には男の子の，無事な成長を祈って祝う。6，7歳で子供が小学校に入學すると，今度は教育が親の最大の関心事になる。日本の教育は6・3・3・4制で，小学校6年間，中学校3年間が義務教育である。その上の高校への進学率は94%，大学へも3人に1人の割合で進学している。こういう高学歴社会を反映して，多くの親は子供を少しでもいい学校へ入れようと，子供が小・中学生のころから塾通いをさせる。高校・大学の受験に失敗すると1，2年は予備校にも通わせる。したがって，教育費の出は親にとっては何の痛い問題になっている。

子供が20歳になって成人式を終えると，一応，親の責任を果たしたことになるが，アメリカなどと違って，日本の大学生は授業料も生活費も親がかり。結婚式の費用まで親に頼っている者が少なくない現状だから，親が子供から解放されるのは，就職・結婚を経て，子供も自分の家運を持ったときということになる。気がついてみると，夫はもう定年が目の前。子供たちは自分の生活をエッジジョイするばかりで，あまり親のことを顧みない。そのうち定年がやってくる。どこかで寂しさを覚えたがらも，ようやく夫婦2人して，趣味に生きがいを見いだしたり，旅行を楽しんだりして静かに余生を生きるというのが，日本人の一生である。

## The Japanese Life Cycle

The average lifespan of the Japanese is nearly 80 years. Men usually marry around 27-8 and women 24-5 years of age. After two or three years of marriage, the typical Japanese couple has one or two children. By the time their children are out of the nest, Japanese parents are in their late 50s. With the husband generally retiring at 60-65, the elderly couple spend their remaining years enjoying life together and visiting their children from time to time.

During the rapid economic growth from the late 1950s through the early 1970s, when Japanese were referred to as economic animals, the typical employee devoted himself enthusiastically to his work, often at the expense of family life. Today, however, (according to a 1984 survey by Nippon Recruit) 70% of Japanese employees put their primary emphasis on home and family.

#### ● Focus on Children

The Japanese family revolves around its children. Ancient festivals to pray for the children's sound development are still celebrated today: *Shichi-gyusan* (7-5-3) on November 15 for boys 3 and 5 and girls 3 and 7 years old, the Doll Festival on March 3 for girls, and Children's Day on May 5, traditionally a celebration for boys and now a national holiday for all children. Children start school at age 6-7, at which point education becomes a major concern for Japanese parents. The Japanese school system is divided into six years of elementary education, three of junior high school, three of high school, and four of university. Only the first nine years are compulsory, but 94% of Japanese junior high students go on to high school and one out of three goes to college. In the highly educated Japanese society, parents work to get their children into as good a school as possible. Even as early as elementary school, children are sent to *juku* to prepare for their next-level entrance examinations, and those who do poorly the first time around often spend a year or two boning up at special cram schools. All of this costs money, of course, and education is a major expense for Japanese parents.

While parents are not responsible for their children after they come of age at twenty, most parents continue to pay their children's living expenses and tuition through university, and many Japanese still expect their parents to defray wedding costs. Japanese parents find it difficult to get free of financial responsibility for their children until well after the children have finished their education, found jobs, gotten married, and settled down with their own children. Before they know it, father is near retirement and the children too involved in their own lives to pay much attention to their parents. While post-retirement is a lonely time for some people, they are finally free to concentrate on travel and other hobby interests.



# 25 意思決定のしくみ

## The Japanese Decision-making Process

日本における意思決定の方法は、欧米のそれとはかなり異なる。ボトム・アップ・ダウンであるのに対し、日本は次のようなボトム・アップ方式で決定がなされている。

●集団主義と意思決定者の役割

最終的な意思決定は、意思決定者の責任においてなされるが、最終結論がなされる過程では、決定事項を遂行する関係者全員が参加し、検討し合う。その間、意思決定者はそれぞれ参加者の意見を聞き、多数の結論へと導くとともに、最終的的判断を下す。したがって、意思決定者は、参加者の意見を調整し、全員のコンセンサスを得るようにならなければならない重要な役割であり、そうした能力を要求される。

こうしたボトム・アップ方式による意思決定では、実行段階で予想されるあらゆる問題の発生に対しても検討が加えられる。つまり、最終的な決定というものは、その目的を達成するための遂行上の問題に対する対応策まで含んだものである。こうした意思決定の方法については、確かに決定までに相当の時間を要するという欠点もあるが、結論については最善の選択ができることや、実行段階に移ったときには実行担当者全員が組織的に目的達成に向かって素早く対応できることなど、長所も多い。また、全員の検討段階では、依然としてむだも多く、その効率化が叫ばれている。

●代替案の作成

ボトム・アップによる意思決定では、必ずしも欧米的な、いくつかの選択肢から最善なものを選ぶといったことではない。提案に対する検討やいくつかの提案を検討、調整することによって、初めの案とは別の代替案を作成する場合も多い。これも、遂行を含めた最善の方法を取るための当然の結論である。

●案読制

ボトム・アップによる意思決定が、経営慣行となったのが、案読制である。下役が起草した文書を関係各部署に回し、協議し、上司の決意を仰ぐという一連の手続きを言う。この方式は、何人もの目を通るため、安全かつ確実な方法であるが、決定に至るまでに時間がかかること、また、責任の所在があいまいになることなど、批判も多いので、簡単な事務処理についてはかなり改善が進められている。

The Japanese decision-making process differs from the Western process in that decisions in Japanese organizations are not made from the top down but, as described below, are gradually arrived at from the bottom up.

●Group Identification and the Decision-maker

Although the final formal responsibility for a particular decision may rest with the nominal decision-maker in Japan, the actual decision-making process itself is a cooperative effort with the cooperation of everyone involved in or affected by the decision's implementation. The good decision-maker is one who listens to everyone and leads the group toward a consensus coalescing around the idea with the broadest support. Accordingly, the Japanese decision-maker needs to be skilled not so much in problem-analysis as in people-analysis and negotiating a consensus among differing viewpoints.

This Japanese bottom-up approach to decision-making also includes consideration of all the many problems that might arise in the plan's implementation, and the final plan thus includes contingency thinking taking account of these difficulties to facilitate implementation and fulfillment of the new policy. While this process can be very time-consuming, it does have several distinct advantages, among them that the final choice is widely recognized within the organization as the best one and that everyone involved is already oriented to the decision's smooth implementation. Yet even granting these advantages, it is widely acknowledged in Japan that the decision-making process still needs to be streamlined.

●Drafting Alternatives

The bottom-up decision-making process entails more than just choosing the best of a number of plans. With several competing plans and many variations of each plan under consideration at the same time, the final result is often an amalgam of elements from many different sources. As might be expected, this amalgamation is done to ensure the best possible decision and the smoothest possible implementation.

●The Ringi System

The ringi system has become a very common way of making bottom-up decisions in Japanese companies. Basically, this ringi system is one in which someone, usually a lower-level manager, writes up a proposal for something and this proposal is then passed up within the organization, people discussing and revising it as they sign on. This system, which makes for safe decisions with input from a broad spectrum of people, is currently being further improved and refined to speed the process up and to more clearly delineate responsibility for the end result.

## 日本人と付き合う法

## ④ウチとソト

日本を訪れた外国人が観の通勤ラッシュを見で、まず驚くのは、「日本には、日本人ばかりがこんなの大勢いる」ということであるという。日本人と付き合うとき、複雑な多民族国家ではないことが、さまざまな人間関係や行動の基準になっていることを忘れてはならない。

ほとんど千数百年も血縁集団を中心とした社会が維持されてきた結果、その社会やグループの中では、わざわざ言葉で言わなくともしくじり一つで理解しあえるものや、暗黙のうちに前提となっているようなことが多数存在する。それがわかりあえるのがウチ(内)の人間であり、わからない者はソト(外)の人間として、お互に摸擬いされるのである。これは外国人に対しても同じで、日本の習慣や風俗を知らない人は、ゲイジン(外人)として別格扱いで親切に扱われるが、日本社会に深くコミットする人は姿をガイジンと呼ばれる。

## ⑤個人主義

欧米で社会の基本は個人主義であるが、日本では“個人主義”であると言う人もいる。独立した人格である個人が作る社会ではなく、常に社会の中で生活する1人として、人との間にいることを基本に置いた社会であると言うのである。ある人に意見を聞いても、「みんなはどう言っていますか」と聞き返されることもよくあることだ。

ホンネとタテマエという言葉も日本人の間ではよく使われる。ホンネというのは本音、つまり本当の声であり、タテマエは建前で、意向としての声である。また、ホンネを個人の論理、タテマエを集団の論理とするところもある。日本人は意向きの方針や集団の論理であるタテマエを優先するが、その裏に本当の声、個人の論理であるホンネが潜んでいることはよくある。

こうした、常に他人や社会を気にしながら生きる日本人の生活の中には、yesでもnoでもない、中間的であいまいな言葉が多い。そのうちに「いずれまた」「考えます」「検討してみます」などはいずれもyesでもnoでもない。ある時には上司や関係者の了承をあらかじめの俤しておく「根回し」のための仮のyesであったり、ある時にははっきり断わる。相手の傷つけるのではないかの配慮による婉曲なnoであったりする。ただ、近年では国際的な商習慣を身に着けたビジネスマンも増えたので、yes, noをはっきりさせる方向には向かいつつある。

## Getting along with the Japanese

## ⑥ Us and Them

Foreign visitors who come to Japan and see the commuter-packed morning rush-hour trains are said to be amazed that there are so many Japanese in Japan. The fact that Japan does have such a high-density homogeneous population governs many of the social customs and personal manners, and makes them different from the way people relate in more heterogeneous societies.

With virtually no major influx of immigrants over the last 1,000-plus years, Japanese society has developed numerous groups each with its own common consciousness and numerous tacit understandings that are reached or conveyed without a word's being said. People who understand are insiders (us) and those who do not are outsiders (them) and treated as company.

The same is true of the reception accorded people from overseas: those who are not attuned to Japanese mores and customs are referred to as *gaijin* (literally outsiders) and treated courteously as company while those who have gotten inside Japanese society and learned the ropes are accepted and called *hen na gaijin* (outsiders who do not act like outsiders).

## ⑦ Emphasis on the Group

If the individual is the basic unit of Euroamerican society, it is the group in Japan. This is not a society constituted by autonomous individuals but one made up of people who are constantly interacting with society and constantly aware of this interaction. If you ask a Japanese what he thinks, he is very likely to answer by asking what everybody else thinks.

Two very commonly used words in Japanese are *honne* and *tatemae*. *Honne* is the true sound, or what a person really thinks, and *tatemae* is akin to the official position of the group he represents. Thus some people have characterized *honne* as the individual's voice and *tatemae* as the group's voice. Very often, a Japanese will give precedence to the official or group *tatemae* position, but that does not mean that he has entirely abandoned his personal *honne*.

Because the Japanese is always conscious of what other people and the group are thinking, the language has developed a large hedging vocabulary which is neither yes nor no. Among the most common are "I'll do what I can," "Let me get back to you on that later," "Let me sleep on it," and "I'll have to look into that." Sometimes these mean: tentative yes when someone is doing *nenrawashi* to touch all the base and line up support, and sometimes they are definite negative phrases in a roundabout way to avoid hurting the other person's feelings. Recently, however, there have been more businessmen with international experience who say yes and no loud and clear.

## ビジネスマンの付き合い

日本の企業は集団主義と言われるように、人間関係の和を重視する。そのために、企業内ではフォーメタルおよびインフォーマルなさまざまな催し物が行われる。

一般に人生の大半を一つの会社で過ごすためには、おのずと付き合いは会社中心となり、こうした人間関係を円滑にすることは、ビジネスマンにとって重要な条件でもある。一方、商売上の付き合いも人間関係が重視され、上下関係に基づく儀礼的あいさつ、あるいは挨拶、贈り物など、独特の慣習がある。

### ●運動会、忘年会など

多くの会社では、定期的に組織全体、あるいは各セクションごとの行事が行われる。それは、従業員の家族も参加する運動会であったり、社員旅行、転勤者に対する送別会、あるいは歓迎会、年末の忘年会などさまざまである。

このような行事は、日本の会社の家族的慣習で、人間関係を緊密にするとともに、組織は運命共同体であるという意識を持たせ、組織の活性化を図るという効果もある。

会社内にはさまざまな同好会がある。スポーツから文学、囲碁、将棋といった趣味の分野に至るまであり、社内の厚生施設を利用して、活動している。こうした活動では労働の区別はなく、経営幹部も一般社員といっしょになつて楽しむのが普通である。

### ●赤ちようちん

日常的な付き合いで最もよく利用されるのが、赤ちようちんと言われる大衆酒場である。就業時間が終わると同僚、もしくは上司たちと連れ立ち、飲みながら雑談するわけだが、インフォーマルな席として日ごろの不満などを言い合うなど、一種のストレス解消の場ともなっている。赤ちようちんとともにアージャンも終業後の楽しみの一つで、アージャン屋はいつもビジネスマンでいっぱいである。

### ●ゴルフ

ビジネスマンの付き合いで、欠かせないのがゴルフである。商取引において、日本ではふだんの付き合いが重要とされ、しばしば接待と称して酒席に招待するが、この酒席とともに多いのがゴルフ接待である。そのためビジネスマンは、こぞゴルフを始める。したがってゴルフは、必ずしも純粹に個人的趣味ではなく、仕事上の利益を伴っている場合が多いのである。

## Socializing

Japanese companies are very harmony-conscious, and this emphasis on people shows up most clearly in their emphasis on good interpersonal relations and the numerous formal and informal social events that most companies sponsor.

Since the Japanese worker spends the greater part of his life with the same company, his friendships tend to be primarily people he knows from work, and being able to get along well with the rest of the people at the office or the factory is an important prerequisite for business success. Socializing is an important aspect of business as the businessman works not only to stay on good terms with his superiors and his subordinates alike but also to woo customers with expensive account entertaining, receptions, and gifts.

### ● Athletic Competitions, Parties, and More

Most Japanese companies sponsor a number of regular company- or section-wide social events, including athletic competitions for employees and their families, employee excursions, farewell parties for people being transferred out and welcoming parties for newcomers, and year-end bashes.

All part of the family-like atmosphere that pervades many Japanese companies, these events are encouraged as a way of strengthening interpersonal relations, underscoring the group's shared destiny, and improving organizational morale.

Many Japanese companies also provide facilities for active in-house hobby groups, ranging from sports to literature and board games such as *go* and *shōgi*. Rather than having separate groups for managers and ordinary workers, employees from all organizational levels gather together in these groups to share in the enjoyment of their common interests.

### ● Stopping off at the Pub

The most common kind of socializing in many Japanese companies is outside the company and after hours—when a group of workers, with or without their boss, stops off at a local watering hole after work to relax over a cold one and talk off the stress of everyday work. Another favorite after-hours diversion is mahjong, a board game played in small parlors catering to the evening throng of businessmen.

### ● Golf

Golf is another indispensable part of the Japanese businessman's social life. With entertaining clients and potential clients alike a very important part of the ordinary run of business, many clients are not only wined and dined but also taken out for a round of golf. As a result, businessmen often consider golf a business skill, and they see a trip to the local course not so much as a personal pleasure as a means to success in business.

## ●通勤・会議

ビジネスマンの朝は早い。始業時間は8時半〜9時というのが一社一社であるが、通勤時間の平均が1時間以上もかかるため、7時ごろには家を出なくてはならない。おまけにこのラッシュアワーの通勤電車はかきなり混雑を極め、ほとんど立ちっぱなしで、会社に着くまでかなりの疲労を強いられる。そして、タイムカードを押し、仕事が始まる。

週に1度、あるいは月に1度といった定例会議から、販売会議、宣伝会議など各セクションごとの会議、また、部長会議、支店長会議などの縦断別の会議など、実にさまざまな社内会議が行われる。会議に参加する回数は縦断が上がるほど多くなる傾向にあり、1日中会議ではいるものの議論がなかなか出ずに伸びてしまう、あるいは後日改めて会議を開くということもよくある。

## ●社員食堂・喫茶店

昼食時となると、オフィス街周辺のレストランなどは、ビジネスマンで満員となるが、会社には社内には社員用の食堂を常設しているところも少なくない。社員食堂は、会社が業者と契約して設置しており、時差的にも割割かを負担しているため、値段は市面よりも安い。いわば、社員食堂は福利厚生の一環であると同時に、社内にあることで業に属するなど——意図をも含んでいる。

商談は社内で行われるのが普通である。商談の重要性や相手との関係にもよるが、一般的には、簡単な打ち合わせ程度の場合は喫茶店でお茶を飲みながら、あるいは雑談しながら行われることも少なくない。ビジネスマンにとっては、仕事であると同時に一種の息抜きにもなっている。もちろん経費は会社持ちである。

## ●退社後

新築するマンションにもよるが、退社時間がくると仕事をやめて、すぐ帰宅するという社員はほとんどいない。やりかけの仕事を終え、まだ残業をするのが普通である。また、夜は取引先の接待も多く、接待費あるいは交際費を削減した会社が増え、いわゆる社用旗は大幅に減ってきた。

## A Day in the Life of a Japanese Businessman

## ●The Morning Commute and Meetings

The average Japanese businessman's day begins bright and early. Although not expected at work until 8:30 or 9:00, most businessmen live at least an hour away and must leave the house soon after 7:00. Invariably finding his rush-hour train packed with other commuters streaming into the city, he often has to stand most of the way and is worn out even before his workday begins. Once he gets to the office or factory, however, he punches in and gets right to work.

Aside from the regular weekly or monthly meetings, there are sales meetings, advertising meetings, and other meetings within each department, as well as interdepartmental management meetings at all levels. Generally, the higher you go on the corporate ladder, the more meetings there are to attend, and it is not uncommon for top executives to spend all day in meetings. Although meetings are scheduled well ahead of time, they often run over or have to be reconvened later when things take longer than expected.

## ●Company Cafeterias and Coffee Shops

Come lunchtime and the numerous restaurants in and around the business district are filled, even though many employees eat at in-house cafeterias run by outside contractors offering food at subsidized prices. An extra benefit for employees, the company cafeteria also pays off for the company by promoting smoother intra-company communication, shorter lunch breaks, and better work efficiency.

While most business takes place in the office, a considerable portion is also transacted at nearby coffee shops where people can enjoy a cup of coffee and talk in a more relaxed setting. The decision on where to meet depends upon how important the meeting is and how relaxed an interpersonal business relationship there is. Generally, however, only relatively minor matters are worked out over coffee. Businessmen find coffee shops good places to combine business with pleasure by getting away from the office for a while. As you might expect, the company picks up the tab for this.

## ●Clock-out Time

It is the rare employee who manages to quit work and head home at the official quitting time every day. More often than not, people stay to see the job through to completion. Even when he does manage to get away from his desk, the businessman frequently has entertaining to do and often does not get home until the wee hours of the morning. Since the oil crises of the 1970s, however, there has been a considerable decline in the number of people living high on expense accounts as more and more companies have moved to rein in expense account entertaining.

## ●学歴偏重社会

一流会社への就職には、学歴が大いに重要となる。つまり、東京大学を頂点とする国公立大学、および一流私立大学を卒業することがきわめて重要な条件となる。また、入社以後の出世にも影響を与えるというのが実情である。そして、こうした一流大学に入るためには一流高校に入る必要があり、というように学歴問題はエスカレーターし、今では小中学校の受験競争にまで及んでいる。

こうした受験競争は、つまりは一流企業に入り、一生安定した生活を獲得せんがためであるが、このような学歴社会に対して、教育の追加による青少年の落ちこぼれ、非行化などが顕在化し、社会問題となっている。

## ●配転・転勤

入社後は、終身雇用、年功序列のもとで一応の生活は保障されるものの、その一方では、会社の命令に対する拒否権、あるいは退職権はほとんどないと言つてよい。まず、どのセクションに配属されるかは会社が決める。転勤も命令1つで、従わなければならない。特に、日本の企業では、ある一定の期間ごとに配転転勤を行うので、勤めている間に何度かの配転、転勤を経験するのが一般的である。会社の命令に従わないと、社内においてきわめて不利な状況に追いやられる。

## ●家族との関係

ビジネスマンの生活が会社中心であるため、家庭は妻を中心に運営される。家計、子供のしつけ、教育などは妻に任せ、月給も金額差に視し、必要最小限の支払いを要からうというのが一般的なビジネスマン家庭である。

## ●単身赴任

転勤はビジネスマンにとって避けられないことであるが、中年になつての転勤で多いのが単身赴任である。これは、マイホームを建てたためにその地を離れたいという家族の希望とともに、子供の教育上の問題がその背景にある。それと、転勤の期間が数年であり、いざ戻つて来るという見込みもあるからで、我慢をするというのが実態である。しかし、任地が佳外であったり、また、家族が離れて生活するというのは何かと問題があり、企業によっては制度的に見直しを図つていくところもあるが、なかなか実効は上がっていない。

## ●Academic Credentials

Academic credentials are very important to getting a good job in Japan. Graduation from one of the nation's top national universities, particularly the preeminent University of Tokyo, or one of the more prestigious private colleges is an important consideration for anyone hoping to get hired by a big blue-chip company and to climb the corporate ladder. One of the surest ways of getting into one of these elite schools is to have been graduated from a first-rate high school. As the competition for admission to the leading high schools has escalated, intense competition has developed for admission to the better junior high schools and even the more academic-oriented elementary schools.

The goal of all of this fierce competition on entrance examinations is to attain the lifetime economic security that goes with working for a big company, but the extreme pressures this has generated have distorted the educational process and sparked such major social problems as school drop-outs and increased delinquency.

## ●Transfers

Once employed by a "good" company, the Japanese businessman enjoys lifetime employment and seniority-based wages, yet this lifelong economic security is balanced by the company's demand for unquestioning acquiescence. Ultimately, the company decides what kind of work he will do and where he will do it, and most employees are put through a long period of regular job rotation, often involving transfers to other cities. Trying though this is, to balk would be a blot on the employee's record, and few are so brave.

## ●Family Life

With the businessman devoting most of his attention to his work, it is usually up to his wife to run the home. It is she who takes care of the family budget and the children's socialization and education. Typically, the husband gives her his entire pay envelope and then she does out his weekly or monthly allowance.

## ●Living away from Home

Relocations are a fact of life for many Japanese businessmen, and some middle-aged transfers reluctantly decide to leave their families behind. This decision is often based not only on the family's personal preference to remain in the community where they may own their own home but also on a desire to avoid the problems which relocations can pose for the children's education. Even though the assignment may last for several years, the businessman sticks it out alone in the knowledge that he will be able to return home eventually. Although companies are studying ways to alleviate the hardships of overseas postings and the various problems which arise from such split-family living, they have yet to find any effective institutional solutions.

## ●信用第一主義

欧米では、仕事を通じて付き合いが始まったとしても、ビジネスと個人的付き合いは区別するが、日本の商談ではそういった区別はないで、たとえ、仕事の話が全くされない酒席や遊びの場でも、それは商談の1つのプロセスと考えられている場合が多い。つまり、商売上の信用は契約内容や契約条件を検討し、それに基ついで確實に実行することであるといった欧米の契約第一主義は、日本の商売では第二段階的な問題と考えられている。

日本の商売で第一に重要な点は、交渉相手が人間的に信用できるかどうかにかかっている。したがって、外国人が日本の企業と商売をする場合は、電話や文書などによる交渉より、直接会って交渉することが重要となる。日本人担当者は、何度か面接の機会を作るだろうが、それは、契約条件を詰めるという目的以外に、個人として信用がかけられる人間かどうかを觀察しているのである。

## ●時間のかかる合意決定

日本では、商談の開始から契約成立までに非常に時間がかかる。交渉担当者の権限が欧米ほど明確でないということもあるが、意思決定までに、現場の人間の合意をも得るといった形が取られることが多いからである。

日本との交渉は気長に、誠意を持って当てることである。契約内容に対して恣意にイエスカノーを追ったところで交渉はスムーズにいかない。逆に関係を悪くすることすらある。日本の契約事項の検討というのは、単に契約書に書かれていることだけでなく、人間関係と同様に契約相手と長期的に取引していけるかということが重要なのである。この点でも合意に時間がかかるのである。

## ●ビジネスの家族的志向

商売である以上、契約の履行は当然であるが、日本の商売においては最初から詳細な取引規定をせずに、大枠で合意することを好む。日本的合意というのは相手を信用したということである。いわば今後親戚としていっしょにやっついていきたいと思いますという意味であり、問題が起きたらそのつと話し合いで解決し、困ったときは助け合ひましようというわけである。したがって、いったん取引が始まると、その関係は長期的に継続される場合が多い。日本は商売の面においても家族的志向なのである。

## Japanese Business Practices

## ● Mutual Trust

Western businessmen tend to make a clear distinction between business and pleasure, but this dividing line is a very fuzzy one in the Japanese business world. Socializing, for example, can be considered an integral part of the business relationship even if not a word of business is spoken, for such informal socializing contributes to establishing personal trust—and such personal trust is far more important in Japan than specific contractual relationships are. While the Western businessman builds trust in the negotiation and fulfillment of contractual obligations, the contract is a secondary problem to the Japanese businessman.

The most important thing in a Japanese business relationship is whether or not the people involved feel they can comfortably trust each other. Thus non-Japanese who establish business ties with Japanese companies soon learn that face-to-face contact is much more effective than phone calls or letters. Japanese businessmen meeting together repeatedly are not only working out the terms of the deal but are sizing each other up as human beings.

## ● Reaching an Agreement

This need to establish trust among the people concerned is part of the reason it often takes a long time to go from the start of negotiations to the signing of the contract in Japanese business. Other reasons are that the delegation of authority is not as explicit for Japanese negotiators as it would be in the West, and that the Japanese decision is made only with the consent of all of the people who will actually be involved in its implementation.

Japanese business decisions are made with an emphasis on sincerity and trust, and pressures for quick decisions are counterproductive in the Japanese context. In Japan, working out a business deal means more than simply hammering out the terms of a contract; it includes an effort to build mutual trust and long-term relations. Naturally, this cannot be done overnight.

## ● People-oriented Business

Fulfilling the contract is obviously an important part of any business deal, but in Japan the contract is not so much a detailed tome of specifics to cover every contingency as it is a general statement of the framework of the business relationship. Because business relationships are founded on mutual trust, they are somewhat like family ties. In the ideal situation, there is a deep and basic agreement to work together. If problems arise, they can be talked over and worked out, and if one side runs into trouble the other will often lend a helping hand. Once initiated, such business ties often last for many years, and even the world of business is characterized by a family-like closeness in Japan.

## 戦後日本経済の復興

戦後の日本経済は通常、1945～55年の戦後復興期、それに続く高度成長期、そして1973年の石油危機以降の安定成長期に大別される。

## ●経済の民主化

戦後の日本経済は、占領軍による経済の民主化によって新たな出発の基盤が作られた。この経済の民主化とは、「財閥解体」「農地改革」「労働改革」を言う。

財閥解体は、三井、三菱、住友、安田など戦前の大財閥の解散を言い、これにより財閥一族による人的・資本的支配が一掃され、財閥一族以外の少壮経営者が大いに企業者精神を発揮しようようになり、また企業間の競争も活発化することになった。また、農地改革により、小作地の81%が自作地として解放され、地主制が解放した結果、新たに自作農となった人々たちによる農業の近代化が進んだ。さらに、労働者については、労働三法(労働組合法、労働関係調整法、労働基準法)が制定され、労働運動の合法化をはじめ、労働者の地位が大幅に改善されて、勤労意欲の向上や労使関係の安定化に寄与した。

## ●インフレからデフレへ

地方、産業面では1947年から石炭、鉄鋼へ資材、労働力、資金を集中的に投入する「傾斜生産方式」が採用され、1948年から日本経済はインフレを伴いつつも、復興の軌道に乗った。しかし、1949年に特急金権公使として来日したJ. ドッジは、「日本経済は両足を地に着けずに竹馬に乗っているようなものだ。片足はアメリカの援助、地方は国内の補助金であり、竹馬の足をあまり高くしすぎると、転んで首を折る危険がある」と述べ、厳しい財政、金融の引き締めを勧告した。これの實施により、日本経済は深刻なデフレに突入した。

「安定恐慌」と呼ばれたこの時期、一般大衆は貯蓄を強いられ、その資金は大企業に向けられた。そのため、大企業はその後の成長には寄与したものの、中小企業の倒産、失業が増大し、社会不安が高まった。そうした折、1950年6月、朝鮮戦争が勃発し、その特需によって日本の生産活動は飛躍的に拡大した。そして、早くも1951年度の実質国民総生産は戦前水準(1934～36年平均)に達した。

1951年9月、対日講和条約が成立し、占領時代は終わった。折から朝鮮戦争も終わり、産業界は一瞬、動乱ブームの反動不況に陥ったものの、それは次の高度成長期への小休止であった。

## Japan's Postwar Economic Recovery

The postwar economy is usually divided into the three periods of postwar recovery from 1945 to 1955, the subsequent rapid-growth era through 1972, and the period of slower but stable growth in the wake of the 1973 oil crisis.

## ● Economic Democratization

It was the Occupation's economic democratization policies—zaibatsu dissolution, agrarian land reform, and labor reform—which laid Japan's postwar economic foundations.

Dissolution of the zaibatsu, meaning the breaking of the Mitsubishi, Sumitomo, Yasuda, and other wartime financial cliques' control over management and capital, made it possible for non-zaibatsu businessmen to exercise their entrepreneurial talents and sparked renewed market competition. Agrarian land reform promoted agricultural modernization by abolishing landlordism and distributing 81% of the tenant-farmed land to the people who tilled it. In labor reform, the Occupation enactment of the Trade Union Law, Labor Relations Adjustment Law, and Labor Standards Law legalized union activities, vastly improved the status of working people, and contributed to motivating workers and stabilizing labor relations.

## ● From Inflation to Deflation

While this was going on, industry was investing massive amounts of materials, manpower, and capital in the coal and steel industries under the priority production system, and the economy was put on the road to recovery, albeit with inflation, by 1948. In 1949, however, Joseph Dodge came to Japan as financial advisor to the Occupation and, commenting that, "Far from having both feet firmly planted on the ground, the Japanese economy is like a man on stilts"—one American aid and the other domestic subsidies—yet if these stilts are too high the economy is likely to fall and break its neck," he recommended sharply tighter fiscal and financial policies. These policies plunged the Japanese economy into rapid deflation.

This period of "controlled recession" was one of forced savings with the capital made available to the big companies. Although this contributed to the big corporations' growth, it also meant more small business bankruptcies, higher unemployment, and enhanced popular dissatisfaction. Yet the outbreak of the Korean War in June 1950 sparked an explosive expansion in Japanese production to meet American military procurement needs. By fiscal 1951, Japanese real GNP had regained its prewar (1934-36 average) level.

In September 1951, the San Francisco Peace Treaty was signed and the Occupation officially ended. The Korean War ended soon afterward, and the economy fell into a post-boom recession which, as it turned out, was but a brief interlude before the rapid-growth era.

## ●高度成長期

「もはや『戦後』ではない、我々は異なった事態に直面しようとしている。回復を通じての成長は終わった。今後の成長は近代化によって支えられる」と1956年度の「経済白書」が指摘したように、日本経済は1950年代後半から高度成長時代に入った。すなわち、1955年からの10年間の実質平均成長率は9%、続く1965年からの10年間のそれも8%と、ほぼ4分の1世紀ほどの長期にわたって、日本の経済は世界に冠たる高い成長を続けた。ちなみに、1955～73年のアメリカ、イギリスの年平均成長率は3%前後、西ドイツ、フランス、イタリアのそれは5、6%であった。また、1955年には自由主義国第7位であった日本のGNPは、12年後の1967年には第2位となり、かつて「中進国」と言われた日本は、「経済大国」と言われるようになった。

この間に、工業生産は著しい拡大を見た。例えば1973年において、ラジオ・テレビ・船舶・商業車が世界のシェアで20%を超え、粗鋼・精鋼・三輪・紙・レーヨン・合線・セメントなどが10%を超え、アルミ・ガラス・時計などを越えたりもの数多い。消費水準も大幅に向上し、実質消費は1955年から1970年までの15年間に2倍となった。その結果、テレビ・冷蔵庫・洗濯機をはじめ、主要な耐久消費財の普及率はほぼ飽和状態となったほか、1949年ごろには、日本では生産は無意味であるとも言われていた乗用車も、急速に普及した。

## ●高度成長の要因

この高度成長の要因については多くの議論があるが、大約、次のような要因が挙げられている。①戦後の民主化改革 ②企業の積極的投資 ③豊富な雇われた労働力 ④高い貯蓄率 ⑤積極的な技術導入 ⑥高い教育水準 ⑦小さい軍事負担 ⑧労働関係・社会・政治の安定 などである。なお、これらに加えて、「先進国に追いつけ、追い越せ」といった人々の心意気も無視できない。

## ●安定成長

さて、よく知られているように、1973年10月に生じた産油国の石油値上げ(第1次石油危機)により、日本経済も減速を余儀なくされた。かくして、さしもの高度成長にも終止符が打たれ、以後日本の経済は安定成長期へと移行した。1975年から1983年までの実質平均成長率も4%強という水準になっている。だが、経済は沈滞してはおらず、先端技術産業の台頭、サービス経済の拡大など、安定成長の内側にはダイナミズムを動きも見られる。

## ●Rapid Growth

"The postwar period is over. The era of growth through recovery has ended, and we face a new situation. Future growth will be sustained through modernization." So said the 1956 *White Paper on the Economy* in pointing out that the Japanese economy had entered a period of rapid economic growth in 1955. For the 10 years 1955-64, the average annual growth rate in real terms was 9%. For the next decade, it was 8%. By contrast, the average growth for the years 1955-73 was only 3% for the United States and Great Britain, and 5-6% for West Germany, France, and Italy. For nearly a quarter of a century, Japan had one of the highest economic growth rates in the world. The seventh-largest GNP in the free world in 1955, Japan had climbed to second place in 1967. Once a minor developing nation, Japan quickly developed into a major economic power.

