



{DRAFT REPORT}

**Third Asian Conference of  
WOMEN FARM LEADERS  
OF AGRICULTURAL COOPERATIVES  
- A REPORT**

Held at

334:631

**Tokyo, Japan  
August 26-September 06 1998**

**Organised jointly by:**

ICA ROAP (International Cooperative Alliance  
Regional Office for Asia and the Pacific)  
A-Zenchu (Central Union of Agricultural Cooperatives-Japan)  
IDACA (Institute for the Development of Agricultural  
Cooperation in Asia-Japan)

Report of the Third Asian Conference of  
**WOMEN FARM LEADERS OF  
AGRICULTURAL COOPERATIVES**  
Tokyo, Japan. August 26 – September 06, 1998

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**ICA/JA-Zenchu/IDACA**  
**3<sup>rd</sup> Asian Conference of Women Farm Leaders of**  
**Agricultural Cooperatives : Tokyo (Japan)**  
**26<sup>th</sup> August – 6<sup>th</sup> September 1998**

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## **REPORT**

### **Introduction**

01. The 3<sup>rd</sup> Asian Conference of Women Farm Leaders of Agricultural Cooperatives was held in Tokyo, Japan, from 26<sup>th</sup> August to 6<sup>th</sup> September 1998. The Conference was organised jointly by the International Cooperative Alliance Regional Office for Asia and the Pacific (ICA ROAP); Central Union of Agricultural Cooperatives of Japan (JA-Zenchu), and the Institute for the Development of Agricultural Cooperation in Asia-Japan (IDACA). The Conference was attended by 35 delegates representing 13 countries and three international organisations (**Annexe-I**). The programme followed by the Conference is placed as **Annexe-II**. The previous two conference hosted by the Institute for the Development of Agricultural Cooperation in Asia (IDACA), were held in 1996 and 1997.

### **Conference Objectives**

02. The Conference was organised with the following objectives in view :

- Take stock of the current situation of farm women in agricultural sector in the Asian Region;
- Identifying problem areas facing farm women leaders in setting up

supporting organisations and making them operational in the service of this group;

- Suggesting ways and means to develop leadership among farm women through education, training and extension and by other means;
- Suggesting possible areas in which agricultural cooperatives could provide the needed services/support; and
- Identifying the role of national and international organisations in promoting further the interests of such a group to enhance their bargaining power.

## **An Overview**

03. In the Asian Region, agriculture is still a major contributor to national economies. Agricultural sector, besides producing foods, also provides employment opportunities to a majority of the population. This sector deals with food, a large number of farmers, landless farmers, farm field workers, men and women, business enterprises and governments. Food is a basic issue for the large and ever-increasing population in the Region. For the years to come the problems are going to multiply : food will be in short supply, in quantity as well as in quality, and population levels will increase thereby generating a greater demand for food. Every nation, every family and every individual will, therefore, be concerned with food security issues.

04. Some of the key issues relating to the condition of rural women engaged in agriculture and in rural areas are :

- Low organisational support in enhancing their bargaining power;
- Lack of financial resources and social security;
- Lack of well-motivated and enlightened leadership;
- Lack of marketing opportunities for their products;
- Lack of proper care, nutrition, education, extension, vocational training;
- Legal obstacles, prejudices, religious and social constraints; and
- Limited opportunities for self-development and recreation.

05. The participants made available to Conference their written country statements which were prepared by them in accordance with the guidelines provided in advance. The Conference took note of some of the obvious and common facts, e.g., women cannot be admitted to full membership of agricultural cooperatives; they cannot hold land titles; low representation on boards of

directors or managing committees thus limiting their decision-making powers; high costs for procurement of raw materials and problems of marketing of their products; high levels of illiteracy among rural women; lack of access to funds; lower levels of recognition; lack of awareness on family welfare programmes; inadequate or weak organisations for women; higher levels of exploitation and abuse of women; hard labour in farm activities; and higher strains and stresses - social and economic - on them due to the menfolk migrating to cities leaving women behind to attend to household chores and farm activities.

06. Agricultural cooperatives of some of the countries, especially those of Japan, have provided the needed organisational support to rural women through women's associations, which, through their programmes, promote better-living activities. These associations have developed programmes which are aimed at providing nutritional foods, care for the aged, grooming of young brides and girls in the rural areas, generate savings, health care, recreation, protection of environment, procurement of household supplies through cooperative network, promoting a good family environment – social and economic. The agricultural cooperatives in Japan have provided collaborative support to such associations at all levels. Such associations are voluntary and operate as autonomous organisations parallel to the formal structure of agricultural cooperatives. However, their activities are fully supported by the agricultural cooperatives. Women, who account for 60% of the Japanese farming population, are an indispensable force for agricultural production.

07. Values of self-help, mutual responsibility, equality and equity are held dear by the cooperative institutions and must, therefore, be held in common by all cooperators – men and women. It is considered necessary that all possible efforts are made and proper encouragement is provided to enhance the skills, productive capacities, status and dignity of women in all sectors, especially in rural areas. Efforts should be made to bring them into the mainstream of decision-making process at all levels, equal to men, in order to fortify further the Cooperative Movement.

08. A rough estimate puts nearly 52-60% of women being engaged in agricultural cooperative sector where they assist in the production and processing of food. Similarly in the consumer cooperative sector they are involved in the distribution of household goods including food items.

09. Barring a few exceptions, and in spite of the institution of development efforts and programmes by governments and voluntary agencies, a major lot of women in the Region continues to remain below the poverty line, under-nourished and illiterate. They also remain deprived of various essential rights, for instance, property inheritance rights, membership in cooperatives and participation in decision-making process in cooperatives and other governmental and non-governmental institutions. They do not have a ready access to avenues of development, for instance, credit, vocational training, personal development, methods to enhance better-living activities,

participation in community development services and even in professions. Due to cultural and religious impediments women, particularly, in rural areas of the Region, remain ignorant of the development activities taking place around them, their villages and their countries. They have been under-educated, under-privileged and under-represented in different walks of life. Due to poverty conditions also the women do not have access to the media - print or visual or audio-visual. Their only source of information is through their husbands, sons and daughters and gossips or rumours. In rural Asia, there is also a severe lack of extension services for women. Superstition, ignorance, misinformation, prejudices, indifference continue to surround them.

10. The situation might not be that depressing when we look at the urban women. In countries like Japan, Korea, Singapore, India, the Philippines, Sri Lanka and Thailand there is an appreciable presence of women in several professions and even in high-tech areas. There are senior level political leaders, top management leaders, technicians and professionals. Their needs are naturally different. Their living environment is different. They have access to opportunities of development, media and social development infrastructure e.g., good education, good medical attention and quick communication. However, both of them - rural and urban - women need attention, care and facilities for their own development and for the betterment of their family members e.g., child care, mother care, care of the aged etc. They need a variety of skills development exposures in certain fields e.g., designing, fashion technology, art and craft, salesmanship etc.

11. While it is generally agreed that education is central to women's development, the participation of girls in the national educational system continues to lag well behind that of boys at every level. Among the factors that are believed to contribute to this gap are women's self-perpetuating negative social status, economic constraints and male-oriented biases in the design and delivery of primary and secondary education. These limitations have meant that millions of women have not received formal education and that millions more are deprived of the opportunity for more than token participation. Women, however, retain a strong orientation to self-help and group cooperation. They look to their own resources and to other women when faced with a problem of opportunity. This perhaps is the key factor on which women's development programme could be developed. This is their greatest asset. They have kept folk art, family bonds, religious traditions, cultural heritage alive, thriving and vibrant. They have played significant role in food security efforts and rural and small industrial sectors.

12. The emergence of women and their involvement in rural social, economic and political life as genuine partners, cannot result simply from education and development inputs focused on women. The success of any programme depends on bringing about substantial shifts in male values and attitudes towards women. In the absence of significant changes in male behaviour, women's programmes are likely to produce gender-conflict and gains that are, at best, fragile.

13. The ICA Regional Office for Asia and the Pacific believes and strongly advocates that gender integration and improved women's participation is of utmost importance to the development and sustainability of Cooperative Movements and the society as a whole. Towards this goal, the Regional Office has initiated and restructured all its activities. Gender integration now forms an integral component of all its technical projects. The ICA Regional Office has a full-fledged Gender Integration Project to oversee the developments in this sector. The Project has the benefit of advice from the Regional Women's Committee which is presently headed by Senator Hjh Rahaiah Baharen of Malaysia.

14. During the year 1997, the major efforts were in activating a Cooperative Leadership Training Programme for Women and organising national level women fora in ICA member-countries to precede the proposed Regional Women's Forum in Seoul, Korea during October 1998. The Regional Office has successfully negotiated with the ILO Coopnet to organise joint activities in women leadership training. The ILO collaborated and participated in the organisation of a regional workshop in Kuala Lumpur, Malaysia, during December 1997, to identify the needs and target groups and to chalk out a strategy to develop such activities.

15. The ICA has also decided to develop a Leadership Development Training Manual for Women Cooperative Leaders. The draft is currently under field-testing and will be finalised by the end of August 1998. The Manual is a joint activity between the ICA and the ILO. The material is expected to be a systematic and good resource material for conducting women leadership development training programmes throughout the Region in collaboration with the member-organisations and women fora.

16. In May 1997, the ICA in collaboration with the Asian Women in Cooperative Development Forum (AWCF) had organised a regional conference on Women in Decision-Making. The Conference attended by more than 100 participants was held in the Philippines. A declaration entitled "Tagaytay Declaration" and a "Platform for Action" were the direct outcome of this Conference. The material is expected to serve as a guideline for women field workers and cooperative organisations.

17. The ICA Women Committee has organised a Regional Women's Forum at Kuala Lumpur in the first week of August 1998 mainly to take stock of the current situation and to prepare for the gender integration-related meetings to be held in Korea in conjunction with the ICA Regional Assembly, October 1998.

18. During 1997, the ICA, in collaboration with the IDACA and the JA-Zenchu and with the financial support extended so generously by the Government of Japan conducted the following activities:

- 7<sup>th</sup> Training Course for Rural Women Leaders of Agricultural Cooperatives in Asia, in Japan during November-December 1997 attended by 6 participants representing India, Pakistan and Sri Lanka;

- 2<sup>nd</sup> Asian Conference of Farm Women Leaders held in Japan during November 1997 attended by 43 top-level women leaders representing 22 countries and three international organisations. The Conference was a joint collaborative activity of the ICA, AARRO, IDACA and the JA-Zenchu;
- And now, during August-September 1998, two activities are being organised e.g., the 8<sup>th</sup> women leaders training course attended by 6 participants representing Indonesia, Malaysia and Sri Lanka; and the 3<sup>rd</sup> Asian Women's Conference.

19. The IDACA has also made it a policy that the number of women participants in all its training programmes will be steadily increased and that women participants should be at least 20% in training courses.

20. According to the 1995 population census of Japan, the female population of Japan numbered 63,995,848 as of 1<sup>st</sup> October 1995, or 51% of the total population – 2,421,450 in excess of the male population. Approximately 59% of all Japanese 65 years or older were women. The figure rose to approximately 64% of people 75 or older, and to approximately 70% of people 85 or older.

21. The number of farm workers in Japan has been steadily declining; according to a Labour Force Survey conducted by the Management and Coordination Agency, farm workers accounted for only 4.9% of all workers in 1997. Women play a vital role in agriculture. According to the 1995 Census of Agriculture, the number of women engaged in agriculture in Japan was 2,860,937 (or 58.4% of the total farm labour force of 4,902,184). Women accounted for 68.4% of all farm workers in the 30-59 age bracket.

22. The percentage of farm households in which both women and men work regularly (150 or more days per year engaged in farm work) was 19% of the total of 3,443,550 farming households. Women were regular farm workers in 25.2% of all farming households, and the sole farm workers in 6.2%. The number of households in which men perform the major agricultural work is about the same as that for women. Both categories sell about the same value of agricultural products.

23. Despite the fact that women engaged in agriculture, forestry, fishery in Japan have made a greater contribution to its development, they have not been evaluated as they should be due mainly to customs inherent in local areas, on the recognition of which in drafting the action plan being called on for formulation in the 4<sup>th</sup> World Women's Conference held, it was planned to formulate a policy to ensure a greater participation of women in the process of decision-making of the government policies. This plan is commonly known as the 2,000 Year Plan for realisation of equal participation of women and men – namely, the domestic action plan until the year 2,000 pertaining to the formation of a society in which women



and men equally participate. In the international society it is considered essential to have equal participation of men and women in the development process to realise well-balanced and sustainable economic and society development.

24. In his special address made to the Conference, Mr. Hiroshi Kohno, Executive Director of JA-Zenchu (who is also a member of the ICA Board), made the following points :

“Looking at agriculture and rural community in Japan, production power was diminutive due to decrease of farming population, aging of farmers and shortage of farm successors. Also, the self-sufficiency rate of foods in Japan is the lowest among the advanced countries. However, the import of farm products was increased under the WTO system and the trend may last from now on. Most of Japanese people have caught blasphemy for the further drop of the food self-sufficiency rate.

Beside such critical future prospect of domestic agriculture, global issues such as world-wide population explosion, famine, global warming, diminishing tropical forests and expansion of desert posed another global level issue of food/agriculture/environment. Against this backdrop, there are increasing expectation of people for securing stable supply of foods, salutory of foods and agriculture friendly to environment. I am firmly convinced that there is increasing mood to evaluate multiple function of agriculture and rural community and to examine the way of trade of agricultural products.

In response to such circumstances and imminent tasks demanded, JA group held the 21<sup>st</sup> National Congress of JA last year. In the Congress, prosperity on the basis of symbiosis was suggested. The momentous problems relating foods/agriculture/rural community are not the subjects only for producers nor rural residents but also are the subjects to be grappled with by a whole nation including urban residents. The basic approach to the subjects should not be based on antagonism nor sacrifices but rather be based on acknowledgement of roles played by both sides and live symbiotically benefiting each other. More concretely, JA group is grappling with the nation wide uniformed campaign of “symbiosis with three objectives, namely, next generation, consumers and Asian nations” as a common theme towards 21<sup>st</sup> century.

In the campaign of symbiosis with Asian nations, in response to “the Rome Declaration” of the World Food Summit of FAO; aiming at accomplishment of global food security and reduction of population of malnutrition into half, JA group has actively contributed the realisation of the declaration; grappled with community chest of FAO for alleviation of famine. Also, we organised 3<sup>rd</sup> Asian Conference for Women Farm Leaders of Agricultural Cooperatives; various exchange with farmers and agricultural

cooperatives; accepting trainees through IDACA; dispatch of expert of JA through JICA; exchange and contribution of primary level JA; women's associations and youth associations.

The JA Congress has also resolved to promote participation of women in management of JA which is the theme of this Conference. In a bid to precipitate participation of women who are core cooperators of agricultural cooperative movement in farm management and better living activities, we are promoting participation of women as regular members, nurturing of women's associations, establishment of quorum for general representatives of JA, directors and various committee at primary level JA respectively.

I am hearing report of JA staff who had participated in the Workshop on Micro Entrepreneurship Development for Rural Women held in Malaysia this July sponsored by AARRO that women's participation in Asian countries is far advanced from that of Japan. We would like to study from your experience for the benefit of our future activities.”

25. Dr. Bahar Munip, Secretary-General of AARRO, in his address to the Conference outlined the strategies of AARRO towards women empowerment in multi-national approach with emphasis on :

- Capacity building through human resource development;
- Providing forum to the policy-makers to exchange views and experiences on various aspects of women empowerment;
- Promoting women participation through Cooperative Movement;
- Creating employment and income enhancement opportunities through financing development projects;
- Developing infrastructure for better-living standards and higher productivity; and
- Collaboration with international organisations with similar aspirations.

### **Group Discussions Main Points Made by the Delegates**

26. The delegates of the Conference were divided into four technical groups and assigned topics for discussions (**Annexe-III**). Based on the Group Reports

the following points emerged.

A. Main constraints/problem areas faced by farm women:

- High illiteracy rates and poor living conditions among farm women;
- Lack of leadership and inadequate participation;
- Absence of property inheritance rights, restrictions on acquiring membership of agricultural cooperatives;
- Inadequate health-care services in rural areas;
- Inadequate water supply for household and agricultural purposes;
- Lack of appropriate agriculture technology aimed at reducing physical burden of farm women;
- Inadequate access to credit services and agricultural inputs;
- Lack of female farm extension workers;
- Lack of marketing facilities and opportunities;
- Traditional, religious, social and cultural obstacles;
- Less participation in decision-making;
- Male migration/urban drift which increases pressure on women;
- Lack of opportunities to improve socio-economic status of farm women;
- Lack of skills and attitudes in leadership and management development; and
- Lack of secretariat supporting functions for women's organisations and allocation of funds for them in cooperative organisations.

B. The following possible methods to overcome constraints and problems have been suggested :

- Women ownership of land and assets enabling them to become members of cooperatives and to obtain bank loans to establish appropriate enterprises;

- Introduction and expansion of formal and non-formal education programmes for rural women;
- Promotion of women's organisations (associations or groups) at grassroots levels and through cooperatives by setting up secretariat supporting function in cooperatives and accumulating fund to support activities of women;
- Introduction of sustainable income-generating programmes;
- Provision and improvement of marketing facilities, credit and other opportunities through agricultural cooperatives;
- Provision and improvement of adequate health services, especially in rural areas;
- Encouragement, training and provision of appropriate and sufficient material for all extension workers;
- Enhanced education programmes for farm women and society – sensitisation of women's roles (especially to men). Sensitise both men and women on gender roles with emphasis on sharing of responsibilities;
- Women be given specific quota in decision-making bodies and mechanism (at least 33%, if not more);
- Establishment of mutual help system community;
- To amend the Cooperative Law for women participation by providing for reservation and equal *rights*;
- Help provide skills training opportunities (e.g., handicrafts, farming technique, etc. – production, marketing and sales – managerial skills, entrepreneurial skills);
- To grant facilities and concessions to women movements as a priority concern under development programmes of national and international financing/development institutions; and
- To strengthen and expand cooperation among movements for mutual social and economic benefits through exchange programme and networking.

## **Conclusions, Recommendations and Resolution**

### **I. Preamble**

The Third **Asian Conference of Women Farm Leaders of Agricultural Cooperatives** was jointly organised by the International Cooperative Alliance Regional Office for Asia and the Pacific (ICA ROAP); the Central Union of Agricultural Cooperatives-Japan (JA-Zenchu) and the Institute for the Development of Agricultural Cooperation in Asia-Japan (IDACA) at Tokyo, Japan, from 26<sup>th</sup> August to 6<sup>th</sup> September 1998. The 1<sup>st</sup> Conference was held in October 1996, and the 2<sup>nd</sup> Conference in November 1997.