Industrial production expanded significantly during the period of rapid economic growth. In 1973, Japan accounted for over 20% of the world demand for radios, television sets, shipping, and commercial vehicles. Japan also took over 10% of the world's blister steel, copper, zinc, paper, rayon, synthetic fiber, and cement and over 5% of its aluminum, glass, and watches. In the 15 years from 1955 to 1970, consumption increased 2-fold in real terms. Domestic markets for durable household goods such as television sets, refrigerators, and washing machines attained near-saturation, and domestic passenger car production, considered "unnecessary" as recently as 1949, showed phenomenal growth.

## ③ Contributing Factors

Amid the debate about the actual cause of this rapid economic growth, there is broad agreement on the importance of, inter alia, (1) postwar democratization, (2) aggressive private-sector investment, (3) abundant availability of high-quality workers, (4) high savings rate, (5) ready adoption of advanced technologies, (6) uniformly high educational standards, (7) minimal defense spending, and (8) social, political, and labor-relations stability. In addition, many people would cite Japan's strong motivation to catch up with and surpass the other industrialized nations.

## ④ Deceleration

Yet the oil crisis of October 1973, when the oil-producing nations hiked crude oil prices sharply, put an abrupt end to this dramatic growth. Since then, Japan's economy has stabilized at about 4% real growth between 1975 and 1983. While growth has slowed, the economy is by no means in recession. Advances in the high-technology industries and expansion in the service industries indicate that there is still considerable dynamism in the economy even in this period of slower growth.



産業の栄枯盛衰はきわめて激しい。戦後の経済復興の立役者であった石炭産業は、今や全く寂れてしまった。また、かつての花形産業であった繊維・造船・化学・鉄鋼・アルミなども、今や鉄鋼産業のシラケをばらばらしている。代わって、電機・自動車・エレクトロニクスなどが花形産業となっている。大学生に人気のある就職先は、そのほか銀行、損保、商社などがある。流通部門では、スーパーをはじめとするデパート・コンビニなどが急速に増えた。それやこれや、斜陽産業と新興産業の交代劇の例は枚挙にいとまがない。

#### ●著しい就業者構成の変化

一般に産業構造を表す指標としては、産業を第1次産業(主に農林水産業)、第2次産業(主に建設・製造業)、第3次産業(卸売、金融、運輸通信、サービス業、公務などを)に分け、それぞれの就業者数の割合(全就業者を100として)＝構成比が用いられる。

日本の1955年の就業者構成比は、第1次産業41%、以下、第2次23.5%、第3次35.5%であった。つまり、この時期ではまだ農林就業者がいちばん多かったわけである。言い換えれば、まだ製造工業がさほど発展していなかったとも言える。だが、10年後の1965年には、第1次24.6%、第2次32.0%、第3次43.3%となり、第1次産業の就業者が大幅に減少し、その分、第2次、第3次の就業者が増えた。つまり、高度経済成長が本格化し、製造工業が拡大するに伴って、農村の労働力が工業に吸収されていったのである。

そしてさらに10年後の1975年になると、第1次13.9%、第2次34.1%、そして第3次は52%となった。ここで注目するのは、第1次は10%台にまで低下した一方、第3次が50%を超えたことである。実は、第3次の数字は、すでに1973年に50%台に達したのだが、このことは、全就業者の半分が物(財)ではなく、サービスの生産に携わるようになったことを意味している。また、この年には、第3次産業の生産高も全産業の50%を占めるようになっており、生産の面でも全生産高の半分をサービスの生産が占めるようになったのであった。

こうして経済のサービス化が本格化し、1984年には、第3次産業の就業者比は56.9%にまで高まっている一方、第1次のそれは8.9%と10%を切っている。また、第2次産業の就業者比は1980年代に入って漸減傾向にあり、1984年には34.2%であった。

## Changes in the Industrial Structure

The ups and downs of industry can be extreme. The coal industry, for example, once a major pillar of Japan's postwar recovery, is today relegated to a minor role. Likewise, such once-leading industries as textiles, shipbuilding, chemicals, steel, and aluminum are now in decline, rapidly being replaced at the forefront of Japanese industry by electrical machinery, automobiles, electronics, and the like. The other business sectors most popular with job-seeking university graduates are banking, non-life insurance, and international trade. In the distribution sector, supermarket and discount store chains have mushroomed. Every field has its declining sunset industries and its ascending sunrise industries.

#### ●Changes in Employment Patterns

A nation's industrial structure is conventionally divided into three sectors—primary (agriculture, forestry, and fisheries), secondary (construction and manufacturing), and tertiary (retail and wholesale trade, finance, transport, communications, services, and civil service). The employment index for each sector (total 100 for all employees in all sectors) is an indicator of that sector's importance within the total industrial structure.

In 1955, the employment ratios in Japan were 41% primary, 23.5% secondary, and 35.5% tertiary. As may be seen, a plurality of Japan's work force was in agriculture, and secondary-sector manufacturing was still immature and undeveloped. Ten years later, however, in 1965, the ratios had changed to 24.6% primary, 32.0% secondary, and 43.3% tertiary. The primary sector was down sharply, its place taken by the secondary and tertiary sectors. With the rapid economic growth, manufacturing had expanded and much of the labor force had moved from farm to factory.

Within the next decade, to 1975, the ratios further shifted to 13.9% primary, 34.1% secondary, and 52% tertiary. While primary-sector employment had dropped to under 20%, tertiary employment exceeded 50%. This shift in the employment structure was already evident in 1973 when tertiary employment first topped 50%—more than half of Japan's workers being involved in producing and selling services rather than things. At the same time, tertiary production accounted for 50% of all production by value.

The growth in the service industries continues today. In 1984 employment in tertiary industries accounted for 56.9% of all Japanese workers. By contrast, the primary sector had dropped to 8.9%. Employment in secondary industries has also decreased since 1980, declining to 34.2% in 1984.

欧米先進諸国の例に倣えず、日本でも核家族化は時代の趨勢<sup>トレンド</sup>である。夫婦だけか、夫婦あるいは片親と未婚の子だけの核家族世帯は全世帯の6割にも達し、1940年までは5人だった平均世帯人数も半減、減少して、1980年以降は3.2人前後を推移している。夫婦に子供が1人か2人というのが、日本の一時的な家族構成と書えよう。

#### ●戦前・戦中の家庭

親・子・孫と3世代が同居し、一家の主である夫が家長として絶対的権威を握っていたのが、戦前の日本の平均的な家庭だった。妻を日本では「家内」とも言うように、一家の主婦は家において、夫や夫の両親である舅・姑に比べ、家事・育児一切を切り盛りした。戦中の皇権時代には、兵隊に出た夫の留守を守って食糧の確保に奔走するなど、家のことでは夫に心配させないというのが、日本の家改革だった。

#### ●戦後・現在の家庭

こうした家庭のイメージが、戦後の核家族化に伴って、だいぶ変わってきている。かつては家庭についても子供の教育・結婚についても専ら妻が担っていた“強い夫”像は後退し、現在では妻や子供の言い分にも耳を傾ける、ものわりのいい夫が増えている。一方、妻の地位は「戦後、強くなったのは女性と親下」という言葉が一時はやっただほど向上した。夫と同等の立場で自分の意見を言い、特に子供の教育などでは夫よりも強い決定権を持っているのが、現代の日本の妻たちである。妻の地位が向上した結果、顕在化してきたのが嫁・姑戦争である。嫁が自己主張をするようになったの、姑との摩擦が多くなり、夫は母親と妻の板挟みになって苦労する。

電気製品の普及で家事に時間がかからなくなり、子供が少なく育児に専らかかる期間も短くなった結果、家の中の仕事より生きがいを外に求めて動きに出る主婦も多く、今では主婦の2人に1人は働くに三ついている。

しかし、戦後の主婦の地位を最も象徴的に物語っているのは、主婦が一家のさいふを握ったことだろう。欧米では一家の家計を預かるのは夫で、妻は必要な生活費だけを夫からもらうというのが一般的だったが、戦後は妻が一家の六五六三として夫の給料を管理し、生活のやりくりから貯蓄、財産運用、マイホーム建設資金づくりまでを担うという家庭が増えている。

## The Family

As in the West, the modern Japanese family is small. Some 60% of all Japanese households consist of couples only or a single parent and unmarried children. Back in 1940, the average family had five members. Since then, the number has dropped to 3.2, where it has been since 1980. Thus the average Japanese family is mother, father, and one or two children.

#### ●Pre-1945 Situation

In prewar Japan, three generations (parents, children, and grandchildren) lived under the same roof. The father was head of the household, and his word was law. As one of the Japanese words for wife, *kumitai* (inside the home), implies, the prewar Japanese wife's place was in the home, serving her husband and her husband's parents, doing housework, and raising her children. During the war years when food was scarce, the Japanese housewife did everything she could to ensure that the family had enough to eat. She was expected to maintain the household while her husband was at the front, and she was not to burden her husband with the worries of keeping the family fed and intact.

#### ●Changes since the War

However, the Japanese family has changed considerably as the nuclear family became the postwar norm. The father no longer has absolute authority in establishing family rules, governing his children's education, and granting permission for his children's marriages, and increasing numbers of fathers are listening to their wives and children. At the same time, the wife's role is also changing, as aptly illustrated by the once-popular phrase, "The two things that have gotten stronger since the war are women and stockings." The modern Japanese housewife has an equal say with her husband in family matters, and often more say when it comes to the children's education. One manifestation of this improved status for wives is the conflict which has erupted between wives and mothers-in-law. With the wife used to speaking out, there has been increasing friction with the traditional mother-in-law, and the hapless husband often finds himself caught in the middle.

With the time required for household work greatly diminished by modern electrical appliances, and with fewer children to raise, many Japanese housewives are finding fulfillment in work outside the home. Today, one of every two housewives has an outside job.

The most obvious proof of the wife's position is her grip on the family purse strings. In the West it is usually the husband who controls the family finances, giving his wife an allowance to do the shopping with. Yet in postwar Japan it is the wife who handles the money, making all of the major savings, investments, and even home financing decisions.

## 物価と流通産業

## ●物価

日本の消費者物価(指数)は、1973年の第1次石油危機のときには、前年上昇率が24.5%(1974年)、1979～80年の第2次石油危機でも8.0%(1980年)を示したが、1974～83年の平均上昇率は7.6%であった。同期間の先進主要国の消費者物価は、イギリス23.3%、フランス17.2%、カナダ13.5%、アメリカ11.3%、西ドイツ5.5%という上昇率であった。さらに、1982年以降、物価は急速に鎮静化し、1983年、84年といずれも2%内外という低い上昇率を示している。今や、第1次石油危機後のインフレ体質が克服されたと言ってもよいだろう。

しかし、消費者の実感としては、物価は高いとする人が多い。これは、公表される消費者物価指数が家計の支出のすべてをカバーするものでないこともあるが、値上りした商品には敏感だが、値下りしたものは注意がいかにないことによるものと思われる。

ちなみに各品目の小売価格を世界主要都市と東京とで比較してみると、食料品、特にバター・牛乳・牛肉・米の価格が割高になっている。反対に、比較的安価な品目は、ワイシャツ・チニスウェーズ・オートバイ・小型乗用車などの工業製品、スーパーで食料・ホテル料金・クリーニング代・バーや料金などのサービス料金の一部である。

## ●流通産業

日本には、1982年で43万の卸売店と170万の小売店がある。170万の小売店のうち、デパート・スーパーなど法人組織のものは25%にすぎず、残りは零細規模の個人商店である。この個人商店の販売額は、近年低下している。それは大型店舗、コンビニエンスストアの増加の影響によるもので、今後は経営的にもますます苦しくなるのではないかと思われる。

1970年代後半から小売業全体の年間販売額の伸び率は鈍化しているが、特に1980年代に入ってから停滞が強まり、大型小売店といえども販売額は伸び悩み、上昇率はGNPの伸びを下回っている。消費支出の伸びも鈍化しているが、それをかなり上回って小売業全体の販売額が鈍化している。それは、小売を介さない消費支出、特に教育、旅行、宿泊などへのサービス支出の増加(モノ離れと言われる)と関係があるようである。

## Prices and Distribution

## ●Prices

Although there were sharp price increases sparked by the two oil crises (24.5% over the previous year in 1974 and 8.0% in 1980), Japan's consumer price index increased 7.6% per annum on average over the decade 1974-83. Given that the average per-annum price increase in the other industrialized countries for the same decade were 13.3% in the United Kingdom, 17.2% in France, 13.5% in Canada, 11.3% in the United States and 5.5% in West Germany, Japan's record was the second-lowest of any major country. Prices have been especially stable in Japan since 1982, with 1983 and 1984 both showing increases of only about 2% over the previous year, and the economy has apparently shaken off the inflationary propensity that infected it during the first oil crisis.

Nevertheless, many consumers still feel that prices are high. While part of the problem is that the official consumer price index figures do not cover everything a family buys, it is also partly because consumers are quick to feel the pain when prices go up and tend not to notice when they go down.

Looking at consumer prices in Tokyo in comparison to some of the world's other major cities, prices in Tokyo are higher for such foodstuffs as butter, milk, beef, and rice but lower for manufactured goods such as clothing (dress shirts and tennis shoes), consumer durables (motorcycles and compact cars), and such service-sector items as room rents, hotel rooms, dry cleaning, and hairdressing.

## ●Distribution

As of 1982, there were 430,000 wholesale dealers and 1,700,000 retail outlets in Japan. Of the retail outlets, only 25% were such corporate entities as department stores and supermarkets, and the other 75% were small unincorporated mom-and-pop stores. Yet the percentage volume, handled by these corner operations has been declining in recent years under the onslaught from the superstores and convenience shops, and they are expected to face continued rough sailing in the years ahead.

Although total retail sales growth has been gradually slipping since the latter half of the 1970s, this stagnation has been especially pronounced since the turn of the decade. Even the giant superstores have been hurt, and consumer spending has failed to keep up with the growth in GNP. The trend is even more pronounced within consumer spending as retail sales have in turn failed to keep up with consumer spending overall. This change in Japanese patterns of consumption would seem to indicate that people's values are less material-oriented, and that there has been a priority shift to spending on education, travel, hobby interests, and other services not found at your local supermarket.

## 4 家計

一家のさいふを握っている日本の主婦は、生活のやりくりを上手にするために、そのに家計簿をつけている、こうした主婦層の家計簿を基にして総理府統計局が毎年発表している「家計調査報告」によると、1984年の勤労者世帯1か月の平均実収入は42万4025円、消費支出は38万2716円となっている。

かつては生活費の中で食料費の占める割合であるエンゲル係数が、衣食住などの基礎的支出の割合が消費生活を推し測るものさしだったが、「飽食の時代」にある現在の日本では、このものさしは適用しなくなってきた。具体的には、1970年には32.2%だった勤労者世帯の1か月の食料費は75年30.0%、80年27.3%、84年26.1%と減少の一端、衣食住などの基礎的支出の割合のほうも同じく56.0%、53.2%、49.5%、47.8%と、すべてに50%を切っている。逆に増えているのが教養娯楽・教育・交際費などの選別的支出である。

## ●増える教育費

とりわけ、高学歴社会を反映して、教育費のウェイトが年々拡大しているのが最近の日本の家計の大きな特徴である。1975年から1984年までの家計支出と教育支出の年平均伸び率を比較した試算によると、家計支出が8%の伸びに対して教育支出は18%と、倍以上の伸び率だった。

これはあくまで平均の数字で、教育熱心な都市部や大きい子供がいる世帯では、それだけ教育費支出の占める割合は高くなる。一例として、1983年に東京都が就学者を持つ都内の452世帯を対象に行った調査を基にすると、月平均消費支出29万9309円の21.3%、6万3780円が教育費に充てられており、中には家計の3分の2を教育費に充てている家庭もあった。

## ●高い貯蓄率

日本人が貯蓄熱心な国民であることはよく知られている。1984年の1世帯平均貯蓄現在高は649万円。可処分所得に占める貯蓄の割合を示す家計貯蓄率は1984年で17.3%で、イタリヤが20.3%、カナダ15.5%、フランス11.5%、イギリス7.0%、アメリカ5.2%であるから欧米先進諸国の中でも高いほうである。日本人が貯蓄に熱心なのは豊かさの現れというより、老人福祉がまだ充分でないことへの不安や、なかなかマイホームを持っていない住宅事情のためと言えよう。

## The Household Budget

It is generally the housewife who holds the family purse strings in Japan, and she keeps a detailed record of household accounts. According to a 1984 annual survey of such household accounts by the Statistics Bureau of the Prime Minister's Office, average monthly household income was ¥424,025 and average expenditures ¥282,716.

Neither the Engel coefficient, used to measure the percentage of household expenditures on food, nor the percentage spent on the basic necessities of food, shelter, and clothing, is an adequate indicator of the quality of consumer life in today's affluent Japan. Food accounted for 32.2% of the wage-earner household's monthly expenditures in 1970, but the ratio has decreased steadily since then, to 30.0% in 1975, 27.8% in 1980, and 26.1% in 1984. The same downward trend is evident in the food-shelter-and-clothing figure: 56.0% in 1970, 53.2% in 1975, 49.5% in 1980, 47.8% in 1984, and continuing below the 50% mark ever since. In contrast, there has been a marked increase in family spending on recreation, entertainment, and education.

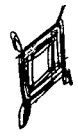
## ● The Growing Cost of Education

Reflecting the Japanese people's strong belief in the benefits of a good education, Japanese household spending on education has grown sharply in recent years. Indeed, spending on education increased 18% per annum between 1975 and 1984—a figure more than twice the 8% growth rate for total household expenditures.

These are averages, of course, and educational spending has gone up even more in the highly education-conscious urban household and homes with older children. According to a 1983 survey of 452 Tokyo households with school-age children, spending on education averaged ¥63,780, or 21.3% of the average total household spending of ¥299,309, per month. Some families earmarked nearly two-thirds of their total monthly expenditures for their children's education.

## ● High Savings Rate

The Japanese have long been known for their high savings rate. The average household savings balance was about ¥6.5 million and the household savings rate (the percentage of disposable income saved) 17.3% in 1984. This compares favorably with the average savings rates in other industrialized nations: 20.3% in Italy, 15.5% in Canada, 11.5% in France, 7.0% in Great Britain, and 5.2% in the United States. However, the Japanese propensity to save is often attributed not so much to affluence as to the extremely high cost of owning one's own home and the need to save for a rainy day in a society lacking adequate welfare for the aged.



## **Commitment**

- 1. We will ensure an enabling political, social, and economic environment designed to create the best conditions for the eradication of poverty and for durable peace, based on full and equal participation of women and men, which is most conducive to achieving sustainable food security for all.**
- 2. We will implement policies aimed at eradicating poverty and inequality and improving physical and economic access by all, at the times, to sufficient, nutritionally adequate and safe food and its effective utilization.**
- 3. We will pursue participatory and sustainable food, agriculture, fisheries, forestry and rural development policies and practices in high and low potential areas, which are essential to adequate and reliable food supplies at the household, national, regional and global levels, and combat pests, drought and desertification, considering the multifunctional character of agriculture.**
- 4. We will strive to ensure that food, agricultural trade and overall trade policies are conducive to fostering food security for all through a fair and market-oriented world trade system.**
- 5. We will endeavour to prevent and be prepared for natural disasters and man-made emergencies and to meet transitory and emergency food requirements in ways that encourage recovery, rehabilitation, development and a capacity to satisfy future needs.**
- 6. We will promote optimal allocation and use of public and private investments to foster human resources, sustainable food, agriculture, fisheries and forestry systems, and rural development, in high and low potential areas.**
- 7. We will implement, monitor, and follow-up this Plan of Action at all levels in cooperation with the international community.**



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英語

***JA Zenchu Position Paper***  
***on the WTO Agricultural Negotiations***

OCT. 1. 2002

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*The WTO agricultural negotiations launched in March 2000 are very important, as they will decide the direction of agricultural trade in the 21st century as well as the future state of food, agriculture and rural areas in Japan.*

*Japanese agricultural producers are greatly concerned with the current WTO Agreement on Agriculture, which is not only unfair to farmers in food-importing countries, but also does not sufficiently take into account the importance of the multi-functionality of agriculture and sustainable food security.*

*The result of the Uruguay Round agricultural negotiations has seriously affected Japanese agriculture. This becomes clear in the statistics. Between 1994 and 1998 the total value of agricultural imports has increased by 20%, while the total value of domestic production has decreased by 10%.*

*Therefore, it is important for Japan, as the largest net food-importing country, that fair and equitable agricultural trade rules for both food-importing and -exporting countries be established. Such rules would apply to developed and developing countries alike.*

*It must be recognized that we are still far from the goal of “achieving food security for all” and of “reducing the number of undernourished people to half the present level no later than 2015” committed to by the FAO Rome Declaration on World Food Security in 1996. At the WTO agricultural negotiations, liberalization of agricultural trade should not be regarded as an end in itself.*

*For these reasons, Japanese farmers advocate that the following points be made part of the WTO agricultural negotiations and are calling for understanding and support from farmers and farm group leaders worldwide.*



## *I. Issues on Principles for the Agricultural Negotiations*

- (1) At the agricultural negotiations, it is imperative to carefully examine the implementation of countries' URAA commitments. This examination should be done in order to work out the difficulties that farmers in the world have faced so far, so that genuinely fair and equitable trade rules can be established.
- (2) The outcome of the WTO agricultural negotiations should allow for mutual co-existence of the various forms of agriculture in all countries. This should be the essential objective of the negotiations. International rules must allow for the continuation of the reform of domestic agricultural policies. This will facilitate and promote the implementation of the 1999 Japanese "Basic Law on Food, Agriculture and Rural Areas" that is supported by a wide range of public.
- (3) Non-trade concerns such as the multi-functionality of agriculture and food security should be fully taken into account and should have a legitimate place in the negotiations. A firm position must be taken against the argument made by the Cairns Group to put trade in agricultural goods on the same basis as trade in other goods.
- (4) The current WTO Agreement on Agriculture favors food-exporting countries and thus is unfair from the perspective of food importing countries. Special attention should be given to the areas of market access and domestic support. This should improve the difficult conditions that net food-importing countries with critically low levels of self-sufficiency are facing.
- (5) A comprehensive new round with a single-undertaking approach should be launched as soon as possible. Agricultural negotiations should be fully integrated in the new round.

## ***II. Issues on Specific Agendas***

### ***1. Maintenance of Adequate Levels of Border Measures***

#### ***(1) Maintenance of the Levels and Forms of Tariffs***

Since appropriate border measures are a legitimate right for food importing countries to adjust differences in natural or economic conditions regarding agricultural trade, it is necessary to maintain appropriate levels and forms of tariffs considering the characteristics of the respective products.

All the commodities that were subject to tariffication under the URAA are essential for rural communities in Japan. Both in-quota and out-of quota tariffs should be maintained at proper levels to avoid adverse effects to sustainable domestic production for these commodities.

Tariff levels for processed food should be set by taking into full consideration the importance of food industries as part of total domestic agricultural production.

#### ***(2) Levels and Administration of TRQs***

It is necessary to properly set the levels of Tariff Rate Quotas (TRQs), with full consideration of the experience of implementing the URAA commitments. This experience includes required imports, even in the case of surpluses in domestic production, as well as the supply-and-demand situation in importing countries.

The current system, which requires countries to provide a certain level of access opportunities, has the fundamental problem of imbalance between importing and exporting countries in terms of their rights and obligations. Such aspects of the system need to be improved.

The level of access opportunities should be decided giving sufficient consideration for such factors as securing the benefits of the multifunctionality of agriculture and ensuring food security. The level should also be decided according to the actual agricultural situation and the progress made through the structural reform of each country. Consideration should also be given to the different situations of the international supply and demand of each respective product in order to provide flexibility when determining the appropriate level of access opportunities.

Besides the above-mentioned points, the system, which requires countries to provide a certain level of access opportunities, has the following problems. It is therefore important to make the necessary improvements to the system.

- (i) Since the level of access opportunities was determined according to domestic consumption during the past negotiations, such level should now be reviewed, considering the latest volume of consumption in order to achieve fair treatment.
- (ii) As for the products subject to the special treatment concerning paragraph 2 of Article 4 of the Agreement on Agriculture, there is a problem whereby the additional level of access opportunities will be maintained, even after the special treatment ceases to be applied during the implementation period. There is, therefore, need for improvement.

Furthermore, as products subject to the TRQ system are important to agricultural production in rural areas, the administration of TRQs should not be uniformly carried out, but be maintained in a way that takes into account the supply and demand features of each commodity.

### ***(3) Strengthened Safeguard Measures Regarding the Seasonal and Perishable Character of Farm Products***

The seasonal and perishable characteristics of agricultural products should be sufficiently taken into account. A new safeguard mechanism should be established in the agreement on agriculture that can be applied automatically and effectively to import surges without requiring compensation. This new mechanism would promptly and effectively address adverse situations such as surges in import volumes and/or significant decreases in import prices.

### ***(4) Maintenance of Special Safeguard in URAA***

The present special safeguard is set up as a result of the URAA to respond to the concern of food-importing countries that comprehensive tariffication will lead to import surges. The special safeguard should be maintained as a justifiable right for food-importing countries.

### ***(5) Maintenance of Importing STEs***

It is very important to maintain the system of importing State Trading Enterprises (STEs) as it contributes to the sustainable development of agriculture as well as to the stable supply of food in food-importing countries.

## **2. Domestic Support to Increase Food Self-Sufficiency**

### **(1) Basic Position**

A certain level of domestic support is necessary for ensuring the multi-functionality of agriculture, of which food security is an integral part.

In Japan, domestic policies for rice, wheat, soybean, sugar and dairy have been converted to less trade distorting programs during the implementation period of the URAA. It should be understood that such a policy transformation from price support to management stabilization would require sufficient time to allow farmers to adjust to new policies.

### **(2) Position per Category of Domestic Support**

It is necessary to maintain the present framework of the commitment on domestic support, while a necessary review should be undertaken to facilitate the implementation of domestic policy reforms based on the new Basic Law and to increase food self-sufficiency.

#### **(a) Realistic Levels of Amber Box Policies in the Total AMS Framework**

Amber box commitments should be set at realistic levels based on the present total AMS framework.

#### **(b) Maintenance of Blue Box Policies**

Blue box policies should be continued and positively evaluated.

#### **(c) Realistic Review of Green Box Policies**

As domestic support in reality cannot be entirely dissociated from production, the requirement and scope for green box policies should be reviewed. Nonetheless, those changes are to be kept at a minimum, and should be based on the actual agricultural situation to facilitate transformation to new management and income stabilization programs.

### ***3. Strengthening Export Rules***

Export rules, as a whole, should be strengthened through clarifying rules on export prohibition/restriction, export taxes and export credits, substantial disciplines on exporting STEs, and reduction of export subsidies.

### ***4. Special and Differential Treatment for Developing Countries Aimed at Eradication of Poverty and Hunger***

Developing countries must be supported through providing training opportunities for farmers including women and small-scale farmers, promotion of organizing cooperatives from the viewpoint of achieving the aforementioned goal of the FAO Rome Declaration in 1996 and to eradicate poverty and hunger in developing countries.

International support systems should be strengthened so that food aid by governments can be facilitated. A system of food reserves on a worldwide or regional basis should also be pursued.

### ***5. Assurance of Food Safety***

Consumers' concerns and interests, such as food safety, must be addressed by taking into account new issues such as bio-engineered food and the establishment of regulations on labeling.

### ***6. Disclosure of Information***

The WTO should disclose sufficient information to producers and consumers who are directly affected by the outcome of the negotiations. The WTO also should provide opportunities for NGOs/CSOs to present their opinions throughout the negotiations.

## ***III. Other Issues of Concern***

Although regional free trade agreements, such as the one between Japan and Singapore, have been under study recently, we urge that agricultural trade should only be negotiated multilaterally through the WTO, and that any regional agreements should not set tariffs.

## <APPENDIX> *Minimum Access Imports of Rice*

In countries like Japan where the food self-sufficiency rate is very low, it is important to maintain a stable supply of the nation's staple food such as rice, to achieve food security.

However, rice farmers in Japan are now faced with rising production controls combined with declining domestic consumption and drastic decreases in price. Obviously, minimum access for rice through the TRQ adversely affects the domestic supply and demand situation. For these reasons, Japanese farmers are frustrated with the minimum access, the volume of which is increasing year by year while domestic production controls have been rising. This is a situation of greatest concern that will seriously affect the fulfillment of multi-functionality such as land conservation, which the public wishes to maintain.

The difficulties Japanese farmers are now facing are the result of their experience with the implementation of the URAA. This needs to be carefully examined and resolved.

### STATISTICS ON RICE

	1995	1996	1997	1998	1999	2000
Total Rice Paddy Field Area (thousand hectares)	2,118	1,977	1,953	1,801	1,788	1,770
Rice Paddy Field Under Production Adjustment (thousand hectares)	680	787	787	963	963	963
Average Price of Rice (yen / 60 kg)	20,204	19,806	17,625	18,508	16,904	15,831*
Total Volume of Domestic Rice Production (thousand tons)	10,748	10,344	10,025	8,960	9,175	9,490
Annual Per Capita Consumption of Rice (kg)	67.8	67.3	66.7	65.2	n.a.	n.a.
Volume of Minimum Access Requirement (thousand tons)	426	511	596	681	724	767

\* The figure is the average price of the voluntary marketed rice in December, 2000.

# Position of JA Zenchu on the WTO Agricultural Negotiations

## Basic Concept of the Position

1. Consideration of the multifunctionality of agriculture
2. Ensuring food security
3. Fair and equitable trade rules for both food importing and exporting countries
4. Consideration for developing countries
5. Consideration for consumers and civil societies

## Multifunctionality: Definition (1)

Where functions are closely related to, and cannot be separated from agricultural production.

## Multifunctionality: Definition (2)

Where functions play an important role in relation to the agricultural production activities that have generally been observed.



## Multifunctionality: Definition (3)

---

Where the value of their function is commonly recognized by the people of a concerned country.

## Multifunctionality in Japan

The value:

Translated into a total sum of  
7 trillion yen annually.

# Multifunctionality in Japan

- Land conservation
  - (1) Preventing floods
  - (2) Preventing soil erosion
  - (3) Preventing landslides
- Fostering of water resources

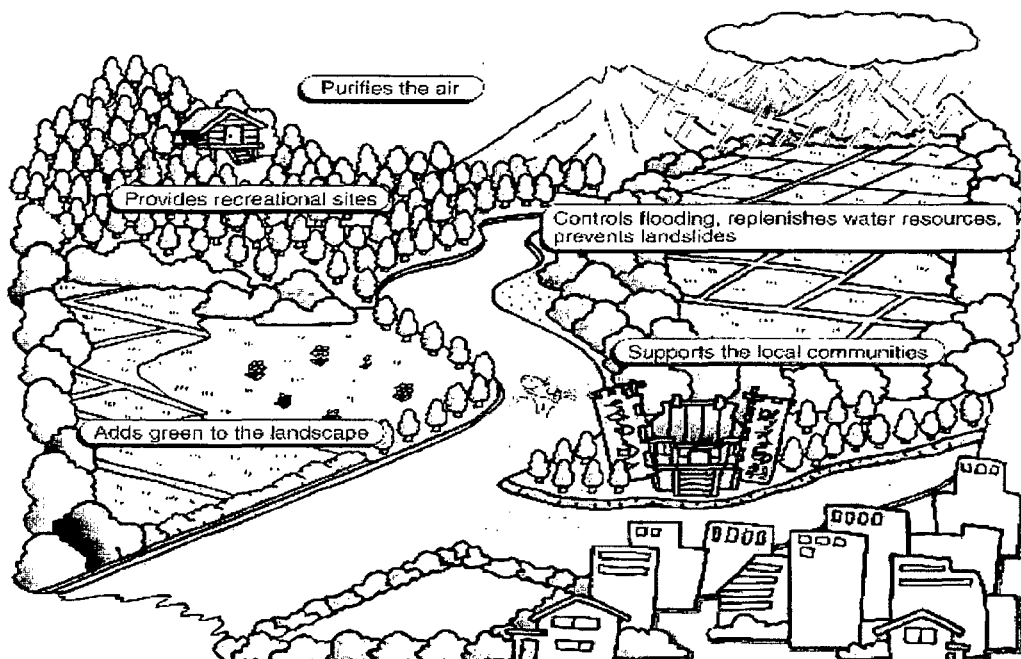
# Multifunctionality in Japan

- Preservation of the natural environment
  - Management of organic waste
  - Resolution and removal of polluted substances
  - Air purification
  - Maintenance of biodiversity and preservation of wildlife habit
- Formation of scenic landscape

# Multifunctionality in Japan

- Transmitting culture
- Rural amenity
- Maintaining and revitalizing the rural community
- Food security

# Multifunctionality in Japan





**Asian Farmers' Group for Cooperation**

*Joint Statement*

*of the "Asian Farmers' Group for Cooperation"*

*on the WTO Agricultural Trade Negotiations*

*March 15, 2002*

*Manila, the Philippines*

President Office:

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Temporary Permanent Secretary Office:

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We, the representatives of farmers in the Asian monsoon region have agreed in Manila, the Philippines, on March 15, 2002, upon the occasion of the 4<sup>th</sup> Meeting of the “Asian Farmers’ Group for Cooperation (AFGC)” on “*Expectations of Farmers on Special and Differential Treatment for Developing Countries under the WTO Agricultural Negotiations,*” to call for *genuinely fair and equitable agricultural trade rules for both developing and developed countries and for both food-importing and food-exporting countries with strengthened and operationally effective special and differential treatment for developing countries to level the playing field, so that various forms of agriculture in all countries will be allowed to co-exist and prosper.*

We urge the WTO as well as all of the governments representing our region to recognize the following principles as a basis, not only for multilateral trade negotiations, but also for domestic food, agriculture and rural policies. This will help to promote sustainable development of agriculture and achieve food security in Asia where small-scale farmers are the norm and a substantial numbers of poor still exist.