The Conference was attended by 33 senior level women leaders representing 13 countries (i.e., Bangladesh, India, Indonesia, Japan, Korea, Laos, Malaysia, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand and Vietnam) and three international organisations (i.e., the ICA ROAP, Afro-Asian Rural Reconstruction Organisation-AARRO and the ILO). Senior level leaders representing the organisations and supporting agencies who delivered their inaugural addresses included: Mr Hiroshi Kohno, Executive Director of JA-Zenchu and ICA Board member; Ms Ikuko Arimatsu of Prime Minister's Office; Mr Takuji Hanatani of the Ministry of Foreign Affairs; Mr Kazutoshi Yokota of the MAFF-Japan; and Mr Daman Prakash, Director of the ICA ROAP. The Conference was also addressed by Dr Bahar Munip, Secretary-General of the AARRO; and Mr Nobuhiro Hayasaka of ILO Tokyo Branch.

The Conference was hosted by the Institute for the Development of Agricultural Cooperation in Asia. The inaugural session of the Conference was held at the MAFF Annexe building in down-town Tokyo and the rest of the technical sessions at IDACA. A familiarisation field study visit to Niigata Prefecture was organised for the delegates. The Conference was coordinated by Mr Daman Prakash, Director, ICA ROAP and the officials of IDACA representing its Managing Director, Mr Yoshitada Nakaoka.

The Conference took note of the development work done by the ICA ROAP and the IDACA in the field of agricultural cooperative development, and also of the discussions held at and the recommendations and conclusions of the previously-held two Conferences (1996 and 1997).

### **II. Conclusions and Recommendations**

Based on the discussions held, study of the reports and resolutions of the previously-held two Conferences, reports of the working groups, and observations made during the field visits, the Conference arrived at the following conclusions and made the following recommendations and suggestions:

01. Efforts be made by the organisers e.g., the ICA, JA-Zenchu, IDACA, AARRO and the sponsoring organisations of the delegates to follow-up the recommendations made and the resolutions adopted by the three Conferences;
02. Agricultural cooperatives and government agencies to help collect basic data on WICD (Women in Cooperative Development) with special reference to agriculture and rural development activities e.g., quantification in terms of money value of the contributions made by women, quantitative representation and participation of women in the management and servicing of cooperatives, and services and facilities available to them at the grassroots level etc., to name a few indicators;
03. Vigorous efforts be made through legislative means, policy pronouncements, review/revision of byelaws or by setting precedents to ensure that at least 33%, if not more, of seats are reserved for women on all elected and decision-making organs of cooperatives in the Region, besides increasing the number of women employees;
04. National level cooperative organisations are requested to establish where not yet available, and strengthen where available, women committees/women consultative committees or fora to stimulate and encourage women in the decision-making and participatory efforts;
05. National cooperative organisations in consultation with and with the support of national governments to take suitable and active steps to enable women to own land titles and assets, raise financial resources from financial institutions and to become full-fledged members of agricultural cooperative institutions;
06. With a view to provide and enhance their entrepreneurial capacities, agricultural cooperatives and other cooperative institutions, on their own and with the help of national governments and international agencies, to help establish vocational training and skills development programmes and facilities with the objectives of : a) securing employment; b) generating additional income; and c) social and economic security;
07. It was strongly advocated by this Conference and the previous two conferences that rural women be organised in a systematic and planned manner with sufficiently clarified objectives, programmes and facilities so that they could acquire sufficient bargaining power to improve their social and economic status. Marketing of farm and handicraft products has been a major problem for rural women. Family health, balanced diet, rural sanitation, safe drinking water, access to information and social services, recognition of labour put in are some others which are needed by rural women. Several models for organisation of rural women are already available within the Region e.g., the women's associations of agricultural cooperatives in Japan. It was suggested

that such models be studied intensively and lessons derived from them be applied in other countries with appropriate modifications;

08. The Conference recommended that women's organisations facing financial constraints be encouraged to approach various aid agencies (national or international, governmental or non-governmental) to secure technical and financial assistance. The Conference was informed that the Japan International Cooperation Agency-JICA offers grants for modest grassroots level development projects of NGOs in WID, and the delegates were requested to approach the JICA offices or Japanese diplomatic missions in their respective countries to establish contacts through initial discussions as to the procedures etc. to be followed;
09. The Conference requested that the ICA ROAP's Gender Integration Project provides technical guidance, resource material (e.g., training manuals, handbooks, audio-visual aids etc.), technical information and other support in carrying out women leadership development programmes of national women committees/national cooperative organisations; and
10. The Conference strongly recommended that conferences and training courses of this type and level be organised more frequently by the ICA ROAP in collaboration with JA-Zenchu, the Institute for the Development of Agricultural Cooperation in Asia and its other development partners.

### **III. Resolution**

The Conference unanimously adopted the following resolution :

"The 3rd Asian Conference of Women Farm Leaders of Agricultural Cooperatives held at Tokyo, 26<sup>th</sup> August to 6<sup>th</sup> September 1998, attended by 35 delegates representing 13 Asian countries and three international organisations, having taken note of the discussions held at the previously-held two conferences (1996 and 1997), hereby RESOLVES that :

01. The recommendations made and the resolutions adopted earlier which hereby stand endorsed by this Conference as well, and by this Conference be vigorously followed-up by the organisers, respective governments and sponsoring organisations;
02. The national cooperative organisations and the women's organisations in agricultural cooperative sector take note of the systematic development and activities of the Women's Associations of Japanese Agricultural Cooperative Movement and make an appropriate use of their valuable experiences;

03. The national cooperative organisations and women's organisations to appreciate, adopt and follow ICA Statement on Cooperative Identity, Principles of Cooperation and the Cooperative Values and provide support to all women's organisations/committees at national and international levels and participate in their programmes and activities; and
04. The organisers continue to convene such conferences at regular intervals to facilitate and enhance interaction among women leaders of agricultural cooperatives in the Region.

The Conference places on record its highest appreciation for the efforts of the organisers in holding this 3<sup>rd</sup> Conference.”

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## Annexe-I

### CONFERENCE DELEGATES

- BANGLADESH 01. Ms. Fatema Siddique  
Director  
Bangladesh National Women's Coop Society Ltd.  
House No.8, Rabindra Sarani Road  
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**Bangladesh.**
- INDIA 02. Ms. Sheilajadevi Diliprao Nikam  
Member, Women's Consultative Committee of NCUI  
48, Ramdas Colony,  
Barrister Nikam Chauk, Zilla Peth  
Jalgaon-425001,  
Maharashtra. **India.**
- INDONESIA 03. Ms. Dedeh Kusmiati  
Management Staff  
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04. Ms. Elly Saleha  
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Bandung-40612, **Indonesia.**
- KOREA 05. Ms. Jeong-Joo Oh  
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National Agricultural Cooperative Federation-NACF  
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- LAOS 06. Ms. Bouavanh Phachomphonh  
Technician for Extension  
Agricultural Extension Agency  
Ministry of Agriculture and Forestry  
Department of Agriculture and Extension  
Vientiane, **Laos.**

- MALAYSIA
07. Ms. Doriah Shafik binti Ahmad  
Assistant Agricultural Officer  
Rubber Industry Smallholders' Development Authority  
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08. Ms. Sarinah bt Ab. Ghani  
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- NEPAL
09. Ms. Rohini Joshi  
Chairperson  
Saving & Credit District Cooperative Union  
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Lalitpur, **Nepal.**
- PAKISTAN
10. Ms. Khalida Saeed, Secretary  
Punjab Cooperative Union Limited  
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- PHILIPPINES
11. Ms. Imelda S. Magabilen  
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Assistant Director (Education & Training)  
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13. Ms. Sunanda Hettiarachchi  
Manager  
District Cooperative Rural Bank  
No.57, Batugedara  
Ratnapura  
**Sri Lanka.**

- |          |     |   |
|----------|-----|---|
| THAILAND | 14. | Ms. Jeerawan Chaiviroonrut<br>Vice President<br>Muang Nakhonratchasima Agricultural Cooperative Ltd<br>5 Moo-5, Tambon Naongjabok, Muang District<br>5 Nakhonratchasima Province-30000, <b>Thailand</b> . |
| VIETNAM  | 15. | Ms. Nguyen Ngoc Suong<br>President<br>Binh Phuoc Cooperative Union<br>Dinh Soai Town, Dong Phu District<br>Binh Phuoc, <b>Vietnam</b>   |
|          | 16. | Ms. Tran Thu Hang<br>Specialist<br>Vietnam Cooperative Alliance<br>77, Nguyen Thai Hoc Street<br>Hanoi, <b>Vietnam</b> .  |

### International Organisations

- |          |     |   |
|----------|-----|---|
| ILO      | 17. | Mr. Nobuhiro Hayasaka, Director<br>International Labour Organisation<br>The United Nations University Building, 8th Floor<br>53-70 Jigumae, 5-Chome, Shibuya-ku,<br>Tokyo-150, Japan. |
|          | 18. | Ms. Yuko Tamura<br>International Labour Organisation<br>The United Nations University Building, 8th Floor<br>53-70 Jigumae, 5-Chome, Shibuya-ku,<br>Tokyo-150, Japan.                 |
| AARRO    | 19. | Dr. Bahar Munip<br>Secretary-General<br>Afro-Asian Rural Reconstruction Organisation<br>No.2, State Guest House Complex, Chanakyapuri<br>New Delhi-110021, India.                     |
| ICA ROAP | 20. | Mr. Daman Prakash<br>Director<br>ICA Regional Office for Asia and the Pacific<br>Bonow House, 43 Friends Colony-East<br>New Delhi-110065, India.                                      |

JAPAN

21. Mr. K. Sethu Madhavan  
Planning Officer  
ICA Regional Office for Asia and the Pacific  
Bonow House, 43 Friends Colony-East  
New Delhi-110065. India.
22. Ms. Ikuko Arimastu  
Planning Director  
Office for Gender Equality  
The Prime Minister's Office  
Tokyo, Japan.
23. Mr. Takuji Hanatani, Director  
Multilateral Cooperation Division  
Economic Cooperation Bureau  
Ministry of Foreign Affairs  
Tokyo, Japan.
24. Ms. Eiko Ishimaru  
International Organisation Division  
Economic Cooperation Bureau  
Ministry of Foreign Affairs  
Tokyo, Japan.
25. Mr. Shoji Suzuki  
Director, Technical Cooperation Division  
International Affairs Department, Economic Bureau  
Ministry of Agriculture, Forestry and Fisheries  
Tokyo, Japan.
26. Ms. Masako Saito, Section Chief  
Overseas Technical Cooperation Office  
Technical Cooperation Division  
International Affairs Department, Economic Bureau  
Ministry of Agriculture, Forestry and Fisheries  
Tokyo, Japan.
27. Mr. Kazutoshi Yokota  
Assistant Director, Women and Life Division  
Agricultural Production Bureau  
Ministry of Agriculture, Forestry and Fisheries  
Tokyo, Japan.

28. Mr. Tadanori Suzuki, Director, Environment  
WID and Other Global Issues Division  
Plannint Division  
Japan International Cooperation Agency,  
Tokyo, Japan.
29. Mr. Hiroshi Kohno, ICA Board Member  
Executive Director  
JA-Zenchu (Central Union of Agricultural Coops)  
8-3, 1-chome, Otemachi, Chiyoda-ku  
Tokyo, Japan.
30. Mr. Teruyoshi Tanaka  
Manager, Youth and Women's Division  
Community Development Department  
JA-Zenchu, 8-3, 1-chome, Otemachi, Chiyoda-ku  
Tokyo, Japan.
31. Ms. Taeko Shinozuka  
International Cooperation Office  
JA-Zenchu, 8-3, 1-chome, Otemachi, Chiyoda-ku  
Tokyo, Japan.
32. Ms. Sanae Ito  
Vice President  
JA National Council of Women's Associations  
c/o, JA-Zenchu, 8-3, 1-chome, Otemachi,  
Chiyoda-ku, Tokyo, Japan.
33. Ms. Fusa Sano  
President  
JA Aomori Council of Women's Association  
Japan.
34. Mr. Satoshi Nishi  
Assistant Manager, Youth and Women's Division  
Community Development Department  
JA-Zenchu, 8-3, 1-chome, Otemachi, Chiyoda-ku  
Tokyo, Japan.
35. Mr. Yoshitada Nakaoka  
Managing Director  
The Institute for the Development of Agricultural  
Cooperation in Asia (IDACA)  
4771 Airaha-cho, Machida-shi  
Tokyo 194-02, Japan.

## Annexe-II

### CONFERENCE PROGRAMME

**26<sup>th</sup> Aug. '98 Wed.**            Arrival of delegates in Tokyo.  
   Stay at IDACA, Tokyo, Japan.

**27<sup>th</sup> Aug. Thu.**            (Venue : Conference Room of MAFF).

08:00~                        Leave IDACA for Conference venue.

10:00~10:50                **OPENING CEREMONY**

***Welcome Address by :***

- Dr. Daman Prakash, Director, ICA ROAP.

***Opening Remarks by :***

- Ms. Ikuko Arimatsu, Planning Director, Office for Gender Equality, The Prime Minister's Office-Japan.
- Mr. Takuji Hanatani, Director, Multilateral Cooperation Division, Economic Cooperation Bureau, Ministry of Foreign Affairs-Japan.
- Mr. Kazutoshi Yokota, Assistant Director, Women and Life Division, Agricultural Production Bureau, Ministry of Agriculture, Forestry and Fisheries- Japan.

***Introduction of Guest :***

- Mr. Shoji Suzuki, Director, Technical Cooperation Division, International Department, Economic Bureau, Ministry of Agriculture, Forestry and Fisheries-Japan.

10:50~11:20                Tea break & Group Photo

11:20~11:30                Chairperson : Dr. Bahar Munip  
Confirmation of the Resolution of the last Conference.

- 11:30~11:50      **Report on Progress from the last Conference (1) :**  
by Ms. Sanae Itou, Vice President, JA National  
Council of Women's Associations.
- 11:50~13:10      Lunch break (at Fairmont Hotel).
- 13:15~13:35      **Greetings :** by Mr. Hiroshi Kohno, Executive Director,  
JA-Zenchu and ICA Board Member.
- 13:35~14:00      **Report on Progress from the last Conference (2) :**  
by Dr. Daman Prakash, Director, ICA ROAP.
- 14:00~14:15      **Report on Progress from the last Conference (3) :**  
by Mr. Nobuhiro Hayasaka, Director, ILO Tokyo Branch.
- 14:15~14:30      **Report on Progress from the last Conference (4) :**  
by Dr. Bahar Munip, Secretary-General, AARRO.
- 14:30~15:00      Tea break
- 15:00~15:30      **Report on Progress from the last Conference (5) :**  
by Mr. Tadanori Suzuki, Director, Environment, WID and  
other Global Issues Division, Planning Department, JICA.
- 16:00~17:30      Move to IDACA by bus
- 18:00~20:00      Welcome Dinner at IDACA

**28<sup>th</sup> Aug, Fri.**

- 09:30~10:30      **Report on Activities-Japan (1) :** by Ms. Fusa Sano,  
President, JA-Aomori Council of Women's Associations.
- 10:30~11:00      Tea break
- 11:00~12:00      **Report on Activities-Japan (2) :** by Mr. Satoshi Nishi,  
Assistant Manager, Youth and Women's Division,  
Community Development Department, JA-Zenchu.
- 12:00~13:30      Lunch break
- 13:30~16:00      Presentation of country papers by Delegates.
- 16:00~18:00      Group Discussion

**29<sup>th</sup> Aug, Sat.**

- 09:30~12:00      Lecture on "Organisation and Business of JA"  
by Mr. H. Terunuma, Programme Coordinator, IDACA.
- 12:00~13:30      Lunch break
- 13:30~14:30      Adoption of the Conference Resolution.
- 14:30~15:00      Orientation on Study Visits.

**30<sup>th</sup> Aug, Sun.**      Free

**31<sup>st</sup> Aug, Mon.**

- 09:00~13:30      Travel to Niigata Prefecture by train.  
Stay at : Bandai Silver Hotel.

**1<sup>st</sup> Sept, Tue.**

- 09:00~              Leave the Hotel by taxi.
- 09:30~12:00      Visit to JA Niigata Prefectural Union.
- 12:00~13:00      Lunch break
- 13:00~              Leave the Prefectural Union
- 14:00~15:00      Visit to the Fertiliser Plant managed by the Niigata Prefectural  
Economic Federation/NPEF.
- 15:00~              Leave the Plant.
- 15:40~16:40      Visit to the Rice Milling Plant managed by the NPEF.
- 16:40~17:20      Travel back to the Hotel.

**2<sup>nd</sup> Sept, Wed.**

- 07:20~              Leave the Hotel for Niigata Port by taxi.
- 08:00~              Leave Niigata Port for Ryotsu Port in Sado Island.



09:00~12:00 Visit to the JA Sado Primary Cooperative Head Office.  
12:00~13:00 Lunch break  
13:30~15:30 Observation of facilities operated by the Niiho Branch Office.  
15:50~16:20 Observation of Hatano Processing Plant.  
16:20~19:00 Travel to Niigata Port and back to Hotel.

**3<sup>rd</sup> Sept, Thu.**

09:00~ Leave the Hotel by bus after check out.  
09:00~1300 Sight-seeing Tour in Niigata Prefecture.  
14:16~18:00 Travel to Tokyo and back to IDACA.

**4<sup>th</sup> Sept, Fri.**

09:30~12:00 Lecture on "Better Living Activities" by Mr. M. Motohiro, JA-Zenchu.  
12:00~13:30 Lunch break  
13:30~16:00 Lecture on "Rural Finance of JA" by Mr. T. Mochisuki, Norinchukin Research Institute.

**5<sup>th</sup> Sept, Sat.**  
Airport.

Sight-seeing in Tokyo and move to a Hotel near Narita

**6<sup>th</sup> Sept, Sun.**

Departure of Delegates from Tokyo.

## **Annexe-III**

### **POINTS FOR GROUP DISCUSSIONS**

The delegates are requested to take note of the Recommendations, Conclusions and the Resolution of the 2<sup>nd</sup> Conference and the Objectives of the 3<sup>rd</sup> Conference. The delegates are also requested to take note of the organisation and activities of the JA Women's Associations. The group reports are expected to be very brief, crisp and to the point.

#### **Group-1**

- 1.1 Take stock of the current situation of farm women in agricultural sector.
- 1.2 Highlight the main problems faced by rural farm women.

#### **Group-2**

- 2.1 Take stock of the current situation of farm women in agricultural sector.
- 2.2 Suggest ways and means to develop leadership among farm women through education, training, extension and by other means.