## **IDENTITY OF ASIAN AGRICULTURE, FOOD CONSUMPTION AND SOCIETIES**

Typically, in the Asian monsoon region, the basic foodstuff for citizens’ consumption is rice, which at the same time is the most important crop for agricultural production. For thousands of years, in this region, rice has been produced domestically and consumed by the citizens of each country.

It is needless to say that rice production and water utilization/conservation are two sides of the same coin. The process of water utilization is a cooperative effort requiring group support. The process involves complex teamwork requiring a division of labor to organize irrigation and related projects. This activity forms the basis of agriculture cooperative organizations and is the foundation of the agriculture cooperative movement in Asia.

The dictates of nature and the life with rice production and water utilization require the development of agriculture culture and broadly influences the culture of the people. Therefore, the role of agriculture cannot be discussed in the context of economic functions only. In the Asian monsoon region, agriculture is regarded as culture as well as citizens’ life itself.

Given this experience, indigenous agriculture is essential for food security, alleviation of poverty, promotion of employment, protection of the environment as well as to preserve traditional cultures and other essential, non-economical activities.

## **GENERAL PRINCIPLES THAT MUST BE TAKEN CONSIDERATION IN THE WTO AGRICULTURAL NEGOTIATIONS**

Stable food production and vital rural societies are essential to overcome the current grave economic crises in the Asian monsoon region. In fact, the survival of the farm population is essential to the economic recovery and stabilization of these societies.

The Uruguay Round Agriculture Agreement is one-sided, creating substantial disadvantages for small-scale farmers in the Asian monsoon region to compete with large-scale farmers in developed countries, while bestowing benefits only on those countries with rich natural endowments and economically efficient agricultural production using modern technology and greater infrastructure facilities. Recent studies have shown for example that some developed exporting countries have been able to increase their trade distorting subsidies, while at the same time applying higher tariffs on commodities being exported by developing countries. Such practices have effectively legitimized their huge expenditures for trade-distorting support at the expense of developing countries who have no resources to provide satisfactory defenses against such distortions.

The ongoing devastating experiences of farmers in the Asian monsoon region must be considered in any future WTO agricultural negotiation. We, therefore, strongly urge that the following considerations be made an essential part of the WTO agricultural trade negotiations as well as of their conclusion:

- (a) Liberalization of agricultural trade should not be regarded as an end in itself. The WTO agricultural trade negotiations should aim to work out the difficulties that small-scale family farmers in the world have faced so far, so that various forms of agriculture in all countries will be allowed to co-exist and equitably benefit from global trade system.
- (b) Raising the levels of domestic food self-sufficiency must be the primary goal, including the preservation of small-scale farming in the Asian monsoon region. Furthermore, certain concepts must be included in any future agreement including the multifunctionality of agriculture and its food security aspects, conserving land and the natural environment, and the maintenance and revitalization of rural communities.
- (c) In general, agricultural products are exported only by relatively few countries, while a large number of countries are overly dependent on food imports. Therefore, in the WTO Round, the necessary balance of rights and obligations between food-exporting and food-importing countries must be ensured.

- (d) Commercialization and intensification of agriculture benefiting large-scale industrial farming operations and multinational corporations, as a result of policies based on trade liberalization, are major issues of concern. To counterbalance this dangerous trend, the achievement of food security to mainstream sustainable agriculture is imperative.
- (e) Import surges of agricultural products, as a result of agricultural trade liberalization, prevent farmers from getting reasonable income from their work and sometimes forces them to move to other less secure and profitable means of survival. Such situation takes place in both developed and developing countries even for their import sensitive products. A transparent and rules-based safeguard duty mechanism that can be applied automatically and promptly to address import surges should be established, taking into consideration the seasonal and perishable nature of agricultural products, while preventing its illegitimate abuse so as to protect exporters' interests. Strengthened anti-dumping measures should likewise be utilized as far as they are transparent and rules-based.
- (f) Sufficient special and differential treatment for developing countries must be ensured in order to level playing field, eradicate poverty and hunger and establish sustainable food and nutritional security. Furthermore, it must be recognized that agriculture is a main source of income, employment and foreign currency for developing countries. Provisions aimed at increasing trade opportunities for developing countries are needed, while at the same time safeguarding their domestic markets.
- (g) In order to maintain food security in developing countries, a system of food reserves on a worldwide and regional basis should be established. The AFGC welcomes the examination of the feasibility of an "East Asian Rice Reserve Management System" by the AMAF+3 and urges agricultural ministers in ASEAN, China, Japan and Korea to start the operation of a well-functioning and sustainable regional reserve system of basic foodstuffs as soon as possible in order to improve food security in this region.
- (h) At the WTO and other multilateral and regional agricultural negotiations, fair and equitable representation from developing countries, especially from Asian countries, must be ensured. Also, transparent decision-making must be ensured in the negotiations. Small farmers and their organizations, such as the Asian Farmers' Group for Cooperation, should be regularly consulted and actively involved in discussions during such negotiations.
- (i) Sufficient consideration on the unique characteristics of fisheries and forestry products as well as textile materials should be given at the WTO as these industries

plays a crucial role in poverty alleviation, rural development and employment, diversification of agriculture and natural resource conservation.

## **STRENGTHENED AND OPERATIONALLY EFFECTIVE SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES REQUIRED**

The Asian monsoon region has the highest population density in the world and is home to a significant number of the world's poor, many of whom live in the rural agricultural areas and/or are highly dependent on agriculture for their daily subsistence. Moreover, the region has witnessed some of the most serious natural disasters in recorded history. The potential for numerous disasters in this region remains high.

In many developing countries in this region, the growth rate of agricultural income cannot catch up the growth in consumer prices. Furthermore, many developing countries have encountered serious difficulties in designing their future agricultural policies due to the strong pressure from the result of Uruguay Round agreement. Inflation in national economies and currency fluctuations have made it even more difficult for developing countries to comply with their commitments.

For many developing countries, the promised benefits of liberalized global trade in agriculture have failed to materialize.

Given these considerations, special and differential treatment should be designed for the real benefit of developing countries and not for developed countries.

It should also be sufficiently strengthened, taking due consideration of the unique characteristics of agriculture in each region, and giving particular attention to the limitations that developing countries face, so that small-scale farmers in developing countries will truly be empowered and improve their living standards, and poverty in both rural and urban areas will be eradicated.

Furthermore, inequitable access to and management of productive resources, such as the insufficiency of land for rural poor and small-scale producers, should be addressed in order to eradicate rural poverty and hunger. Emphasis should likewise be given to providing the basic infrastructure in developing countries, especially roads, irrigation and communication facilities, the lack of which makes the cost of production, processing, marketing and exporting agricultural products comparatively high while at the same time rendering local producers vulnerable to competition from lower priced and oftentimes subsidized imports from developed countries. Farmers in developing countries should further be supported through education and training, farming extension as well as field demonstrations to access the latest modern technologies.



Given these considerations, the AFGC specifically recommends the following:

- (a) Special and differential treatment for developing countries is an essential element of agricultural trade rules and should be strengthened, taking sufficient consideration on non-trade concerns and multifunctionality of agriculture such as food security, poverty alleviation and employment generation, with the end in view of leveling the playing field among all countries, and taking in account the fact that the level of development in developing countries' agriculture is far behind that of the developed countries'.
- (b) A "development box" which provides flexibility to developing countries on their commitments on market access, domestic support and export subsidy, and includes exclusive preferences in market access as well as aspects on development cooperation, should be created in order to empower small-scale farmers and eradicate poverty and hunger.
- (c) The WTO should respond to the particular needs of developing countries to encourage production diversification. Input and investment support is also critical for development needs in developing countries.
- (d) Overly stringent sanitary and phyto-sanitary (SPS) standards without reasonable scientific basis should be regarded as non-tariff barriers. On the other hand, appropriate control of pests and disease through science-based SPS measures is crucial for stable and safe food supply, and every country has a legitimate right to apply such science-based SPS measures. For capacity building for sustainable agriculture in developing countries, scientific knowledge by experts on pests and disease, particularly on risk analysis, should be accumulated, and disseminated in order that appropriate SPS measures in developing countries will be developed and utilized.
- (e) Education and training for farmers through farmers' organizations, especially cooperatives should be promoted, especially on stabilization of production volumes, production diversification, production and post-harvest technologies for quality control, and processing agricultural products. Access to modern and appropriate technology should be enhanced.
- (f) Development cooperation should focus its assistance on the provision of basic infrastructure in developing countries, particularly efficient network of roads, ports, airports, terminal markets, storage facilities, and trucking and shipping systems that will bring products from small-scale farmers to consumers at least costs. Furthermore, farmers' organizations such as cooperatives should be strengthened in order to improve their ability to access commercial markets and generate the maximum

benefits for their farmer-members.

- (g) Developed countries should respond to the needs of developing countries through official development aid (ODA) to address the desperate, under-funded situation of developing countries. Capacity building support should concentrate on helping developing countries comply with their WTO commitment. Institutions specializing in development cooperation, particularly those established by farm organizations in developed countries, should also be involved in official development cooperation activities.
- (h) Policies and programs to promote and strengthen cooperatives should be encouraged.
- (i) Coordination of agricultural policy in the Asian region should be promoted so as to enhance the mutually beneficial economic collaboration within the region. For policy coordination, a basic agricultural policy with a monitoring mechanism should be established in each country, so as to restrain the excessive commercial practices of multinational corporations.

We hereby affix our signatures, indicating full support of the organizations which we represent, to this joint statement.

Sawai Singh Sisodia, President, National Cooperative Union of India

Sutrisno Iwantono, Vice President, Indonesian Cooperative Council

Toshio Yamada, Senior Executive Director, JA Zenchu

Shin Ja-Chul, Executive Vice President, National Agricultural Cooperative Federation (Korea)

Yaakob Jusoh, General Manager, NAFAS TFI SDN BHD (Malaysia)

Raul Q. Montemayor, Business Manager, Federation of Free Farmers Cooperatives, Inc. (Philippines)

U. G. Dayananda, General Manager, Sri Lanka Cooperative Marketing Federation, Ltd.

Wirat Iam-Uayut, Chairman, Cooperative League of Thailand

Nguyen Dang Phong, Expert, Quang Nam Cooperative Union (Viet Nam)

### **About "Asian Farmers' Group for Cooperation (AFGC)"**

The "Asian Farmers' Group for Cooperation (AFGC)" was established in Tokyo in 1999 in order to exchange information and experiences and to activate cooperation among member organizations.

The group consists of 9 farm and cooperative organizations from 9 countries in Asian monsoon region, namely:

National Cooperative Union of India

Indonesian Cooperative Council

JA Zenchu (Japan)

National Agricultural Cooperative Federation (Korea)

NAFAS TFI SDN BHD (Malaysia)

Federation of Free Farmers (Philippines)

Sri Lanka Cooperative Marketing Federation

Cooperative League of Thailand

Vietnam Cooperative Alliance.

So far, the AFGC has held 4 regular meetings and 1 special seminar. The 1<sup>st</sup> meeting was in Tokyo in 1999, the 2<sup>nd</sup> in Jakarta in 2000, the 3<sup>rd</sup> in Bangkok in 2000, and the 4<sup>th</sup> in Manila in 2002.

Special seminar was held in Tokyo in 2001.

# Possible Measures to Achieve Sustainable Food Security

July, 2002

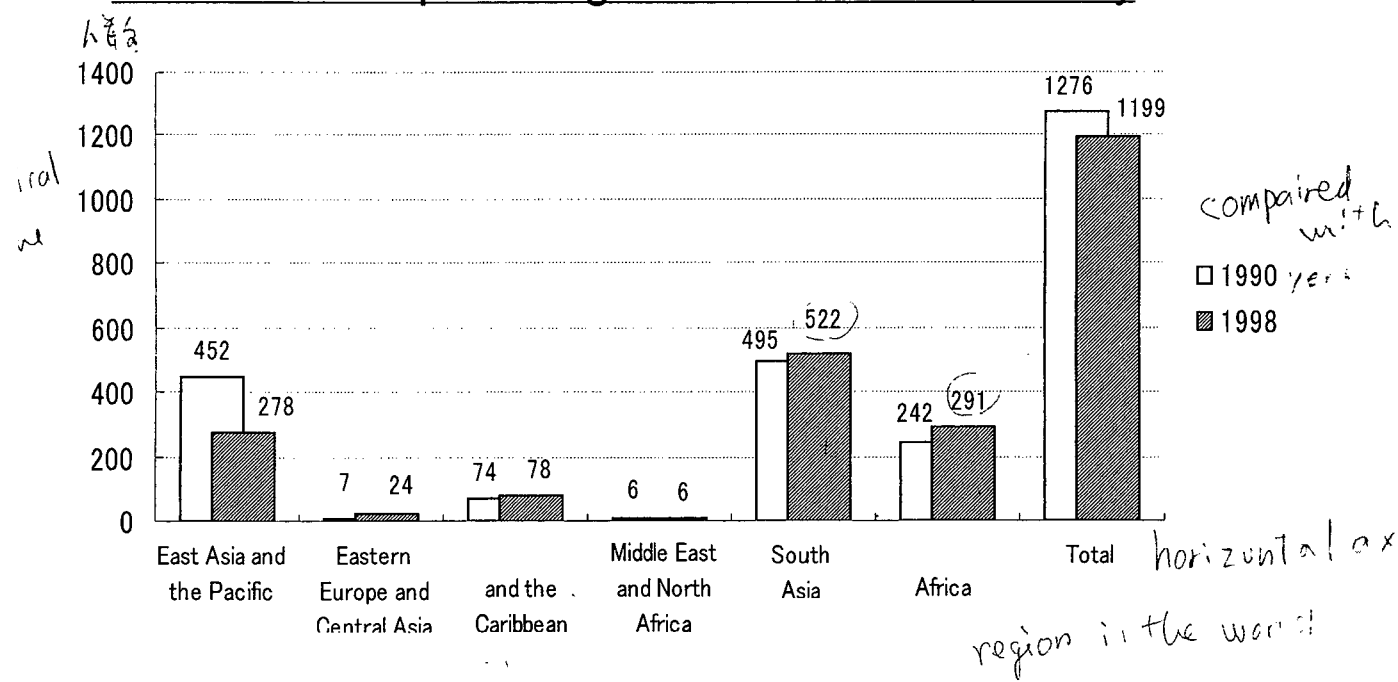
According to the report, World Bank 2001

## Situation of Food Security in the World

Figure

Number of People Living on Less than US\$1 a day

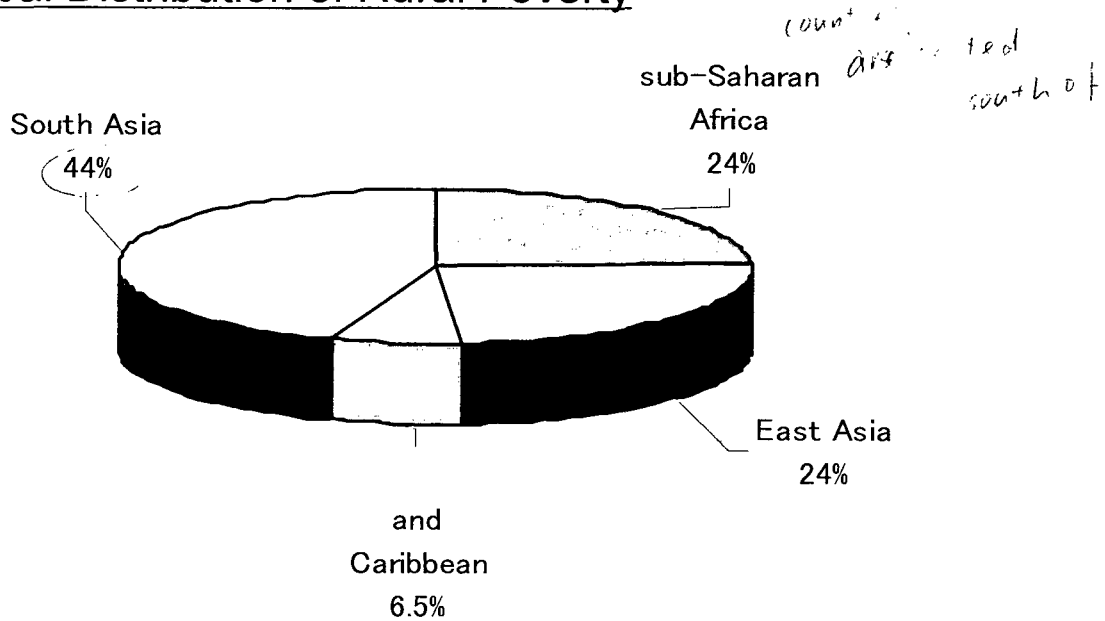
unit = million



# Situation of Food Security in the World

WORLD BANK

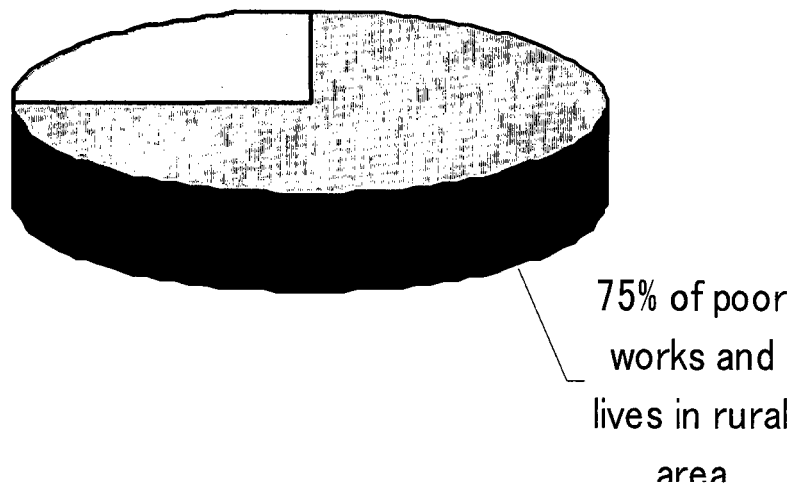
## Global Distribution of Rural Poverty



# Situation of Food Security in the World

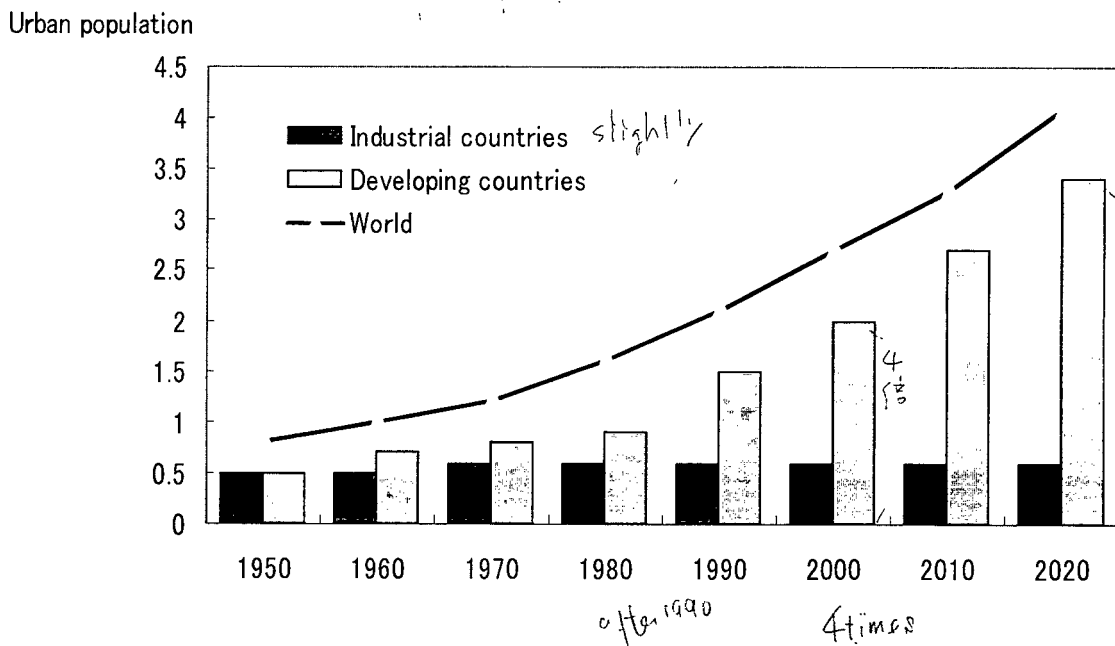
## Global Distribution of Rural Poverty

25% of poor works and lives in urban area



# Situation of Food Security in the World

## Prospects of Urban Population



## Food Demand in the World

According to

World Population Prospects of United Nations

Unit: 100 million

	1950	2000 <i>04 2002 over 6.2</i>	2050	2000→2050
<b>World</b>	<b>25.2</b>	<b>60.6</b>	<b>93.2</b>	<b>32.6</b>
<b>More developed regions</b>	<b>8.1</b>	<b>11.9</b>	<b>11.8</b>	<b>-0.1</b>
<b>Less developed regions</b>	<b>17.1</b>	<b>48.7</b>	<b>81.4</b>	<b>32.7</b>
<b>Africa</b>	<b>2.2</b>	<b>7.9</b>	<b>20.0</b>	<b>✓ 12.1</b>
<b>Asia</b>	<b>14.0</b>	<b>36.7</b>	<b>54.3</b>	<b>✓ 17.6</b>
<b>Latin America &amp; Caribbean</b>	<b>1.7</b>	<b>5.2</b>	<b>8.1</b>	<b>2.9</b>
<b>Europe</b>	<b>5.5</b>	<b>7.3</b>	<b>6.0</b>	<b>-1.3</b>
<b>North America</b>	<b>1.7</b>	<b>3.1</b>	<b>4.4</b>	<b>1.1</b>
<b>Oceania</b>	<b>0.1</b>	<b>0.3</b>	<b>0.5</b>	<b>0.2</b>

# Food Demand in the World (2)

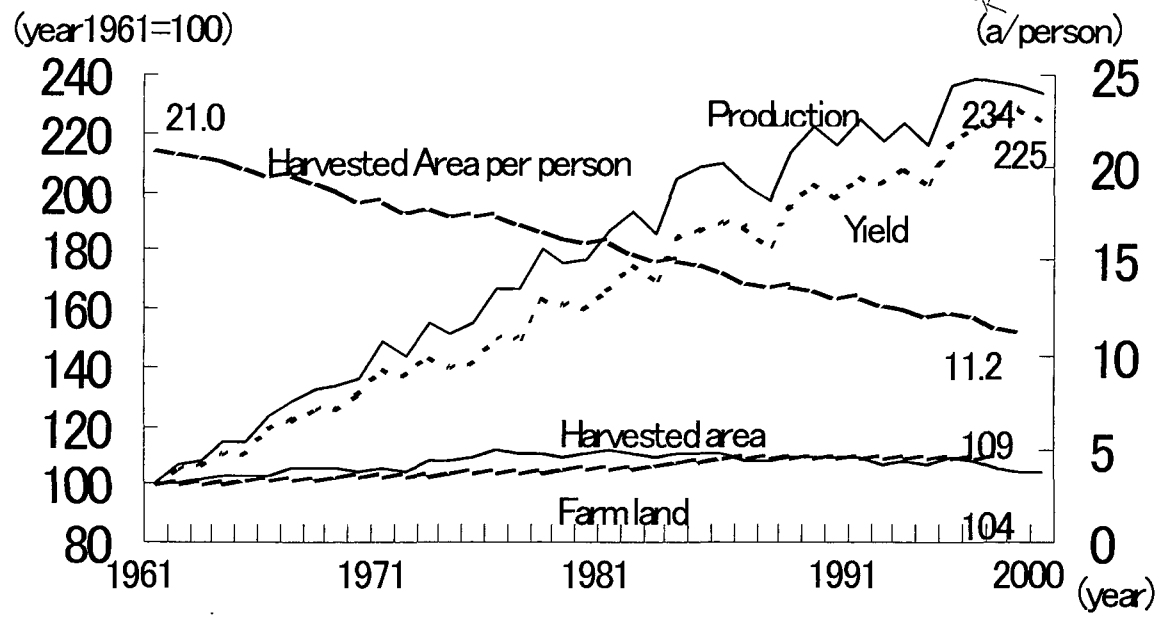
## FAO Prospects for Food Demand (2050/1995)

1995=1.00

	Africa	Asia	Developing Countries	Developed Countries	Total
Population Growth	3.14	1.69	1.95	1.02	1.76
Changes in Eating Habit	1.64	1.38	1.40	1.00	1.28
<b>Total</b>	<b>5.14</b>	<b>2.34</b>	<b>2.74</b>	<b>1.02</b>	<b>2.25</b>

# Food Supply in the World

## Global Trend of Production, Yield, Harvested Area and Farmland Area



## Significance of Food Security

### World Food Summit Plan of Action

*Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.*

---

## International Recognition on Food Security Situation

### <sup>Done</sup>World Food Summit Plan of Action

*Says India  
is not*

*Food supplies have increased substantially, but constraints on access to food and continuing inadequacy of household and national incomes to purchase food, instability of supply and demand, as well as natural and man-made disasters, prevent basic food needs from being fulfilled.*



## How to Achieve Food Security

### Rome Declaration on World Food Security

*We recognize the importance for food security of sustainable agriculture, fisheries, forestry and rural development in low as well as high potential areas.*

## Food Security in terms of International Trade Negotiations

### Ministerial Declaration of the WTO

#### (Doha Development Agenda)

*We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations ... so as ... to enable developing countries to effectively take account of their developing needs, including food security and rural development*

# Food Security in terms of International Trade Negotiations

## Ministerial Declaration of the WTO (Doha Development Agenda)

*We take note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.*

## Provision on Non-Trade Concerns in AoA

### Preamble to the Agreement on Agriculture

*Noting that commitments under the reform programme should be made in an equitable way among all Members, having regard to non-trade concerns, including food security and the need to protect the environment ...*

## Importance of Food Security for Asia

### Very Large Population with High Population Densities

Country	Population (Thousand)	Population Density
Japan	125,638	337
China	1,243,738	130
Korea	45,991	463
Indonesia	199,867	105
Philippines	73,527	245
India	955,220	291
Sri Lanka	18,552	283

## Importance of Food Security for Asia

Powerful earthquakes and natural disasters frequently occur

1998	Agricultural Production affected by El Nino in Indonesia
1999	Earthquake in Turkey
2000	Earthquake in Taiwan
2000	Earthquake in Tottori, Japan
2001	Earthquake in India

## Identity of Asian Agriculture which Farmers Concluded (1)

- Basic foodstuff for citizens' consumption is rice.
- The most important crop for agricultural production is rice.
- Rice has been produced domestically and consumed by the citizens of each country.
- Small-scale farmers are the norm.

## Identity of Asian Agriculture which Farmers Concluded (2)

- Highest population density in the world.
- Home to a significant number of the world's poor.
- Many people in poverty live in rural agricultural areas and dependent on agriculture.
- Potential for numerous disasters remains high.

## Who Identified Characteristics of Agriculture in Asian Monsoon Region

### Asian Farmers' Group for Cooperation (AFGC)

- Established in 1999 in Tokyo, Japan
- 4 regular meetings and 1<sup>2</sup> special seminar so far
- In order to exchange information and views

## Who Identified Characteristics of Agriculture in Asian Monsoon Region

AFGC is consisted by;

- National Cooperative Union of India
- Indonesian Cooperative Council
- JA Zenchu, Japan
- National Agricultural Cooperative Federation, Korea
- NAFAS, Malaysia
- Federation of Free Farmers, Philippines
- Sri Lanka Cooperative Marketing Federation
- Cooperative League of Thailand
- Vietnam Cooperative Alliance

## Characteristics of Rice = Basic Foodstuff in Asian Monsoon Region

Region	Production Mil. Tons	Import Mil. Tons	Export Mil. Tons
Asia	556.2 (91.0%)	11.4 (51.0%)	17.2 (76.4%)
Africa	17.4 (2.8%)	6.0 (26.8%)	0.4 (0.2%)
Central America	2.4 (0.4%)	1.6 (7.1%)	-
Latin America	21.5 (3.5%)	1.0 (4.5%)	1.5 (6.7%)
North America	9.3 (1.5%)	0.6 (2.7%)	2.8 (12.4%)
Europe	3.3 (0.5%)	1.5 (6.7%)	0.2 (0.9%)
Oceania	1.4 (0.2%)	0.4 (1.8%)	0.5 (2.2%)
World Total	611.4 (100%)	22.4 (100%)	22.5 (100%)

2

### Characteristics of Rice

= Percentage of Rice Traded is Very Low

= Self-sufficiency Policies are Priority

Commodity	Traded/ Produced Ratio
Wheat	17%
Rice	5%
Barley	10%
Corn	11%
Soybean	27%

# Ways to Improve and Achieve Food Security

in 6 commitments on World Food Summit Action Plans

## Commitment 1: WFS

- Eradicate poverty 貧困の根絶
- Full and equal participation of women and men 男女の公平な参加

# Ways to Improve and Achieve Food Security

## Commitment 2: WFS

- Access to sufficient, nutritionally adequate and safe food and its effective utilization 十分な栄養的・衛生的な食糧の入手と食糧の効率的な利用促進

## Ways to Improve and Achieve Food Security

### Commitment 3: WFS

- Sustainable food, agriculture, fisheries, forestry and rural development policies in high and low potential areas
- Combat pests, drought and desertification 病虫害等 干旱/干旱/干旱等
- Considering multifunctional character of agriculture

## Ways to Improve and Achieve Food Security

### Commitment 4: WFS

- Strive to ensure that food, agricultural trade and overall trade policies are conducive to fostering food security



# Ways to Improve and Achieve Food Security

## Commitment 5: WFS

- Prevent and be prepared for natural disasters and man-made emergencies and to meet transitory and emergency food requirements

earthquake  
flood

war  
troub

# Ways to Improve and Achieve Food Security

## Commitment 6: WFS

- Promote optimal allocation and use of public and private investments

## Food Security in Japanese Context

The Basic Law on Food, Agriculture and Rural Areas in 1999: <sup>Condition</sup> <sub>an interval of 32 years</sub>

*• In consideration of the fact that food is indispensable in maintaining human life and important as a basis for healthy and fulfilled living, a stable supply of good quality food at reasonable prices shall be secured for the future.*

## Food Security in Japanese Context

The Basic Law on Food, Agriculture and Rural Areas in 1999:

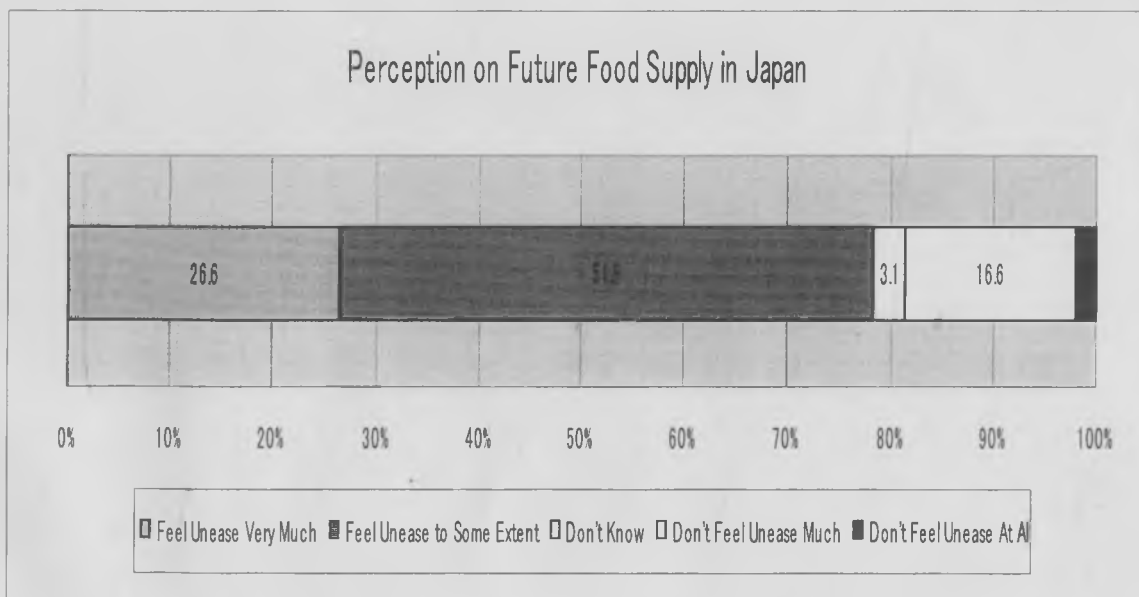
*• In consideration of the fact that there are certain unstable factors in the world food trade and supply/demand, this stable food supply to the people shall be secured with increase of domestic agricultural production as a basis, together with an appropriate combination with imports and stockpiles.*

## Self-sufficiency rate for grains

<u>Country</u>	<u>Population</u>	<u>Self-sufficiency (%)</u>
China	1.24 bil.	94
India	960 mil.	100
EU	370 mil.	126
US	270 mil.	138
Indonesia	200 mil.	91
Brazil	160 mil.	85
Russia	150 mil.	93
Pakistan	140 mil.	104
<b><u>Japan</u></b>	<b><u>130 mil.</u></b>	<b><u>28</u></b>
Bangladesh	120 mil.	89
Nigeria	120 mil.	94

*How do Japanese <sup>people</sup> feel about the fact?*

## Official Opinion Polls in July, 2000



## Japanese Proposal to the WTO Agricultural Negotiations in a context of Food Security

### On Market Access:

- Appropriate levels of tariffs should be decided.
- The level of access opportunities should be decided giving sufficient consideration for such factors as securing the benefits of multifunctionality of agriculture and ensuring food security.

## Japanese Proposal to the WTO Agricultural Negotiations in a context of Food Security

### On Domestic Support:

- Due consideration should be given to the multifunctionality of agriculture and the situation of food and agriculture in each country.

# Japanese Proposal to the WTO Agricultural Negotiations in a context of Food Security

## On Export Disciplines:

- In view of redressing the imbalances of the rights and obligations between importing and exporting countries, and of maintaining the food security of food importing countries, rules and disciplines on export-promoting and export restricting measures should be established.

# Japanese Proposal to the WTO Agricultural Negotiations in a context of Food Security

## On S&D:

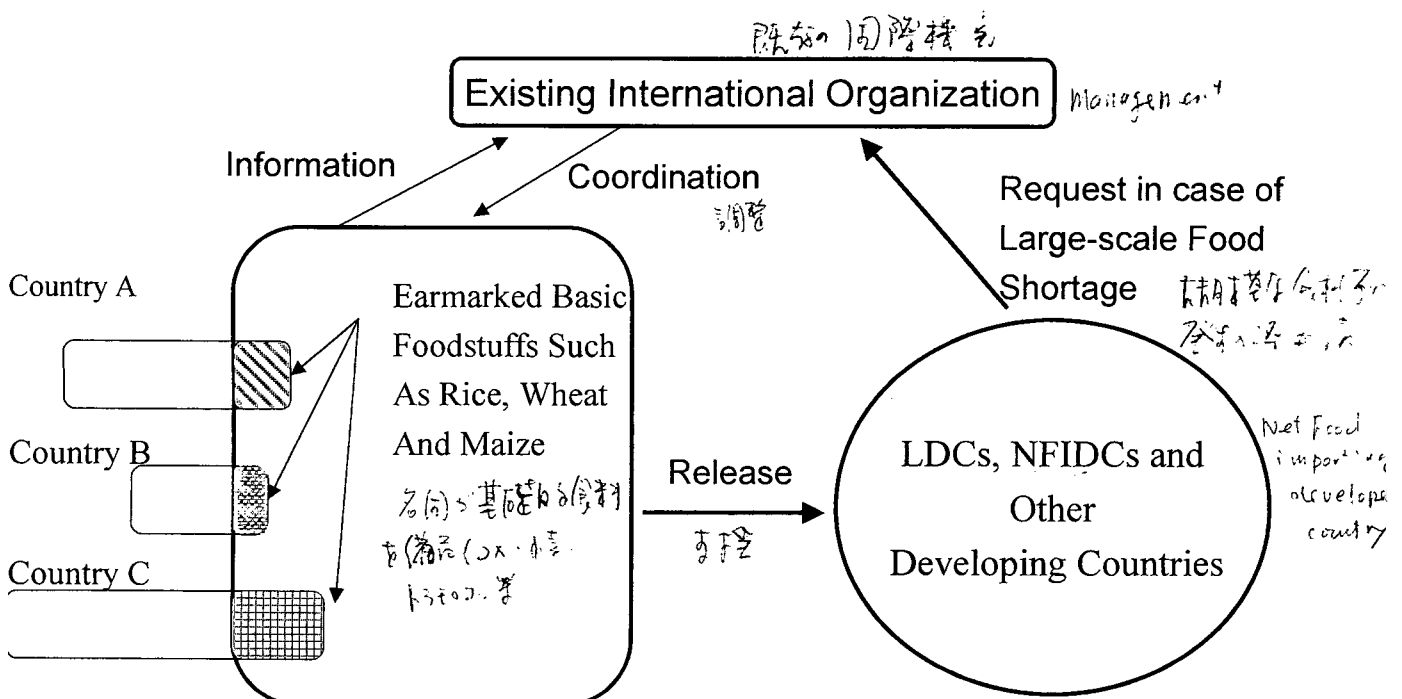
- Give developing countries flexibility with regard to border measures and domestic support reduction.
- Exempt or ease obligations on strengthening rules and disciplines on exports.

# Japanese Proposal to the WTO Agricultural Negotiations in a context of Food Security

## On S&D (continued)

- Establish a possible framework for international stockpiling.

## Japanese Proposal on a Possible Framework of International Food Stockholding



Earmarking by each participating country for International Stockholding on countries' ordinary stockholdings

国際機関の如く各国の既存の備蓄の部分を充当する。

# Japanese Proposal on a Possible Framework of International Food Stockholding

## Background of This Proposal

- Developing countries including LDCs and NFIDCs often face difficulty in obtaining basic foodstuffs through commercial trade, in case of temporary food shortages caused by natural disasters.

# Japanese Proposal on a Possible Framework of International Food Stockholding

## Background of This Proposal

- Food aid schemes have not provided sufficient amount of basic foodstuffs to people suffering from hunger and malnutrition.
  - Instability of the quantity of food aid
  - International price fluctuations
  - Various consideration on doners' side

# Japanese Proposal on a Possible Framework of International Food Stockholding

## A Mechanism of International Stockholding

- Commodities will be selected from basic foodstuffs.
  - Rice in case of Asia
- Size of stockholding will be determined taking consideration of the recent records of emergency caused by disasters.
- Earmark a part of the stock participating countries normally keep.

## Similar Framework of International Stockpiling

- Existing in ASEAN and SAARC
- Rice Stockpiling System in ASEAN
  - The stock failed to cover the large scale food crisis of 1998 in Indonesia where there was a 2 million ton shortage in rice
  - Currently, a strengthened system is under study within the framework of ASEAN+3 (Japan, Korea and China)
- SAARC Stockpiling for Food Security
  - No actual stockpiling is made so far

Association of  
South East Asian  
Nations

South Asian Association for  
Regional Cooperation

1. Allen



## AFGC Welcomes the Study by ASEAN+3

AFGC Joint Statement in 2002 [\[Download\]](#)

*In order to maintain food security in developing countries, a system of food reserves on a worldwide and regional basis should be established. The AFGC welcomes the examination of the feasibility of an “East Rice Reserve Management System” by the AMAF+3 and urges agricultural ministers to start the operation of a well-functioning and sustainable regional reserve system of basic foodstuffs as soon as possible to improve food security in this region.*

**THE BASIC LAW ON FOOD,  
AGRICULTURE AND RURAL AREAS**

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# Background of Legislation for the Basic Law on Food, Agriculture and Rural Areas

## Introduction

The old Agricultural Basic Law was enacted in 1961 and laid out the path to be followed by Japanese agriculture in light of the social and economic trends of those times and the prospects for the future as then perceived.

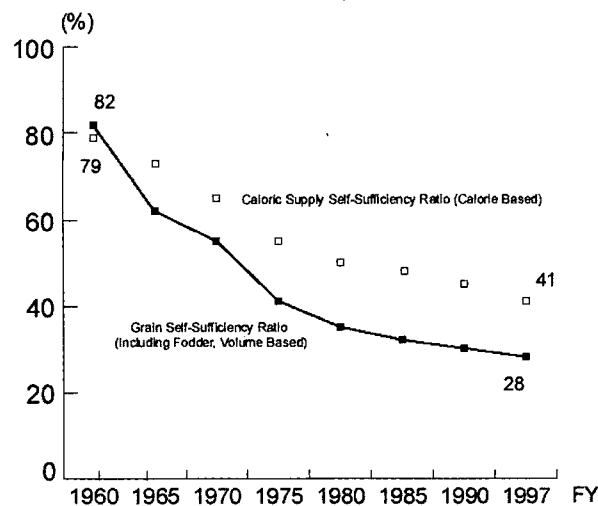
However, since that time Japan's economy and society have experienced major changes, spurred by factors such as rapid economic growth and the significant advance of internationalism. Conditions affecting Japan's food, agriculture and rural areas have also undergone profound change. Success has been achieved in some areas, but there also have arisen conditions that are cause for concern.

## Background

### 1. Drop in the Food Self-sufficiency Ratio

As people's eating preferences become more sophisticated and diversified, consumption of rice, the core agricultural product of Japan, has decreased and consumption of items based on bulk imported foodstuffs, such as meat and oils and fats, have been increasing. Together, these two trends have resulted in a drop in Japan's food self-sufficiency ratio. At present the domestic food supply system in Japan is insufficient to meet the demand for more sophisticated food products.

Trend in Food Self-sufficiency Ratio in Japan

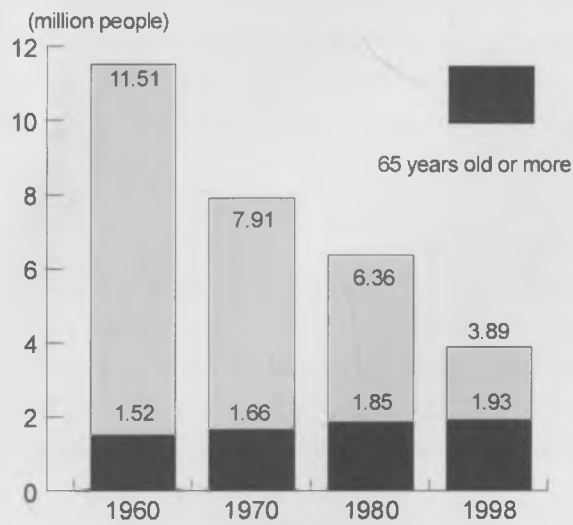


Source: "Foodstuff Supply and Demand Tables," Ministry of Agriculture, Forestry and Fisheries.

## 2. Aging of the Farming Population, Reduction in the Area of Farmland, etc.

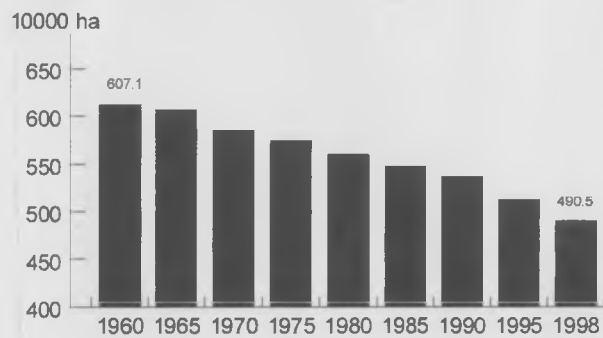
The age of farmers in general is increasing and more and more people are retiring. Also, the area of farmland is decreasing, and more and more farmland is being allowed to lie fallow. At present there is no adequate system in place to ensure efficient utilization of farmland.

### Reduction in Number and Aging of the Population Engaged in Farming



Source: "Agriculture and Forestry Census," etc., Ministry of Agriculture, Forestry and Fisheries.

### Trend in Area of Farmland



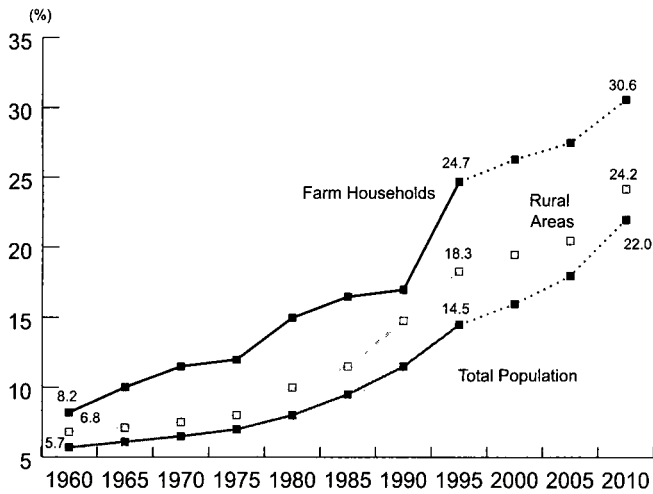
Source: "Statistics on Farmland and Planted Areas," Ministry of Agriculture, Forestry and Fisheries.

Note: The figures for 1965 and 1970 do not include Okinawa Prefecture.

### 3. Decline in the Vitality of Rural Areas

Rural areas, which are not only the locus of agricultural production, but are also places where people live, are losing vitality due to the aging of local residents and decreasing population. This has made it difficult in a large number of cases to maintain regional communities, especially for those based around rural communities.

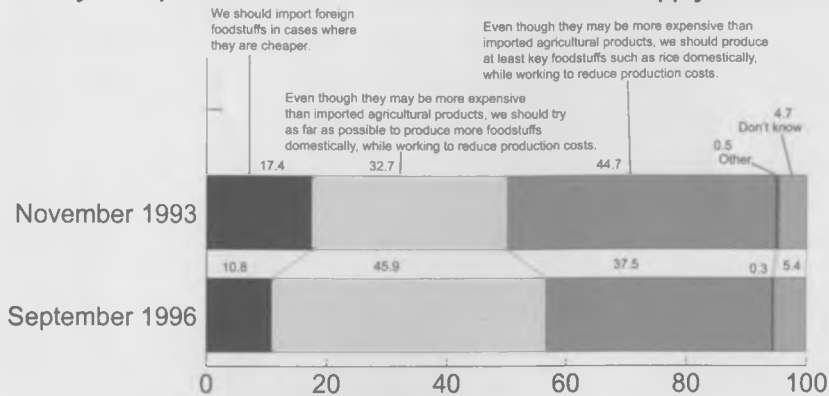
#### Aging of the Population (Population Aged 65 or Over)



Source: "Agriculture and Forestry Census," etc., Ministry of Agriculture, Forestry and Fisheries.

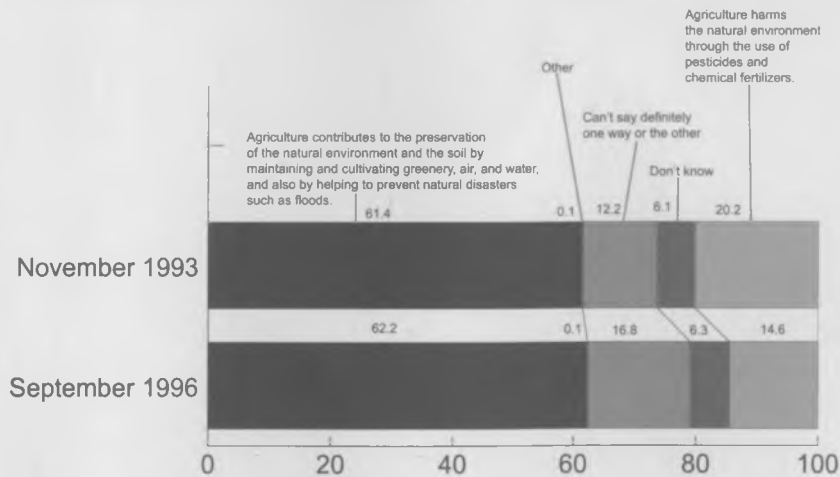
On the other hand, expectations for agriculture and rural areas are rising. In recent years there has been a steadily increasing move to single out the great value in the role played by agriculture and rural areas as a keystone to preserving safe and secure life for all. This role is multifaceted and includes ensuring a stable supply of good-quality food at rational prices, the keystone to healthy living, and fulfillment of multifunctional roles in areas from conserving national lands and the environment to the passing down of cultural tradition for the generations to come.

### Survey on Japanese Food Production and Sources of Supply



Source: "Opinion Poll on the Role of Food, Agriculture and Rural Areas," Prime Minister's Office.

### Survey on Publicly Beneficial Functions of Agriculture



Source: "Opinion Poll on the Role of Food, Agriculture and Rural Areas," Prime Minister's Office.

In response to these expectations for the agriculture and rural areas, it is necessary that Japan's agricultural policies in general undergo a comprehensive review, that efforts be made to encourage a new flowering for the future in rural areas throughout Japan, that basic principles regarding food, agriculture, and rural areas be clarified quickly, and that efforts be made to construct a new agriculture policy for Japan.

With this in mind, the Basic Law on Food, Agriculture and Rural Areas has been enacted in order to establish a new policy system for the twenty-first century, to assure the safety and peace of mind of the people, to enable the farming population to gain self-confidence and pride in their work, and to make possible mutually beneficial coexistence between producers and consumers, and between urban and rural areas.

# **Essentials of the Basic Law on Food, Agriculture and Rural Areas**

## **Basic Principles**

### **1. Securing a Stable Food Supply**

- (1) In consideration of the fact that food is indispensable in maintaining human life and important as a basis for healthy and fulfilled living, a stable supply of good-quality food at reasonable prices shall be secured for the future.
- (2) In consideration of the fact that there are certain unstable factors in the world food trade and supply and demand, this stable food supply to the people shall be secured through an increase of domestic agricultural production as the basis, together with an appropriate combination of imports and stockpiles.
- (3) Food supply shall be managed in such a way as to improve agricultural productivity and to comprehensively promote the sound development of agriculture and food industries, in response to the more sophisticated and diversified public demand.
- (4) Even if the domestic supply is insufficient to meet demand or is likely to be for a certain period due to unexpected situations such as a bad harvest or interrupted imports, the minimum food supply required for the people shall be secured in order not to be a hindrance to the stability of peoples' lives and smooth operation of the national economy.

### **2. Fulfillment of Multifunctional Roles**

In consideration of the importance of maintaining the stability of the people's lives and the national economy, the multiple roles that agriculture plays through stable production in rural areas, from the conservation of national land, water resources, and the natural environment to the formation of a good landscape and maintenance of cultural tradition, in addition to its conventional role as a primary food supplier (referred to below as 'multifunctional roles'), shall be fulfilled sufficiently for the future.

### **3. Sustainable Agricultural Development**

In consideration of the importance of its conventional role as a primary food supplier and its multifunctional roles, the sustainable development of agriculture shall be promoted by securing agricultural facilities, including the necessary farmland, irrigation and drainage, and workforce, by establishing a desirable agricultural structure with an effective combination of the above elements based on regional characteristics, and by maintaining and improving the natural cyclical function of agriculture. (The latter term means the function of agriculture in stimulating the biological and physical cycle in nature while being influenced strongly by it. This is the meaning referred to below.)

### **4. Development of Rural Areas**

In consideration of the fact that rural areas play an important role as the basis for sustainable agricultural development, where farming takes place and local residents including farmers live, rural



areas shall be developed through improvements in agricultural production conditions and rural welfare, including the living environment, so that the conventional role as primary food supplier and the multifunctional roles can be fulfilled sufficiently.

## **Basic Plan for Food, Agriculture and Rural Areas**

### **1. Plan and Policies**

The Government is to establish a basic plan for the promotion of the comprehensive and systematic implementation of its policies. (Once established, the basic plan is to be submitted to the Diet and promulgated.)

### **2. Details of the Plan**

- a. The basic direction for formulating policies on food, agriculture, and rural areas.
- b. The target for the food self-sufficiency ratio. (This is to be established with the aim of improving the food self-sufficiency ratio and to serve as a guideline for domestic agricultural production and food consumption, while identifying issues which farmers and other relevant parties should address.)
- c. Policies to be implemented comprehensively and systematically by the Government with regard to food, agriculture, and rural areas. (The policies related to rural areas are to be developed in harmony with the national plan for comprehensive use, development, and conservation of national land.)
- d. In addition to the above, any matters required to comprehensively and systematically promote policies on food, agriculture and rural areas.

### **3. Revision of the Plan**

The basic plan is to be revised approximately every five years, in consideration of changes in circumstances affecting food, agriculture, and rural areas, and also taking into account an evaluation of the results of policies on food, agriculture and rural areas.

## **Policies for Securing a Stable Food Supply**

### **1. Improvement of Food Consumption Policies**

- (1) Measures are to be taken to improve the management of food hygiene and quality, as well as proper food labeling, in order to secure food safety, improve food quality, and help consumers make proper selections.
- (2) Measures, such as developing guidelines for a healthy dietary pattern, broadening people's knowledge of food consumption, and providing relevant information, are to be taken to promote better dietary patterns and the effective use of agricultural resources.

### **2. Sound Development of the Food Industry**

Measures are to be taken to reinforce the management base, encourage closer cooperation with agriculture and streamline the distribution system in order to promote the sound development of the food industry, with proper consideration given to reducing the adverse effects of its business operations on the environment and ensuring effective use of resources.

### **3. Policies on Imports and Exports of Farm Products**

- (1) In order to secure stable imports of farm products for which domestic production cannot meet demand, measures, such as tariff rate adjustments and import restrictions, are to be taken where urgently required when certain imports have or are likely to have a significant adverse effect on the production of domestic farm products competing against such imports.
- (2) Measures are to be taken to increase exports, such as enhancing the competitiveness of domestic farm products, promoting market research, providing relevant information, and encouraging dissemination activities.

### **4. Food Security for Emergencies**

Measures are to be taken, such as production increases and distribution restrictions, should they be deemed necessary in order to secure the minimum food required by the people should an unexpected situation arise.

### **5. Promotion of International Cooperation**

In order to help the long-term stability of the world's food supply and demand, international cooperation related to the promotion of agriculture and rural areas in developing regions is to be promoted.

## **Policies for Sustainable Agricultural Development**

### **1. Establishment of Desired Agricultural Structure**

Measures are to be taken to promote a better agricultural production infrastructure, expand the scale of farm operations, and improve management structure, according to the type of operation and the regional characteristic. These actions will be taken in order to encourage efficient and stable farm management and to construct an agricultural structure in which such management can play a major part.

### **2. Farming Operations by Full-time Farmers, etc.**

In consideration of the fact that it is important to enable full-time farmers and other motivated farmers to use their originality and creativity in their farm management, measures are to be taken to revitalize family farming by means of bringing about conditions for better development of management and smooth succession, and also to promote the change to corporate body farm management.

### **3. Securing and Effectively Utilizing Farmland**

Measures are to be taken to secure the agricultural use of land suitable for farming, promote the intensive use of farmland by those farmers whose management structure is efficient and stable, and promote effective use of farmland in order to secure and efficiently utilize the farmland for domestic agricultural production.

#### **4. Improvement of Agricultural Production Infrastructure**

Measures are to be taken to improve the agricultural production infrastructure, including field division enlargement, the creation of multipurpose paddy fields, and maintenance of better functions of irrigation and drainage facilities. This shall be done according to regional characteristics, in consideration of harmony with the environment and with a view to efficient operation, in order to encourage the improvement of agricultural productivity by maintaining farmland with good conditions and agricultural water facilities and promoting their effective use.

#### **5. Securing and Fostering the Workforce**

- (1) Measures, such as improving the technical and management skill of farmers, and encouraging recruitment of new farmers to acquire knowledge of agricultural technologies and management styles, are to be taken to secure and foster a workforce to play a major role in effective and stable farm management.
- (2) Measures, such as the promotion of agricultural education, are to be taken to obtain a better understanding of and interest in agriculture among the populace.

#### **6. Promotion of Women's Involvement in Agriculture**

Measures are to be taken to promote the creation of an environment in which women's roles in farming operations are fairly assessed and women can be provided with opportunities to become involved in farm management and other relevant activities on a voluntary basis.

#### **7. Promotion of Activities by Elderly Farmers**

Measures are to be taken to create an environment in which elderly farmers can be satisfied with their activities relevant to farming in accordance with their role and their skills, and also to improve the welfare of elderly farmers.

#### **8. Promotion of Activities of Agricultural Production Organizations**

Measures are to be taken to promote activities by cooperative organizations, including those based on rural communities and organizations which operate commission farming, in order to contribute to secure effective agricultural production in local agriculture.

#### **9. Development and Promotion of Agricultural Technology**

Measures, such as setting specific goals for the research and development of technology, encouraging closer cooperation among national and local research institutes, universities and private bodies, and promoting the dissemination of agricultural technologies that suit regional characteristics, are to be taken.

#### **10. Price Formation of Farm Products and Stabilization of Farm Management**

- (1) Measures are to be taken to allow the prices of farm products to form appropriately, reflecting the real supply and demand situation and quality evaluation, in order to promote agricultural production responsive to consumer demands.
- (2) Measures are to be taken to mitigate the adverse effects of significant price changes of farm products on farm management, which is to be fostered.

### **11. Compensation for Disaster Losses**

Measures are to be taken to ensure reasonable compensation for disaster losses, etc.

### **12. Maintenance and Promotion of the Natural Cyclical Function of Agriculture**

Measures, such as securing the proper use of agricultural chemicals and fertilizers and improving soil fertility through effective use of livestock manure, are to be taken to maintain and promote the natural cyclical function of agriculture.

### **13. Rationalization of Production and Distribution of Agricultural Materials**

Measures, such as encouraging rationalized production of and distribution systems for agricultural materials, are to be taken to help reduce the cost of agricultural materials in farm management.

## **Policies for Development of Rural Areas**

### **1. Comprehensive Development of Rural Areas**

- (1) Measures are to be systematically promoted with relation to the comprehensive development of rural areas, including agricultural development, while giving proper consideration to the coordination of land use for agricultural and other purposes.
- (2) Comprehensive measures are to be taken to promote improvements in agricultural production bases and rural welfare, including the living infrastructure such as transportation, telecommunications, public health, education and culture, in keeping with regional characteristics, in order to promote the sound development of regional agriculture, and create pleasant and resident-friendly rural areas surrounded with beautiful landscape.

### **2. Development of Hilly and Mountainous Areas**

- (1) Measures are to be taken in hilly and mountainous areas to increase job opportunities by promoting agricultural and other businesses through the introduction of new types of crops as well as the production and distribution of regional specialties, taking regional characteristics into consideration and promoting the settlement of people through improved living conditions.
- (2) Measures are to be taken for the fulfillment of the multifunctional roles of agriculture in hilly and mountainous areas, by providing support to compensate for disadvantages in agricultural production conditions so that such areas can maintain adequate production activities.

### **3. Exchanges Between Urban Areas and Rural Areas**

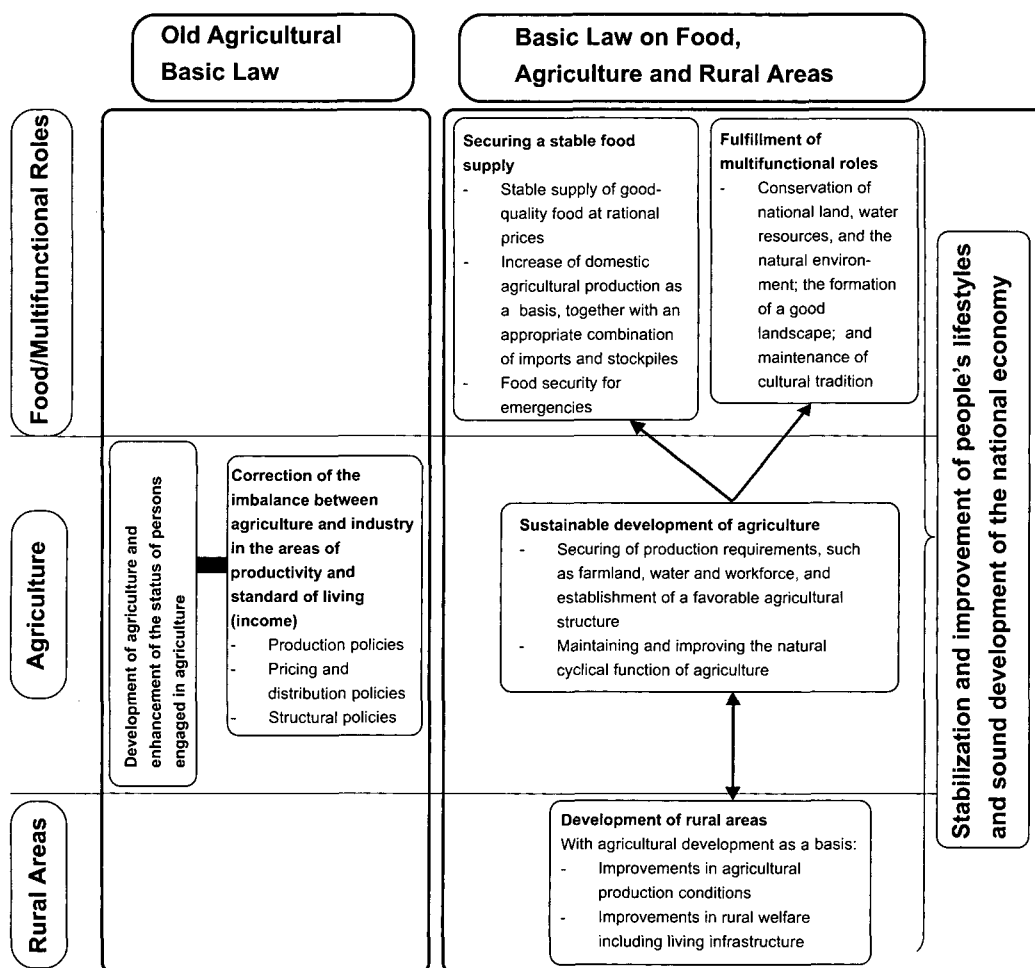
- (1) Measures, such as encouraging exchanges between urban areas and rural areas, and promoting the improvement of kitchen gardens, are to be taken to obtain a better public understanding and awareness for agriculture and rural areas and contribute to a healthy and comfortable life.
- (2) Measures are to be taken so that agriculture in and around urban areas can operate production activities responsive to the needs of urban residents, making use of the advantage of proximity to consumers.

## **Additional Measures**

In addition to the above, the Basic Law on Food, Agriculture and Rural Areas contains provisions covering the following:

- (1) Responsibility of the state, responsibility of local governments, efforts of farmers and the food industry as well as support for those efforts, and the role of consumers
- (2) Legislative, fiscal and financial measures required to implement policies
- (3) Annual report
- (4) Establishment of the Council for Food, Agriculture and Rural Area Policies
- (5) Restructuring of administrative bodies and relevant organizations
- (6) Proper consideration to the fisheries and forestry industries

## Aims of the Basic Law



### Key Points of Old Agricultural Basic Law

- Improving agricultural productivity
- Selective expansion of agricultural production and increase on overall agricultural production
- Stabilization of the prices of farm products
- Rationalization, etc., of distribution of farm products
- Development of family farm management and fostering of independent management
- Promotion of agricultural production organizations

### Key Points of Basic Law on Food, Agriculture and Rural Areas

- Establishment of basic plan and setting of food self-sufficiency ratio target
  - The purpose of the above is to make the basic principles and basic policies more specific and concrete. (After establishment, the basic plan is to be submitted to the Diet.) Policies are to be evaluated every five years, and changes made as necessary.
  - The target for the food self-sufficiency ratio is to be established with the aim of improving the food self-sufficiency ratio and to serve as a guideline for domestic agricultural production and food consumption, while identifying issues which farmers and other relevant parties should address.
- Development of food policy emphasizing consumers
  - The law includes provisions to ensure food safety, improve

quality, and for proper labeling of food.