#### **Group-3**

- 3.1 Take stock of the current situation of farm women in agricultural sector.
- 3.2 With a view to organise rural women and enhance their entrepreneurial capacities :
  - a. What type of problems are generally faced; and
  - b. What methods to adopt to organise them into associations or groups.

#### **Group-4**

- 4.1 Take stock of the current situation of farm women in agricultural sector.
- 4.2 Identify the role of national and international organisations in promoting further the interests of such a group to enhance their bargaining power.

# Group Formation for Discussions

## **Group-1**

01. Ms. Fatema Siddique, Bangladesh.
02. Ms. Rohini Joshi, Nepal.
03. Ms. Khalida Saeed, Pakistan.

## **Group-2**

01. Ms. Dedeh Kusmitati, Indonesia.
02. Ms. Elly Saleha, Indonesia.
03. Ms. Doriah Shafik binti Ahmad, Malaysia.
04. Ms. Sarinah bt Ab. Ghani, Malaysia.
05. Ms. Imelda S. Magabilen, Philippines.

## **Group-3**

01. Ms. Sheilajadevi D. Nikam, India.
02. Ms. Sheila Heenatimulla, Sri Lanka.
03. Ms. Sunanda Hettiarachchi, Sri Lanka.

## **Group-4**

01. Ms. Jeong-Joo Oh, Korea.
02. Ms. Bouavanh Phachomphonh, Laos.
03. Ms. Jeerawan Chaiviroonut, Thailand.
04. Ms. Nguyen Ngoc Suong, Vietnam.
05. Ms. Tran Thu Hang, Vietnam.

ICA/JA-Zenchu/IDACA 3rd ASIAN CONFERENCE OF  
WOMEN FARM LEADERS OF AGRICULTURAL  
CO-OPERATIVES, TOKYO (JAPAN): 26 AUGUST TO  
6 SEPTEMBER 1998.



**BACKGROUND PAPER  
OF  
BANGLADESH**



**Mrs. FATEMA SIDDIQUE**  
DIRECTOR  
BANGLADESH NATIONAL WOMEN  
CO-OPERATIVE SOCIETY LTD.

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NOMINATED BY BANGLADESH NATIONAL CO-OPERATIVE UNION

## **BANGLADESH :**

Bangladesh is predominantly an Agricultural country with a major contribution to our National Economics. It produces mainly Food crops : rice, wheat, potatoes, vegetables, cash crops : Jute, Tobacco, sugar cane etc. Besides producing food and cash crops it also provides an enormous employment facilities to a majority of the population with women folks. A large number farmers includes our rural women of low earning groups in our country is idle.

The Role of women of our country played in producing food and processing is substantial. In rural areas women work with men in crop field and houses also. The women serves the agricultural sector with manual labour. The rural women community in Bangladesh are very industrious. Collective farming mean co-operatives are the main media through which the womens can contribute a vital role to develop our rural economy.

The disadvantages of the women are many including social prejudices. But now a days women are mostly free to work outside the houses. In rural area womens are working under the co-operative societies mostly agricultural work for their economic betterment. Co-operative organisations particularly the agricultural activities through women co-operatives in our region have vast potentialities to help develop the women leadership.

## **INTRODUCTION OF BANGLADESH NATIONAL WOMEN CO-OPERATIVE SOCIETY LTD. :**

In order to promote the interest of the women community of Bangladesh in every aspect of co-operative activities the Bangladesh National Co-operative Union took initiative immediately after liberation in 1972 to organise village primary women co-operative society in the rural areas to develop the better economic life of poor farming women and urban areas simultaneously to undertake income generating activities to help the women members to earn supplementary incomes. The women encouraged to formulate small projects for group activities through co-operative societies such as poultry farming, orchid growing, fish farming, paddy milling goat and dairy farming, horticulture, production of vegetables, livestock, breeding, bee keeping, cottage Industries, small scale Agrobased industries and other farm activities. In 1973 regime with four thousands primary women co-operative societies Bangladesh National Co-operative Union Organise 37 central women co-operative societies and finally organised Bangladesh National Women co-operative society which functioning smoothly in the country.

### **ROLE AND OBJECTIVE :**

The objectives of Bangladesh National Women Co-operative society is to represent, save guard and protect the needs and interests of the women co-operators and co-operatives in the counrty. It also provide guidance services and developement assistane to the contract and primary women co-operatives in urban and rural areas to create employment opportunities for their members and selfincome generating activities for the primary individual members. It also provides marketing fascilities for member society and individual members for farming products. The National Women coop society is also responsible for maintaing liason and co-ordination with membres in the country.

### **STRUCTURE :**

The women co-operatives in Bangladesh is 3 tier system as primary women co-operative society are affiliated with the central women co-operative societies and central women co-operative societies are affiliated with Bangladesh National Women Co-operative Society.

### **ROLE OF PRIMARY WOMEN CO-OPERATIVE SOCIETIES IN RURAL AREAS :**

Bangladesh National women Co-operative Society has more than four thousand primary women co-operative society in the country. Most of them are located in the rural areas or in sub district level city. Their main activities at present are given below :

- (a) To provide works in producing and processing paddy, wheat, Jute, Tobacco, pulses, vegetables etc.
- (b) To work in building new Roads in the Villages.
- (c) Small work in the small shops with selling agricultural products.
- (d) Vegetable are also sold by movile trade by the women coop members.
- (e) Members in rural area are doing poultry farming, goat farming, dairy, paddy milling, Bee keeping and samll scale Agro based industrial project.
- (f) Making garments for their local demand.
- (g) The primary society in some places in rural areas running primary school for women mebers.
- (h) It arrange marketing fascilities for members agricultural products to National societies.

### **PROBLEMS FACING :**

- (a) Lack of Organisational support to improve activities.
- (b) Lack of Financial problems.
- (b) Lack of Well motivational steps to the members.
- (d) Lack of Marketing fascilities of products.
- (e) Lack of Proper health care, Neutrition, Education and vocational training.

- (f) Lack of Government, and co-operative communication and understanding.
- (g) Lack of More training facilities.

**ACHIEVEMENTS :**

- (I) Nearly one million women population has been brought under the fold of women co-operative movement.
- (II) The women members are given co-operative member education with the help Bangladesh National Co-operative Union.
- (III) The committee members of the primary society and central societies has been provided with management training.
- (IV) Nearly 10,000 ten thousand members have been provided with professional training.
- (V) Organised good numbers conferences and seminars and workshops since 1975.
- (VI) Good numbers women co-operative leaders attended international seminars, conferences and workshops in side the country and abroad.
- (VII) Organised 39 central women co-operative societies and four thousand primary women coop societies.
- (VIII) Executed a developement schemes under the developement programme.

**RECOMANDATION :**

ICA/JA-Zenchu IDACA should organise more active participatory workshop for rural women co-operative leaders in this region so that the workshop experience will help the participants to introduce the idea in their own co-operative organisation for promotion and development of economic life of poor farm women co-operators in rural agricultural activities. It will be very helpful for the rural women co-operative to develope their skills if ICA/Ze-Zenuhu IDACA help apex orgainsation financially and technical Assistance.

**A SITUATION PAPER FOR 3RD ASIAN CONFERENCE OF WOMAN  
FARM LEADERS OF AGRICULTURAL CO-OPERATIVES.**

**BY SHAILAJADEVI DILIP NIKAM**

**VENUE :-**

CONFERENCE ROOM OF THE MINISTRY OF AGRICULTURE,  
FORESTRY AND FISHERIES (MAFF) & IDACA IN TOKYO.

**DATES :-**

26 AUGUST TO 6TH SEPTEMBER 1998.

**ORGANISERS :-**

THE CONFERENCE IS JOINTLY ORGANISED BY THE  
FOLLOWING INSTITUTIONS;

ICA (INTERNATIONAL CO-OPERATIVE ALLIANCE REGIONAL  
OFFICE FOR ASIA AND THE PACIFIC), NEW DELHI, INDIA.

JA- ZENCHU (CENTRAL UNION OF AGRICULTURAL CO-  
OPERATIVES OF JAPAN); AND

IDACA (INSTITUTE FOR THE DEVELOPMENT OF  
AGRICULTURAL CO-OPERATION IN ASIA-JAPAN).



## INTRODUCTION

The sheer durability of gender inequity - in work and remuneration, in options and opportunities, in power and control - brings up questions about the underlying mechanisms for containment of conflict, the processes of internalisation, manipulation & subterfuge, which are not entirely one way. Yet the fact that women's struggles keep rising, phoenix like from the ashes, makes one look also at the processes of mobilisation and catalysis, the alliances and the divisions of women. Friends this is the only reason why we are here participating in this 3rd Asian conference of women farm leader of Agricultural co-operatives.

## ACKNOWLEDGEMENTS

First of all I must thank to the president of Asian conference of women, secondly I must thank to the nation of rising sun who has fixed venue for the conference. Also I would like to thank ICA, ROAP who in collaboration with the JA - ZENCHU and the IDACA have organised this conference. And also Mr. Vishwanathan our President of N.C.U.I. and Mr. Prakash Daman our Project Director for making it possible for me to attend this conference. And also Mr. Y. Nakooka Managing Director of IDACA for his coordination and co-operation in this arrangement of the conference.

## INDEX

### CHAPTER - 1

1. Personal Information.
2. Information about the organisations and their women related activities with whom I have worked.

### CHAPTER - 2

An outline of a suggested plan of action for enhancing the participation of women in better living activities aimed at improving their standards of living and involvement in the development work of agricultural co-operatives.

**CHAPTER 1.****1. PERSONAL INFORMATION**

**Name** : NIKAM SHAILAJADEVI DILIPRAO

**Sex** : Female

**Nationality** : Indian.

**Marital Status** : Married.

**Place of Birth** : SATARA (Maharashtra State)

**Present Position** : Member of Woman Consultative Committee.  
N.C.U.I.

**Organisations Name** : National Co-operative Union of India.

**Residence Address** : 48, Ramdas Colony, Barrister Nikam Chauk,  
Zilla Peth, Jalgaon - 425 001.  
Maharashtra State (India.)

Fax No. 0257 - 224404, 0257 - 222311.  
Phone : (0257) 227070.

My representation on Maharashtra State marketing Federation (State Level) and Jalgaon District. Agro Industry multy purpose co-operative, co-operative Textile Mill (Taluka Level) is because of 33% reservation of women in co-operative societies Act. The co-operative society Act was amended by Maharashtra State Government during Mr. Sharad Pawars tenure as chief ministers who implemented reservation for women in co-operative sector and thus womens from all sector of the society got a chance to participate activity in co-operatives in Maharashtra State.

## CHAPTER 1.

### 2. Following is the brief discription of various organisations & and their nature of involvement in women related activities.

1] **Name of the Organisation : -**

National Co-operative Union of India.

**Designation : -**

Member of Women Consultative Committee.

**Information about the Organisation : -**

The National Co-operative Union of India (NCUI) is the national body of all national, state and multi state - co-operatives. With 150 million members at the primary level, it represents the entire co-operative movement. Multidimensional roles of the National Co-operative Union of India are -

1. Promotion of Co-operative ideology cooperation
2. The training of cooperation leaders and employees.
3. Taking measures for removing regional imbalances in co-operative development.
4. Field research and providing consulting services to its member organisations.

**Women Related Activies**

1. The N.C.U.I. s women consultative committee has taken initiative for reservation of 1/3rd seats for women in all the management committees in all types of co-operatives to facilitate women participation in policy planning and decision making processes.
2. It has taken initiative to establish co-operative womens federation in all the States and at the National level.

3. Educational and development programmes are operated throughout the country for economic and social upliftment of women, specially those belonging to weaker section.
4. It helps self help group schemes for marketing the products, produced by women groups and with the support of Rashtriya Mahila Kosh Fund it is strengthening income generating activities and is explores.
5. Womens consultative Committee of N.C.U.I. thus reviews and exploits to enhance womens participation in co-operative activities.

2] **Name of the organisation :-**

Maharashtra State Co-operative Marketing Federation Ltd.

**Designation :-**

Vice Chairman for two years 1995-1997 . Elected Director From 1992 to 1997.

**Information about the organisation:**

The M.S.C. MFL was registered in 1958 as an Apex Society for Agricultural Marketing and processing co-operatives in the State. It began functioning in 1959. The Federation has continued its unstinting efforts in providing marketing support to the co-operatives.

**Women Related Activities :-**

1. Under I.C.D.s programme. CARE (an American Voluntary Organisation) preparation & distribution of Sukhada: A Corn - Soya - Blend nutritious food. The beneficiaries under this programme include malnourished children, pregnant women, and nursing mothers. This scheme was operated in eight districts of Maharashtra India covering 10.96 lakhs beneficiaries.
2. Under centrally sponsored scheme PURAK AAHAR (A wheat product) is prepared, Malnourished children, pregnant and nursing women of 14 districts were covered. Total number of beneficiaries were 6.30 lakhs in Maharashtra State of India.
3. I had organised a number of seminars and conference at National, State and District levels, aimed at educating women in co-operative sector and their upliftment by the medium of M.S.C.M.F.Ltd.

3] **Name of the organisation :-**

Zilla Parishad Jalgaon District Maharashtra State.

**Designation :-**

Member of Zilla Parishad. Director of womens and children welfare society of Jalgaon district (1992-1997). Chairman of Advisory Council Primary Health Centre.

**Information about the organisation :-**

Zilha Parishad is a semi government body which is represented by elected members from each Tahasils of the District (i.e.Zilha). Zilha Parishad has important departments like women and child welfare health department, education department, social welfare departments aim at rural development. This organisation was basically formed to save from red-tapiom of government departments. Now the procedure for the funds for the operation of the organisation are directly coming from the central government of India and Zilha Parishad.

**Women Related Activities :-**

1. Through Zilha Parishad under the Scheme DWCRA. The Development of Women and Children in rural area. I could work on this scheme by forming nine groups of women who are below poverty lines. Each group was given Rs. 15,000/- to start their cooperative business, as revolving fund.
2. In Zilha Parishad I could work for the Tribal Adivasi Women. I organised health camps for improving the living conditions of women and children in these backward areas.
3. In Zilha Parishad I worked for the welfare of women and children through ICDs(Integrated Child Development Services) to solve problems of poor and undernourished children and women.

4] **Name of organisation :-**

Mahila-Shakti Sangh (Women power union) Jalgaon District.

**Designation :-**

Chairman and Director.

**Information about the organisation :-**

This organisation was established in 1990 for organising womens groups for united action.

**Women Related Activities :-**

A centre for self improvement education and Yoga is established to bring awareness to women about political and social environment & by organising get togethers & meetings for promoting active women participation in Socio-Political activities.

**5] Name of the organisation :-**

Dakshata Samitee ( Vigilence Committee)

**Designation :-**

Director

**Women Related Activities :-**

This organisation gives legal advise & support to rural women who suffer abuses in matters such as dowry, separation, divorce and maintainance allowance.

**6] Name of the Organisation**

Lok Nyayalaya :-

**Designation**

A Panch (The member of peoples Court) on Lok Nyayalaya. This organisation arbitrates in Matters of family disputes & civil disputes

**7] Name of organisation :-**

Sut Girni (Co-operative Textile Mills) Chopda District Jalgaon.

**Designation :- Director**

**Activity** :- Irrection of mill is in progress.

**8] Name of the organisation :-**

Jalgaon District Agro Industrial Multi Purpose, Co-operative, Societies, Jalgaon.

**Designation :- Director.****Information about the org :-**

This Society is dealing with the problems of the farmers. They deal in selling of agricultural produce & agricultural inputs etc.

## CHAPTER 2

### An outlining suggested plan aimed at improving standard of living that is socio economic standard of women.

The standard of living of women improves when their socio-economic standard improves. Political and economic immensipation of the 20th Century even with its democratic and co-operative movement has not been able to contain unfa~~ce~~ treatment of the women. Though almost in majority the woman survives as inferior beings in services of man.

Nothing much could be gained by merely demanding political equality of status for enhancing participation of women, until dominant cultural trait, treating women as dependent on their men, for their living and welfare, undergoes transformation.

Political activity merely imposes patrionised women as social leaders where as there equal participation in economic activity alone could generate leadership in women, so economic immensipation has to precede social immensipation of women. Women therefore need to be organised through network of women co- operatives to overcome cultural gender bias.

#### Politically : -

The prembles of constitution of India resolved to secure all its citizen, social, economical and political justice, the article 15 prohibits any discrimination, the article 16 guarantees equality of opportunity. In spite of all these statutory provisions the status of women has not changed. The reason is that they are not organised as seperate economic being. Even after 50 years of independence and these statutory commitments, the women in India are required to depend on political patronage even for 1/3rd representation in the house of the people and in the Board of Directors of co-operative society.

#### Socially : -

It is imperative and essential to understand the basic social environment of women before we try to understand their social needs. The society has stamped women as fully dependent on their male counter part, she has been denied equal property rights and this concept is the route cause of all exploitations of women. The women can get place of honour, dignity and respect in society, if she can get equal status in property rights. But more than that she must get equal share in ongoing economic activity and self employment.

The woman has been conditioned to play the role of dependent daughter, sister, wife & mother. She has silently accepted this conditioning over centuries. The conditioning was achieved by denying her, equal economic status or freedom. The wealth of the nation does not depend on Gold or Silver, it depends on character and culture of the people and to this ethical development of the world requires enlightened mothers. Mothers are harbingers of next generation. How to get this mothers from parasitic dependent women is the challenge before us.

The farm women are rural women. Though women are one community world-over, which is internationally exploited. The reason is there is no favourable cultural wind for empowerment of women. When wind fails it is necessary to row, women have to come out of cultural pessimism and row their way to their empowerment through the movement of women co-operatives

The exclusive women co-operatives would create an interactive local environment, would build women community into a force to be reckoned with. This has to be international movement of networking women co-operatives with fundamental strategy to override male dominated national level political conglomerates just on line of human rights movement.

Human rights approach to development of women means that women will no longer be seen as beneficiaries of developmental policies but shall be treated as persons entitled to development, this approach means development has to be redefined to include the eliminating discrimination against women. Recognizing these principles as women's human right and making them universal, would help overcoming notions of cultural and religious diversity, which erodes their agenda of empowerment.

National co-operative Union of India, in their national convention 1997 of involvement of women in co-operation, made the following recommendations such as 1. Inactment of provisions for reservation of 1/3rd seats for women in the management committees of all types of co-operatives. 2. 1/3rd of membership of consumer co-operatives for woman. 3. Joint membership of husband and wife. 4. Earmarking funds for exclusive women co-operatives. 5. Creation of ongoing programmes for women development.

N.C.U.I. continued to make efforts to persuade the State Governments to take appropriate measures and their efforts are yielding appreciable results.