- Guidelines for a healthy dietary pattern are to be set, the public's knowledge of food consumption broadened, and relevant information provided.
- Measures are to be taken to ensure the sound development of the food industry.
- Establishment of desired agricultural structure and development of farm management policies
  - Measures are to be taken to encourage efficient and stable farm management and to construct an agricultural structure in which such management can play a major part.
  - Conditions are to be created in which farm management that benefits from the originality and creativity of full-time farmers can develop. Measures are to be taken to revitalize family farming, and to promote the incorporation of farm management.
- Measures to ensure price formation reflecting appropriate market evaluation and management stability
- Maintaining and improving natural cyclical function of agriculture
- Agricultural production is to be developed in harmony with the environment through the proper use of agricultural chemicals and fertilizers and by improving soil fertility.
- Compensation for disadvantages in agricultural production in hilly and mountainous areas, etc.
- Support is to be provided (in the form of direct subsidies) to help maintain adequate agricultural production activities.

# **The Basic Law on Food, Agriculture and Rural Areas**

## **Content**

Chapter I General Provisions (Articles 1-14)

Chapter II Basic Policies

Section 1 Basic Plan for Food, Agriculture and Rural Areas (Article 15)

Section 2 Policies for Securing a Stable Food Supply (Articles 16-20)

Section 3 Policies for Sustainable Agricultural Development (Articles 21-33)

Section 4 Policies for Development of Rural Areas (Articles 34-36)

Chapter III Administrative Bodies and Relevant Organizations (Articles 37-38)

Chapter IV The Council for Food , Agriculture and Rural Area Policies (Articles 39-43)

Supplementary Provisions

## **Chapter I General Provisions**

### **(Objective)**

#### **Article 1**

The objective of this Law is to stabilize and improve people's lifestyle and to develop the national economy through comprehensively and systematically implementing policies on food, agriculture and rural areas by means of establishing basic principles and basic matters for realizing them and clarifying the responsibilities of the state and local governments.

### **(Securing Stable Food Supply)**

#### **Article 2**

1. In consideration of the fact that food is indispensable in maintaining human life and important as a basis for healthy and fulfilled living, a stable supply of good-quality food at reasonable prices shall be secured for the future.

2. In consideration of the fact that there are certain unstable factors in the world food trade and supply/demand, this stable food supply to the people shall be secured with increase of domestic agricultural production as a basis, together with an appropriate combination with imports and stockpiles.

3. Food supply shall be managed in such a way as to improve agricultural productivity and to comprehensively promote the sound development of agriculture and food industries, in response to the more sophisticated and diversified public demand.

4. Even in the case that domestic supply is insufficient to meet demand or is likely to be for a certain period, due to unexpected situations such as a bad harvest or interrupted imports, the minimum food supply required for the people shall be secured in order not to be a hindrance to the stability of peoples' lives and smooth operation of the national economy.

### **(Fulfillment of Multifunctional Roles)**

#### **Article 3**

In consideration of the importance of maintaining the stability of the people's lives and the national economy, the multiple roles that agriculture plays through stable production in rural areas, from the conservation of national land, water resources, and the natural environment to the formation of a good landscape and maintenance of cultural tradition, in addition to its conventional role as a primary food supplier (hereinafter referred to as 'multifunctional roles'), shall be fulfilled sufficiently for the future.

## **( Sustainable Agricultural Development )**

### **Article 4**

In consideration of the importance of its conventional role as a primary food supplier and its multifunctional roles, the sustainable development of agriculture shall be promoted by securing agricultural facilities including the necessary farmlands and irrigation/drainage, and a workforce, establishing a desirable agricultural structure with an effective combination of the above elements, based on regional characteristics, maintaining and improving the natural cyclical function of agriculture. (The latter term means the function of agriculture in stimulating the biological and physical cycle in nature while being influenced strongly by the cycle. This is the meaning referred to hereinafter.)

## **( Development of Rural Areas )**

### **Article 5**

In consideration of the fact that rural areas play important roles as the bases for sustainable agricultural development, where farming is operated in the place of living for local residents including farmers, rural areas shall be developed through improvements in agricultural production conditions and rural welfare including living infrastructure so that the conventional role as primary food supplier and the multifunctional roles can be fulfilled sufficiently.

## **( Proper Consideration to Fisheries and Forestry Industries )**

### **Article 6**

In taking measures on food, agriculture and rural areas, adequate consideration shall be given to the development of the fisheries and forestry industries in view of their close relationship with agriculture.

## **( Responsibility of the State )**

### **Article 7**

1. The State is responsible for formulating and implementing comprehensive policies with regard to food, agriculture and rural areas, pursuant to the basic principles on policies for food, agriculture and rural areas prescribed in articles 2-5 (hereinafter referred to as the “basic principles”).

2. The State shall make efforts to obtain a better understanding of the basic principles among the people by providing relevant information on food, agriculture and rural areas.

## **(Responsibility of Local Governments)**

### **Article 8**

The local governments are responsible, in pursuant with the basic principles, and based on an appropriate sharing of roles with the State, for formulating and implementing policies that suit their natural and socioeconomic characteristics with regard to food, agriculture and rural areas.

## **(Efforts of Farmers etc.)**

### **Article 9**

Farmers and farmers’ organizations shall make voluntary efforts to realize the basic principles in operating farming and other relevant activities.

## **(Efforts of the Food Industry)**

### **Article 10**

Operators in the food industry shall make efforts in operating their business, pursuant to the basic principles, in order to secure a stable food supply to the people.

## **(Support Provided to the Efforts of Farmers etc.)**

### **Article 11**

In taking measures on food, agriculture and rural areas, the state and local governments shall aim to provide support to the voluntary efforts of farmers, farmers’ organizations and food industry operators.



## **(Consumers' Role)**

### **Article 12**

Consumers shall be encouraged to have a better understanding of food, agriculture and rural areas and be more positive in improving their dietary patterns.

## **(Legislative Measures etc.)**

### **Article 13**

The Government shall take legislative, fiscal and financial measures required to implement policies with regard to food, agriculture and rural areas.

## **(Annual Report)**

### **Article 14**

1. The Government shall annually submit to the Diet a report on the state of food, agriculture and rural areas and on the policies implemented with regard to food, agriculture and rural areas.
2. The Government shall annually prepare and submit to the Diet a document explaining policies the Government is going to implement in consideration of the state of food, agriculture and rural areas described in the report in preceding paragraph.
3. The Government shall seek opinions from the Council of Food, Agriculture and Rural Area Policies, in preparing a document explaining policies the Government is going to implement as referred to in the preceding paragraph.

## **Chapter II Basic Policies**

### **Section 1 Basic Plan for Food, Agriculture and Rural Areas**

#### **Article 15**

1. The Government shall establish a basic plan for food, agriculture and rural area (hereinafter referred to as the 'basic plan') for the promotion of the comprehensive and systematic implementation of policies on food, agriculture and rural areas.

2. The basic plan shall stipulate the following matters:

- (1) Basic direction in formulating policies on food, agriculture and rural areas
- (2) Target for food self-sufficiency ratio
- (3) Policies implemented comprehensively and systematically by the Government with regard to food, agriculture and rural areas
- (4) Besides the preceding matters, matters required to comprehensively and systematically promote policies on food, agriculture and rural areas.

3. Target for food self-sufficiency ratio as referred to in the second item of the preceding paragraph above shall be established in view of improving the ratio and as a guideline for domestic agricultural production and food consumption, while identifying issues which farmers and other relevant parties should address.

4. Policies in the basic plan related to rural areas shall be developed in harmony with the national plan of comprehensive use, development and conservation of national land.

5. The Government shall seek opinions from the Council of Food, Agriculture and Rural Area Policies in establishing the basic plan, under the provision of paragraph 1.

6. The Government shall, without delay, submit to the Diet and promulgate the basic plan when established under the provision of paragraph 1.

7. The Government shall revise the basic plan approximately every 5 years, in consideration of changes in circumstances surrounding food, agriculture and rural areas and also the result of policy evaluation on food, agriculture and rural areas.

8. Provisions of paragraphs 5 and 6 above shall apply mutatis mutandis to changes of the basic plan.

## **Section 2 Policies for Securing a Stable Food Supply**

### **(Improvement of food consumption policies)**

#### **Article 16**

1. The State shall take necessary measures such as improving the management of food hygiene and quality as well as proper food labeling, in order to secure food safety, improve food quality, and help consumers make proper selections.

2. The State shall take necessary measures such as developing guidelines for a healthy dietary pattern, broadening the people's knowledge of food consumption, and providing relevant information, in order to promote better dietary patterns and the effective use of agricultural resources.

### **(Sound Development of the Food Industry)**

#### **Article 17**

The State shall take necessary measures such as reinforcing the management base, encouraging closer cooperation with agriculture, and streamlining its distribution system, in order to promote the sound development of the food industry in view of the importance of its role as a stable food supply and with proper consideration given to reducing the adverse effects of its business operations on the environment and ensuring effective use of resources.

### **(Policies on Imports/Exports of Farm Products)**

#### **Article 18**

1. The state shall take necessary measures such as tariff rate adjustments and import restrictions, where urgently required when certain imports have or are likely to have a significant adverse effect on the production of domestic farm products competing against such imports, in order to secure stable imports of farm products for which domestic production cannot meet demand.

2. The State shall take necessary measures such as enhancing the competitiveness of domestic farm products, promoting market research, providing relevant information, and encouraging dissemination activities, in order to increase exports.

### **(Food Security for Emergencies)**

#### **Article 19**

The State shall take necessary measures such as production increases and distribution restrictions, should these be deemed necessary in order to secure the minimum food required by the people in the events prescribed in paragraph 4 of Article 2.

### **(Promotion of International Cooperation)**

#### **Article 20**

The State shall endeavor to promote international cooperation including technical and financial cooperation for the development of agriculture and rural areas as well as food aid to developing regions, in order to help the long-term stability of the world's food supply/demand.

## **Section 3 Policies for Sustainable Agricultural Development**

### **(Establishment of Desired Agricultural Structure)**

#### **Article 21**

The State shall promote a better agricultural production infrastructure, expand the scale of farm management, and take other necessary measures for improving farmers' management structure, according to the type of management and the regional characteristics, in order to encourage efficient and stable farm management and to construct an agricultural structure in which such management can play a major part.

**(Farming Operations  
by Full-time Farmers etc.)**

**Article 22**

In consideration of the fact that it is important to enable full-time farmers and other motivated farmers to use their originality and creativity in their farm management, the State shall take necessary measures for revitalizing family farming by means of bringing about conditions for better farmers' management such as more rationalized business administration and smooth business succession, and promote the incorporation of farm management.

**(Securing and Effectively Utilizing  
Farmland)**

**Article 23**

The State shall take necessary measures such as securing the agricultural use of land suitable for farming, promoting the intensive use of farmland by those farmers whose management structure is efficient and stable, and promoting effective use of farmland in order to secure and efficiently utilize the farmland for domestic agricultural production.

**(Improvement of Agricultural  
Production Infrastructure)**

**Article 24**

The State shall take necessary measures for improving the agricultural production infrastructure including field division enlargement, the creation of multipurpose paddy fields, maintenance of better functions of irrigation and drainage facilities, according to regional characteristics, in consideration of harmony with the environment and with the view of efficient operation, in order to encourage the improvement of agricultural productivity by maintaining farmland with good conditions and agricultural water facilities and promoting their effective use.

**(Securing and Fostering the  
Workforce)**

**Article 25**

1. The State shall take necessary measures such as improving the technical and management skill of farmers, and encouraging recruitment of new farmers to acquire knowledge of agricultural technologies and management styles, in order to secure and foster a workforce to play a major role in effective and stable farm management.

2. The State shall take necessary measures such as the promotion of agricultural education so as to obtain a better understanding and interest of agriculture among the people.

**(Promotion of Women's Involvement  
in Agriculture)**

**Article 26**

In consideration of the importance of securing opportunities for both men and women to participate in all kinds of social activities as equal members of society, the State shall promote the creation of an environment in which women's roles in farming operations are fairly assessed and women can be provided with opportunities to become involved in farm management and other relevant activities on a voluntary basis.

**(Promotion of Activities by Elderly  
Farmers)**

**Article 27**

The State shall create an environment in which elderly farmers can be satisfied with their activities relevant to farming in accordance with their role in local farming and their skills and improve their welfare.

**(Promotion of Activities of Agricultural  
Production Organizations)**

**Article 28**

The State shall take necessary measures for promoting activities by cooperative organizations including those based on rural communities and

organizations which operate commission farming, in order to contribute to secure effective agricultural production in local agriculture.

### **(Development and Promotion of Agricultural Technology)**

#### **Article 29**

The State shall take necessary measures such as setting specific goals for the research and development of technology, encouraging closer cooperation among national and local research institutes, universities and private bodies, and promoting the dissemination of agricultural technologies that suit regional characteristics, in order to effectively promote Research and Development and dissemination activities of such technology in the fields of agriculture, food processing and distribution.

### **(Price Formation of Farm Products and Stabilization of Farm Management)**

#### **Article 30**

1. The State shall take necessary measures for allowing the prices of farm products to form appropriately reflecting the real supply/demand situation and quality evaluation, in order to promote agricultural production responsive to consumer demands.

2. The State shall take necessary measures for mitigating the adverse effects of significant price changes of farm products on farm management supposed to be encouraged.

### **(Compensation for Disaster Losses)**

#### **Article 31**

The State shall take necessary measures such as reasonable compensation for disaster losses, in order to prevent any possible hindrance to agricultural reproduction caused by disasters and to help the stabilization of farm management.

### **(Maintenance and Promotion of the Natural Cyclical Function of Agriculture)**

#### **Article 32**

The State shall take necessary measures such as securing the proper use of agricultural chemicals and fertilizers and improving soil fertility through effective use of livestock manure, in order to maintain and promote the natural cyclical function of agriculture.

### **(Rationalization of Production and Distribution of Agricultural Materials)**

#### **Article 33**

The State shall take necessary measures such as encouraging rationalized production and distribution systems of agricultural materials, in order to help with cost reduction of agricultural materials in farm management.

## **Section 4 Policies for Development of Rural Areas**

### **(Comprehensive Development of Rural Areas)**

#### **Article 34**

1. The State shall systematically promote measures on the comprehensive development of rural areas including agricultural development, giving proper consideration to the coordination of land use for agricultural and other purposes.

2. The State shall take necessary measures for comprehensively promoting improvements in agricultural production bases and rural welfare including living infrastructure such as transportation, telecommunications, public health, education and culture fitting in with regional characteristics, in order to promote the sound development of regional agriculture and create pleasant and resident-friendly rural areas surrounded with beautiful landscape.

## **(Development of Hilly and Mountainous Areas)**

### **Article 35**

1. The State shall take necessary measures, in areas with poor geographical conditions and disadvantages in agricultural production including mountainous areas (hereinafter referred to as “hilly and mountainous areas”), such as increasing job opportunities by promoting agricultural and other businesses through the introduction of new types of crops and the production/distribution of regional specialties, taking such regional characteristics into consideration and promoting the settlement of people through improved living conditions.

2. The State shall take specific measures for the fulfillment of the multifunctional roles of agriculture in hilly and mountainous areas, by providing support to compensate for disadvantages in agricultural production conditions so that such areas can maintain adequate production activities.

## **(Exchanges Between Urban Areas and Rural Areas)**

### **Article 36**

1. The State shall take necessary measures such as encouraging exchanges between urban areas and rural areas, and promoting the improvement of kitchen gardens, in order to obtain a better public understanding and awareness for agriculture and rural areas and to contribute to a healthy and comfortable life.

2. The State shall take necessary measures so that agriculture in and around urban areas can operate production activities responsive to the needs of urban residents, making use of the advantage of proximity to consumers.

## **Chapter III Administrative Bodies and Relevant Organizations**

### **(Restructuring of Administrative Bodies)**

#### **Article 37**

In taking measures on food, agriculture and rural areas, the State and local government shall endeavor to cooperate closely in their work to restructure administrative bodies and to improve their efficiency and transparency in administrative management.

### **(Reorganization/Restructuring of Relevant Bodies)**

#### **Article 38**

The State shall take necessary measures for the effective restructuring of the relevant bodies for food, agriculture and rural areas, which contribute to the realization of the basic principles.

## **Chapter IV The Council of Food, Agriculture and Rural Area Policies**

### **(Establishment)**

#### **Article 39**

There is hereby established the Council of Food, Agriculture and Rural Area Policies (hereinafter referred to as the “Council”) in the Ministry of Agriculture, Forestry and Fisheries.

### **(Authorization)**

#### **Article 40**

1. The Council shall study and discuss the factors vital for implementing this Law, in response to consultations by the Prime Minister, the Minister of Agriculture, Forestry and Fisheries or other ministers concerned, in addition to dealing with the tasks authorized under this Law and other ordinances.

2. The Council may submit its opinions to the Prime Minister, the Minister of Agriculture, Forestry and Fisheries or other ministers concerned, with regard to the matters provided for in the preceding paragraph.

### **(Organization)**

#### **Article 41**

1. The Council shall be comprised of no more than 15 members.
2. The Council members shall be appointed by the Prime Minister based on the proposals of the Ministry of Agriculture, Forestry and Fisheries from among academics or those having expertise of experience with regard to the matters provided for in the first paragraph of the preceding article.
3. The Council members shall serve on a part-time basis.
4. Besides those provided for in paragraph 2, the Council staff, as stipulated by Cabinet Order, shall be appointed by the Prime Minister based on the proposals of the Minister of Agriculture, Forestry and Fisheries.

### **(Request of Document Submission and others)**

#### **Article 42**

The Council may request that the heads of relevant administrative bodies submit the appropriate documentation, and offer their opinions, explanations and other kinds of cooperation as deemed necessary for the execution of their designated tasks.

### **(Authorization Provision)**

#### **Article 43**

Besides those provided for in this Law, the matters necessary for the organization and administration of the Council shall be stipulated by Cabinet Order.

## **Supplementary Provisions**

### **(Effective Date)**

#### **Article 1**

The Law shall enter into force on the day of its promulgation.

### **(Abrogation of the Agricultural Basic Law)**

#### **Article 2**

The Agricultural Basic Law (Law No. 127, established in 1961) shall be abrogated.

### **(Transitional Application)**

#### **Article 3**

1. If such a report as referred to under Paragraph 1 of Article 6 of the Agricultural Basic Law before abrogation, as stipulated in the preceding article (hereinafter referred to as the “old Agricultural Basic Law”), has not been submitted to the Diet for 1999 before the effective date of this Law, this report shall be submitted to the Diet as referred to in the former provisions.
2. If such a report as referred to in the first paragraph of Article 6 of the old Agricultural Basic Law was submitted before the effective date of this Law, or if such a report as referred to in the first paragraph of Article 6 of the old Agricultural Basic Law as stipulated in the preceding paragraph was submitted to the Diet, such reports shall be deemed to have been submitted as reports as referred to in the first paragraph of Article 14 under that paragraph.
3. If such a document as referred to in Article 7 of the old Agricultural Basic Law has not been submitted to the Diet for 1999 on the effective date of this Law, such a document shall be submitted to the Diet as referred to in that article.
4. If such a document as referred to in Article 7 of the old Agricultural Basic Law was submitted before the effective date of this Law, or if such a

document as referred to in the first paragraph of Article 7 of the old Agricultural Basic Law which is prescribed to be submitted as stipulated in the preceding paragraph was submitted to the Diet, such documents shall be deemed to have been submitted as documents as referred to in the second paragraph of Article 14 under that paragraph.

### **(Partial Amendment of the Land Improvement Law)**

#### **Article 4**

Parts of the Land Improvement Law (Law No. 195, established in 1949) are amended as follows: The phrase “The Council of Food, Agriculture and Rural Area Policies” shall be inserted instead of the phrase “The Council of Agricultural Policies” in Article 4 (2) 1, and the word “kiite” in hiragana shall be amended to “kiite” in kanji characters.

### **(Partial Amendment of the Sweetening Resources Special Measure Law)**

#### **Article 5**

Parts of the Sweetening Resources Special Measure Law (Law No. 41, established in 1964) are amended as follows:

Article 3 is amended as follows:

Article 3      Elimination

The phrase “Estimated by the long-term prospects and other relevant data on crops for sweetening resources published under Article 3 of this Law and paragraph 1 of Article 8 of the Agricultural Basic Law” in Article 13 (2) 1 shall be eliminated.

### **(Partial Amendment of the Law concerning the Active Use of National Forests)**

#### **Article 6**

Parts of the Law concerning the Active Use of National Forest (Law No. 108, established in 1971) are amended as follows:

The phrase “Improvement of the agricultural

structure means scale expansion of farming operations, transition into collective farming operations, introduction of livestock, mechanization, farmland holding rationalization, and farming modernization” shall be inserted instead of the phrase ““Improvement of the agricultural structure’ and” in the second paragraph of Article 2, and the phrase ““Improvement of the agricultural structure’ and . . . as provided for in Article 2 (1) 3 of the Agricultural Basic law (Law No. 127, established in 1961) respectively” shall be eliminated.

## Japan International Agricultural Council

under the editorial supervision of  
**the Ministry of Agriculture, Forestry & Fisheries**

commissioned by  
**Japan Livestock Technology Association** 



## Present situation of women group in Thailand

## Cooperative Women Development

- To encourage cooperative women organized themselves as group or cooperative for improving their supportive occupations, attitude and general knowledge to improve their products to be able to compete in the market, increase their income, and improve their quality of life.

## Women group in August 2001 were supported by CPD

- 5,651 women groups with 170,000 members
- Field of training
  - hand weaving
  - handicraft
  - agricultural product
  - clothes
  - food processing (marinated, in syrup, fruit juice, wine, etc.)

## Name of the Projects

- Vocational Promotion for farmer's families and cooperative
- Promotion in occupation of cooperative women group
- One Village One Product (One Tambol One Product)

## Objective of the project

- Member can earn extra income except from the main occupation which mostly are in agricultural sector.
- Member can use the free time especially before harvesting period to earn some income.
- Member can stay with their family in their hometown

## Budget

- Training
- Revolving Fund for group activities



### Process of the project

- Women group/Youth group request to cooperative which they are involve with by propose their projects to board of director for approval before sending their requests to CPD
- CPD distribute budget to Provincial cooperative promotion office
- Provincial cooperative promotion officer discuss with group about training course arrangement to match with their needs

### Process of the project (cont.)

- Provincial cooperative promotion office give subsidies to cooperative to be revolving fund for women group after training course.
- Group write project and submit to board of director for the approval of fund
- At the end of their project, group must return money to cooperative for being fund of the next project or the next group

### Problem and Obstacle

- Training not match with their needs
- group cannot return money due to many problem such as cannot sell product, or loss in investment, etc.
- group does not have strong activities
- group does not produce product to market continuously
- product does not reach standard of market or match with consumer's style

### Followup and Evaluation

- By whom
  - government
  - cooperative
    - board of directors
    - group

### Strategies

- Cooperative must set rules or regulation to control using of fund to get along with the objective of government budget
- Group have to pay interest to cooperative in order to enforce them to return money

### Strategies (cont.)

- CPD and Cooperative arrange exhibition or fair to promote product of women group



One village one product Festival



### Strategies (cont.)

- CPD set cooperative standard product to guarantee women group product and in the process of receive this standard they must continuously produce product and keep standard quality



### Strategies (cont.)

- Training will concentrate more on product design and packaging



Women Group and Youth group in  
Royal Project Development Center



Community Store in the highland area



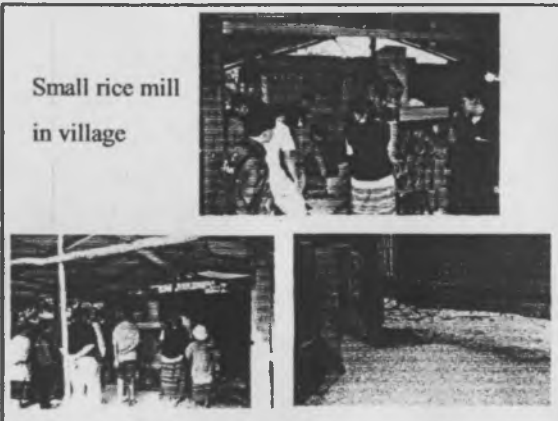
Chicken Raising



Training in weaving technique



Small rice mill  
in village



Old style rice mill



### Training in Store Improvement for Tourist



### Convenient store for tourist



### Food Processing



### Green Vegetable



### Free from pesticide and chemical fertilizer



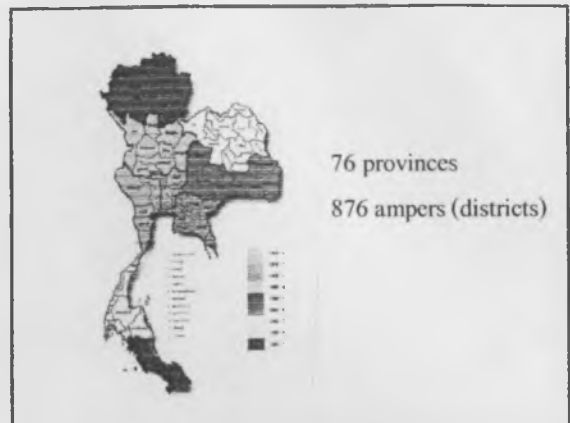
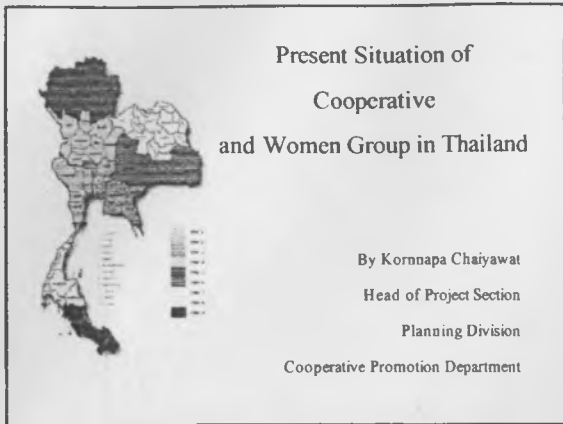
### Reminder

- New thing
- People Needs
  - Product Improvement/Product Quality
  - Basic course/Intermediate course/Advance Course
  - Packing/Design, etc.
- Raw material

### Reminder (cont.)

- Target group
  - Package
  - Size
  - Price
- Market Needs
- Promotion





**Cooperative Development**

- First cooperative in Thailand was established on February 26, 1916 under the Associations Amendment Act, 1916
- First cooperative law is the Cooperative Society Act, 1928

**Cooperative Development (cont.)**

- 1947 - 1953 the disadvantage of cooperative act in small sized agricultural cooperative
- First revision is the Cooperative Society Act, 1968
- 1969 -1972 Cooperative amalgamation program was implemented

**Cooperative Development (cont.)**

- Second revision is the Cooperative Act, 1999
  - Board of National Cooperative Development
  - Cooperative Development Fund

**Cooperatives**

- A group of persons who jointly conduct affairs for socio-economic interests on the basis of self-help and mutual assistance, and are registered under this Act. (The Cooperative Act 1999)

## Cooperative Type

- Agricultural Cooperative
- Fisheries Cooperative
- Land Settlement Cooperative
- Thrift and Credit Cooperative
- Consumer Cooperative
- Service Cooperative

## Agricultural Cooperative

- Generally organized among the farmers who cultivate in various kinds of agricultural earning, and enable them to engage in business together to help themselves and other members for a better livelihood and quality of life



## Fisheries Cooperative

- Consist of fishermen who want to solve their production and marketing problems by using cooperative method.



## Land Settlement Cooperative

- Has the primary objective in allocating land to landless farmer or farmer who hold small land in order to make use of living



## Thrift and Credit Cooperative

- Is set up by people having the same occupation or living in the same community and want to promote saving among members and providing themselves with loan

## Consumer Cooperative

- Is form by consumer who want to obtain various kinds of goods at reasonable price with standard quality





### Service Cooperative

- Is organized among rural and urban people to improve method of production or services, providing credit and marketing services, and raising income of members through the principle of self-help and mutual-help.



### Cooperative Type and Membership

Type of Cooperative	No. of Cooperative	No. of Household
Agricultural Cooperative	3,419	5,095,554
Fisheries Cooperative	71	14,113
Land Settlement Cooperative	98	156,502
Thrill and Credit Cooperative	1,348	2,244,545
Consumer Cooperative	246	709,741
Service Cooperative	451	232,289
<b>Total</b>	<b>5,633</b>	<b>8,452,744</b>

### How to form Cooperative

- People who would like to organize cooperative must have joint business according to the type of cooperative, which they want to apply.
- Person who wants to be the member of cooperative must be a natural person and sui juris.

### How to form Cooperative (cont.)

- Share in cooperative capital must have equal value and each member must hold at least one share in cooperative but not more than one-fifth of the whole paid-up shares.
- Cooperative must have qualified members according to the cooperative regulation

### How to form Cooperative (cont.)

- Prospective member must arrange the establishment meeting to elect at least ten prospective members to be founding committee to operate the cooperative establishment which are
  - Select the type of cooperative from the list in the ministerial regulations by considering on the objective of establishing cooperative.
  - Set operating plan for business and activities of cooperative by following the rule and method which are set by the Cooperative Registrar.

### How to form Cooperative (cont.)

- List the name of prospective members including the number of shares they are willing to hold after cooperative establishment.
- Draft the cooperative regulation and propose it to the meeting of cooperative members.
- After the meeting of prospective member has approved the Cooperative Regulation, the founding committee will sign in the registration form and propose it to the Cooperative Registrar .

### Qualification of Cooperative Member

- Agricultural Cooperative Sector
  - has household and be farmer or fisherman in operative area of cooperative
  - be natural person and sui juris
  - be royalty, reputable, diligent, and thrifty person
  - not be an incompetent or quasi-incompetent person
  - not be a bankrupt or insolvent person
  - never be removed from any cooperative by guilty, except for being removed for more than two years since the expelled date

### Qualification of Cooperative Member (cont.)

- Extra qualification for Land Settlement Cooperative
  - Thai nationality
  - landless or not enough land to earn a living
  - not be a member of other land settlement cooperative

### Qualification of Cooperative Member (cont.)

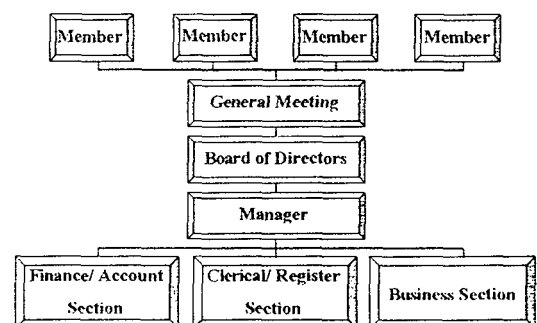
- Non-agricultural cooperative sector
  - agree to the objective of this cooperative
  - be sui juris and Thai Nationality
  - not be member of other Service cooperative which has the same objective as this cooperative
  - not insane
  - not be an incompetent or quasi-incompetent person
  - not be a bankrupt

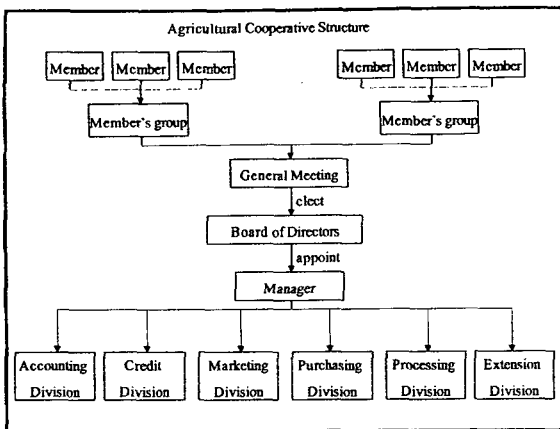
### Objective of Agricultural Cooperatives

1. To provide Agricultural credit
2. To supply farm inputs and consumer products
3. To market Agricultural produce and commodities of the members

4. To encourage saving and deposits
5. To provide service on land and water development
6. To give guidance on Agricultural technology
7. To educate and train on cooperative principles and practice

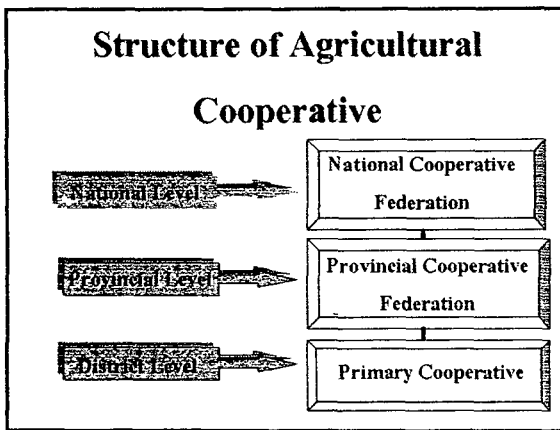
### Structure of Primary Cooperative





## Organization of Agricultural Cooperative

1. The Policy Formulation and Supervision
2. The Administration and Management



## Key of success in cooperative

- Member must understand cooperative principle and ideology
- Member must elect the right persons (board of directors) to run their cooperative.
- Board of directors must operate cooperative on the basis of member's benefit

## Business Activities

1. Credit Business
  - Lending Service
  - Depositing Service
2. Purchasing Business
3. Marketing Business
4. Agricultural Extension service

## Role of Government in Cooperative Development

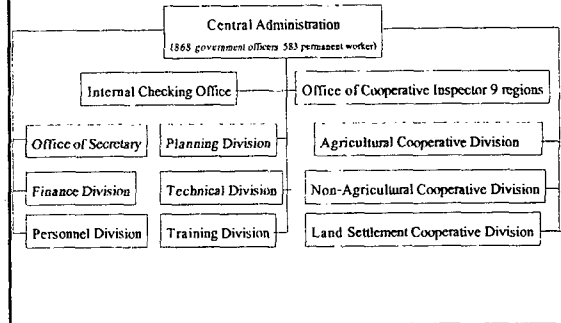
<ol style="list-style-type: none"> <li>1. Organizing , supervising and inspecting cooperatives</li> <li>2. Giving guidance recommendation to cooperative at all levels.</li> <li>3. Facilitating the operations of the cooperatives in line with rules , regulation , by - laws and the Cooperative Act.</li> </ol>	<ol style="list-style-type: none"> <li>1. Promoting the usage of Green Fertilizer for Soil Quality Improvement</li> <li>2. Efficiency and Quality Improvement of Agricultural Products of Farmers Institutes</li> </ol>
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**Through Projects**

- 3. Increasing the Production and Management Efficiency of Cooperatives in agricultural Sector
- 4. Networking of Business and Credit of Cooperative Movement
- 5. Producer Cooperative and Consumers Meeting Fair
- 6. Production Credit and Marketing Linkage , etc.