The main constraint is that the assets of family are in the name of the head of the household. Women therefore are deprived of membership and partnership in decision making process. What is needed is international awareness of giving equal rights for women in property, removing gender bias in family laws.



The Supreme Court of India has maintained that giving preference to women in jobs is only an affirmative action to give their due and need not be deemed as reservation. Because of lack of economic status, the rural women have a low self image, even though they are engaged in the production process, they do not consider themselves to be making economic contribution, this has helped to reinforce men's dominant position, which leads to excluding women's empowerment.

We should have international co-operative policy defining the role of co-operative institutions in socio-economic development of women, especially the women belonging to weaker section of rural area. There are no training assistance to develop self employed women in rural sector. The impact of this indifference is well reflected in creation of urban slums.

The exclusive women co-operatives can help women in achieving full equality with man. Because of enhanced opportunities in viable economic activity would empower women and bring about equality status. In exclusive women co-operatives, talents and capabilities of women would get full play. Even in mix co-operatives in recognition of equal status of women there should be a provision for reserving post of Chairman or Vice Chairman for woman. It is a praise worthy tradition that as recommended by I.C.A. I.D.A.C.A. & R O A P with J A - Zenchu women are being given a platform for dialogue.

A co-operative is an autonomous association of persons united voluntarily to meet their common economic-social cultural needs and aspirations through a jointly owned & democratically controlled enterprise

**THE QUESTION OF QUESTIONS IS WHAT ARE COMMON ASPIRATIONS & CULTURAL ECONOMIC AND SOCIAL NEEDS, OF WOMEN AS A COMMUNITY.**

Co-operatives are organisations that exist for the benefit of their members, but most of the women are not members of agricultural co-operatives as they don't have properly rights. The issue is how women's cultural social & economical needs are supposed to be provided by such societies? Societies are democratic institutions based on equality then why they don't have 50% representation in membership and director board.

All these questions lead to only one answer. Women should get equal properly rights but till then they should form exclusive women's co-operative to develop women as independent economic being. This process alone could bring about economic immensipation of women in this gender biased society.

Even working women mostly work in unorganised part of the economy, where they are marginalised and exploited. Even after returning from eight hour work, they are required to overwork as housewives, whereas man enjoys continuous rest after eight hours of work. The farm women labourers are given lesser wages than the male labourers such discrimination also needs special attention.

Individual actions cannot bring about cultural transformation. Collective empowerment is important to combat exploitative current forces.

The prevailing bureaucratic approach tackles issues of women welfare at impersonal level, leaving it to individual initiatives to benefit from various schemes. The isolated non Govt. welfare agencies depend on charities. To be effective, we need exclusive women co-operatives. They would form the nucleus of women's economic activity, enriching all aspects of women's life. They would function as guidance and training centre for women. They may run even a Mahila scout movement to support, to fight and to protect women and child from exploitation and abuse.

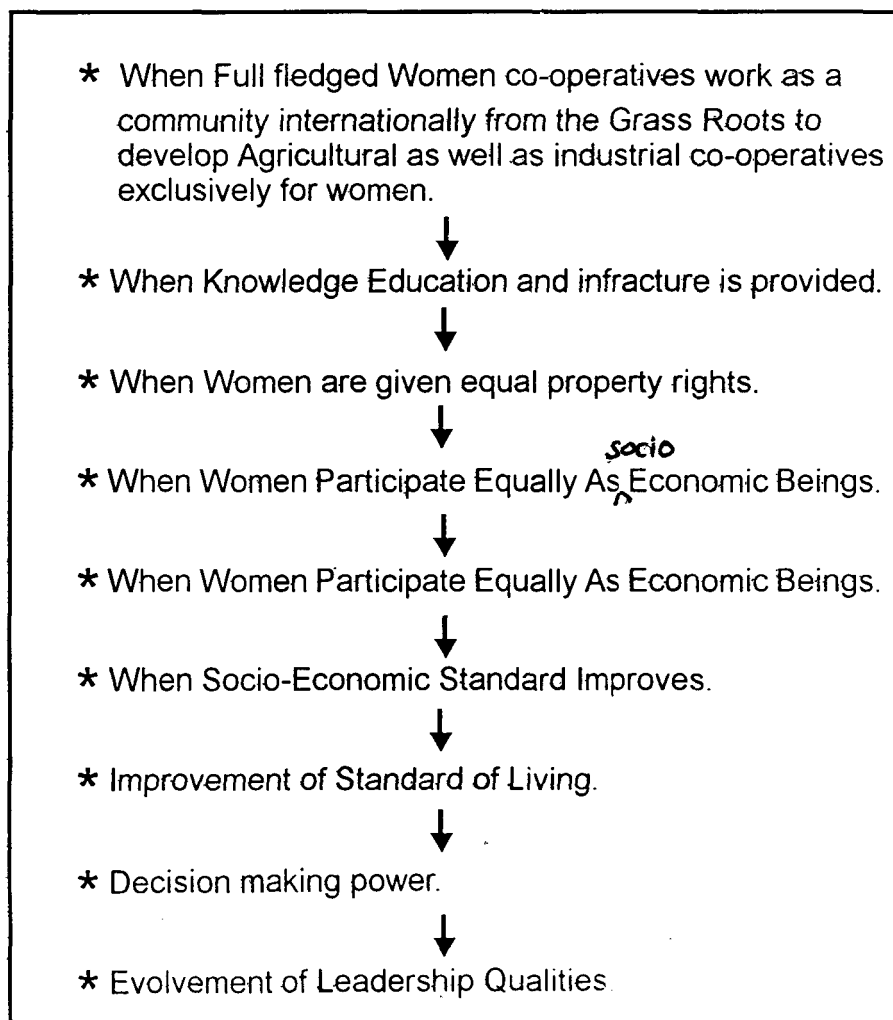
The industrialised nations like Japan has brought about a significant change, through women's association and there is much to learn from them. We have to prepare a technical blueprint of establishing home based industrial co-operatives for women empowerment. In this respect developed countries of the world & Japan in particular could extend technical support.

The UNESCO should motivate international monetary agencies bank and industries to extend necessary technical & financial support for establishing rural based industrial co-operatives. For breaking age old shackles of dependent status exclusive-women-co-operatives that provide part time employment & self employment opportunities to all rural women. Women co-operatives may become the socio-economic reactors releasing unlimited potential of women as one community. It is necessary to drag down. The fundamental concept of human society in an attempt to free these ideas from the taboo attached to them.

## CONCLUSION

The Agriculture co-operative farming in world is to be based on the best utilisation of resources and use of latest technics of cultivation. Mahatma Gandhi had quoted in his Harijan. I firmly believe that we shall not desire full benefit of agriculture until we take co-operative forming. It is the only way to develop general standard of Asians especially the rural farm workers and women. The world is looking towards us to give leadership in this field. I trust and hope this Asian conference will definately frame a dream and will do the needfull to achieve the purpose of promoting opportunities for development for rural women. And development of leadership in women through the medium of co-operatives.

### LEADERSHIP PLAN FOR RURAL WOMEN



ANNUAL  
REPORT  
1998



NATIONAL MUTUAL INSURANCE FEDERATION OF  
AGRICULTURAL COOPERATIVES



ZENKYOREN

# Financial Highlights

Zenkyoren & Prefectural Insurance Federations

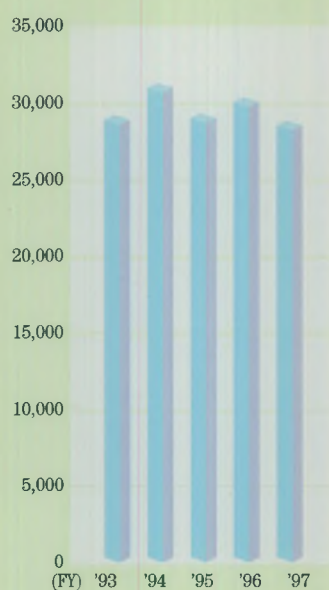
March 31, 1998 and 1997

	Billions of Yen		Millions of U.S. Dollars
	FY 1997	FY 1996	FY 1997
<b>Long-Term Insurance:</b>			
New Business (Amount Insured).....	¥28,906	¥30,442	\$218,821
Policies in Force (Amount Insured).....	388,584	383,209	2,941,594
<b>Short-Term Insurance:</b>			
New Business (Premiums) .....	441	440	3,340
<b>Total Premiums Received</b> .....	4,511	4,263	34,153
<b>Total Assets</b> .....	32,041	30,141	242,556

Note: Figures stated in U.S. Dollars in this report are translated solely for convenience at the rate of ¥132.10 per US\$1 (as of March 31, 1998)

**Long-Term Insurance  
New Business\***

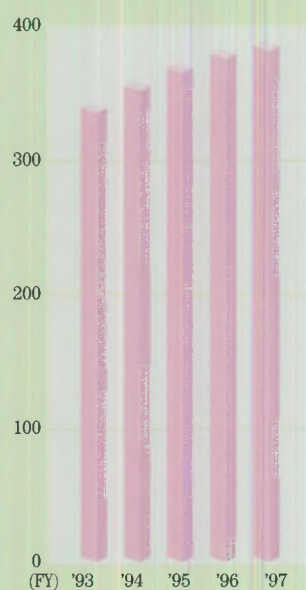
(¥ Billions)



\*amount insured

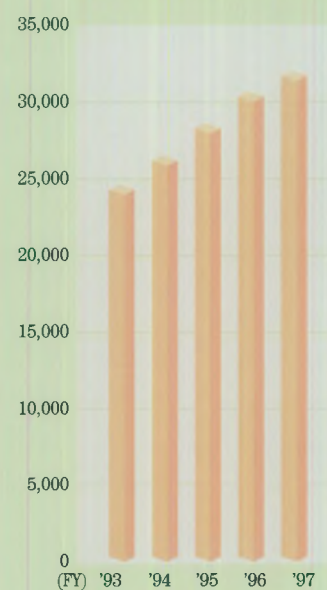
**Long-Term Insurance  
Policies in Force\***

(¥ Trillions)



**Total Assets**

(¥ Billions)



# Profile



Zenkyoren Building, Tokyo

Zenkyoren (the National Mutual Insurance Federation of Agricultural Cooperatives) was founded in 1951 to create “collective well-being” through mutual cooperation under the motto “one for all, all for one.” The fundamental goal was to assist members in establishing stable and secure farm management and higher standards of living by jointly insuring them against accidental loss of life or property damage.

Over the years, agricultural cooperative insurance has grown steadily. Today’s policyholders look to Zenkyoren — and its counterparts, the Prefectural Mutual Insurance Federations of Agricultural Cooperatives, and the local Primary Societies — to provide increasingly comprehensive protection while contributing to the vitality of farming communities.

The red logo on this report’s cover symbolizes our unbroken chain of solidarity, a spirit of boundless mutual aid enduring forever.

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# President's Message



The Japanese economy was weakened by substantial declines in consumer spending throughout fiscal 1997, due largely to a hike in the national consumption tax. In addition, the situation in the agricultural sector was especially severe, due in part to a domestic production base weakened by a decline in the number of farmers and farming households.

Within these challenging circumstances, the Japan Agricultural Cooperatives (the JA Group) continued to experience difficulty securing earnings at the local level. Nonetheless, we in the JA Group are responding pro-actively to changing client needs, and to recent structural changes within the farming community. The entire organization is working together to ensure that we maintain a key role in the Japanese financial system and rural society.

The insurance market is entering a period of intense competition, and many firms will face nothing less than a struggle for survival. Non-life insurance premiums will be deregulated in July 1998 in accordance with the upcoming "Big Bang" financial reforms. As a result, the number of insurance companies in Japan continues to grow, and customers have a wider range of options than ever before.

To face the challenges that lie ahead, Zenkyoren is actively pursuing the JA Group's three-year plan, "Challenging the New Age — Meeting Expectations and Building Trust." Since the plan's introduction in 1996, a number of measures, some of which are outlined here, have already been implemented.

- Our range of insurance policies was expanded to include a new package of insurance combining Children's Insurance with Personal Accident Insurance, as well as new riders for comprehensive life insurance such as livelihood guarantees. A livelihood guarantee insures that a pension is paid over a specified period of time. These policies better meet the changing needs of all our members, and help increase the number of younger clients.
  - The insurance sales system was strengthened, and related training systems improved by increasing the number of sales promotion specialists at the local level. As a resource for these specialists, we have developed the Life Navigator pocket computer system to help them provide information to prospective clients.
  - A mid-range capital investment plan (from 1998 to 2000) was established to enhance the long-term stability and efficiency of our capital investment.
  - New measures were adopted to ensure success in the new competitive era created by the "Big Bang" reforms. We have established a three-year plan for agricultural cooperative insurance (to begin in 1999), along with implementing our plan for a "Cooperative Insurance System for the 21st Century." In this way, we hope to expand our customer base by meeting the expectations of clients and maintaining their confidence in our products.
  - An in-depth examination of the amalgamation of the Prefectural Insurance Federations and Zenkyoren, slated for April 2000, was carried out in order to improve the strength and efficiency of the cooperative insurance business.
- As a result of the above measures, the insurance business of JA Group has realized the following sales increases:

- Sales of new long-term insurance policies (five years or more) for the year were ¥28.9 trillion (U.S.\$218.8 billion) in terms of the amount insured, bringing the total amount insured to ¥388.5 trillion (U.S.\$2.9 trillion) with 34,948,000 policies.
- The total number of Pension Insurance policies increased to 1,698,000, and the total annual amount reached ¥948.7 billion (U.S.\$7.1 billion).
- The number of new short-term insurance policies (less than five years) totaled 25,283,000, with premiums received amounting to ¥441.3 billion (U.S.\$3.3 billion).

Total claims paid amounted to ¥2.1 trillion (U.S.\$16.3 billion), including ¥1.2 trillion (U.S.\$9.1 billion) paid at maturity and ¥956.5 billion (U.S.\$7.2 billion) paid for accidents. Claims paid at maturity exceeded the ¥1 trillion mark, while total claims exceeded ¥2 trillion for the first time in Zenkyoren's history.

Zenkyoren's total assets amounted to ¥12.6 trillion (U.S.\$95.6 billion), while the combined assets of Zenkyoren and the Prefectural Insurance Federations came to ¥32.0 trillion (U.S.\$242.5 billion).

It is our sincere hope that this report will foster a better understanding of the National Mutual Insurance Federation of Agricultural Cooperatives.

August 1998

佐藤秀一

Shuichi Sato  
President



# Agricultural Cooperatives

## The JA Group: System of Organization

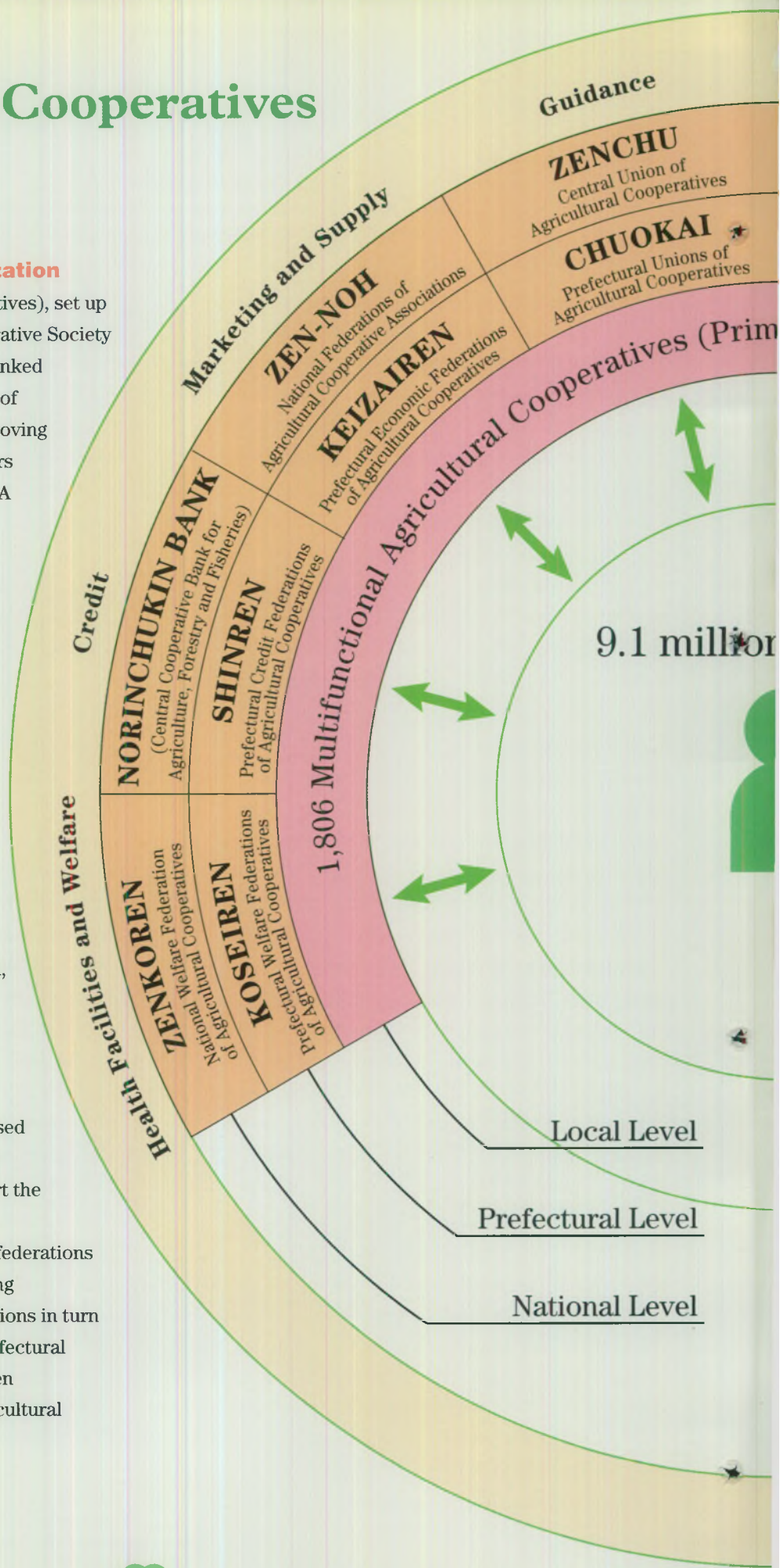
The JA Group (Japan Agricultural Cooperatives), set up in accordance with the Agricultural Cooperative Society Law, is a national organization of farmers linked through local cooperatives for the purpose of enhancing agricultural operations and improving the standard of living of agricultural workers through a spirit of mutual assistance. The JA Group provides its members with five essential services including insurance.

The agricultural cooperative system has a three-tiered structure organized on local, prefectural, and national levels. Each tier of the organization carries out activities that support the other levels, thereby providing membership with the most efficient representation and broadest array of services.

Individual farmers make up the grassroots membership of the JA Group, and local agricultural cooperatives (Primary Societies) are the JA Group's direct link to that membership. At this level, the Primary Societies offer members agricultural guidance, as well as financial, marketing, purchasing, welfare, and insurance services.

The prefectural federations are composed of the Primary Societies and are organized according to business activity. They support the activities of the Primary Societies.

The Primary Societies and prefectural federations own the national-level federations (including Zenkyoren) while the national-level federations in turn oversee both the Primary Societies and prefectural federations. Within the JA Group, Zenkyoren coordinates the insurance activities of agricultural cooperatives at the national level.





**Agricultural Cooperative Insurance:  
How the System Works**

The three-tiered agricultural cooperative insurance system is designed to protect the present and future well-being of members.

Its constituent organizations — the Primary Societies in local communities, the Prefectural Insurance Federations (Kyosairen), and the National Mutual Insurance Federation of Agricultural Cooperatives (Zenkyoren) — work together to ensure the viability of the system and provide vastly more effective risk management.

**Zenkyoren**

Being a national federation, Zenkyoren serves the agricultural cooperative insurance system with a wide range of functions and activities:

- **Product Development** — developing new types of insurance and making revisions to existing insurance.
- **Sales Promotion** — performing sales promotion through research, planning, the supply of necessary materials and information, and public relations.
- **Processing and Maintenance** — centrally streamlining and maintaining all insurance-related work at data processing centers.

- **Underwriting** — making dubious-case decisions and standardizing and modifying underwriting practices.
- **Claims Settlement** — making claims decisions and standardizing and modifying claims procedures.
- **Investments** — managing investment funds and aiding the Prefectural Insurance Federations in their investing programs.
- **Welfare** — conducting research and planning, and providing support and information related to welfare.

In addition, Zenkyoren retains risk premiums and is liable for death, fire, and natural disaster claims payments.

**Prefectural Insurance Federations**

At the prefectural level, the Prefectural Insurance Federations perform diverse roles:

- **Sales Promotion** — working with and providing support for the promotional activities of the Primary Societies.
- **Processing and Maintenance** — processing insurance contracts and relaying policyholder and terms information.
- **Underwriting** — screening most underwriting proposals, while referring dubious cases to Zenkyoren.
- **Claims Settlement** — screening claims, determining payments in specified cases, settling claims at the prefectural level, and paying claims on maturity.

The Prefectural Insurance Federations are also active in investment and welfare planning.

**Primary Societies**

At the local level, the Primary Societies provide direct liaison to members. Their management activities include policy administration, processing and maintaining insurance contracts, underwriting new policies, filing applications with the Prefectural Insurance Federations, and paying claims. The Primary Societies also manage and implement sales promotion, and plan and practice welfare-related activities.

# Types of Insurance



The JA Group is unique in its ability to provide life and non-life insurance, thus offering comprehensive coverage according to each member's lifestyle. Coverage can be divided into two basic types, long-term and short-term insurance. The kinds of insurance offered are outlined below.

## Policies Offered

Item \ Type	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

## 2. Endowment Life Insurance

Under this policy, claims are paid upon death or serious disability of the insured, or survival beyond the maturity date. The objective is to protect the livelihood of the family of the insured and to serve as a savings vehicle to help provide financial security to policyholders during old age.

## 1. Whole Life Insurance

Under this policy, claims are paid upon death or serious disability of the insured. The objective is to protect the livelihood of the family of the insured. Conditions can be changed according to policyholder needs.

## 3. Term Life Insurance

Under this policy, claims are paid upon death or serious disability of the insured. The objective is to protect the livelihood of the family of the insured. Since claims are not paid on maturity, premiums are less expensive than those for Endowment Life Insurance.

## Comprehensive Life Insurance

Comprehensive life insurance is a general term encompassing five basic types of life insurance. A comprehensive range of benefits, including those for death, disability, hospitalization, and medical treatment, is obtainable by combining various riders from each type.

## 4. Pension Insurance

Under this policy, pensions are paid every year beyond a date specified in the policy, throughout the lifetime of the insured. The objective is to help provide financial security to policyholders during their lifetimes.

## 5. Children's Insurance

This insurance systematically accumulates funds for the education, marriage, and so on of policyholders' children. Claims are paid upon death or serious disability of the insured, or survival beyond the maturity date or prescribed age, or upon the death or disability of the policyholder (insured's parent or relative). In the event that the policyholder dies or suffers serious disability, an endowment pension is paid and premium payments are no longer required.

## Building Endowment Insurance

This policy insures buildings and non-real-estate property owned by the policyholder or a relative of the policyholder against damage caused by fire, earthquake, or other natural disaster. Payment is also made upon death or serious injury of the policyholder or family members due to fire, earthquake, or other natural disaster.

Additionally, if the insured buildings or non-real-estate property survive intact beyond the maturity date, this insurance supplies funds for reconstruction or repurchase.

## Major Types of Insurance

# Present Status of Fund Management and Future Strategy

## Present Status

As of the end of March 1998, Zenkyoren and the Prefectural Insurance Federations had working assets of ¥31.1 trillion (U.S.\$235.9 billion), which amounted to 95.8% of their total assets. Securities and loans to private enterprises, the two main asset-management vehicles, accounted for 68.9% and 13.6% of working assets, respectively. The precise breakdown for the securities figure is as follows: public and corporate bonds, 90.7%; stocks, 3.0%; and other securities, 6.3%.

The Prefectural Insurance Federations offer special low-interest loans to farmers to enhance agricultural productivity, something no private life-insurance company offers.

## Future Strategy

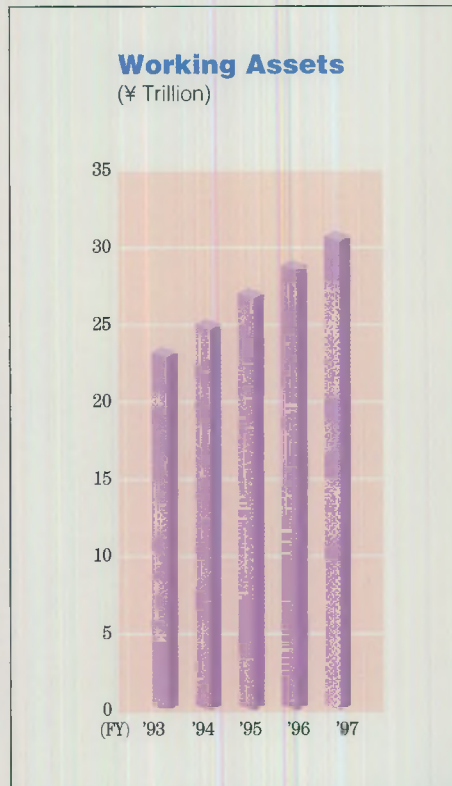
Financial deregulation and market globalization are leading to improved mobility of domestic and overseas capital. This trend, facilitated by advances in information technology, is dramatically changing the environment in which funds are managed. In addition, since consumers have become more aware of interest rates, price competition among insurers is intensifying.

A set percentage of the Prefectural Insurance Federations' policy reserve has been gradually transferred to Zenkyoren since fiscal 1991.

Furthermore, beginning in fiscal 2000, the assets of the Prefectural Insurance Federations and Zenkyoren will

be combined to reflect the unification of the two organizations. The result will be a large increase in investment capital, and Zenkyoren intends to utilize this capital with maximum efficiency.

Given these circumstances, Zenkyoren's primary goal is to secure long-term stable income through the efficient administration of loans, as well as through investment



in public and corporate bonds. Our future strategy will be to invest funds in ways that hedge risk, while steadily developing our potential for growth.

The harsh environment brought about by the collapse of Japan's bubble economy shows no signs of abating. Nevertheless, Zenkyoren is taking action by utilizing the expertise of its key personnel to ensure the success of its investment strategy.

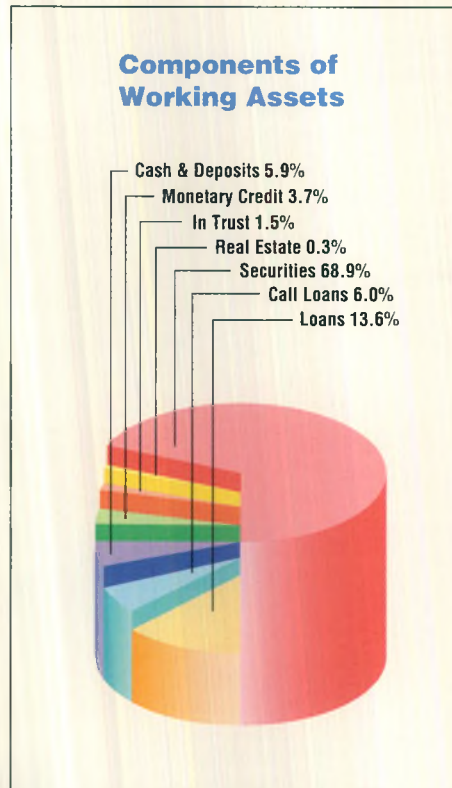
### International Investments

Since 1985, when Zenkyoren first started investing in foreign currency bonds,

investments have gradually expanded into overseas stocks, yen-denominated overseas loans, and other investment instruments.

Zenkyoren carries out financial activities in each of the world's largest financial markets: Tokyo, New York, and London. Our subsidiaries in New York and London invest in securities and support such operations as yen-denominated loans and reinsurance.

As Zenkyoren's overall investments increase, international investments will play a greater role in its operations. Zenkyoren will continue to invest in long-term, stable funds that are consistent with and enhance its fund management system and risk containment policies.



Monitoring investments

# International Initiatives

## Strengthening International Ties

Zenkyoren's international activities include membership in the International Cooperative Alliance (ICA), a worldwide association of cooperative societies, and the International Cooperative and Mutual Insurance Federation (ICMIF), an ICA special committee. It also plays a major role in the Asia and Oceania Association of the ICMIF (AOA), which was established in 1984 to promote mutual friendship and the exchange of information among ICMIF members in Asia and Oceania. Activities include information exchanges, seminars, and workshops.

Zenkyoren supports the development and expansion of cooperative mutual insurance organizations in other countries, mainly through the activities of the ICMIF and AOA. Accepting trainees

from Asian cooperative mutual insurance organizations and sending Zenkyoren staff to perform research and observe the operations of other member cooperatives are other ways Zenkyoren is working to strengthen ties with its international counterparts.



Above: The 1997 ICMIF Conference in Puerto Rico

Below: Delegates to the 1997 AOA Workshop in Tokyo



Zenkyoren Asset Management of America, Inc. (ZAMA), New York



The staff of ZAMA (from left):  
*Above (standing):* Tomoaki Odanaka, Hisanori Tamura, Shoji Osaka, Makoto Kakinaka,  
*Below (seated):* Nahla Abdallah, Kenkichi Tanaka, Atsushi Someya



Zenkyoren Europe Limited (ZEL), London

The staff of ZEL (from left):  
 Junichi Hasebe, Masakazu Nakanishi, Hiroaki Okamoto,  
 Hideyuki Nebashi, Carmella Smith, Wataru Sato, Akinobu Fujieda

### Reinsurance Business

Since 1966, Zenkyoren has ceded several types of property insurance that cover members' dwellings and their contents against damage caused by fire and natural disasters (e.g. typhoons or earthquakes) to Lloyd's market and other overseas reinsurance companies. Through reinsurance, Zenkyoren can

distribute its accumulated risk worldwide and maintain a firm business foundation. Zenkyoren's London and New York subsidiaries support these reinsurance operations by researching and reporting on developments in overseas reinsurance markets, among other activities.



# Domestic Initiatives

## On-Line Network

As Zenkyoren's activities span the country, an extensive on-line network, one of the world's largest, has been built to link all operations. Data from throughout Japan is processed at two computer centers located in Ishioka and Osaka respectively, and system development and administration are carried out at the Atsugi Center.



Ishioka Center, Ibaraki



Ishioka Center Computer room

## Education and Training

One of Zenkyoren's most important missions is the training of insurance specialists who can fulfill their roles in the local community with competence and earn trust. Zenkyoren regularly conducts ongoing specialized educational and training programs with the aim of enhancing the capabilities of its staff at every level.

## Agricultural Cooperatives Mutual Insurance Training Institute

Equipped with classrooms, meeting rooms, lecture halls, and accommodations, the institute offers extended, intensive training courses.

## Automobile Training Center

In response to the increased number of automobile damage claims, the Zenkyoren Automobile Training Center Co., Ltd., helps standardize compensation assessments.



Automobile Training Center

## Providing for Better Quality-of-Life

In addition to its insurance operations, Zenkyoren participates in various programs that contribute to the health and well-being of cooperative members.

## Health Care

To help ensure cooperative members' health and livelihoods, Zenkyoren supports and promotes regular health care and comprehensive physical examinations that provide for the early detection and treatment of disease.

It also organizes and promotes special health-awareness campaigns that encourage cooperative members to be more concerned about their health. These include the "Rainbow Dance" and light sports programs.



Mobile clinic

## Traffic Accident Prevention

Zenkyoren promotes traffic-safety education across Japan through public relations and participation in governmental campaigns for traffic safety. Over 99,000 kindergarten and elementary school children participated in traffic-safety classes in fiscal 1997. Zenkyoren also provides materials that support traffic accident prevention programs conducted by the Primary Societies and Prefectural Insurance Federations.

### **Senior Citizen Care**

Zenkyoren organizes and promotes group health examinations for senior citizens at resort facilities owned by the Prefectural Insurance Federations. The number of senior citizens who require special care is expected to steadily increase as Japan's population ages. This is a serious issue, especially in farming villages, and agricultural cooperatives are united in addressing the problem.



Comprehensive therapy and training

Zenkyoren promotes insurance that provides funds for the daily needs or nursing of the elderly. Zenkyoren also puts its weight behind a range of programs developed to expand the training of nursing and home-visit

specialists, as well as the construction of vital facilities such as nursing homes. These programs provide the infrastructure for the welfare activities of local-level Primary Societies.

### **Natural Disaster Relief**

Through Prefectural Insurance Federations, Zenkyoren provides several kinds of assistance to cooperative members who suffer losses due to natural disasters. Specifically, it aids disaster victims with emergency temporary housing and financial relief.

### **Environmental Preservation**

To provide safe farm products and to preserve and restore the earth's natural environment, Zenkyoren, along with the entire JA Group, conducts environmental clean-up campaigns to beautify communities, maintain

the cleanliness of local rivers, and remove garbage from the landscape. Zenkyoren also publishes pamphlets in an effort to educate the public about environmental preservation.

### **Cultural Activities**

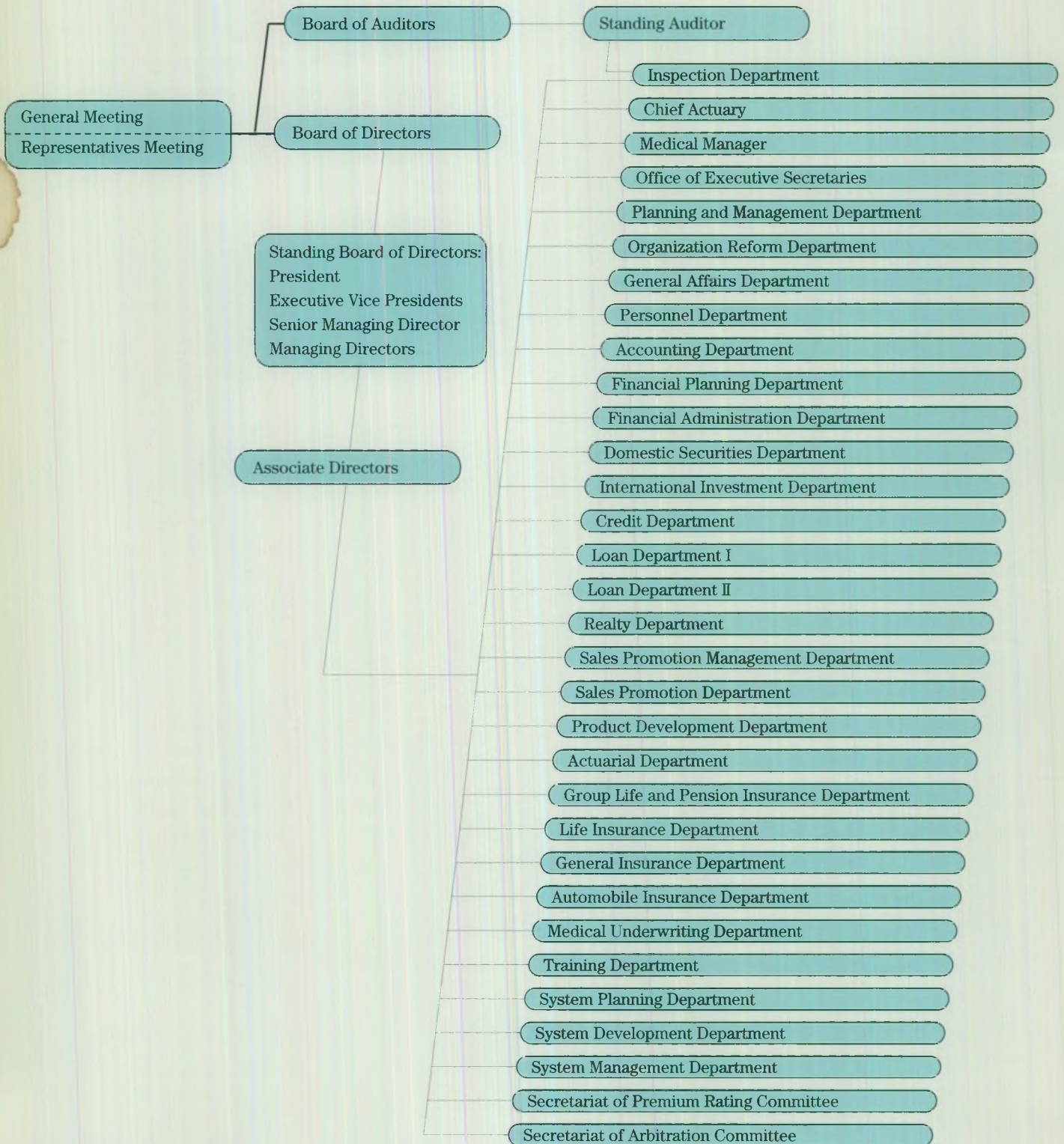
Zenkyoren sponsors various educational and cultural activities to strengthen our ties with local communities. As a part of these activities, national calligraphy and traffic safety poster contests are held annually for elementary and junior high school students. In 1997, there were over 1,310,000 entries submitted to the calligraphy contest, and over 220,000 entries submitted to the poster contest. These contests foster a spirit of community cooperation and enhance awareness of traffic safety issues.