**Cooperative Promotion Department Structure**

(3,553 government officers 2,329 permanent worker)



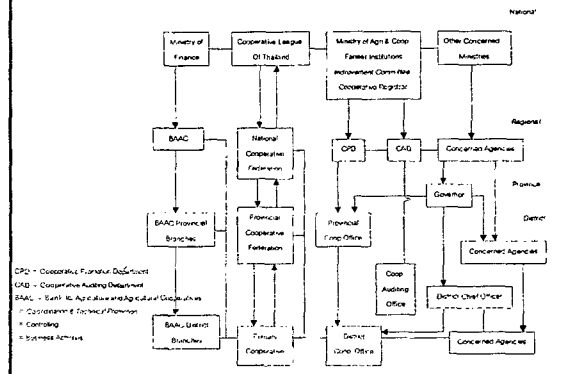
**Provincial Administration**

(2,685 government officers 1,746 permanent worker)

76 Provincial Cooperative Promotion Offices

816 District Cooperative Promotion Offices

**Relationship between the Government and the Cooperative Movement**  
There is relationship between the government and cooperative movement at all levels



**Problem and obstacle in cooperative promotion**

- Most cooperatives which are established by top-down policy are failure in running cooperative because
  - lack of knowledge in cooperative principle and ideology
  - the number of member is too small
  - not ready to run their own cooperative.
  - concern only help from government not from themselves

**Cooperative Development Fund (CDF)**

- Subsidies from the national budget
- donations of money or properties
- money and properties becoming the ownership of CDF
- proceeds from sale of properties acquired under donation or its own
- interest, income or any other benefit belonging to CDF

### Objective of Fund

- Provide agricultural equipment or tool and consumer goods
- Product gathering
- Grant loan or credit
- Invest in properties such as office building
- Cooperative affair development such as processing plant

### Process of CDF

- Cooperative propose project for loan to CPD through Provincial cooperative promotion office
- CPD staff analyze the possibility of the project
- After possibility approval, it will be sent to Board of CDF

### Problem and Obstacle

- cooperative cannot return money due to many problem such as loss from operation or product price crisis, etc.
- cooperative does not have a good understanding about the life cycle of proposal process and make the loan approval delay by
  - send incomplete document
  - send loan request late and receive money not on time for product gathering etc.

### Strategies

- Ranking Cooperative
  - New cooperative or Small Cooperative will be limited the amount of loan to match with their capabilities
  - Cooperative return loan on time will be set in the higher rank and receive special interest rate
- Interest Rate vary on the objective of loan



FAO Presentation On

“ Introduction to Women Groups’ Activities in Asia”\*

By Dr. Revathi Balakrishnan  
Regional Sociologist and Gender and Development Officer  
FAO regional office for Asia and the Pacific

at the

ICA-Japan Training Course on “ Strengthening Women’s Agricultural  
Cooperatives in Rural Areas and Improvement of Farm Management  
and Rural Life “

September 3, 2003, Bangkok, Thailand

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\* The paper presented reflects the views and ideas of the author who is a FAO technical officer. These do not necessarily reflect the official position of Food and Agriculture Organization/UN. This is an unedited paper for limited circulation among the participants only and not to be quoted without prior permission of author.



**Introduction to Women's Group Activities: Asia**

**Status of Rural Women's Work in Asia**

The progress achieved by a large number of urban women across Asia disguises the low human development and extreme gender inequality among rural women in many parts of the continent, especially South Asia.

Rural women continue to struggle under the dual responsibilities of economic production and domestic labour, and most are confronted by poverty, illiteracy, high health risks, inadequate access to productive resources and denial of market access in the profitable food sectors.

**Rural Urban Disparity in Benefits Gained by Women From Development Efforts**

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**Introduction to Women's Group Activities: Asia**

Situation of rural women across Asia influenced by customary laws and social sanctions than by ideas and policies of equality, established by global and national agencies. The relative gender equity gains of women in East Asia - particularly in comparison to South Asia - can be associated with social practice of equality due to political philosophy, ethnic culture and educational achievements. But visible presence of women in the public places of work in East Asia tends to hide inequalities in their struggle to provide for their families.

**Customary Laws and Traditions Determine Rural Women's Status Rather than Policies of Gender Equality and Advancement of Women  
Gender Inequalities Continue**

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**Introduction to Women's Group Activities: Asia**

**Few Trends in Agriculture and Rural Sectors Influence Rural Women's Activities**

- > More Women in Agriculture Production: Feminization of Farming
- > Internal Migration: Young and Skilled Leave Rural Areas
- > Asian Crisis Rural Households Receive the Urban Workers
- > Elderly Women and Men Highly Represented in Rural Society: Greying of Farming and Rural Production
- > HIVAIDS in Rural Areas Increase Production and Care Giving Responsibilities for Women
- > Poor Health and Education Services
- > Poor Access to Market and Banks
- > High Number of Female Children Leave Schools to Help Mothers and Due to Economic, Social and Cultural Reasons

**Two Different Situations:  
Economic Prosperity and Poverty  
Gains in Gender Equality - Mostly Urban and Lack of Gains Among Rural Women**

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**Introduction to Women's Group Activities: Asia**

**Women's Groups : Opportunities To Participation**

Women's Groups Provide Opportunities for Participation for Rural Women

- Access to Credit
- Opportunity for an Micro-enterprise
- Access to Group Production
- Opportunity to Work Together
- Group Membership Benefits
- Access to Social Capital
- Occasionally Group Learning of New Technology
- Access to New Technology (ies) and Techniques
- At Times Ability to Approach Government Agencies
- Access to New Information and Knowledge of Outside World

But the quality of Service provided and performance varies

Women's Opportunity for Participation Can Increase but There Quality in Service and Participation Could Vary

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**Introduction to Women's Group Activities: Asia**

**Women's Groups : Rural Women's Constraints To Participation**

- Time Constraints: Women's Work Load
- Groups Meeting Demands on Time
- Inability to Attend Too Many Meetings Due to Conflict of Work Demands
- Groups Rules Are Not Always Understood or Followed Due to Lack of Experience and Basic Education
- Access to Credit: Very Small
- Agriculture Households Seasonal Income and Agriculture Households' Credit Need of Large Amount
- Poverty and Need to Work Long Hours to Meet Family Income Needs
- Group Membership Favours Relatively Better Income and Asset Based and Powerful Households
- Rules of Equality May not Always work in Local Situation
- Do Not see the Benefit of Participation
- Lack of Skills or Power for Articulation and Dealing with Conflicts

Rural Women Face Specific Constraints for Formal Group Participation

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**Introduction to Women's Group Activities: Asia**

**Rural Women's Groups Organization: Future**

- Women's Groups Have Become Standard Component in Development
- Homogenous Groups May Be Defined Broadly on Common Purpose Rather Than Men or Women
- Organizers of Group Activities Should Acknowledge Women's Specific Constraints to Participation and Their Workload
- Women's Groups Activities Should Focus on Both Earning and Learning Elements
- Principle of Democratic Participation Should Be Followed at Local Organizations
- The Income Generating Processing and Production Activities Should Be Based on Objective Market Access and Cost -Benefit Analyses
- Women's Capacity for Leadership in the Groups Should Be Developed
- Female Literacy and Functional and Political Literacy Should Become Integral Activities Promoted in the Groups
- Information Flow and Conflict Resolution Efforts Should be Improved

Rural Women's Groups with Multipurpose Goals for Sustainable Economic and Human Capital

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# Women on the move

An emerging 'micro' movement involving mostly poor and vulnerable women is changing Kerala's entrepreneurial reputation.



C. RATHEESH KUMAR

R. KRISHNAKUMAR

GOOD business ideas are not hard to come by. Especially, it seems, if one is desperate and poor, and is a woman.

Take the tying of tassels, for instance. Pull bits of threads off the edge of a piece of cloth and tie them into intricate patterns. A tassel is made. It keeps loose threads in check and provides elegance and style. In fact it adds value to an ordinary piece of cloth.

But in Kerala it took a group of 10 desperately poor fisherwomen in coastal Kozhikode to pick up this idea and radically alter their lives. In 13 months, despite the deep-rooted poverty and orthodoxy of their Muslim-majority, fishing neighbourhood, this small group, in the 24-55 age group and belonging to different faiths, have made it a roaring business success.

The 'Sowhardam Shawl-making Unit', set up at a project cost of Rs.1.40 lakhs, which was met largely with a commercial bank loan and a thrift loan from their neighbourhood group, today buys thousands of metres of cloth and supplies



C. RATHEESH KUMAR

them as tasselled shawls to big textile shops in Kozhikode city and beyond. The unit employs 300 part-time women workers (who work from their homes) as and when business peaks, and pays them as wages the same amount, Rs.3.50 a piece, as the owners themselves. On an average one person works on about 20 shawls a day. After making a loan repayment of Rs.1,500 a month and depositing Rs.500 in a savings

account, the 10 women take home a profit of at least Rs.2,000 a month – more during festival seasons – in addition to their own daily wages. Their biggest order so far has been for 10,000 shawls, made from 20,000 metres of cloth. It fetched them Rs.35,000 as wages alone.

Like the nine others in the business, group leader K.T. Remla is therefore the symbol of a life transformed. A few months ago, her family of four was in dire straits, unable to make ends meet with the meagre income that her husband brought from the sea. Today the family is never hungry and lives in a concrete-roof, electrified house. Their elder son, a physically handicapped youth, now runs a petty shop, while the other is a Plus Two student. Her husband has stopped going to the sea and, instead, works with a rice merchant. She herself, like her partners, no longer has to pawn gold ornaments. Her

critics in the neighbourhood who branded her as "bad", and pasted nasty posters on walls ridiculing her work as president of the Area Development Society, a corporation ward-level apex body of several neighbourhood groups, have turned admirers. "It has brought a sea change in our lives," she said.

Now business comes to their door and, with that, competition from others who are ready to do the same work for smaller profits. Sowhardam, therefore, is set to diversify into contract-stitching of "ready-made" uniforms for schoolchildren. Work starts at 10 a.m. at Remla's new home, and ends at 6 p.m., before her husband returns from work. In between, they have become a cohesive, happy team of resourceful neighbourhood women with a sharp business sense and a lucrative trade in hand. They have successfully broken the barriers of extreme poverty and social restrictions, and are out to make a difference in their own lives and those of their neighbours.

No men are involved.

**P**oor women, so far ignored by banks and considered eligible only for anti-poverty doles or charity, are establishing business enterprises in the cities and towns of Kerala, either on their own or in groups of ten.

That they have been able to do so, is the result of a "happening" grassroots-level democratic process that directly addresses their subsistence needs and tries to find solutions for their problems in association with the local bodies. Between 15 and 40 women of a neighbourhood, one from each family, hold weekly meetings to discuss their problems, collect modest amounts as thrift, distribute small loans for personal emergencies or to start income-generating ventures, and bargain jointly for their rights and developmental needs (see box).

Members of such neighbourhood groups (NHGs), who want to enhance their incomes further, are actively encouraged to come up with business ideas, which they can then pursue with other women, either from their own NHG or from similar ones operating elsewhere.

As of March 31, as many as 75,651 NHGs covering 1,459,392 families, had been formed in 700 of the State's 991 panchayats, five tribal areas and all the 58 urban local bodies, including the five corporations and 53 municipalities. All NHGs are not going great guns, but the majority of them meet every week, some others at other regular intervals, and func-

tion as 'real' grassroots-level groups linked to the respective panchayat, municipality or corporation.

An indication that these NHGs do function fairly well is the fact that out of the 1,459,392 families in the NHGs, 1,137,161 have started thrift and the accumulated amount so far has crossed Rs.78.4 crores. Once an NHG completes six months of regular functioning, members can avail themselves of thrift loans, at a monthly interest of 2 per cent, and bank loans at standard rates, without collateral. The collection of thrift and the disbursement of small loans have to take place necessarily at the NHG meetings, in the presence of other members. Out of the Rs.78.4 crores, Rs.59.20 crores has been advanced to NHG members as micro-loans.

Yet, if the regular meetings of the NHGs and the increasing number of their micro-enterprises have gone largely unnoticed, it can only be because of that invisible divide between the creamy sections of society and the poor and their activities. Even mainstream politicians seem unmindful of the level of participation in the NHGs at the grassroots level.

As on March 31, 943 group enterprises benefiting nearly 10,000 people and 12,219 individual projects supporting as many women and their family members had been established in the 58 urban local bodies. More are on the anvil, including projects in emerging sectors such as information technology, biotechnology, food processing, dairy products, solar cookers, IT education and integrated coconut-processing. As the 10-member micro-enterprises grow in popularity, the availability of credit to them becomes less difficult. The shortcomings and weaknesses of individuals are overcome by the collective responsibility and security offered by the group. Starting one such unit helps women from 10 families. Group ventures have been carefully positioned so as to be 'innovative' and 'need-based'.

Now there are women's groups in Kerala to repair water meters (under the name 'Metro Mermaids'), provide post-natal care, act as couriers and home nurses, make paper bags, hollow bricks, tarpaulin and furniture, construct buildings (women do that in Vadakara), process solid waste, run flour mills and mobile stores, and cultivate paddy. Hotels, catering units, drive-in restaurants and day-care centres are run by them and they do direct marketing and vegetable vending. Some individuals (whose take-home pay averages Rs.15,000 a month) and groups

have taken a keen interest in direct marketing: this explains, for instance, why an economy brand of tea marketed half-heartedly by the State Civil Supplies Corporation has seen a sudden spurt in sales. Women's groups also run "mobile" beauty parlours, which do quick-fix jobs at fixed rates, such as Rs.5 for "doing one eyebrow".

Awareness of and access to credit, which had so far eluded the poor, are today becoming a liberating factor for these entrepreneurs. Group responsibility absolves these women of the need to provide collateral for bank loans. In place of property or ornaments, what is offered is "moral collateral". In addition, they can make use of funds from anti-poverty programmes provided as subsidy and delivered through the banks by the local bodies. All they need put in for any enterprise they choose to set up is a tiny "beneficiary contribution", their effort, and skills, which they are taught for free.

**T**HE catalyst behind these ventures is a hand-picked, motivated and surprisingly effective government machinery under the State Poverty Eradication Mission, called 'Kudumbashree' (meaning prosperity for the family) and entrusted with the goal of eradicating poverty in the State by 2008. The programme is implemented with the support of the Central government and institutions such as the National Bank for Agriculture and Rural Development (NABARD) and the United Nations Children's Fund (UNICEF). Women who venture into business are given assistance to find professional partners and credit, trained in the vocation that they choose, and in business, marketing and accounting practices, and then left to themselves to handle their enterprise on their own.

Kudumbashree "lets them hold its hand and escorts them for as long as they want it to", the Mission's Executive Director, T.K. Jose, told *Frontline*. Kudumbashree programmes, which closely involve the people's and official representatives of the respective corporations, municipalities or panchayats and are implemented through the local bodies, continue to assist the enterprises by helping them find business avenues, making course corrections, and evolving business techniques. Most important, they help the women wade out of poverty and prosper through their own work and resourcefulness.

There is perhaps no better illustration for the effectiveness of this strategy than



(Clockwise from above) At Technoworld, a computer software unit in Thiruvananthapuram, the most successful micro-enterprise under the Kudumbashree programme; at Akshara Paper Products in Ponnani in Malappuram district; ration card binding in progress; Metro Mermalds, the women's group in Thiruvananthapuram that repairs water meters.

Technoworld, the IT-based unit in Thiruvananthapuram, established in September 1999 at a project cost of Rs.2.90 lakhs. Assistant District Mission Coordinator (ADMC) M.V. Gopakumar told *Frontline* that it was one of the first group enterprises set up under Kudumbashree, and hence got good patronage, especially from government departments, because of the Mission's interventions at critical junctures. The 10 women, who were brave enough to start the venture despite the odds, are today the role-models for the Kudumbashree "family".

The unit undertakes data entry, desktop publishing (DTP), web designing and programming – mostly for big-time clients, including government departments. The biggest project so far (worth Rs.15 lakhs) has been the production of ration cards for several districts of the State. In the first year the unit registered a turnover of Rs.30.5 lakhs and in the second, Rs.43.7 lakhs.

The professionalism of the women running it is impressive. Says Rajam, the unit's secretary: "We are yet to start sharing profits despite our circumstances at home, because we felt we must first estab-

lish the business well, concentrate on clearing our debts and in creating assets. The three-year loan was repaid quite early – at the rate of Rs.6,800 a month. We have created assets worth Rs.20 lakhs, including 25 computers. We now work in three shifts and provide part-time employment to 35 others, including a few men who do the night shifts. Instead of sharing profits, we take wages for the work done, which is the same for part-time workers. In one shift of five hours, a person can thus make up to Rs.1,500. Every month, each one of us will be able to take home at least Rs.6,000. In addition, we allow ourselves a bonus every year. Last year it was Rs.3,000. It varies for part-timers, depending on the hours they spend for us."

Clones are born every other day, in all districts, yielding the same results. Some have started selling assembled personal computers (PCs). Technoworld has proved that IT is a venture that is genuinely benign to resourceful women entrepreneurs. The skills required are comparatively of a higher order, as are the investments made, the risks involved and the profits made. But several undertakings have been established in the 'low-risk, low-

investment' sectors too. Women who own them have fewer skills but still consider the smaller returns from them "life-changing".

In over 30 such micro-enterprises spread over Kozhikode, Malappuram, Ernakulam and Thiruvananthapuram districts that this correspondent visited in the last week of April, investments ranged in the majority of cases from Rs.50,000 to Rs.2.5 lakhs and were higher in the case of a few of them, including some successful IT firms. Each group enterprise has been providing at least Rs.600 to Rs.6,000 (probably more) to every member each month as wages or as profit, even though the majority of the units are in an embryonic stage. All such units are owned, managed and operated by the members themselves.

Throughout Kerala, the partners in these group enterprises who were till the other day generally excluded from banking services, are also proving to be better at loan repayment than other valued customers. Kudumbashree officials claim

that the repayment rate is more than 90 per cent. Commercial banks have in fact started describing the beneficiaries in eulogising terms. The chairman of the State-level Bankers' Committee, who is also the General Manager of Canara Bank, V.A.P. Mallan, described the programme as "exemplary". Mallan said: "Kudumbashree takes very good interest in the women they refer to us for loans. The mission ensures that these women are trained well in the enterprise they are out to set up, and carefully monitors each unit's performance after the loan is disbursed. That has made a significant impact in the way banks relate to Kudumbashree beneficiaries."

Such praise is, to a large extent, the result of a Repayment Information System (RIS) developed by Kudumbashree. The RIS allows monitoring at the grassroots level by the mission's State office, of repayments that fall due and immediate intervention by NHGs. Thus under Kudumbashree, 'peer pressure' is made to work not only to obtain credit without collateral for the beneficiaries of micro-enterprises but also to ensure prompt repayment.

However, vestiges of the traditional

# Neighbours and friends

R. KRISHNAKUMAR

*Its name is a tongue-twister – Izhavanthuruthy. But many parts of this panchayat, with its typically rural Malappuram milieu, are now conveniently known as Ward 13, having recently been 'promoted' to be part of Ponnani municipality. More significant is the fact that the people of this panchayat can now enjoy the benefits of being part of an urban body where Kudumbashree activities have been going on for some time, and where the formation of neighbourhood groups (NHGs) of women is suddenly receiving a boost.*

APRIL 24, 2002, 4-30 p.m: The smell of a fresh harvest hangs thickly in the air. On the cool verandah of one of the houses adjoining a paddy-field, a neighbourhood group is about to be formed. The trickle of women, some in traditional Muslim attire, started more than an hour ago. The Kudumbashree representatives from the municipality, including the ward councillor and the community organiser finally arrive. "We have been here since three o'clock," one of the elderly women point out, accusingly. The community organiser smiles: "You were supposed to be here by two, you came at three. That is why we decided to come at four." There is a burst of laughter all around.

The mood is set for Shameer, the community organiser and a key grass-root-level worker of Kudumbashree, to address the group: "You are here to become members of a family that will try to eliminate poverty through your own efforts. But what is poverty, really? You would say it is not having any money to make a living. But it is not poverty of income alone that we are talking about here. If you do not have a well in your area, you suffer from poverty of a well. If you do not have a road, you have poverty of a road. Having no sanitary latrine, having no access to educational or health facilities, having no work... all this is poverty. And that is why you are all here at this 'ayalkkootam' (the Malayalam equivalent for NHG). You must all try and make this a success."

By now the 40-odd women, unit-

ed in their poverty and differing only in their religious and community denominations, are jostling for space on the tiny verandah, under the distant but watchful eyes of some of the locality's men. "But now we need volunteers from among you women – remember, there will be no men in this ayalkkootam. Who would you like to represent you – to be the president and the secretary of this group?" asks Shameer.

Two hands tentatively go up, after much hesitation and prompting. Reena and Radha, "known to all, acceptable to all", have just taken the initiative to hold the first public office of their lives. Three more – Baby, Parvathy and Dakshayani, similarly become Community Volunteers for Health, Income Generation and Infrastructure. A "Community Finance Manager" is to be elected later.

Thomas Vaidyan, Project Officer for Kudumbashree in Ponnani municipality, asks the three to give a name to their ayalkkootam, so that they can have an identity of their own. 'Surya'... 'Udaya Surya'... they suggest. But other groups have clearly taken these names. "Navodhanam" (Reformation), the new president suggests. Finally, they agree on 'Navodaya'.

Shameer continues his instructions: "You must meet regularly now, to discuss your problems. Write them down in the minutes book, and let us know about them. All of you must start saving some money from now on and bring it to the meeting... Bring a small amount every week. It can be anything from Rs. 5 to Rs. 50. Now, don't start thinking that the money is for us officials. It is for you. We will put it in the bank, in the name of your ayalkkootam, 'Navodaya'. You must realise that other groups are far ahead of you. There are NHGs in Kerala which have Rs. 5 lakhs as savings. And why do we save collectively? Until now when you need some money for an emergency, you had to ask your neighbours or that cut-throat moneylender who charges you Rs.28 for every Rs.100. That is why we are starting a thrift. If one of you, say Parvathy, has put Rs.500 into the collective fund in six months, she will be eligible to get three times that amount as loan from the bank. Do you think

this is good?" Like school children, they reply: "It is good."

Shameer goes on: "So now you must start a thrift. The president and the secretary will collect it from you and keep accounts – we will teach them how to do that. You must also identify what needs to be done in your area and do them in the order of priority – like, should you dig a well first or do you need a road immediately? It will be your decision and you will implement it, on your own, with the municipality's help. All members of this ayalkkootam, irrespective of caste and creed, are members of a family. Collection of thrift should take place at weekly meetings alone. You should not catch the secretary on the road and say: here, keep this Rs. 5, it is my thrift contribution. All transactions should be at the meetings. This is a programme where you yourself will eradicate poverty from your lives."

Shameer then tests the cohesiveness of the new group with a simple question: "You may all need to take a loan. There may not be enough savings in the bank to satisfy all. How do you then decide who should get a loan first? For example, if Parvathy's child is suddenly ill, she may want an emergency loan. But Fathima, here, may want to buy a pressure cooker. What will the ayalkkootam decide?"

An elderly Muslim woman sitting in the corner does not hesitate even for a moment. "What is the doubt? Parvathy should get the loan. Fathima can buy her pressure cooker later."

For the next half an hour, other officials speak about opportunities awaiting the women; the care they should take in handling their savings and in distributing loans; how their NHG should also become a forum to discuss their problems and solve them on their own through mutual cooperation; and why, men, who had so far taken decisions on their behalf, had no role in the weekly meetings or its decisions.

It is then time for the newly elected secretary to weave her way through the gathering and deliver her maiden speech. "I register my sincere thanks to all those who have come here. The meeting is closed," she says.

The Navodaya NHG of Ponnani shall meet every Sunday – despite the lure of prime-time television. ■

mindset remain at the ground level. There are bank managers who continue to speak about "less yield and more costs and risks" involved in providing such small loans to a large number of people. And they are still too far away from allowing these women the luxury of working capital or a sustained banking relationship.

Tenacity is a premium quality that is evident in most group members. A cordial group synergy, high levels of motivation and determination, good skills and resourcefulness, bright hopes about the future and a keen business sense were evident in members of all successful group enterprises that this correspondent visited. Where these qualities were lacking, and where technical training and awareness about competition and markets seemed inadequate, the entrepreneurs seemed unsure about their roles.

But then one has to concede that it is into the volatile and harsh world of business that these women, until the other day largely non-entities even in their own homes, are entering into. "In the initial days, many are perplexed about the delay in getting loans and registration certificates and the difficulty in securing working capital and business premises, exhibit a lack of understanding about target markets and competition, and sometimes are generally disoriented in the new roles that they suddenly find themselves in. This, to a lot of women, can be discouraging," E.P. Kunjabdulla, the ADMC for Malappuram district, said.

The ADMC added said that in many places in the Muslim-dominated Malappuram district and some other areas in north Kerala, the impact of the programme should be seen in the context of the (religious) conservatism and the poverty that prevailed in certain pockets. "I have several uncomfortable experiences of trying to explain the need to join NHGs to rural Muslim women, who would only sit behind a wall, if at all we were allowed to conduct a meeting in their neighbourhoods. But we invariably get the message across. My favourite weapon is to quote the Koran to explain why women can indeed become entrepreneurs," he said.

"But such experiences coexist with the widespread influence of progressive movements that have made drastic changes in our society," said the ADMC for Kozhikode, K.M. Nejma, who is a col-



A plant nursery at Vadakara in Kozhikode district, set up under the Kudumbashree programme.

lege teacher now on deputation to Kudumbashree.

According to Project Officer K. Krishna Kumar, some entrepreneurs need only guidance, while others require a lot of assistance – to find working capital, ensure quality in production, marketing and accounting, diversification and sometimes even in making out whether they are making profit or running at a loss. The mission arranges regular training sessions for new entrepreneurs with the help of the Ahmedabad-based Entrepreneurship Development Institute of India.

T.K. Jose claims that the Kudumbashree programme is one of its kind in the country in terms of quality, variety and the firmness in the monitoring and evaluation of units. "The aim of the programme is not merely to increase the income of poor women but to improve their level of confidence, awareness, access to information, ability to make use of government services and programmes, and interpersonal skills, especially the capability to express themselves," he said.

There is criticism that the Poverty Eradication Mission helps only the skilled and the capable among the poor. But Jose says that the poverty eradication programmes in the past had ignored the fact that unless the beneficiaries are trained in the technical, operational and managerial aspects of the activity they are expected to start, the purpose of giving credit fails. So Kudumbashree selects its beneficiaries and then gives them training and credit to run sustainable ventures. It is not a programme that merely distributes doles.

However, he says, the present programme will be unable to reach destitutes and the most marginal population – the bottom 5-6 per cent of Below Poverty Line (BPL) families – because "all poor people are not enterprising and cannot take up self-employment ventures." Such people, according to him, need more support from society and the government.

The Kerala government had decided to extend the programme to the entire State from April 1, so as to include the 291 panchayats that had been left out initially. This would enable more rural areas to come under Kudumbashree. But this poses many challenges. Monetary and human resources are going to be spread thin, as the mission tries to extend its activities even as it tries to sustain and nurture the existing ones. The target is

to bring a whopping 20 lakh BPL families to above the poverty line by 2008. According to Jose, a diversity of human problems call for individual attention by the mission. Resource mobilisation offers its own problems. A variety of players, including political parties, NGOs and various government departments and agencies, have to be brought to a common platform to share a common vision.

At every NHG or enterprise or at the office of Kudumbashree, the question is how to sustain the budding movement and save it from the vicissitudes of local and State politics and bureaucratic transfers. As of now, there is no mechanism to ensure that the NHGs, their thrift and credit operations, and the needs of budding micro-enterprises will continue to be looked after as efficiently as now. The fate of the gram sabhas, which have been in a state of stagnation for more than two years under the decentralised panchayati raj system, is a discouraging example. But what could be a countering influence is the appeal of the thrift and credit programmes that is ingrained in NHG activities.

Kudumbashree officials insist that what has been achieved can in no way be described as remarkable. The numbers of families covered and the neighbourhood groups and micro-enterprises formed are too small when seen against the number of families that are yet to be reached. Poverty eradication is not an easy task. But the hundreds of women who have secured a sustainable, profitable livelihood through the Kudumbashree programme will hesitate to agree. ■

# Making micro-credit work

R. KRISHNAKUMAR

NOWHERE has the potential of panchayat-coordinated women neighbourhood groups (NHGs) been demonstrated so well as in Alappuzha district. It was the success of a 1995 prototype Left-initiated experiment in Alappuzha municipality that led to a similar experiment being conducted in both urban and rural areas of Malappuram district and subsequently extended to the entire State.

On May 11, over 20,000 members of women NHGs, mainly from eight gram panchayats in Alappuzha and other southern districts, came together at the St. Michael's college grounds at Chertala to reiterate their achievements and take a pledge.

The occasion was the inauguration of a seminar on 'Decentralisation, sustainable development and social security', which was organised by the joint committee of panchayats of Aryad and Kanjikuzhy blocks and the International Labour Organisation (ILO). The seminar was to analyse the weaknesses identified in the decentralisation experiment in Kerala and find ways to take it forward. The ILO will be collaborating with the eight panchayats to design and implement a decentralised social security programme.

The highlight of the first day's session, which was inaugurated by Union Minister of State for Rural Development Anna Sahib M. K. Patil in the presence of Chief Minister A.K. Antony and Opposition Leader V. S. Achuthanandan, was an oath, taken by the gathering of women, to boycott toilet soaps manufactured by multinational companies. Instead they vowed to use and promote the use of a brand of soap, made of pure, locally available coconut oil, produced by micro-enterprises of local NHGs of women.

What the women NHG members were indirectly referring to through their high-visibility demonstration was the

conflict between the micro-credit model espoused by international development agencies and the Kudumbashree micro-credit NHG model. (While the model espoused by international development agencies provides the State with a minimal role in poverty eradication and links the provision of micro-finance to NGO-led self-help groups, the Kudumbashree model maintains close links to local bodies and various government anti-poverty programmes.)

An important paper presented at the seminar, 'Women Neighbourhood Groups: Towards a New Perspective',



At a neighbourhood group meeting in Thiruvananthapuram city.

co-authored by Thomas Isaac, Michelle Williams, Pinaki Chakraborty and Binitha V. Thampi, is a severe critique of the World Bank and the micro-credit programmes that it has promoted through NGOs in several countries. This paper argues that the World Bank is attempting to integrate the micro-credit movement with the globalisation process and transform it into a complementary component of its financial sector reforms.

The paper pointed out that the World Bank's support for micro-credit schemes as a form of poverty eradication and its endorsement by a 1997 United Nations resolution have led to a dramatic increase in micro-finance spending in the world. This required the tapping of international financial markets, as the resources of aid donors were inadequate to meet the demand. This meant that the needs of the international commercial lenders had to be incorpo-

rated into micro-credit programmes, which was achieved by ensuring the minimisation of the cost of providing such credit and allowing an increase in the "income" from micro-credit lending (that is, the interest rate).

The paper said that the World Bank identified informal mechanisms of NGOs as the most cost-effective method of providing micro-credit. And that the World Bank argues for an increase in interest rates on micro-credit in the belief that the poor can both afford and are willing to pay commercial interest rates and that they are more concerned about the timely availability of credit than how much it will cost them. This is why, the paper argues, the

World Bank opposes subsidies on interest rates and promotes the dismantling of subsidised (and competing) alternatives to its micro-credit model, such as priority sector lending, subsidised credit systems and traditional rural credit institutions.

The result is the emergence of a "micro-finance industry" of the World Bank, along with multinational banks and financial institutions at the international level, lending to national-level micro-finance institutions, which

in turn either advance money directly to NGOs or refinance the financial institutions that lend them money. At the bottom of this pyramid are the women self-help groups (SHGs).

"Thus, micro-credit programmes are rendered a profitable venture for international finance capital, while also ensuring sufficient outreach and sustainability in order to make a dent in poverty. Poverty eradication through women SHGs is thus made a profitable venture," the authors said.

The paper points out that the World Bank's prescription ignores the fact that globalisation policies are rendering unsustainable the self-employment activities that its micro-credit programmes promote. For them to be viable, they need to be part of a larger development agenda that includes linkages to product markets, local government programmes and community development, it said. ■



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B2 US. \$ 5.50

B3 US. \$ 16.50



C1 US. \$ 6.00

ผลิตภัณฑ์กระเป๋าสตรีไม้ไผ่สาน

Women handbag made from bamboo

女性用かばん (竹製)

竹编织手工艺品

المصنوعات الحقائب للنساء من خشبة " البامبو "

ผลิตภัณฑ์ผ้าฝ้ายทอลาย

Typical hand-woven cotton products

織布製品 (綿)

花纹棉布手工艺品

المصنوعات اليدوى من اقطان الملون



D3 US. \$ 16.00

D5 US. \$ 70.00

D4 US. \$ 43.00

D2 US. \$ 15.50

D1 US. \$ 14.50

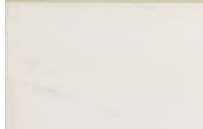
P1 US. \$ 12.50

P2 US. \$ 12.50

M2 US. \$ 9.00



M3 US. \$ 6.00



P3 US. \$ 7.50

ผลิตภัณฑ์บ้านศรีนารายณ์

Saisal products

麻製品

纳莱弓苧麻手工艺品

กระเป๋าเอกสารประดับผ้าลายจิด

Leather briefcase decorated by  
typical hand-woven. Cotton (Khit cotton)

書類かばん (布製)

花布文件包

الحقيبة أو الملفة للأوراق المهمة تزيينا بالثوب " لاى خيد

ผ้าคลุมผมสตรีอีสาน

Kerchief turban/headscarf

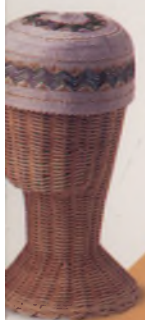
(hat) 女性用イスラム頭巾

回教女围巾

Q2 US. \$ 9.50

طرحة للنساء

.00



กระทรวงเกษตรและสหกรณ์

กรมส่งเสริมสหกรณ์

ถนนกรุงเกษม เขตจตุจักร

กรุงเทพมหานคร 10200

โทร. 662-2822922 ต่อ 605

Ministry of Agriculture and  
Cooperatives

Cooperative Promotion Department

Krung Kasem Road

Thewes Bangkok 10200

Tel. 662-2822922 ext. 605

組合振興局

クルン・カセム通り

テヴェス

バンコク

10200

六六二-二八二二九二二 内線六〇五

泰国农业合作社促进厅

曼谷·军卡盛路

电话：662-2822922 转605

مركز النهوض للشركات

الشارع \ كرونج كاسيم

المنطقة \ تبويس

المحافظة \ بانكوك 10200

تلفون

662-2822922-605

\* 1 US \$ : 42 B. [SEPTEMBER 2000]



K2 US. \$ 25.00

ผลิตภัณฑ์กระดาษสา

Sa paper products

紙すき製品

莎纸手工艺品

المصنوعات من اوراق البردى

M1 US. \$ 3.00



ผลิตภัณฑ์ดอกไม้ประดิษฐ์

Artificial flowers

造花

人制花手工艺品

الزهور الصناعية



K3 US. \$ 25.00

N2 US. \$ 7.50

N1 US. \$ 9.00



US. \$ 7.50

L2 US. \$ 6.50

หมวกบุรุษอิสลาม

Kepiyah (Islam)

男性用イスラム

回教男装帽子

طقية للرجال

Q1

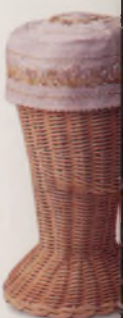
ผลิตภัณฑ์หญ้าแฝก

Vetiver products

草製品

水草手工艺品

المصنوعات من حشائش " فاك "



ผ้าไหมไทย

Hand-woven natural  
-dyed Thai silks

タイシルク

泰丝绸

حرير البلدى " ماى تاى "

R 1 US. \$ 57.50

ผ้าฝ้ายตีนจอก (ผ้าฝ)

Typical hand-woven cotton

[Tin chok cotton]

女性用タイ式スカート (綿)

泰原始布手工艺品

المصنوعات من قطن " تين جوك "

R 2 US. \$ 43.00

R 3 US. \$ 43.00





2<sup>nd</sup> ICA-Japan Training Course on  
**“Business Leadership Development among Women  
 Members in Agricultural Cooperatives in Asia”**  
 Thailand-Japan, 29<sup>th</sup> August to 4<sup>th</sup> October 2002

**END-OF-THE COURSE EVALUATION**

All participants attending this Course are required to participate in the End-of-the Course Evaluation by filling in this Evaluation Form. Please ENCIRCLE your preference. It is not necessary to write down your name.

Rating Pattern

**5=Excellent, 4=Very Good, 3=Good, 2=Satisfactory, 1=Poor.**

01	To what extent the Course meets the Objectives?	5	4	3	2	1
02	Relevance of this Programme in your job.	5	4	3	2	1
03	Usefulness of this training in your future work.	5	4	3	2	1
04	Your overall impression about this programme.	5	4	3	2	1
05	Your grading of the faculty of this programme.	5	4	3	2	1
06	Your rating of the study visits in Thailand.	5	4	3	2	1
07	Your rating of the study visits in Japan.	5	4	3	2	1
08	Your rating of the administrative arrangements (e.g. boarding, lodging, etc.).	5	4	3	2	1

09 Are you satisfied with the leadership provided and the technical inputs made by the IDACA faculty members? (Explain briefly). *Yes*

10 Please suggest changes/improvements, if any, desired in future programmes. (Please give your free and frank suggestions).

*more training on leadership and technical inputs*

11 Please suggest which topics should be added to this Programme in future.

—

12 Please suggest which topics should be deleted from future Programme.

—

13 Please list below your major gains from this Programme.

—

14 Your general suggestions, opinions (on any aspect) and recommendations.

More emphasis for all centres

YOSHICO

Leant a lot of things - 70 to 80% x  
Punctuality & COURSE content should be CURTAILED.  
in Thailand and Japan x

FURUSUMI

all 7/2/90

FUJII

2: 20: 10 - 8 x HOW TO DO SMALL BUSINESS FOR RURAL  
WOMEN. WTD is new to us x Lecture in WTD was not so good x  
Invited and other VISITS to UARW and Paul corps should  
be included in future x

MURAKAMI

got lot of it and you x not sure if it x that  
is a material if you x lack of capital x now x  
More lecture on women entrepreneurship x More participants should be included

OGURA

2: 20: 10 useful to me x very relevant to my work in CPD x Better training  
and Marketing was very useful x

SASAKAWA

Better training in my corps. 20: 10: 10

CHAM

women development should be included x More VISITS to ...

TUYET

Quite relevant to my job since I am a trainer x TOPICS are  
very good for lecturers x HONESTY of the members x How and  
how sells their products to members in WTD and Thailand  
- would like to have a VIDEO x interact with the  
lecturers x young women's ...

( Translation )  
**THE COOPERATIVES ACT B.E. 2542**

COOPERATIVE PROMOTION DEPARTMENT  
MINISTRY OF AGRICULTURE AND COOPERATIVES

( Translation )  
**THE COOPERATIVES ACT B.E. 2542**

COOPERATIVE PROMOTION DEPARTMENT  
MINISTRY OF AGRICULTURE AND COOPERATIVES

(Translation)

**THE COOPERATIVES ACT B.E. 2542**

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**BHUMIBOL ADULYADEJ REX.**

**Given on the 12<sup>th</sup> day of April, B.E. 2542;**

**Being the 54<sup>th</sup> year of the Present Reign.**

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:

Whereas it is expedient to revise the law on Cooperatives;

Whereas this Cooperatives Act contains some provisions related to the restriction of the rights and freedom of persons, of which section 29 together with section 35 and section 45 of the Constitution of the Kingdom of Thailand have provided that it shall be done only by the provisions of the law;

Be it, therefore, enacted by the King, by and with the advice and consent of the Parliament as follows:

Section 1. This Act is called "The Cooperatives Act B.E. 2542."

Section 2. This Act shall come into force as from the day immediately following the date of its publication in the Government Gazette.

Section 3. The following shall be repealed:

(1) the Cooperatives Act B.E. 2511;

(2) the 140<sup>th</sup> Decree of the Revolutionary Council dated May 1<sup>st</sup> B.E. 2515;

(3) the 247<sup>th</sup> Decree of the Revolutionary Council dated November 9<sup>th</sup> B.E. 2515;

(4) the Cooperatives Act (No.2) B.E. 2524.

Section 4. In this Act,

“Cooperative” means a group of persons who jointly conduct affairs for socio-economic interests on the basis of self-help and mutual assistance, and are registered under this Act;

“Member” means a member of a cooperative or of a farmers group;

“Competent official” means a person appointed by the Minister to carry out this Act;

“Minister” means the Minister of State who has charge and control of the execution of this Act.

Section 5. The Minister of Agriculture and Cooperatives shall have charge and control of the execution of this Act, and shall have the power to appoint competent officials and issue ministerial regulations for the purpose of carrying out this Act.

Such ministerial regulations shall come into force upon their publication in the Government Gazette.

**Part I**  
**General Provisions**

Section 6. In case of a cooperative involving in any transaction which the law requires the acquisition, disposal, defence or retention of ownership of an immovable property or real right relating to an immovable property to be registered, such registration shall be exempted from the payment of fees.

Section 7. No person other than cooperatives and the Cooperative League of Thailand shall use the word "cooperative" as the name, or a part thereof, of his business.

Section 8. The Central Fund of unlimited-liability cooperatives under section 61(2) of the Cooperatives Act B.E. 2511 shall be deposited by the Ministry of Agriculture and Cooperatives with the Government Savings Bank, the Krung Thai Bank (public company limited) or the Bank for Agriculture and Agricultural Cooperatives, or with any other financial institution with the approval of the Board of National Cooperative Development, or shall be invested in accordance with the regulations prescribed by the Ministry of Agriculture and Cooperatives.

The Ministry of Agriculture and Cooperatives is empowered to pay outright the interest of the Central Fund to the Cooperative League of Thailand for its operations as prescribed in section 110.



**Part II**  
**Supervision and Promotion of Cooperatives**

**Chapter 1**  
**Board of National Cooperative Development**

Section 9. There shall be the Board of National Cooperative Development consisting of the Minister as its chairman, Permanent Secretary of the Ministry of Agriculture and Cooperatives as deputy chairman, and Secretary-General of Agricultural Economics Office, Director-General of Internal Trade Department, Director-General of Cooperative Auditing Department, Director-General of Agricultural Extension Department, Director-General of Fisheries Department, Director-General of Livestock Department, Director-General of Industrial Promotion Department, delegate of Ministry of Education, delegate of Ministry of Finance, delegate of Budget Bureau, delegate of Office of National Economic and Social Development Board, delegate of Bank for Agriculture and Agricultural Cooperatives, delegate of Cooperative League of Thailand, Chairman of National Cooperative Federation of each type of cooperatives and Chairman of Central Committee of National Farmers Groups, as ex-officio members of the Board, and not more than five qualified persons appointed by the Minister as members of the Board as well.

The Director-General of the Cooperative Promotion Department shall be a member and secretary of the Board of National

Cooperative Development and the Director of the Cooperative League of Thailand shall be the assistant secretary of the Board.

The qualified persons under paragraph one shall be selected from the well-known experts in cooperative administration by the ex-officio members of the National Cooperative Development Board.

Section 10. The Board of National Cooperative Development shall have the powers and duties as follows:

(1) to propose to the Council of Ministers the Board's ideas concerning policies and guidelines for the development of cooperatives in accordance with the socio-economic conditions of the Kingdom;

(2) to prescribe policies and plans for cooperative development in concurrent with the span of the national economic and social development plans;

(3) to prescribe guidelines for promoting and supporting the expansion of cooperative businesses and affairs, including cooperation with the private sector to participate in the development of cooperatives;

(4) to prescribe guidelines for coordination among the government agencies, public enterprises or private sector for the promotion and support of affairs of cooperatives;

(5) to solve problems, obstacles and restraints which impede the successful implementation of policies and plans for the development of cooperatives;

(6) to deliberate any matter concerning cooperatives as assigned by the Council of Ministers;

(7) to perform duties and powers as prescribed in this Act.

Section 11. A member of the Board of National Cooperative Development who is appointed by the Minister shall be in office for a term of two years at a time.

In case of a Board member being appointed in addition to, or in place of, other Board member; he shall be in office only for a period of time still existing for a term of the other Board members.

Section 12. In addition to the termination of office under section 11, a qualified Board member shall vacate the office in the case of:

- (1) death;
- (2) resignation;
- (3) being removed by the Minister;
- (4) becoming a bankrupt;
- (5) becoming an incompetent or quasi-incompetent person;
- (6) serving a penalty of imprisonment by the final judgement of a lawcourt except for that of an act of carelessness or a light offence.

Section 13. In the meeting of the Board of National Cooperative Development, the presence of not less than one-half of the total number of Board members shall constitute a forum.

In any meeting, if the chairman of the Board is not present or cannot perform his function, the deputy chairman shall preside over

the meeting. In case of an absence of the chairman and the deputy chairman, or their inability to perform the function, all Board members present in the meeting shall elect one Board member to preside over the meeting.

The decision of the meeting shall be made by a majority of votes. Each Board member shall have one vote. In case of equality of votes, the chairman of the meeting shall have one additional vote as a casting vote.

In case of the chairman making a casting vote, the reasons of both in favour and in disfavour of the motion shall be recorded.

Section 14. The Board of National Cooperative Development may appoint any sub-committee to perform any function assigned by the Board.

The provision of section 13 shall, mutatis mutandis, apply to the meeting of a sub-committee under paragraph one.

## **Chapter 2**

### **Registrar of Cooperatives**

Section 15. The Permanent Secretary of the Ministry of Agriculture and Cooperatives shall concurrently be the Registrar of Cooperatives.

The Registrar of Cooperatives shall appoint a government official of the Ministry of Agriculture and Cooperatives, of a position not lower than that of the division director or its equivalent, to be a

Deputy Registrar of Cooperatives with the power and duties provided in this Act or entrusted by the Registrar of Cooperatives.

The appointment under paragraph two shall be published in the Government Gazette.

Section 16. The Registrar of Cooperatives shall have powers and duties as follows:

(1) to register, to promote, to assist, to advise and supervise a cooperative in accordance with the provisions of this Act and other Acts;

(2) to prescribe the system of accounting, the standard of audit, books and forms which the cooperatives have to submit to the Registrar, including other forms relevant to the operation of the cooperatives in accordance with this Act;

(3) to appoint an auditor, a cooperative inspector and a liquidator;

(4) to order a cooperative to be inspected or investigated on matters relating to the formation, operations or the financial conditions of the cooperative;

(5) to suspend all or certain acts of a cooperative, or to order the dissolution of a cooperative being considered that its action or non-action may cause any damage to itself or its members;

(6) to delete a name of a dissolved cooperative from the register;

(7) to make an annual progress report on each type of cooperatives for submission to the Board of National Cooperative Development;

(8) to make regulations or orders to facilitate the enforcement of this Act, and to benefit the operation of a cooperative;

(9) to do any other act which is prescribed by this Act to be the powers and duties of the Registrar of Cooperatives, or which is entrusted by the Minister.

All the powers of the Registrar of Cooperatives in making orders, permissions, approvals or any other actions in accordance with this Act may be entrusted by him to a Deputy Registrar, a cooperative inspector or a competent official specified by him, to act on his behalf.

The assignment of powers under paragraph two shall be published in the Government Gazette.

### **Chapter 3**

#### **Supervision of Cooperatives**

Section 17. The Registrar of Cooperatives , Deputy Registrar of Cooperatives, cooperative inspectors, auditors or competent officials entrusted by the Registrar of Cooperatives have the power to issue a written order instructing a board of directors, supervisors, manager and/or personnel of a cooperative, or inviting any member of a cooperative, to explain to the said authorities the facts concerning any activity of the cooperative, or to send any document concerning operations or minutes of the meetings of the cooperative.

Section 18. For the purpose of carrying out this Act, the Registrar of Cooperatives, Deputy Registrar of Cooperatives, cooperative inspectors, auditors or competent officials entrusted by the Registrar of Cooperatives shall have the power to enter and inspect the office of any cooperative during its working hours; and the persons concerned shall provide facilities or assistance or explanation to such persons as may be considered appropriate.

The person acting under paragraph one shall produce his identity card to the persons concerned.

The identity card under paragraph two shall be in the form prescribed by the Minister.

Section 19. The cooperative inspector shall have the power to examine the activities and financial conditions of any cooperative as may be prescribed by the Registrar of Cooperatives, and shall, after the examination, make a report thereon and submit to the Registrar of Cooperatives.

Section 20. If the general meeting or the meeting of the board of directors of a cooperative passes any resolution in violation of the laws, by-laws or regulations of the cooperative, the regulations or orders of the Registrar of Cooperatives, the Registrar of Cooperatives or the Deputy Registrar shall have the power to suspend or to revoke such the resolution.

Section 21. In the case where a member of the board of directors, manager or personnel of a cooperative causes damage to the cooperative and if it does not file a complaint or lawsuit against

him; the Registrar or Deputy Registrar of Cooperatives shall file the complaint or lawsuit on behalf of the cooperative, and the public prosecutor shall act as an attorney therefor. The cooperative shall reimburse the Registrar or Deputy Registrar of Cooperatives or the public prosecutor, as the case may be, in respect of the filing of complaint or lawsuit or acting as an attorney.

Section 22. In the case where the board of directors of a cooperative acts or abstains from acting to perform its duties to the extent that it is detrimental to the interest of the cooperative or its members; or a cooperative has had any defect on finance, accounting, performance or financial conditions according to the audit report or report on inspection, the Registrar of Cooperatives shall have the power to issue a written order with which the cooperative must comply, as follows:

(1) the board of directors of the cooperative has to rectify the defects in accordance with the methods and time frame as prescribed by the Registrar;

(2) the board of directors of the cooperative has to suspend certain acts which cause the defects or are detrimental to the interest of the cooperative or its members;

(3) the board of directors of the cooperative has to stop functioning, temporarily, in order to fulfil the rectification in accordance with the methods and time frame as prescribed by the Registrar;

(4) the board of directors of the cooperative or any member of the board who is involved in such defects shall be dismissed,



wholly or individually, as the case may be.

Section 23. Any cooperative which is registered for not more than three years or has made losses in its operations for more than two consecutive years, if the cooperative makes a request, or the Registrar of Cooperatives or the National Cooperative Development Board is of the opinion that the cooperative needs rectification, the Registrar may order any cooperative inspector or competent official entrusted by him to assist, its operations, wholly or partially.

The assistance given to the cooperative shall be carried on in accordance with the regulations prescribed by the Registrar with the approval of the National Cooperative Development Board.

Section 24. In the case where the Registrar of Cooperatives dismisses the board of directors of a cooperative, he shall appoint an interim committee having the same power, duties and rights as the board of directors, which shall hold office not exceeding one hundred and eighty days from the date of appointment.

Before vacating office, the interim committee shall call a general meeting for the election of all members of the new board of directors in accordance with the procedures prescribed in the by-laws of the cooperative.

Section 25. In the case where the Registrar of Cooperatives dismisses certain members of the board of directors, the remaining members of the board shall call a general meeting within thirty days from the date of the dismissal of the board members in order to elect new board members to replace the dismissed ones. If there is no

election or no new board members being elected within the prescribed time, the Registrar of Cooperatives shall appoint the new board members from members of the cooperative to replace the dismissed board members. In this connection, the new board members shall hold office for the remaining time of the term of office of the dismissed board members they replace.

Section 26. Any interested person affected by any order made under section 20, section 22, section 24 and section 25 shall have the right to appeal to the National Cooperative Development Board within thirty days after the date he acknowledges the order.

The decision of the National Cooperative Development Board shall be final.



#### **Chapter 4**

#### **Cooperative Development Fund**

Section 27. The Cooperative Development Fund abbreviated "CDF" shall be set up in the Ministry of Agriculture and Cooperatives for the purpose of promoting the affairs of cooperatives. It shall consist of money and properties as prescribed in section 28.



Section 28. CDF comprises:

- (1) subsidies from the national budget;
- (2) donations of money or properties;
- (3) money and properties becoming the ownership of CDF;
- (4) proceeds from sale of properties acquired under (2) and (3);

(5) interest, income or any other benefit belonging to CDF.

Money and properties of CDF under paragraph one shall be credited to the account of CDF without necessity to surrender to the Treasury as the state revenue.

Section 29. The receipt, disbursement and custody of money, the acquisition of interest from, the management and disposal of, the properties of CDF shall be carried out in accordance with the regulations prescribed by the Minister with the approval of the National Cooperative Development Board.

Section 30. There shall be the Executive Board of CDF comprising the Permanent Secretary of the Ministry of Agriculture and Cooperatives as its chairman, the Director-General of Cooperative Promotion Department, Director-General of Cooperative Auditing Department, Director-General of Agricultural Extension Department, Director-General of Fisheries Department, Director-General of Livestock Department, delegate of Comptroller Department and delegate of Budget Bureau, as the ex-officio Executive Board members, and other Executive Board members who are appointed by the Minister from one delegate of each type of cooperatives and one delegate of the registered farmers groups, as members of the Executive Board of CDF.

The Deputy Director-General of Cooperative Promotion Department, who is entrusted by the Director-General of Cooperative Promotion Department, shall be the member and secretary of the Executive Board of CDF.

The selection of delegates of cooperatives for appointment under paragraph one shall be in accordance with the criteria prescribed by the National Cooperative Development Board.

The Executive Board of CDF shall have the power and duties to administer CDF as well as to examine, to monitor and appraise performances of the cooperative which has benefited from the promotional activities of CDF, in accordance with the criteria prescribed in the regulations of the Ministry of Agriculture and Cooperatives.

Section 31. The provisions of section 11 and section 12 shall, mutatis mutandis, apply to the holding of office of a member of the Executive Board of CDF whom the Minister appoints from delegates of a cooperative.

Section 32. The provision of section 13 shall, mutatis mutandis, apply to the meeting of the Executive Board of CDF.

### **Part III**

## **Cooperatives**

### **Chapter 1**

#### **Formation and Registration of Cooperatives**

Section 33. A cooperative shall be established by the registration under the provisions of this Act, and must have as its objects the promotion of socio-economic interests of the members

by means of self-help and mutual assistance in accordance with the cooperative principles, and must:

- (1) have common business affairs according to the type of cooperatives proposed to be registered;
- (2) have members being natural persons and sui juris;
- (3) have capital which is divided into shares of equal value and each member must hold at least one share but not more than one-fifth of the total paid-up shares;
- (4) have members with qualifications as prescribed in the by-laws under section 43(7).

The type of cooperatives to be registered shall be prescribed in the ministerial regulation.

Section 34. Persons who wish to be members of a cooperative to be established, shall hold the meeting for the election of a founding committee of not less than ten persons from among themselves for the purpose of carrying out the formation of a cooperative. The founding committee shall undertake the following:

- (1) to select the type of a cooperative to be formed as prescribed in the ministerial regulation, and to prescribe the objects of the proposed cooperative;
- (2) to make a work plan relating to business or activities of the proposed cooperative in accordance with the criteria and methods prescribed by the Registrar of Cooperatives;
- (3) to make a list of names of the prospective members together with the number of shares which each of them wishes

to hold when the cooperative is registered;

(4) to draft by-laws under section 43 and propose to the meeting of prospective members for consideration and adoption as the by-laws of the proposed cooperative.

Section 35. In applying for the registration of a cooperative, the founding committee members of the cooperative shall sign the application for registration, as prescribed by the Registrar of Cooperatives, and file it with him with the documents as follows:

(1) two copies of the minutes of the meeting as mentioned in section 34;

(2) two sets of the work plan as mentioned in section 34(2);

(3) two name lists of the prospective members of the proposed cooperative together with the number of shares which each prospective member wishes to hold when the proposed cooperative is registered;

(4) four sets of by-laws as mentioned in section 34(4).

Section 36. The Registrar of Cooperatives, Deputy Registrar of Cooperatives or a competent official entrusted by the Registrar of Cooperatives has the power to issue a written order requiring any person concerned to appear for enquiry or to send documents for the purpose of considering the registration of a cooperative.

In considering the particulars of the application for registration or the particulars of the by-laws of the proposed cooperative, if the Registrar of Cooperatives is of the opinion that the said particulars are not correct or the procedures under section 34 have not been

carried out, the Registrar of Cooperatives has the power to order the founding committee to rectify them or to act accordingly.

Section 37. When the Registrar of Cooperatives, having considered the application, is of the opinion that a proposed cooperative has the objects in accordance with section 33, the application for registration is complete in accordance with section 35 and the formation of the cooperative to be registered will not be detrimental to the cooperative system, he shall register and give it a certificate of registration.

A registered cooperative shall be a juristic person.

Section 38. In the case where the Registrar of Cooperatives gives an order refusing the registration of a proposed cooperative, the founding committee of the proposed cooperative shall be notified of the order in writing without delay.

The founding committee is entitled to appeal against the order refusing the registration to the Board of National Cooperative Development by filing an appeal with the Registrar of Cooperatives within sixty days from the date of receiving the order.

The decision of the Board of National Cooperative Development shall be final.

Section 39. When the Registrar of Cooperatives has registered a cooperative, the founding committee of the cooperative shall have the same power, duties and rights as its board of directors until the election of the board of directors under section 40.

The persons whose names appear in the name list of the prospective members under section 34(3) are members of the cooperative from the date of its registration and upon payment of all of their subscribed shares.

In the case of persons applying for membership of a cooperative after its registration, they shall be deemed members upon payment of all of their subscribed shares.

Section 40. The founding committee of a cooperative shall call the first ordinary general meeting within ninety days from the date of registration of the cooperative in order to elect members of the board of directors and hand over all matters to the board.

Section 41. The Registrar of Cooperatives shall make an announcement prescribing a type or types of cooperatives which can admit associate members.

The qualifications, procedure for admission and loss of membership including the rights and duties of the associate members shall be prescribed in the by-laws of a cooperative.

A cooperative shall not allow its associate members the rights to have their names counted for a quorum of the general meetings, the voting in any matter or to be elected as a member of the board of directors.

Section 42. In payment of shares, a member shall not set off against the cooperative, and his liability shall be limited to the amount of money remaining unpaid on the shares held by him.



Unless and until the termination of membership of a member, a creditor of the member shall not enforce his claims over the value of shares of such member in the cooperative.

## Chapter 2

### By-laws and Amendment of By-laws

Section 43. The by-laws of a cooperative must at least contain the following particulars:

(1) name of cooperative with a word "limited" at the end of its name;

(2) type of cooperative;

(3) objects;

(4) address of central office and branch office;

(5) capital which is divided into shares, value of shares, payment of share value in cash or in kind, sale and transfer of shares as well as repayment of share value;

(6) conditions concerning operation, accounting and finance of cooperative;

(7) qualifications of members, procedure for admission of members, cessation of membership as well as rights and duties of members;

(8) prescriptions for general meetings;

(9) election, term of office, vacation of office and meeting of board of directors;

(10) appointment, term of office, vacation of office, prescription of power, duty and responsibility of manager.

Section 44. An amendment of by-laws shall be made only by resolution of the general meeting, and the amended by-laws must be submitted for registration by the Registrar of Cooperatives within thirty days from the date of resolution of the general meeting. The amended by-laws shall be enforceable after being registered by the Registrar of Cooperatives.

In the case where such amendment is a change of name of a cooperative, the cooperative shall return the certificate of registration; and the Registrar of Cooperatives shall issue to the cooperative a new certificate of registration with the change of its name.

The amendment of by-laws and the change of name of a cooperative shall not affect any right or responsibility of the cooperative.

The provisions of section 36, section 37 and section 38 shall, mutatis mutandis, apply to the amendment of by-laws.

Section 45. In the case where there is a problem of interpretations of the by-laws of a cooperative, the cooperative shall ask for the ruling of the Registrar of Cooperatives and shall accept the ruling and act accordingly.

### Chapter 3 Operations of Cooperatives

Section 46. For the purpose of carrying out its objects, a cooperative shall have the power to do the following:

- (1) to carry on business, production, commerce, service and industry for the members' benefits;
- (2) to provide appropriate welfare or relief to the members and their families;
- (3) to give technical assistance to its members;
- (4) to apply for or accept technical assistance from the Government, foreign agencies or any other person;
- (5) to receive saving or fixed deposits from members or other cooperatives in accordance with the regulations of the cooperative which are approved by the Registrar of Cooperatives;
- (6) to grant a loan or credit, to lend, to let, to let on hire-purchase, to transfer or take mortgage or pledge of property of the members;
- (7) to acquire, to purchase, to hold ownership or real rights, to possess property, to raise loans, to borrow, to hire or hire-purchase, to take transfer of a hire or hire-purchase, mortgage or pledge, to sell or dispose of property by any other means;
- (8) to lend money to any other cooperative in accordance with the regulations of the lending cooperative which are approved by the Registrar of Cooperatives;

(9) to carry on all other affairs in connection with, or relating to, the fulfilment of the objects of the cooperative.

Section 47. A loan or guarantee raised or given by a cooperative shall be limited to the amount approved by the Registrar of Cooperatives.

Section 48. A cooperative shall keep liquid assets in accordance with the criteria and methods as prescribed in the ministerial regulations.

Section 49. Any subsidy or property of the Government, of foreign agencies or any other person, if given to a cooperative for a specific purpose, shall be used for such purpose; if not, it shall be allocated as reserve of the cooperative.

Section 50. A cooperative shall have a board of directors consisting of a chairman and not more than fourteen other members of the board of directors who are elected from members in a general meeting of the cooperative.

A board of directors has a term of office of two years each from the date of election. When one year is complete in the first term of the first office of a board of directors, one-half of the members of the board shall vacate the office by ballot. Such vacation of office shall be regarded as a complete term of office.

Members of a board of directors vacating the office may be re-elected as board members but not more than two consecutive terms of office.

In the case where there is an election of a member of a board of directors to replace the one vacating the office, a newly elected board member shall be in office for a period equivalent to the remaining term of office of the member whom he replaces.

Section 51. The board of directors shall carry on the affairs of the cooperative and represent it in matters concerning the third persons. For this purpose, the board may entrust one or several board members or the manager of the cooperative to act on its behalf.

Section 52. A person with the following characteristics shall not be qualified to be, or to act as, a member of the board of directors or a manager:

(1) used to serve a final judgement of imprisonment for a penalty concerning dishonesty on property;

(2) used to be expelled or dismissed from government service, government or private organisations, on account of dishonesty in the conduct of his duties;

(3) used to be dismissed, or to be dismissed on final rulings under section 22(4), from office of a member of the board of directors of a cooperative;

(4) used to be dismissed from office of a member of the board of directors by a general meeting of a cooperative on account of dishonesty in the conduct of his duties.

Section 53. A cooperative shall have one or more supervisors elected from members or third persons by the general meeting to

supervise the affairs of the cooperative and to report the findings to the general meeting.

The number of supervisors under paragraph one shall be prescribed by the Registrar of Cooperatives.

Section 54. The board of directors shall call an ordinary general meeting once a year within one hundred and fifty days from the last day of the accounting year of the cooperative.

Section 55. Upon reasonable circumstances, the board of directors may call an extraordinary general meeting whenever it thinks fit. If the Registrar of Cooperatives notifies in writing to call an extraordinary general meeting, or in the case where the cooperative has suffered losses, more than one-half of its paid-up share capital, the extraordinary general meeting must be called without delay, but not later than thirty days from the date of its acknowledgement.

Members not less than one-fifth of the total number of members or not less than one hundred members, or delegates of members, in case of a cooperative having delegates of members under section 56, not less than one-fifth of the total number of delegates or not less than fifty delegates may sign a petition requesting the board of directors to call an extraordinary general meeting.

In case of members or delegates of members of a cooperative requesting for an extraordinary general meeting, the board of directors shall call it within thirty days from the date of receiving the written request. If the board does not call it within the said period, the

Registrar of Cooperatives has the power to do so within a period he thinks fit.

Section 56. Any cooperative having more than five hundred members may specify in its by-laws that the general meeting may consist of the delegates of members. But the total number of the delegates shall not be less than one hundred.

The methods of election, number and term of office of the delegates of members shall be prescribed in the by-laws.

Section 57. At a general meeting of a cooperative, the presence of not less than one-half of the total number of members or not less than one hundred members or, in case of a general meeting consisting of the delegates of members, not less than one-half of the total number of the delegates or not less than one hundred delegates shall constitute a quorum.

At a general meeting, a member or delegate of members shall not appoint other person his proxy.