### **The Nakaizu and Beppu Rehabilitation Centers**

In 1973, Zenkyoren established rehabilitation centers in Nakaizu, Shizuoka Prefecture, and Beppu, Oita Prefecture. These centers provide rehabilitation therapy to people who are physically challenged as a result of illness or accident. Comprehensive therapy and training, including medical rehabilitation, occupational therapy, and socialization training, are offered.



# Organizational Chart

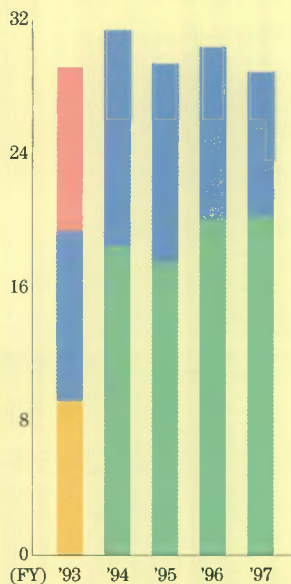
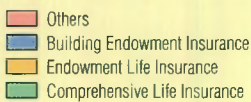


Number of Employees: 924  
(As of March 31, 1998)

# Business Operations

## Trends in Long-Term Insurance New Business\*

(¥ Trillions)



## Long-Term Insurance

Sales of new long-term insurance policies amounted to ¥28.9 trillion (U.S.\$218.8 billion) in fiscal 1997 in terms of the amount insured. Comprehensive life insurance sales rose 0.9% from the previous year, although total sales of long-term insurance were down 5.1% from the previous term.

As a result, the total amount insured was estimated at ¥388.5 trillion (U.S.\$2.9 trillion), which was 1.4% higher than the previous year's amount.

The number of new pension insurance policies sold amounted to 193,000, which represents an annual total of ¥136.4 billion (U.S.\$1.0 billion). This brought the total number of policies in force to 1.69 million, with the annual amount totaling ¥948.7 billion (U.S.\$7.1 billion). The number of new policies was 8.7% lower than the figure for the preceding year, and the total annual amount decreased by 8.8%.

## Long-Term Insurance, New Business

Type of Insurance	FY 1997		FY 1996	
	Policies (Thousands)	Amount (¥ Billions)	Policies (Thousands)	Amount (¥ Billions)
Comprehensive Life Insurance .....	1,182	¥20,285	1,126	¥20,093
Building Endowment Insurance .....	734	8,620	877	10,347
Others.....	2	0	2	1
<b>Total .....</b>	<b>1,919</b>	<b>¥28,906</b>	<b>2,006</b>	<b>¥30,442</b>

Notes: Refer to pages 6 and 7 regarding Comprehensive Life Insurance.  
Figures for Pension Insurance are not included in the above statistics.

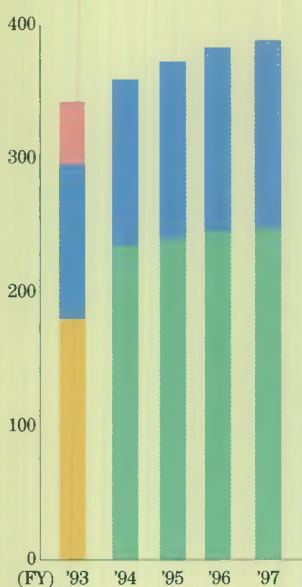
\*amount insured

■ for 1993, figures for Whole Life Insurance, Children's Insurance, and Term Life Insurance are included in "Others."

### Trends in Long-Term Insurance Policies in Force\*

(¥ Trillions)

- Others
- Building Endowment Insurance
- Endowment Life Insurance
- Comprehensive Life Insurance



\*amount insured  
 ■ for 1993, figures for Whole Life Insurance, Children's Insurance, and Term Life Insurance are included in "Others."

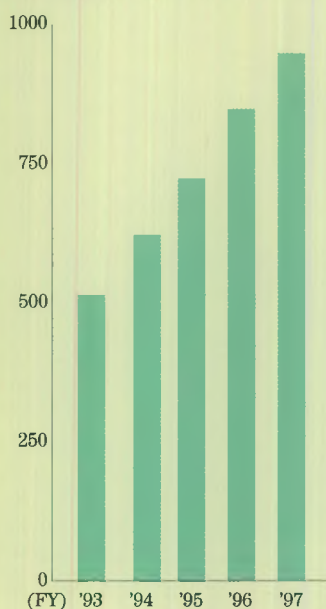
### Long-Term Insurance, Policies in Force

Type of Insurance	FY 1997		FY 1996	
	Policies (Thousands)	Amount (¥ Billions)	Policies (Thousands)	Amount (¥ Billions)
Comprehensive Life Insurance .....	19,969	¥247,251	20,497	¥244,977
Building Endowment Insurance .....	14,964	141,321	14,948	138,216
Others.....	14	11	13	16
<b>Total .....</b>	<b>34,948</b>	<b>¥388,584</b>	<b>35,460</b>	<b>¥383,209</b>

Notes: Refer to page 6 and 7 regarding Comprehensive Life Insurance.  
 Figures for Pension Insurance is not included in the above statistics.

### Trends in Pension Insurance\*

(¥ Billions)



\*annual amount insured

### Pension Insurance

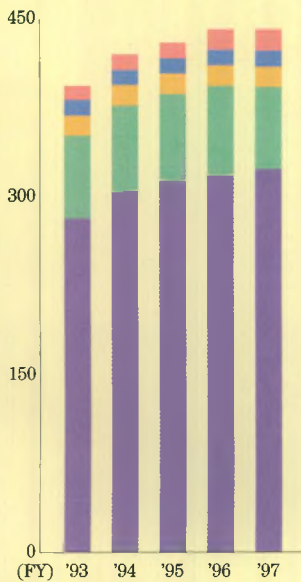
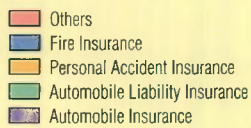
Type of Insurance	FY 1997		FY 1996	
	Policies (Thousands)	Annual Amount (¥ Billions)	Policies (Thousands)	Annual Amount (¥ Billions)
New Business.....	193	¥136	211	¥149
Policies in Force .....	1,698	948	1,560	849

### Short-Term Insurance

Short-term insurance contracts for fiscal 1997 grew 1.5% over the previous term, numbering 25,283,000, while premiums received rose 0.2% in the same period to total ¥441.3 billion (U.S.\$3.3 billion). The number of automobile insurance policies increased by 233,000 compared with last year, and the total number of policies reached 8,433,000.

### Trends in Short-Term Insurance\*

(¥ Billions)



\*premiums received

Note: Cooperative-Owned Building Fire Insurance, Agricultural Machinery Insurance, Fixed-Amount Life Insurance, and Liability Insurance are included in "Others."

### Short-Term Insurance, New Business

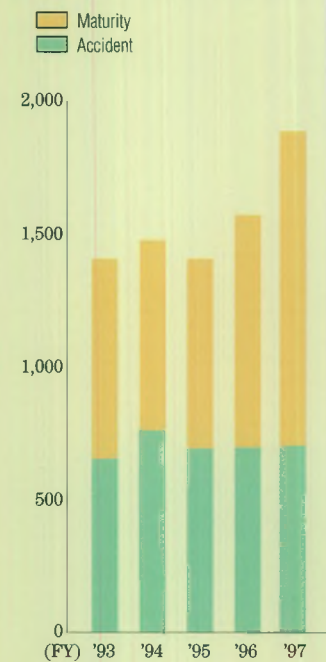
Type of Insurance	FY 1997		FY 1996	
	Policies (Thousands)	Premiums (¥ Millions)	Policies (Thousands)	Premiums (¥ Millions)
Fire Insurance .....	1,400	¥ 13,485	1,395	¥ 12,931
Automobile Insurance.....	8,433	323,522	8,199	318,027
Personal Accident Insurance .....	11,333	16,693	11,138	17,188
Group Term Life Insurance .....	266	11,067	278	9,576
Automobile Liability Insurance .....	3,314	69,697	3,360	75,702
Others.....	534	6,868	526	6,654
<b>Total .....</b>	<b>25,283</b>	<b>¥441,333</b>	<b>24,898</b>	<b>¥440,079</b>

### Claims Paid

Total claims paid (accident claims and payments at maturity) for fiscal 1997 reached ¥2.1 trillion (U.S.\$16.3 billion) for all long-term, short-term, pension, and retirement pension policies. This figure is 17.9% larger than the previous period. Specifically, claims paid out at maturity showed a 35.5% increase over the previous year, totaling ¥1.2 trillion (U.S.\$9.1 billion), while accident payments reached ¥956.5 billion (U.S.\$7.2 billion), up 1.4% from the previous term.

### Trends in Long-Term Insurance\*

(¥ Billions)



\*claims paid

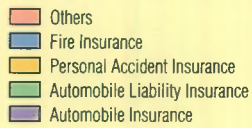
### Long-Term Insurance, Claims Paid

Type of Insurance	FY 1997 (¥ Billions)			FY 1996 (¥ Billions)		
	Accident	Maturity	Total	Accident	Maturity	Total
Comprehensive Life Insurance.....	¥634	¥ 828	¥1,463	¥629	¥618	¥1,248
Building Endowment Insurance....	72	347	420	70	252	322
Others .....	0	2	2	0	3	3
<b>Total .....</b>	<b>¥707</b>	<b>¥1,179</b>	<b>¥1,886</b>	<b>¥700</b>	<b>¥874</b>	<b>¥1,574</b>

Notes: Refer to page 6 and 7 regarding Comprehensive Life Insurance.  
Figures for Pension Insurance are included in the above statistics.

## Trends in Short-Term Insurance\*

(¥ Billions)



\*claims paid

Note: Cooperative-Owned Building Fire Insurance, Agricultural Machinery Insurance, Fixed-Amount Life Insurance, and Liability Insurance are included in "Others."

## Short-Term Insurance, Claims Paid

Type of Insurance	FY 1997 (¥ Millions)	FY 1996 (¥ Millions)
Fire Insurance .....	¥ 5,144	¥ 5,005
Automobile Insurance .....	184,602	181,254
Personal Accident Insurance .....	8,991	8,824
Group Term Life Insurance .....	7,214	6,318
Automobile Liability Insurance.....	41,175	39,966
Others.....	2,168	1,779
<b>Total.....</b>	<b>¥249,266</b>	<b>¥243,148</b>



## Financial Statements

# Balance Sheet

### Zenkyoren & Prefectural Insurance Federations

As of March 31, 1998 and 1997

ASSETS	Millions of Yen		Thousands of U.S. Dollars
	FY 1997	FY 1996	FY 1997
Cash, Bank Deposits & Trust Co. Deposits .....	¥ 3,455,299	¥ 3,835,594	\$ 26,156,692
Securities.....	21,494,155	18,832,609	162,711,245
Loans.....	6,125,364	6,531,791	46,369,144
Working Real Estate .....	99,272	97,541	751,493
Outstanding Premiums.....	454,541	440,382	3,440,886
Outstanding Earnings .....	180,671	177,813	1,367,686
Advanced Payments of Expenses .....	99	124	755
Miscellaneous Assets.....	83,412	81,295	631,431
Fixed Assets for Business.....	69,930	71,447	529,378
Deferred Assets.....	7,187	6,782	54,410
Investments.....	71,720	66,021	542,924
	<b>¥32,041,653</b>	<b>¥30,141,405</b>	<b>\$242,556,047</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities:</b>			
Reserves for Outstanding Claims .....	¥ 579,017	¥ 544,656	\$ 4,383,178
Liability Reserves.....	29,595,161	27,894,509	224,036,046
Reserves for Dividends .....	810,791	812,072	6,137,711
Outstanding Premiums.....	4,793	5,370	36,284
Outstanding Accounts.....	7,192	8,229	54,443
Borrowings .....	0	0	0
Miscellaneous Liabilities.....	125,564	65,276	950,526
Outstanding Expenses .....	1,623	1,736	12,287
Advanced Earnings.....	2,236	2,650	16,931
Other Reserves.....	418,095	323,775	3,164,993
Reinsurance Accounts .....	37,519	35,240	284,027
Funds for Traffic Accident Prevention .....	69,225	66,437	524,036
	<b>31,651,221</b>	<b>29,759,955</b>	<b>239,600,467</b>
<b>Capital:</b>			
Paid-Up Capital .....	80,516	77,869	609,515
Legal Reserves.....	103,448	100,159	783,109
Special Reserves .....	193,248	189,349	1,462,891
Capital Reserves .....	0	0	5
Surplus .....	13,217	14,070	100,056
	<b>390,432</b>	<b>381,449</b>	<b>2,955,579</b>
	<b>¥32,041,653</b>	<b>¥30,141,405</b>	<b>\$242,556,047</b>

Note: Fiscal 1997 refers to the period between April 1, 1997, and March 31, 1998.

# Income Statement

## Zenkyoren & Prefectural Insurance Federations

For the years ended March 31, 1998 and 1997

	Millions of Yen		Thousands of U.S. Dollars
	FY 1997	FY 1996	FY 1997
<b>Ordinary Income:</b>			
Premiums and Other Insurance Income .....	¥4,528,937	¥4,281,332	\$34,284,157
Refund from Policy Reserves .....	517,557	542,080	3,917,920
Investment Earnings .....	1,118,284	1,055,258	8,465,438
Other Ordinary Income .....	12,021	11,263	91,001
	<b>¥6,176,800</b>	<b>¥5,889,934</b>	<b>\$46,758,518</b>
<b>Ordinary Expenses:</b>			
Benefits and Other Insurance Payments .....	¥3,357,156	¥3,002,738	\$25,413,753
Transfer to Policy Reserves .....	1,734,072	1,876,299	13,126,966
Investment Expenses .....	285,913	222,225	2,164,370
Sales Promotion Expenses .....	35,071	36,651	265,492
Business Administration Expenses .....	109,316	108,508	827,524
Other Ordinary Expenses .....	10,172	14,250	77,002
	<b>¥5,531,702</b>	<b>¥5,260,673</b>	<b>\$41,875,110</b>
<b>Ordinary Profits</b> .....	<b>645,098</b>	<b>629,260</b>	<b>4,883,407</b>
<b>Special Profits</b> .....	<b>1,728</b>	<b>7,957</b>	<b>13,084</b>
<b>Special Losses</b> .....	<b>271</b>	<b>892</b>	<b>2,054</b>
<b>Surplus Before Taxes</b> .....	<b>646,555</b>	<b>636,325</b>	<b>4,894,437</b>
<b>Taxation</b> .....	<b>116,496</b>	<b>105,498</b>	<b>881,881</b>
<b>Transfer to Reserve for</b>			
<b>Policyholder Dividends</b> .....	<b>517,481</b>	<b>517,395</b>	<b>3,917,346</b>
<b>Surplus for the Period</b> .....	<b>12,577</b>	<b>13,431</b>	<b>95,209</b>
<b>Surplus Brought Forward from</b>			
<b>the Previous Period</b> .....	<b>640</b>	<b>627</b>	<b>4,846</b>
<b>Reversal of Voluntary Reserves</b> .....	<b>0</b>	<b>11</b>	<b>0</b>
<b>Unappropriated Surplus for the Period</b> .....	<b>13,217</b>	<b>14,070</b>	<b>100,056</b>

# Balance Sheet

## Zenkyoren

As of March 31, 1998 and 1997

ASSETS	Millions of Yen		Thousands of U.S. Dollars
	FY 1997	FY 1996	FY 1997
Cash, Bank Deposits & Trust Co. Deposits .....	¥ 576,983	¥ 886,956	\$ 4,367,776
Securities.....	8,967,264	6,796,334	67,882,396
Loans.....	2,449,115	2,635,521	18,539,858
Working Real Estate .....	30,714	30,593	232,511
Outstanding Premiums.....	440,866	390,630	3,337,366
Outstanding Earnings.....	77,293	65,120	585,115
Advanced Payments of Expenses.....	5	5	39
Miscellaneous Assets.....	47,407	45,465	358,879
Fixed Assets for Business.....	33,756	36,036	255,533
Deferred Assets.....	6,970	6,492	52,764
Investments.....	2,516	2,516	19,050
	<b>¥12,632,893</b>	<b>¥10,895,672</b>	<b>\$95,631,291</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities:</b>			
Reserves for Outstanding Claims .....	¥ 255,167	¥ 244,919	\$ 1,931,623
Liability Reserves.....	11,286,671	9,664,279	85,440,359
Reserves for Dividends .....	695,543	698,613	5,265,277
Outstanding Premiums.....	3,592	4,335	27,193
Outstanding Accounts.....	7,192	8,229	54,443
Borrowings .....	0	0	0
Miscellaneous Liabilities.....	103,376	45,472	782,562
Outstanding Expenses .....	38	3	291
Advanced Earnings.....	450	585	3,408
Other Reserves.....	125,115	81,994	947,128
Reinsurance Accounts .....	37,519	35,240	284,027
Funds for Traffic Accident Prevention .....	48,347	45,831	365,994
	<b>12,563,015</b>	<b>10,829,504</b>	<b>95,102,312</b>
<b>Capital:</b>			
Paid-Up Capital .....	13,239	11,488	100,221
Legal Reserves.....	11,740	11,732	88,873
Special Reserves .....	40,412	38,404	305,921
Capital Reserves .....	0	0	0
Surplus .....	4,486	4,542	33,963
	<b>69,878</b>	<b>66,167</b>	<b>528,979</b>
	<b>¥12,632,893</b>	<b>¥10,895,672</b>	<b>\$95,631,291</b>

Note: Fiscal 1997 refers to the period between April 1, 1997, and March 31, 1998.

# Income Statement

Zenkyoren

For the years ended March 31, 1998 and 1997

	Millions of Yen		Thousands of U.S. Dollars
	FY 1997	FY 1996	FY 1997
<b>Ordinary Income:</b>			
Premiums and Other Insurance Income .....	¥3,559,401	¥3,247,664	\$26,944,748
Refund from Policy Reserves .....	514,120	532,628	3,891,904
Investment Earnings .....	432,681	355,940	3,275,409
Other Ordinary Income .....	1,579	1,599	11,955
	<b>¥4,507,782</b>	<b>¥4,137,832</b>	<b>\$34,124,018</b>
<b>Ordinary Expenses:</b>			
Benefits and Other Insurance Payments .....	¥2,061,306	¥1,865,782	\$15,604,140
Transfer to Policy Reserves .....	1,632,655	1,523,526	12,359,240
Investment Expenses .....	158,022	108,606	1,196,232
Sales Promotion Expenses .....	5,424	5,311	41,066
Business Administration Expenses .....	30,161	29,507	228,320
Other Ordinary Expenses .....	5,026	8,365	38,054
	<b>¥3,892,597</b>	<b>¥3,541,100</b>	<b>\$29,467,054</b>
<b>Ordinary Profits</b> .....	<b>615,184</b>	<b>596,732</b>	<b>4,656,963</b>
<b>Special Profits</b> .....	<b>0</b>	<b>17</b>	<b>0</b>
<b>Special Losses</b> .....	<b>43</b>	<b>328</b>	<b>328</b>
<b>Surplus Before Taxes</b> .....	<b>615,141</b>	<b>596,421</b>	<b>4,656,635</b>
<b>Taxation</b> .....	<b>99,606</b>	<b>78,915</b>	<b>754,026</b>
<b>Transfer to Reserve for</b>			
<b>Policyholder Dividends</b> .....	<b>511,050</b>	<b>512,980</b>	<b>3,868,663</b>
<b>Surplus for the Period</b> .....	<b>4,484</b>	<b>4,526</b>	<b>33,945</b>
<b>Surplus Brought Forward from</b>			
<b>the Previous Period</b> .....	<b>2</b>	<b>4</b>	<b>17</b>
<b>Reversal of Voluntary Reserves</b> .....	<b>0</b>	<b>11</b>	<b>0</b>
<b>Unappropriated Surplus for the Period</b> .....	<b>4,486</b>	<b>4,542</b>	<b>33,963</b>

# Board of Directors and Auditors

## Board of Directors



**President**  
Shuichi Sato



**Executive Vice President**  
Yoshiaki Kato



**Executive Vice President**  
Yasuhiro Nakagawa



**Senior Managing Director**  
Koichiro Koeda



**Managing Director**  
Ikuo Oikawa



**Managing Director**  
Hiroyuki Nishimura



**Managing Director**  
Chihiro Maeda



**Managing Director**  
Yohei Shimaoka

### Directors

Tadao Abe  
Kazumasa Taneichi  
Shoichi Arai  
Yoshitsugu Shirai  
Jiro Kobayashi  
Jinsho Enishi  
Tozaburo Nakagawa  
Kametaro Yoshioka  
Tsuyoshi Oka  
Takao Tokorodani  
Hiroshi Ueno  
Masaka Yuda  
Takeshi Togawa

## Auditors



**Senior Auditor**  
Hakaru Toyoda



**Standing Auditor**  
Kazuo Moriwaki

### Auditors

Fumio Tsuchiya  
Norito Shiraiwa

(as of July 31, 1998)

# Corporate Data

## Zenkyoren

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7-9, Hirakawa-cho 2-chome,  
Chiyoda-ku, Tokyo 102-8630  
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Fax: 81-3-3263-5095

## Atsugi Center

3-1, Nurumizu-nishi 1-chome,  
Atsugi-shi, Kanagawa-ken 243-0039  
Telephone: 81-462-47-4211

## Ishioka Center

10-1, Minamidai 4-chome,  
Ishioka-shi, Ibaraki-ken 315-0035  
Telephone: 81-299-26-9000

## Osaka Center

6-3, Miyahara 4-chome, Yodogawa-ku,  
Osaka-shi, Osaka-fu 532-0003  
Telephone: 81-6-395-5600

## Agricultural Cooperatives Mutual insurance Training Institute

3-1, Nurumizu-nishi 1-chome,  
Atsugi-shi, Kanagawa-ken 243-0039  
Telephone: 81-462-47-2434

## Affiliated Organizations

### Nokyokyoasai Building Co., Ltd.

Zenkyoren Building,  
7-9, Hirakawa-cho 2-chome, Chiyoda-ku, Tokyo 102-0093

### National Agricultural Cooperative Insurance Welfare Promotion Co., Ltd.

Zenkyoren Building Shinkan,  
8-1, Hirakawa-cho 2-chome, Chiyoda-ku, Tokyo 102-0093

### Chuo Computer Systems Co., Ltd.

Shinjuku Square Tower,  
22-1, Nishi Shinjuku 6-chome,  
Shinjuku-ku, Tokyo 163-1110

### Kyodo System Co., Ltd.

Marutoku Building,  
1-33, Sagamiono 3-chome,  
Sagamihara-shi, Kanagawa-ken 228-0803

### Nokyokyoasai Nakaizu Rehabilitation Center

1523-108, Aza-Ohatano, Hiekawa Nakaizu-cho,  
Tagata-gun, Shizuoka-ken 410-2507

### Nokyokyoasai Beppu Rehabilitation Center

1026-10, Aza-Nakayamada,  
Oaza-Tsurumi, Beppu-shi, Oita-ken 874-0843

### Zenkyoren Automobile Training Center Co., Ltd.

906-1, Aza-Matsukubo, Nurumizu,  
Atsugi-shi, Kanagawa-ken 243-0033

### Agricultural Cooperative Insurance Research Institute

Zenkyoren Building Shinkan,  
8-1, Hirakawa-cho 2-chome, Chiyoda-ku, Tokyo 102-0093

### Zenkyoren Asset Management of America, Inc.

101 East 52nd Street, 35th Floor,  
New York, N.Y. 10022, U.S.A.  
Telephone: 1-212-826-3644 Fax: 1-212-826-3814

### Zenkyoren Europe Limited

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# ZENKYOREN

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7-9, Hirakawa-cho 2-chome  
Chiyoda-ku, Tokyo 102-8630, Japan  
Telephone: 81-3-3265-3111  
Fax: 81-3-3263-5095  
Website: <http://www.zenkyoren.or.jp>

# *NACF*

ANNUAL  
REPORT

1997



NATIONAL AGRICULTURAL  
COOPERATIVE FEDERATION





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# PROFILE

The National Agricultural Cooperative Federation (NACF) is the apex organization of agricultural cooperatives whose mandate is to increase agricultural productivity and enhance the economic and social status of member farmers and therefore to secure a balanced development of the national economy, as provided for in the Agricultural Cooperative Law. The NACF has diversified functions including marketing, processing, supply of farm inputs and consumer goods, credit and banking, insurance, warehousing, transportation, farm extension, and relevant support activities such as research and publication. With 1,332 member cooperatives and almost 5,000 various business centers, the NACF has set up the largest and most competitive business network serving for five million Korean farmers and rural communities. It holds a 40 percent share of the local agricultural market and its banking operation consists of one of the largest deposit banks in Korea. The total number of staff members engaged in Federation work numbered to 17,448, along with 53,698 staff at member cooperatives as of the end of 1997.

# HIGHLIGHTS

## Highlights of business performance

(in billion won)

	1995	1996	1997
<b>Marketing</b>	7,155	8,023	8,619
Foodgrains	3,163	3,428	3,442
Fruits	1,126	1,349	1,567
Vegetables	1,877	2,176	2,400
Livestock & others	989	1,070	1,210
<b>Supply</b>	2,576	2,837	3,180
Fertilizer	370	348	352
Agricultural chemicals	82	84	120
Feedstuff	492	615	793
Machinery	231	293	336
Other inputs	183	185	202
Consumer goods	1,218	1,309	1,377
<b>Banking</b>			
Deposits	18,738	24,198	23,332
Loans	16,205	20,239	24,876
<b>Mutual credit</b>			
Deposits	31,065	38,383	44,945
Loans	23,842	28,813	35,522
<b>Insurance premiums</b>			
Life insurance	2,159	2,742	3,272
Non-life insurance	15.3	17.3	22.4
<b>International banking (million US\$)</b>			
Import banking	1,640	2,171	1,834
Export banking	918	1,180	1,481

All amounts in this publication are expressed in Korean won (KRW)

The US\$-won basic exchange rate was;

on 31 December 1997: 1,000 won = US\$ 0.590

on 31 December 1996: 1,000 won = US\$ 1.185

# MESSAGE FROM THE CHAIRMAN & PRESIDENT



I am pleased to present the Annual Report for 1997 to our fellow cooperators and clients. It describes overall business operations and other essential activities performed by the National Agricultural Cooperative Federation (NACF) and its member cooperatives in 1997.

Currently, the Korean economy is facing many difficulties resulting from the financial crisis caused by the internal factor, along with the external factor of the contagious effects of regional crisis in Asia. Korea, as a debtor to the IMF supported program, has struggled to overcome the current crisis by successfully implementing its IMF obligations.

Entering into 1998, a number of positive policy measures advocated by the new government, such as conglomerate reform and the evolution of labor

flexibility, are contributing considerably to the stabilization of the financial sector. Moreover, the Korean people have concentrated all their capabilities into coping with the crisis.

A campaign to collect gold hidden away in jewelry boxes was launched in a bid to help the nation. The NACF actively participated in the campaign as one of its joint organizers. So long as there are synergistical momenta by the IMF-supported program, strong cooperation among foreign creditors and unwavering commitment to civic duty, the Korean economy will be well-managed during the existing crisis which will be overcome within the near future.

Fortunately, our farmers have produced a bumper crop of rice for two years in a row, contributing to stabilizing the national economy in the midst of the

Korean economic crisis. The NACF also had fruitful results in performing its business activities. The NACF played a leading role in streamlining the agricultural marketing in Korea as the collective agricultural shipment of goods reached 8.6 trillion won in 1997. In particular, the NACF established 18 more Rice Processing Complexes (RPCs) in major paddy fields, resulting in a total of 165. RPCs contribute to producing quality rice and cutting down on the amount of rural labor needed during the harvest season. The year of 1997 was a great one again in the area of agricultural processing. The NACF's kimchi was selected again as an official food for the 1998 France World Cup Games, following the Atlanta Centennial Olympics in 1996.

The NACF and its member cooperatives' deposits amounted so closely to 90 trillion won that it appears to be the largest domestic financial institution in terms of deposits. We are very proud of the fact that the NACF obtained an excellent credit rating in an evaluation of its managerial achievement and socio-economic activities from a reputed international creditrating agency.

As the year 1998 is one of the foremost years in preparing for the 21st century, the NACF and member cooperatives should concentrate our utmost efforts on establishing creative business management and approaching closer to member farmers and clients.

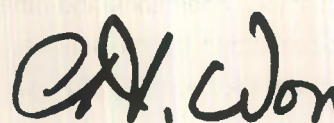
Early this year, the NACF initiated an alert scheme on "cost-saving farming" which minimizes the use of farm inputs and possibly maximizes productivity, raising the supporting fund to flexibly introduce "cost-saving farming". Keeping in close cooperation with the government, the NACF has made every effort to promote the operation of direct marketing from

farmers to consumers. It will be a primary tool to realize economically sustainable transactions in a manner that will provide low-cost high-quality agricultural products to consumers, and increased financial returns to farmers.

In the forthcoming 21st century, when the principles of coexistence and fair trade will prevail, Korean agricultural cooperatives will play pivotal roles in maintaining civil society, with all members of the society sharing in its prosperity.

I would like to extend my sincere appreciation to all cooperators and staff members for their devoted efforts last year and look forward to another fruitful year with their continuing support and cooperation.

Thank you.



**Churll-Hee Won**  
Chairman & President

## THE ECONOMY

### *Economic growth*

The economic growth rate for 1997 is estimated at around 6.3% and fell 0.8% from the previous year. Domestic consumption increased 4.7% while investment in fixed assets decreased 1.4%. Business recession continued all around. Korea faced a financial crisis at the end of 1997 and received a rescue package from the IMF.

### *Balance of payment*

In 1997, the economy showed a current account deficit of US\$8.8 billion, down US\$23.7 billion from the previous year. The balance of invisible trade also recorded a deficit of US\$6.3 billion due to increased cash outflows for travel expenditures and interest payments on foreign loans. The capital account showed a surplus of US\$ 5.4 billion. The scale of inflows decreased sharply compare to the previous year. Overseas capital inflows into stock investment and loans for Korean commercial banks decreased sharply because of the financial crisis in East Asia.

### *Economic indicators*

	1994	1995	1996	1997
Per capita GNP (US\$)	8,467	10,037	10,543	9,511
GDP (billion US\$)	380	456	484	443
Growth rate (% , 1990 prices)				
GDP	5.8	8.9	6.1	-8.4
Agriculture & forestry	1.6	3.7	4.0	2.5
Balance of payments				
Current account (billion US\$)	0.4	-8.9	-23.7	-8.8
Balance of trade	1.9	-4.7	-15.3	-2.8
Exports	80.9	125.1	129.7	137.5
Imports	79.0	135.1	150.3	140.3
Invisible trade				
Services	-2.0	-3.6	-7.6	-6.3
Transfers	0.6	-0.6	-0.8	0.3
Capital account (billion US\$)	90.2	13.4	16.9	5.4
Price increase (%)				
Producer prices	2.8	4.7	2.7	3.9
Consumer prices	6.2	4.5	4.9	4.5

## Prices

Consumer prices rose 4.5% during the year, a slight drop compared to the previous year (4.9%). Producer prices increased 3.9%, a sharp rise from the previous year (2.7%).

## Money supply

Total money supply (M2) increased 19.3% over the previous year. The growth rate in total money supply remained at a high level all year in spite of the current account deficit. The monetary authority increased the money supply to prevent corporate bankruptcy and to prevent a banking system collapse.

Interest rates were nearly the same level as the previous year, but they rose sharply in November reaching up to 28.8% in December. Afterwards, interest rates remained high due to the IMF rescue. South Korea underwent difficulties because of the financial crisis.

# AGRICULTURE

Over the past couple decades, the importance of agriculture on the Korean national economy has changed drastically. Until the 1960s, Korea was a typical agrarian country, with agriculture generating roughly half of its GNP, and employing half of the labor force. Agriculture still plays an important role in the Korean national economy, accounting for relatively large shares of GNP (6.3% in 1996) and employment (10.3%), although the share of agriculture is declining continuously.

Farmers in Korea produce a wide variety of products. Rice has dominated agricultural production in terms of the volume of cropland area that it occupies, as well as in terms of its value. 55% of the 1,480,000 total farm households are mainly engaged in rice production, while 26% produce fruits and vegetables and 10% are mainly engaged in livestock. Other major crops include barley, potatoes, apples, pears, mandarines, grapes, radishes, cabbage, red peppers, garlic, and onions.

Farms in Korea, as in many other monsoon Asian countries, have traditionally been small, subsistence, owner-operated family farms with an average size of 1.3 ha. The rural population dropped to 4,692,000 in 1996, down 146,000 farmers from the previous year.

The food self-sufficiency rate in Korea decreased to 26.6% in 1996, or 52.4% if feed grains are excluded. The decrease in self-sufficiency was the sharpest for wheat, corn and soybeans which showed drop of 0.3%, 0.8%, and 9.9% respectively.

### Use of arable land by major crops

(in thousand ha)

Year	Rice	Barley	Vegetables	Fruits	Others	Total
1970	1,203	1,075	254	60	886	3,478
1980	1,233	360	359	99	714	2,765
1990	1,244	160	277	132	596	2,409
1996	1,050	95	311	171	515	2,142

# MARKETING

Cooperative marketing of farm products is one of the most essential services for ensuring higher returns for member farmers. The NACF and member cooperatives now run 89 agricultural wholesale marketing centers, 388 "Hanaro Marts" (non membership supermarkets), 8 "Hanaro Club" (membership warehouse discount stores), and 7 distribution centers, facilitating the favorable disposal of farm products and helping to reduce intermediary marketing costs.

In 1997, to innovate the agro-products marketing system, the NACF planned to construct 8 modernized distribution complexes, 2 in Seoul and 6 in other cities, with an investment of 302 billion won. At the end of 1997, 3 distribution complexes were under construction and one of them, the Seoul Yangjae distribution complex, opened on 15 January 1998.

Concurrently in the area of production, in order to establish a more efficient marketing system in direct connection with the distribution complexes, 13 green packing houses were newly built, making the accumulated total of 26. Pre-cooling washing-grading-packing-machines, conveyers, and pallets were supplied to the present assembling centers for standardized packing system.

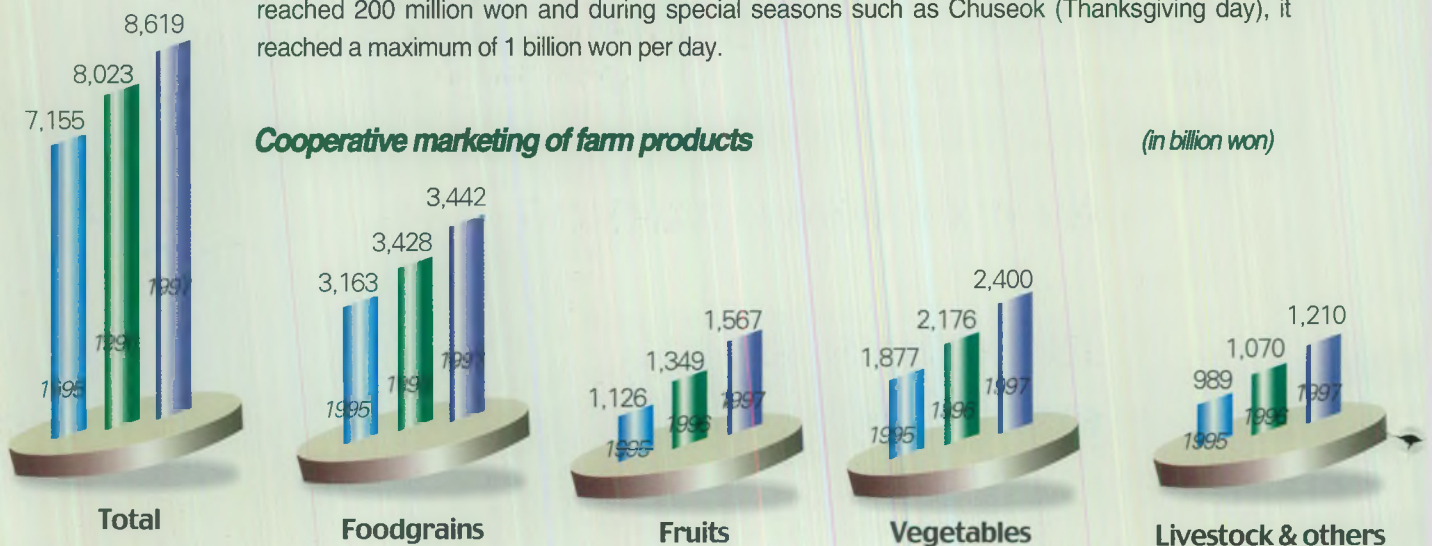
In order to promote member cooperatives' circulating collecting activities (farm gate pick-up service), the NACF provided them with 90 cargo trucks (for an accumulated total of 1,348), including 74 cooling trucks for the cold chain system. 50 new assembly centers (for an accumulated total of 1,108) were established on farm to provide real practical benefits as well as services to member farmers. In addition, the NACF and member cooperatives continued to support 24,191 commodity groups so that they can work actively as the producing and marketing cores in their areas, and provided 165 billion won for a cooperative shipping promotion fund. As a result, sales of farm products by the NACF and member cooperatives totaled 8,619 billion won in 1997, an increase of 7% over the previous year, and the share in figure for the member cooperatives reached 6,185 billion won, or 72% of the total.