Section 58. At a general meeting of a cooperative, if the presence of members or delegates of members, as the case may be, is insufficient to constitute a quorum, another general meeting shall be called within fourteen days from the date of the first call of the general meeting. As for the subsequent meeting, if it is not an extraordinary general meeting requested by the members or delegates of members, the presence of members or delegates of members, as the case may be, not less than one-tenth of the total number of members or delegates of members or not less than

thirty of them shall be deemed a quorum.

Section 59. Each member or delegate of members shall have one vote. In case of equality of votes, the chairman of the meeting shall have an additional vote as a casting vote. The decision of a general meeting shall be made by a majority of votes, except that a not less than two-thirds majority of votes of the members or delegates of members present in the general meeting shall be required in the following cases:

- (1) amendment of by-laws;
- (2) amalgamation of cooperatives;
- (3) division of a cooperative;
- (4) dissolution of a cooperative;
- (5) any other matters which the by-laws require a not less than two-thirds majority of votes of the members or delegates of members present at the general meeting.

Section 60. In appropriating the annual net profit of a cooperative, at least not less than ten per cent of the net profit shall be contributed to the reserve fund; and not more than five per cent of the net profit, but not exceeding the rate specified by the Board of National Cooperative Development, shall be made a subscription to the Cooperative League of Thailand.

The balance of the annual net profit, after being contributed to the reserve fund of the cooperative and the subscription to the Cooperative League of Thailand, may, subject to the by-laws of the cooperative, be appropriated by the general meeting as follows:



(1) as dividend on paid-up shares not exceeding the rate prescribed for each type of cooperatives in the ministerial regulation;

(2) as patronage refund to the members in proportion to their volume of business done with the cooperative during the year;

(3) as bonuses to the members of the board of directors and the personnel of the cooperative not exceeding ten per cent of the net profit;

(4) as contributions to accumulated funds for carrying out any activity of the cooperative as prescribed in the by-laws.

Section 61. The reserve fund of a cooperative under section 60 paragraph one can be withdrawn from the reserve-fund account only for a compensation of its losses, or for a contribution to the reserve fund of a newly registered cooperative which is separated from the cooperative under section 100.

Section 62. A cooperative may deposit or invest its money as follows:

(1) to deposit it in any cooperative federation or any other cooperatives;

(2) to deposit it in any bank, or any financial institution whose object it is to give financial assistance to cooperatives;

(3) to purchase securities of the Government or state enterprises;

(4) to purchase shares of any bank whose object it is to give financial assistance to cooperatives;

(5) to purchase shares of a cooperative federation or other cooperatives;

(6) to purchase shares of any institution whose business it is to facilitate or promote the affairs of cooperatives with the approval of the Registrar of Cooperatives;

(7) to deposit or invest by other modes prescribed by the Board of National Cooperative Development.

Section 63. A cooperative whose object it is to sell or process agricultural produce which is produced by its members, shall buy or collect the produce of the members before that of other persons.

Section 64. A cooperative shall make the following registers:

(1) a register of members which must at least have the following particulars:

- (a) name, type and office address of the cooperative;
- (b) names, nationalities and addresses of its members;
- (c) date of admission to be membership.

(2) a register of shares which must at least have the following particulars:

- (a) name, type and office address of the cooperative;
- (b) name of members holding shares, value of shares, number of shares held and paid-up shares;
- (c) date of acquisition of shares.

The cooperative shall keep the registers under (1) and (2) at its office and shall send the copies thereof to the Registrar of Cooperatives within ninety days from the date of registering the cooperative.

The cooperative shall notify any change of particulars in the registers to the Registrar of Cooperatives within thirty days from the last date of the accounting year of the cooperative.

Section 65. A cooperative shall maintain its bookkeeping and accounts and particulars of the true nature and accuracy as prescribed by the Registrar of Cooperatives, and keep them including relevant documents at the office of the cooperative for a period as specified by him.

Any cash transactions shall be recorded in the accounts on the date when the transactions happen. Other transactions not concerned with cash shall be recorded in the accounts within three days from the date when the transactions happen.

The recording of transactions in any account shall be accompanied with the relevant documents, complete and comprehensive.

Section 66. A cooperative shall make a balance sheet at least once in twelve months, which is deemed to be an accounting year of the cooperative.

The balance sheet must show particulars of assets, liabilities and capital of the cooperative together with the profit and loss account in the form prescribed by the Registrar of Cooperatives.

The balance sheet must be completed and it must be examined by an auditor and then submitted, for approval, to the general meeting of the cooperative within one hundred and fifty days from the last date of the accounting year.

Section 67. A cooperative shall make an annual report showing the results of its operations, and shall submit it together with the balance sheet to the Registrar of Cooperatives within thirty days from the date of the meeting.

Section 68. A cooperative shall keep at its office the annual reports showing the results of its operations and the balance sheets together with the by-laws and the laws on cooperatives for inspection by the members.

#### **Chapter 4**

##### **Audit**

Section 69. The Registrar of Cooperatives shall appoint auditors to audit the accounts of cooperatives.

The audit shall be conducted in accordance with the generally accepted standard of audit and the regulations prescribed by the Registrar of Cooperatives.

#### **Chapter 5**

##### **Dissolution of Cooperatives**

Section 70. A cooperative may be dissolved on any of the following grounds:

(1) on the realisation of any cause of dissolution as prescribed in its by-laws;

- (2) when the cooperative having less than ten members;
- (3) by resolution of a general meeting of the cooperative;
- (4) upon being a bankrupt;
- (5) by order of the Registrar of Cooperatives under section 71.

The cooperative dissolved under (1), (2), (3) or (4) shall notify the Registrar of Cooperatives within fifteen days from the date of dissolution.

Notice of the dissolution of the cooperative shall be put up by the Registrar of Cooperatives at the office of the cooperative, the district cooperative office or the office of cooperative-promotion unit concerned and the district administrative office of the locality where the cooperative is situated.

Section 71. The Registrar of Cooperatives has the power to order the dissolution of a cooperative when it appears that:

(1) the cooperative has not commence operation within one year from the date of its registration, or has ceased its operation continuously for a period of two years from the date of cessation;

(2) the cooperative fails to send to the Registrar of Cooperatives a copy of its balance sheet and annual report for three consecutive years;

(3) the cooperative may not carry out its affairs fairly beneficial to its members, or its operation has caused damages to itself or the common good.

Section 72. A cooperative which is dissolved by order under section 71 has the right to appeal to the Board of National

Cooperative Development by filing an appeal with the Registrar of Cooperatives within thirty days from the date of receiving the order; and the Registrar of Cooperatives shall forward the appeal to the Board without delay.

The ruling of the Board of National Cooperative Development shall be final.

Section 73. When a cooperative is dissolved on any ground specified in section 70, it shall be liquidated in accordance with the provisions of Part IV Liquidation.

#### **Part IV Liquidation**

Section 74. The liquidation of a bankrupt cooperative shall be carried out in accordance with the law on bankruptcy.

Section 75. As for the liquidation of a cooperative dissolved on grounds other than bankruptcy, the general meeting shall elect a liquidator with the approval of the Registrar of Cooperatives to perform the liquidation within thirty days from the date of dissolution or from the date on which the Board of National Cooperative Development dismisses the appeal, as the case may be.

In the case where the general meeting does not elect a liquidator within the said period, or the Registrar of Cooperative does not approve the election of the liquidator; the Registrar of

Cooperatives shall appoint a liquidator to perform the liquidation of the cooperative.

When the Registrar of the Cooperatives thinks fit, or the members of the cooperative not less than two-thirds of the total number of its membership make a request to him, he may appoint a new liquidator to replace the previously elected or appointed liquidator.

The Registrar of Cooperatives shall register the liquidator approved by him under paragraph one or the liquidator appointed under paragraph two or paragraph three, and shall put up a notice of the name of the liquidator at the office of the cooperative, the district cooperative office or cooperative promotion unit and the district administrative office of the locality where the cooperative is situated within fourteen days from the date of registration of the liquidator.

A liquidator may receive remuneration as prescribed by the Registrar of Cooperatives.

Section 76. Although being dissolved, a cooperative is deemed to continue its existence after dissolution as long as it is necessary for the purpose of liquidation.

Section 77. The liquidator shall have the duty to settle the affairs of the cooperative, to pay its debts and to dispose its properties.

Section 78. When a cooperative is dissolved, the board of directors and the personnel of the cooperative shall have the duty to take care of all properties of the cooperative until the liquidator requests for the delivery thereof.

The liquidator may, at any time, request the board of directors or the personnel of the cooperative to deliver to him the properties under paragraph one together with the account books, documents and other things.

Section 79. Within thirty days from the date the liquidator was registered by the Registrar of Cooperatives, the liquidator shall advertise in a daily newspaper for at least two consecutive days or to advertise through other means that the cooperative has been dissolved; and shall notify in writing to all creditors whose names appear in the account books or documents of the cooperative or are known by any other way to know that the cooperative has been dissolved, and that they shall claim the payment of debts from him.

Section 80. The liquidator shall make a balance sheet of the cooperative without delay, and the Registrar of Cooperatives shall appoint an auditor to examine the balance sheet.

After the balance sheet is certified by the auditor, the liquidator shall submit it to the general meeting for approval and, then, submit it to the Registrar of cooperatives.

In the case where the general meeting has no quorum, the liquidator shall submit the balance sheet to the Registrar of Cooperatives for approval.

Section 81. A liquidator shall have the power and duties as follows:

(1) to carry on the affairs of the cooperative as far as may be necessary for looking after the interests of the cooperative during the period which the liquidation has not yet completed;



(2) to carry on the affairs of the cooperative as far as may be necessary for a smooth settlement of its affairs;

(3) to call a general meeting;

(4) to take on all proceedings concerning civil or criminal cases and to make compromise in any matter on behalf of the cooperative;

(5) to dispose of the properties of the cooperative;

(6) to demand members or heirs to the deceased members to pay the value of their shares which still remains unpaid;

(7) to apply to the court to have the cooperative declared bankrupt in the case where the value of shares or capital have been paid up but the properties are still insufficient to pay the debts;

(8) to do all other acts as may be necessary for a smooth settlement of the liquidation.

Section 82. No limitation of the power of the liquidator shall be set up against third persons acting in good faith.

Section 83. Fees, charges and expenses reasonably incurred in the liquidation must be paid by the liquidator in preference to other debts.

Section 84. If a creditor does not demand the payment of debts, the liquidator must deposit with the Registrar of Cooperatives a sum of money for payment of the debts in the creditor's favour, and the liquidator shall notify him in writing of such the deposit without delay.

If the creditor does not collect the money within a period of two years from the date on which the liquidator deposited the money

with the Registrar of Cooperatives, the creditor shall no longer be entitled to it; and the Registrar of Cooperatives shall, within a reasonable period of time, remit it to the income account of the Cooperative League of Thailand.

Section 85. The liquidator shall six-monthly submit to the Registrar of Cooperatives a report on his performance showing the situation of accounts under liquidation. The said report shall be made in the form prescribed by the Registrar of Cooperatives.

The report under paragraph one shall be available for inspection by members, heirs of deceased members and creditors of the cooperative free of charge.

If it appears that there is an error in the liquidation, the Registrar of Cooperatives shall have the power to order the liquidator to rectify it and report to him within the prescribed period.

Section 86. After the payment of all debts of the cooperative, if there is some property left over, the liquidator shall distribute it in the following order:

(1) as repayment to the members not exceeding the value of their paid-up shares;

(2) as dividend on paid-up shares at the rate not exceeding that prescribed, for each type of cooperatives, by the Registrar of Cooperatives in accordance with the approval of the Board of National Cooperative Development;

(3) as patronage refund to the members in proportion to their transactions done with the cooperative during the year as

prescribed in the by-laws.

If there is some property still left over, it shall be transferred to other cooperatives or the Cooperative League of Thailand in accordance with the resolution of the general meeting, or with the approval of the Registrar of Cooperatives in the case where the general meeting cannot be called within three months from the date of completion of the liquidation.

Section 87. After completion of the liquidation of a cooperative, the liquidator shall make and submit to the auditor a report on liquidation together with a summary of the liquidated accounts showing as to how the liquidation was carried out and the property of the cooperative was managed as well as the liquidation expenses and the portions of property distributed under section 86.

After the auditor has examined and certified the liquidated accounts, the liquidator shall submit it to the Registrar of Cooperatives within thirty days from the date of certification thereof. When the Registrar of Cooperatives has given approval thereto, it shall be deemed that the liquidation is completed, and he shall cancel the name of the cooperative from the register.

Section 88. When the Registrar of Cooperatives has given approval to the liquidation under section 87, the liquidator shall hand over to him all account books and documents of the liquidated cooperative within thirty days from the date of his approval.

The Registrar of Cooperatives shall keep these account books and documents for another two years from the date of cancellation of the name of the cooperative from the register.

The account books and documents under paragraph one shall be available for inspection by the interested persons free of charge.

Section 89. No claim for recovery of debts shall be brought against a cooperative, its members or liquidator after the lapse of two years from the day on which the Registrar of Cooperatives cancelled the name of the cooperative from the register.

## **Part V**

### **Amalgamation of Cooperatives**

➤ Section 90. Two or more cooperatives may be amalgamated by resolution of a general meeting of each cooperative, provided such amalgamation must be approved by the Registrar of Cooperatives.

The application for approval of the Registrar of Cooperatives shall be accompanied with copies of minutes of the general meetings of the cooperatives which passed the resolution for the amalgamation.

✦ Section 91. After the Registrar of Cooperatives has given approval under section 90, each cooperative shall notify in writing all of its creditors informing them of the proposed amalgamation, and shall request those who have objections to the amalgamation to send their objections to the cooperative within sixty days from the date of receiving the notice.

If no creditor objects the proposed amalgamation within the prescribed period, it shall be deemed that there is no objection.

If a creditor objects it, the cooperative may not proceed with the amalgamation until it pays up the debts or gives a guarantee for the payment thereof.

Section 92. The board of directors of each cooperative to be amalgamated shall appoint not more than three representatives to proceed with the registration under section 93.

Section 93. The cooperative established by amalgamation must be registered as a new cooperative by filing an application for registration with the Registrar of Cooperatives in accordance with the forms prescribed by him.

The application for registration of the new cooperative must be signed by at least two representatives of each amalgamating cooperative.

The application for registration of the new cooperative must be accompanied with the following documents:

(1) a letter of each amalgamating cooperative confirming that notices have been given to all of its creditors under section 91 paragraph one, and no creditor objects the amalgamation within the prescribed period or, in case a creditor objects it, the cooperative has already paid up the debts or given guarantee for the payment thereof;

(2) four copies of by-laws of the new cooperative to be registered;

(3) a copy of minutes of the meeting of representatives of the amalgamating cooperatives.

Documents under (2) and (3) must be certified by two representatives of the cooperative to be registered.

Section 94. After the registration of amalgamation of the cooperatives as a new cooperative, the Registrar of Cooperatives shall cancel the names of the amalgamating cooperatives from the register.

The representatives of the amalgamating cooperatives shall have the same power, duties and rights as the board of directors of the newly amalgamated cooperative until the election of its board of directors shall be carried out under section 40.

Section 95. The new cooperative shall acquire all the properties, obligations, rights and liabilities of every amalgamating cooperative.

## **Part VI**

### **Division of Cooperative**

Section 96. A cooperative shall not be divided unless there is a change of boundaries of the administrative locality, or a division of a corporate body or business organisation; and the change or division has made it necessary, for, or caused inconvenience to, the working of the cooperative.

The division of a cooperative under paragraph one shall be made by the members of the cooperative not less than one-fifth of the total number of the members or not less than five hundred members filing a request in writing with the board of directors of the cooperative.

The board of directors shall call a general meeting within thirty days from the date of receiving the request under paragraph two in order to consider the division of the cooperative. If the general meeting has resolved to approve such the division, it shall consider the division of properties, capital, reserve, obligations, rights and liabilities of the cooperative in accordance with the methods prescribed by the Registrar of Cooperatives.

The final decision of the general meeting on the issues under paragraph three shall be made by at least not less than two-thirds of the members or delegates of members who are present in the meeting.

If the board of directors does not call a general meeting within the specified time under paragraph three, the Registrar of Cooperatives shall have the power to call a general meeting within a period he thinks fit.

Section 97. In the case where the general meeting does not approve the division of a cooperative and, if the members who signed the application for division of the cooperative under section 96 paragraph two have considered the matter contrary to the resolution of the general meeting; all the aforesaid members shall sign an

application to the Registrar of Cooperatives within thirty days from the date on which the general meeting had the resolution, in order that the Registrar of Cooperatives shall make a decision on whether or not the division of the cooperative is appropriate. Whatever the decision the Registrar of Cooperatives has made shall be notified to the cooperative.

The decision of the Registrar of Cooperatives shall be final.

Section 98. After the general meeting gave its approval under section 96, or the Registrar of Cooperatives decided in favour of the division of the cooperative under section 97; the cooperative shall notify in writing to all of its creditors the resolution of the general meeting or the decision of the Registrar of Cooperatives in order to inform them about the particulars of the division of the cooperative and to request them who have any objection to the division to send it to the cooperative within sixty days from the date of receiving the notice.

Section 99. The provisions of Part III Chapter 1 concerning the formation and registration of cooperatives shall, *mutatis mutandis*, apply to the cooperative newly established by the division of the original cooperative.

The application for registration of the new cooperative must be accompanied with the following documents:

(1) a copy of the letter of request for division of the cooperative, and a copy of minutes of the general meeting approving the division of the cooperative under section 96 paragraph four, or



a copy of the Registrar of Cooperatives' letter deciding in favour of the division of the cooperative under section 97, as the case may be;

(2) a copy of every letter of the cooperative informing all creditors under section 98;

(3) a letter of the cooperative confirming no creditors objecting the division within the prescribed period, or copies of letters of objection of the creditors together with the evidence showing that the cooperative has paid the debts or has given guarantee for all the debts.

Section 100. The portions of all properties, capital, reserves, obligations, rights and liabilities of the original cooperative the general meeting of which has approved the division under section 96, or the Registrar of Cooperatives has decided in favour of the division under section 97 as the case may be, shall be transferred to the new cooperative on the date of registration of the division by the Registrar of Cooperatives.

## **Part VII**

### **Cooperative Federations**

Section 101. Five or more cooperatives wishing to carry on the business jointly so as to accomplish their common objects may form a cooperative federation.

Whichever cooperative federation, be it a regional cooperative federation or a national cooperative federation, shall be formed

with the objects of offering facilities and benefits to the cooperatives of the same types operating in the specific region or the whole country as the case may be, or undertaking the same kind of business of production, trade, industry or services in accordance with the criteria and conditions as prescribed by the National Cooperative Development Board.

Section 102. A cooperative federation shall be formed only by the resolution of the general meeting of each cooperative to participate in the formation of the cooperative federation.

Section 103. In the formation a cooperative federation, the board of directors of each cooperative shall appoint a representative to constitute a founding committee for undertaking the formation of a cooperative federation.

The provisions of Part III Cooperatives shall, mutatis mutandis, apply to the formation and registration of a cooperative federation.

Section 104. In applying for the registration of a cooperative federation, at least five members of the founding committee shall sign the application and file it with the Registrar of Cooperatives.

Section 105. A registered cooperative federation shall be a juristic person and a cooperative under this Act.

For the purpose of carrying out its objects, a cooperative federation has the power to act in accordance with section 46 and that as prescribed in the ministerial regulations.

The provision of Part III, Part IV, Part V and Part VI shall, mutatis mutandis, apply to a cooperative federation.

Section 106. A general meeting of a cooperative federation shall compose of the representatives of the cooperatives which are members of the cooperative federation, whom the boards of directors of the cooperatives elected one each in accordance with the by-laws of the cooperative federation. In a general meeting, the presence of not less than one-half of the total number of representatives or one hundred representatives, as the case may be, shall constitute a quorum.

One representative shall have one vote, or may have additional votes in accordance with the proportional voting system as prescribed in the by-laws of the cooperative federation.

Section 107. A general meeting of a cooperative federation shall elect its board of directors from the representatives of the cooperatives which are its members in accordance with the number, criteria and procedures as prescribed in the by-laws of the cooperative federation.

## **Part VIII**

### **Cooperative League of Thailand**

Section 108. There shall be the "Cooperative League of Thailand" consisting of members which are cooperatives, and having as its objects the promotion of affairs of every type of cooperatives throughout the Kingdom to attain prosperity without acquiring profits or income for sharing among themselves.

Section 109. The Cooperative League of Thailand shall be a juristic person.

The Cooperative League of Thailand shall have its head office in Bangkok and may establish its branch offices anywhere.

Section 110. The Cooperative League of Thailand has the power to do and act within the scope of its objects as specified in section 108 and such power shall include:

(1) promoting and propagating cooperative affairs as well as conducting research and compiling statistics concerning the cooperative affairs;

(2) giving technical advice and assistance to cooperatives and facilitating communication and coordination among cooperatives and Government agencies or other persons;

(3) providing education and training on technical matters concerning cooperative affairs;

(4) promoting relationship among cooperatives both internal and external of the country, or that with cooperative leagues of foreign countries, or foreign organisations, or international organisations having similar objects;

(5) purchasing, procuring, disposing, holding ownership, possessing or executing juristic acts in respect of any property;

(6) promoting commercial business, trade, industry and services of cooperatives;

(7) supporting and assisting cooperatives in solving obstacles and constraints relating to the cooperative affairs which are of common benefit;

(8) acting as an agent of cooperatives in protecting and maintaining rightful interests deservedly derived from the State or international organisations or other private sector institutions;

(9) cooperating with the Government in the promotion of cooperatives for genuine and real benefits to them in general;

(10) carrying on other acts in compliance with its objects or as entrusted by the National Cooperative Development Board.

Section 111. The Cooperative League of Thailand may have revenue as follows:

- (1) subscriptions to the Cooperative League of Thailand;
- (2) Government subsidies;
- (3) interest arising from the central fund of the unlimited-liability cooperatives under section 8;
- (4) donations of money or property;
- (5) residues of money or property after liquidation of cooperatives under section 84 and section 86 paragraph two;
- (6) proceeds from sales of technical books, documents or others;
- (7) money or property received in return for services rendered;
- (8) interests derived from the property of the Cooperative League of Thailand.

Section 112. There shall be a board of directors of the Cooperative League of Thailand consisting of not exceeding fifteen members who are elected from the delegates of the cooperatives by the general meeting of the Cooperative League of Thailand.

The board of directors of the Cooperative League of Thailand shall elect from among its members one chairman and one or more deputy chairmen.

The board of directors shall appoint a director of the Cooperative League of Thailand and the director shall be the ex-officio secretary of the board of directors.

The provision of section 52 shall, mutatis mutandis, apply to the members of the board of directors and the director of the Cooperative League of Thailand.

Section 113. The board of directors of the Cooperative League of Thailand shall have the duty to administer the affairs of the Cooperative League of Thailand and be authorised to issue regulations in compliance with its objects.

The following regulations shall be enforceable only when their issuance has been given prior approval of a general meeting of the Cooperative League of Thailand:

- (1) regulations concerning expenses and custody of funds;
- (2) regulations concerning a general meeting of the Cooperative League of Thailand and the criteria on the delegates of the cooperatives attending its general meeting;
- (3) regulations concerning the election, meeting and administration of the board of directors of the Cooperative League of Thailand.

Section 114. The members of the board of directors of the Cooperative League of Thailand shall have each term of office for four years.

After the end of the term under paragraph one, if there has yet been no election of the new board members, the vacating board members shall be entitled to hold the office further until the newly elected board members assume their functions.

The vacating board members may be re-elected but not more than two terms of office consecutively.

Section 115. In addition to the termination of office under section 114, a member of the board of directors of the Cooperative League of Thailand shall vacate the office in the case of:

- (1) death;
- (2) resignation;
- (3) becoming a bankrupt;
- (4) becoming an incompetent or a semi-incompetent;
- (5) serving a penalty of imprisonment by the final judgement of the lawcourt, except for that of an act of carelessness or a light offence;
- (6) cessation of membership of the cooperative.

In the case where a board member vacates the office before the end of the term, the board of directors of the Cooperative League of Thailand shall select other delegate of the cooperative as a board member in his stead. The newly selected board member shall be in office for a period equivalent to the remaining time of the term of office of the board member whom he replaces.

Section 116. The board of directors of the Cooperative League of Thailand shall call an ordinary general meeting once a year within ninety days from the last day of the accounting year of the Cooperative League of Thailand.

Upon reasonable circumstances, the board of directors may call an extraordinary general meeting whenever it thinks fit; or in the case where a number of members not less than one-tenth of the total number of members requests in writing the board of directors to call an extraordinary general meeting. Such the written request shall specify the objects for which the extraordinary general meeting is being called.

In the case of members requesting for an extraordinary general meeting, the board of directors shall call it within thirty days from the date of receiving the written request.

Section 117. The director of the Cooperative League of Thailand shall have the duties of managing the affairs of the Cooperative League of Thailand in accordance with the regulations and policies prescribed by the board of directors and shall have the power to control the officials thereof.

In matters concerning the third persons, the director shall be an agent of the Cooperative League of Thailand. For this purpose, the director may authorise any person to do specific affairs in accordance with the regulations prescribed by the board of directors.

Section 118. The provisions of Part III Chapter 4 concerning audit shall, mutatis mutandis, apply to the Cooperative League of Thailand.



**Part IX**  
**Farmers Groups**

Section 119. In the case where a group of persons living on agricultural production jointly conducts the affairs with the objects of mutual assistance in the agricultural undertakings, but cannot as yet form a cooperative in accordance with this Act, may form a farmers group in accordance with the criteria and methods as prescribed in the Royal Decree.

The Royal Decree under paragraph one shall also prescribe the operations, supervision, dissolution and amalgamation of the farmers groups in accordance with the suitability of each type of farmers groups.

Section 120. A farmers group formed under section 119 shall be a juristic person.

Section 121. The Registrar of Cooperatives shall be the Registrar of Farmers Groups and shall have the power and duties in accordance with the provisions of this Act, and there shall be one or more Deputy Registrars of Cooperatives as his assistant having the power and duties as entrusted by the Registrar of Cooperatives.

A provincial agriculture and cooperative officer shall be the Provincial Registrar of Farmers Groups of the locality where the farmers groups are located, having the power and duties in accordance with the regulations prescribed by the Registrar of Cooperatives and published in the Government Gazette.

The Registrar of Cooperatives shall be the Registrar of Farmers Groups for Bangkok.

Section 122. In the case where a farmers group applies for being transformed into a cooperative by a resolution of a general meeting on the majority votes of not less than one-half of the members present in the meeting; and the Registrar of Cooperatives, after having considered the application, is of the opinion that the by-laws of the farmers group contain correct and complete particulars under section 43, he shall register it as a cooperative and take further actions in accordance with this Act.

Section 123. When the Registrar of Cooperatives registers the transformation of a farmers group as a cooperative, the board of directors of the farmers group shall assume the status of the board of directors of the cooperative until a new board of directors shall be elected by the general meeting of the cooperative in accordance with the provisions of this Act.

The cooperative under paragraph one shall acquire properties, obligations, rights and liabilities of the original farmers group.

Section 124. For the purpose of carrying out this Act, the Registrar of Farmers Groups and the competent officials entrusted by the Registrar of Farmers Groups shall have the power to enter and inspect the office of any farmers group during its working hours. The persons concerned shall provide facilities, assistance and explanation to the inspecting persons as may be considered appropriate.

The inspecting Registrar or officials acting under paragraph one shall produce their identity card to the persons concerned.

The identity card under paragraph two shall be in the form prescribed by the Minister.

Section 125. No claim for recovery of debts shall be brought against a farmers group, a member or a liquidator as debtor after the lapse of two years from the date on which the Registrar of Farmers Groups cancelled the name of the farmers group from the register.

Section 126. In case of a farmers group involving in any transaction which the law requires the acquisition, disposal, defence or retention of ownership of an immovable property or real right relating to an immovable property to be registered, such registration shall be exempted from the payment of fees.

Section 127. No person other than a farmers group which is registered under the Royal Decree issued under section 119, shall use the word "farmers group" as a name or a part thereof, of his business.

Section 128. The Registrar of Farmers Groups and the competent officials entrusted by the Registrar of Farmers Groups shall have the power to issue a written order instructing any member of the board of directors, members and personnel of a farmers group to explain to the said authorities the facts concerning any activity of the farmers group, or to send any document concerning the operations or minutes of the meetings of the farmers group.

**Part X**  
**Penalties**

Section 129. Any person who uses the word “cooperative” or the word “farmers group” as a name or a part thereof of his business without being a cooperative or a farmers group registered under this Act, shall be liable to imprisonment for not exceeding six months, or to a fine of not exceeding ten thousand baht, or both the imprisonment and fine, together with a fine of five hundred baht to one thousand baht per day until he stops using such name.

Section 130. Any person who does not appear for enquiry or does not send a document concerning the operations or minutes of a meeting of a cooperative or a cooperative federation according to the order of the Registrar of Cooperatives, Deputy Registrar of Cooperatives, inspector of cooperatives, auditor or competent official entrusted by the Registrar of Cooperatives making an order under section 17; or any person who does not appear for inquiry or does not send a document concerning the operations or minutes of a meeting of a farmers group according to the order of the Registrar of Farmers Groups, or a competent official entrusted by him under section 128, as the case may be, shall be liable to a fine of not exceeding ten thousand baht.

Section 131. Any person who obstructs to, or does not appear for enquiry before the Registrar of Cooperatives, Deputy Registrar of Cooperatives, inspector of cooperatives, auditor or

competent official entrusted by the Registrar of Cooperatives under section 18; or any person who obstructs to, or does not appear for enquiry before, the Registrar of Farmers Groups or a competent official entrusted by him under section 124, shall be liable to a fine of not exceeding ten thousand baht.

Section 132. Any person who disobeys to take custody of the property of a cooperative, or to deliver to the liquidator the property, account books, documents and other things of the cooperative under section 78 shall be liable to a fine of not exceeding ten thousand baht.

Section 133. Any person who disobeys to rectify any defect in accordance with the order of the Registrar of Cooperatives under section 22(1) shall be liable to a fine of not exceeding ten thousand baht.

#### **Transitional Provisions**

Section 134. All the limited-liability cooperatives, the cooperative federations, the Cooperative League of Thailand and the farmers groups under the Cooperatives Act B.E.2511 which are still in existence on the date on which this Act comes into force shall be deemed the cooperatives, the cooperative federations, the Cooperative League of Thailand and the farmers groups under this Act.

The Revolving Cooperative Promotion Fund shall be transferred to the Cooperative Development Fund under section 27.

Section 135. Any cooperative federation in existence on the date on which this Act comes into force, but has as its members a number of cooperatives less than that prescribed in section 101, shall be continually a cooperative federation.

Section 136. The by-laws of any cooperative which are enforceable on the date on which this Act comes into force shall remain in force to the extent that they do not in conflict with or oppose to this Act.

The members of a board of directors of any cooperative shall be in office until the expiration of their term of office as prescribed in the by-laws of the cooperative, which shall be deemed their first term of office.

Section 137. The unlimited-liability cooperatives under the Cooperatives Act B.E.2511 which are in existence on the date of coming into force of this Act must apply for registration as the cooperatives under Part III Chapter 1 concerning formation and registration of cooperatives within one hundred and eighty days from the date of coming into force of this Act; if they desire to be established as cooperatives under this Act.

If there is no registration of a cooperative under paragraph one, the Registrar of Cooperatives shall order the dissolution of the unlimited-liability cooperative in question and shall appoint a liquidator to liquidate it. In this connection, the provisions of Part IV concerning Liquidation shall apply mutatis mutandis.

Section 138. The Royal Decrees, the ministerial regulations, the announcements, the regulations or the orders issued under the cooperative laws which are still in force on the date of coming into force of this Act shall further be enforceable to the extent that they are not in conflict with or oppose to this Act and until there shall be in force the Royal Decrees, the ministerial regulations, the announcements, the regulations or the orders issued under this Act.

Countersigned by

Chuan Leekbhai

Prime Minister

**Remark** The reason for the proclamation of this Act is that the Cooperatives Act B.E.2511 has been in force for a long time. Several provisions of the Act are not conducive to the development of cooperatives to catch up with the competition in present-days business system. In addition, the Cooperatives Act B.E.2511 embodies, too, the provisions concerning farmers groups which should be improved concurrently. It is, therefore, appropriate to upgrade wholly the law on cooperatives by setting the cooperative system on a one-kind cooperative basis, i.e. a cooperative the liability of a member of which is limited to the amount of shares held by him. Furthermore, in order to develop cooperatives soundly with respect to the supervision and promotion of cooperative affairs, the National Cooperative Development Board is institutionalised for the purpose of advising to the Government the ideas concerning policies and guidelines for the promotion and development of cooperatives. There are also provisions on the Cooperative Development Fund for the purpose of giving financial assistance to the cooperatives, and provisions on the improvement of the number of members and the term of office of the board of directors of the Cooperative League of Thailand. In addition, the provisions on farmers groups are improved in order for them to develop into cooperatives systematically. Also, the provisions on penalties are to be made more appropriate.



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