In the area of consumption, to prepare for the newly emerging foreign marketing enterprises and to strengthen the cooperative marketing function, the NACF sought to focus its retail marketing efforts largely on the "Hanaro clubs" and the "Hanaro Marts", which are engaged both in wholesale and retail business. In the case of the "Yangjae Hanaro Club" the average sales amount per day reached 200 million won and during special seasons such as Chuseok (Thanksgiving day), it reached a maximum of 1 billion won per day.

**Cooperative marketing of farm products**

(in billion won)



Furthermore, with the NACF and its cooperative banks, 830 "Sintoburi corners", which sell farm products to customers, are being operated to widen farmers' various market channels. The sales amount from these efforts totaled 269 billion won in 1997.

As rice is the major source of farm income, agricultural cooperatives have placed special emphasis on its marketing. In 1997, 18 modernized rice processing complexes (RPC) were established in the major rice producing areas, amounting to a total of 165 across the country.



## FOOD PROCESSING

Food processing is one of the business areas that enhances the compatibility of agricultural cooperatives by increasing the added value of farm products and by creating new markets. As one of the major cooperative business ventures, it also contributes to adjusting supply and demand for farm products and to stabilizing their prices.

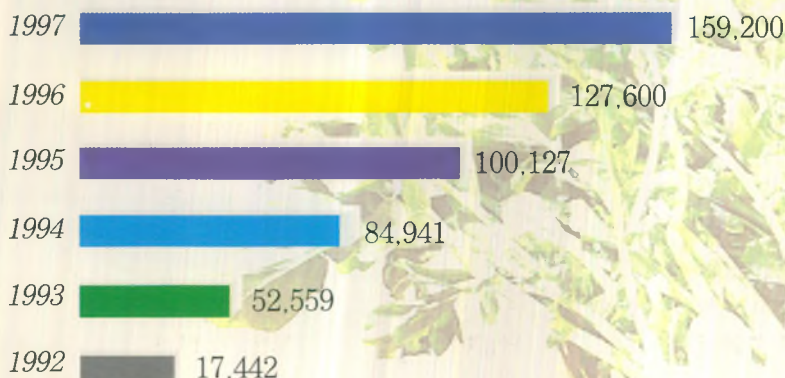
The NACF and member cooperatives are placing great importance on streamlining their processing operations. During the year, the NACF and member cooperatives closed or suspended the business operations of 12 plants and successfully completed the amalgamation of 11 plants, while 5 additional processing plants were put into operation. This adjustment resulted in a total of 164 plants in operation throughout the country. Major products included kimchi (13 plants), soybean products (13 plants), processed rice (12 plants), beverages (12 plants), green tea (10 plants), starch (9 plants), medicinal herbs (9 plants), cooking oil (6 plants), and other agricultural products (70 plants).

Total sales amounted to 159.2 billion won in 1997, up 24.7% from the previous year and included about 38 billion won worth of kimchi and 35 billion won worth of beverages. Exports of processed products reached 5.5 billion won (up 3.1%). The major export markets included Japan, the USA, China, and Indonesia. Kimchi, green tea, and beverages are the dominant export items.

The NACF makes special efforts to promote the sale of its processed foods in world markets. In 1997, the NACF's kimchi was designated as an official food of the 1998 World Cup Games to be held in France. Prior to this most recent designation, the NACF has been providing its kimchi to Air France for in-flight catering since 1 September 1997. Other international airlines also began offering the NACF's kimchi to their passengers from 1 October 1997. Previously, the NACF's kimchi was selected as an official food in such global events as the Atlanta Centennial Olympiad.

### Sales of processed food products

(in million won)





## SUPPLY

Agricultural cooperatives supply farm inputs and consumer goods at competitive and reasonable prices, stabilizing seasonal supply shortages and curtailing marketing stages. The NACF also provides guidance for the proper use of farm inputs, such as fertilizer, chemicals, etc.

### Farm inputs

Total farm inputs supplied by the NACF and its member cooperatives reached 1,803 billion won in 1997, an 18.2% increase over the previous year. The major farm inputs handled are fertilizers, farm chemicals, farm machinery, polyethylene films, seeds, seedlings, feedstuffs, and oil.

During the year, the NACF added 86 new farming service facilities, making a total of 760 farm machinery service centers, 9 farm machinery parts centers, 213 gas stations, 992 farming-use oil & gas sales centers, and 41 soil test centers now in use.

In the face of an unlimited competitive environment, the NACF attached the greatest importance to introducing the aggressive supply business marketing strategy in order to enhancing its marketing power, a significant departure from

the long-rooted practice of merely meeting member farmers' demands. Because of this endeavor, the market share of chemicals, for example, provided by the NACF increased to 23% from 13% in 1996.

### Consumer goods

The NACF's Cooperative Chainstore Headquarters was moved to Kiheong, Kyunggi Province and introduced a new computerized distribution system in August 1997. Now the NACF ships 2,000 core business items directly through its computerized sorting system to member cooperatives' supermarkets, thus reducing marketing costs by more than 10%. All the supermarkets run by member cooperatives were named "Hanaro Mart" of which there were 2,449 at the end of 1997.

The total value of consumer goods supplies reached 1,377 billion won in 1997, up 5.1% over the year earlier, in spite of the deep economic depression. The major consumer goods handled include foods, clothing, kitchenware, sanitary goods, housing materials, stationery, furniture, electronic products, etc.

#### Supplies of major inputs and consumer goods

(in billion won)

	1995	1996	1997	
Farm Inputs	Fertilizer	370	348	352
	Chemical	82	84	120
	Feedstuffs	492	615	793
	Machinery	231	293	336
	Other inputs	183	184	202
Consumer goods	1,218	1,309	1,377	
<b>Total</b>	<b>2,576</b>	<b>2,834</b>	<b>3,180</b>	

# BANKING

The NACF provides comprehensive banking services to mobilize financial resources required for the development of agriculture and cooperative businesses. They include domestic banking, bank credit card service, trust, security investment, credit guarantee, and international banking operations. At the end of 1997, Korea met with a financial crisis due to an overall lack of foreign currencies. Despite such circumstances, the NACF was ranked superior among domestic banks in terms of total deposits and trust funds, and successfully supplied funds required for agricultural development.

## Deposits

In 1997, the banking business volume totaled 43,024 billion won, up 10.1% from the previous year. Out of the total funds mobilized in the year, customer deposits accounted for 54.2%, and borrowings from external institutions, 25.1%. By deposit account, demand deposits totaled 6,515 billion won, down 16.7% from the previous year, but fixed-term deposits amounted to 16,375 billion won, up 2.7%. The external sources of the funds included the government, the Bank of Korea and special policy funds. Out of the total borrowings, the special policy funds accounted for 77.0%, and the government funds 23.0%. The NACF has been handling a trust account from 1988 to help farmers increase their financial assets. Total funds trusted reached 11,564 billion won in 1997, up 23.6% over the previous year.

### Sources of funds at the end of the year

(in billion won)

	1996		1997	
	Amount	%	Amount	%
Customer deposits	24,198	61.9	23,332	54.2
Borrowings	8,978	23.0	10,795	25.1
Others	5,903	15.1	8,897	20.7
Total	39,079	100.0	43,024	100.0

## Funds operation

Operation funds are used mainly for farm and commercial loans, investment in securities, and call loans in the financial market. Loans accounted for 57.8%, and investment in securities, 16.9%. in the use of fund in 1997. During the year, the NACF extended new loans of 4,637 billion won. Total outstanding loans reached 24,876 billion won, up 22.9% over the previous year. Out of the total outstanding loans, 13,474 billion won, or 54.2%, was supplied for farming purposes.



## Uses of fund at the end of the year

(in billion won)

	1996		1997	
	Amount	%	Amount	%
Cash	1,271	3.5	1,028	2.4
Required reserves	471	1.2	478	1.1
Bonds & securities	5,412	13.9	7,252	16.9
Loans	20,239	52.1	24,876	57.8
Call loans	1,955	5.0	50	0.1
Other uses	9,420	24.3	9,340	21.7
<b>Total</b>	<b>38,868</b>	<b>100.0</b>	<b>43,024</b>	<b>100.0</b>

## Mutual credit

The mutual credit of agricultural cooperatives has also played a pivotal role in mobilizing savings and extending loans to member farmers. The financial scheme, first introduced in 1969, has been handled by all member cooperatives since 1973. At the end of 1997, total deposits received stood at 44,945 billion won, up 17.1% from the previous year.

## Sources and uses of mutual credit fund at the end of the year

(in billion won)

	1996	1997	Percent increase
<b>Sources</b>			
Deposits	38,383	44,945	17.1
Borrowings from the NACF	2,065	3,496	69.3
<b>Total</b>	<b>40,448</b>	<b>47,990</b>	<b>18.6</b>
<b>Uses</b>			
Loans	28,813	35,522	23.3
Deposits in the NACF	9,677	11,348	17.3
Cash and others	1,958	1,120	△42.8

## Credit guarantee

The NACF has extended its credit guarantee service since 1971 when the Credit Guarantee Fund was first set up. It was designed to extend credit guarantees to farmers and fishermen who need loans from their cooperatives but lack collateral. In 1997, the NACF provided 2,498 billion won of guarantee credit for farmers and fishermen. Outstanding credit guarantees reached 5,845 billion won at the end of the year, up 33.9% from the previous year.

## Credit cards

Credit cards are also a major business area of the NACF banking services. Its 25.7 million cardholders, with a total sales volume of 4,322 billion won, put the NACF on the top of domestic bankcard issuers in 1997.



# INTERNATIONAL BANKING

The NACF, regarded as one of the largest financial institutions as well as a robust special bank in the financial industry in Korea, aims to strengthen its international operations.

Traditionally, most of our clients have been involved in domestic primary-sector businesses. However, in recent years our client base has become more diversified in line with the trends of internationalization and globalization. It became imperative for us to strengthen our competitiveness in order to survive and progress in this new financial environment.

Since 1969, our international business activities have grown steadily. In 1997, trade-related business amounted to US\$ 4,157 million, which represented a 2% increase over the previous year in spite of the financial turmoil in Asian countries. Investment in overseas securities and other financial instruments increased 37% over 1996. The expansion of our international activities led to a much more proactive relationship with investors around the world. One of the NACF's primary targets in international investment is to become sovereign issuer among Asian countries. In 1997, we obtained a double A plus (AA+) credit rating as a sovereign entity based on our profitability, soundness, growth potential, and socio-economic role by the Japan Credit Rating Agency (JCR), one of the credible international credit rating agencies

To accommodate increasing demand among customers, the NACF acquired authorization for 89 more bank branches to conduct trade-related business last year, resulting in a total of 351 branches handling foreign exchange transactions by the end of 1997.

The NACF also arranged 3,134 new correspondent relationships with accredited overseas banks in 1997, maintaining close business relationships with 4,435 banks around the world. Through its correspondent network, the NACF is able to provide more diverse and efficient services to its clients.

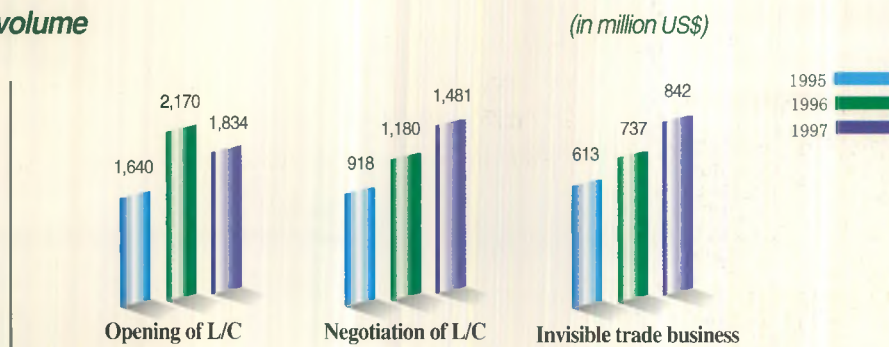
The NACF, with its four overseas representative offices in New York, Tokyo, Beijing and Brussels, is currently trying to improve its ability to meet the needs of clients, from payment traffic and international cash management to international agribusiness including marketing research.

Anticipating the opening of the local financial futures market in 1998, the NACF established a subsidiary company specializing in futures, options and other more sophisticated types of financial instruments.

The NACF has continued to recruit new staff who benefited from overseas and domestic training programs in the field of international banking. The build-up of manpower is expected to increase competitiveness and meet the needs of clients.

The NACF is doing its utmost to ensure the stability and soundness of its domestic and international management.

## Business volume



## COOPERATIVE INSURANCE

Agricultural cooperatives have conducted insurance business with a view to providing for long-term savings as well as compensating for unexpected losses to member farmers and customers.

The NACF is not only the reinsurer of policies sold by member cooperatives, but also the direct underwriter through its branches. It offers 21 life insurance policies and 7 non-life insurance policies.

The insurance market in Korea has become increasingly competitive in recent years. The NACF is competing with foreign insurance firms as well as private domestic companies. In particular, private companies are trying to penetrate the rural market, which is virtually dominated by the NACF.

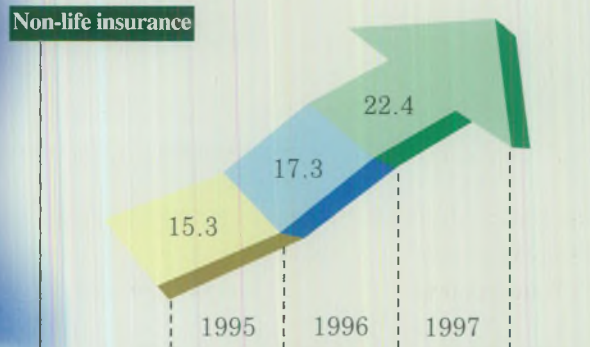
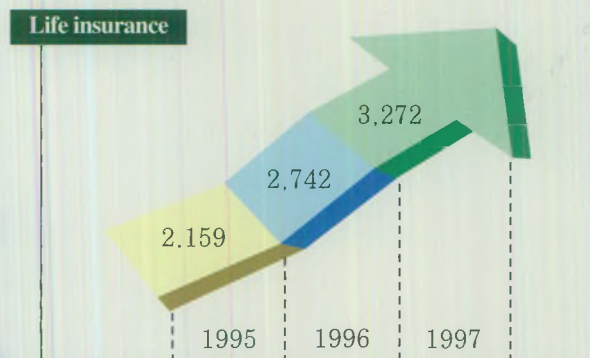
In 1997, the NACF developed four new policies aimed especially at farmers and to meet varying customer needs. Thanks to such efforts, sales of insurance policies by the NACF and member cooperatives remained to be stable. New insurance policies sold in 1997 were valued at 25,202 billion won, an increase of 13.9% over the previous year.

Total insurance assets reached 6,848 billion won, up 21.5% over the previous year. They consisted of 3,313 billion won in securities, 701 billion won in deposits, 2,794 billion won in loans, and 40 billion won in real estate.

The NACF and member cooperatives provided patronage refunds for the welfare of member farmers and policyholders. Scholarships were granted to 7,465 students, and free health check-up service was extended to 63,037 customers during the year.

**Premium income**

(in billion won)



## EXTENSION & RESEARCH

Extension and education are among the most essential cooperative functions in improving farm productivity and farmer welfare.

### *Agricultural extension*

The NACF continued to implement its "100 Vital Extension Tasks and Projects", which began being selected in 1996 when we declared it as the year of extension reform. The 100 tasks and projects were chosen from 6 categories: developing real benefit business for member farmers, promoting extension experts, innovating staff spirit, establishing self-sufficient management of member cooperatives and adjusting the extension reform-drive system. Through these projects, the NACF achieved the dual goals of expanding the innovation of staff members and revitalizing its extension services toward member farmers.

The NACF selects 20 model farmers couples every month and awards a "New Farmers of the Month Prize". At the end of the year, the number of awarded couples reached 1,561. The NACF provide them with low-interest farming loans and opportunities to learn about advanced agricultural technology abroad.

In order to promote the research climate for member farmers and to locate new sources of income for farmers, the NACF hosted the 1st Agricultural Idea Exhibition from 23 to 25 October 1997. More than 3,000 items were displayed in the 12 exhibition booths of the NACF Regional Head Offices and 14 special exhibition sectors. More than 20,000 observers visited.



The NACF has boosted the "Soil Revitalization Campaign" since 1995, placing great emphasis on its activity as the basis for national environmental conservation and the mainstay for sustainable agriculture. In cooperation with the Rural Development Administration (RDA), this campaign aims to reduce farmers' application of pesticides and chemical fertilizers to two-thirds of the present level by the year 2004.

### *Extension for rural life*

The NACF encouraged women's participation in their cooperatives and activated local cooperatives' welfare business. The share of women membership in the cooperatives amounted to 13 percent at the end of 1997, up 1.9 percent from the year earlier. Moreover, during the year, member cooperatives saw the first women directors of which there were six at the end of the year.

The NACF placed emphasis on fostering rural women's groups: one is the Rural Housewives' Association (RHA), which includes more than 1,200 primary groups, with about 34,000 individual members; the other is the Alumnae Association of Agricultural Cooperative Housewives' School (AAACHS), in which 713 primary groups offer 180,000 members various social and cultural activities.

These two associations, as pillars of women's groups in both urban and rural communities, have maintained a sisterhood relationship, seeking mutual benefits by mediating the direct delivery of agricultural products and by participating in community activities through joint social programs.

A group of lawyers has provided legal aids to defend the interests and rights of farmers who have poor knowledge of professional fields such as legislation and taxation since the NACF signed an Agreement on Legal Aid for farmers with the Korean Legal Aid Corporation in July 1995. During the year, 11,288 free legal aid consultations for farmers were rendered, which was calculated to be worth 58.7 billion won in total.

The NACF provided free health check services for 50,000 individual member farmers during the year. In addition, the NACF continued to implement its disease-prevention campaign against such adult diseases as Farmers' Syndrome. The NACF also broadened the easy accessibility of member farmers to medical services through the cooperation of a local general hospital, the Asan Social Welfare Foundation, a subsidiary of the Hyundai Group.

At the end of the year, more than 900 member cooperatives were engaging in funeral services for member farmers and the business volume of which reached 44.6 billion won. The agricultural cooperatives also operated various welfare facilities for promoting member farmers' well-being.

### **Welfare facilities run by agricultural cooperatives**

(as of 1997)

Public baths	Barbershops	Child care center	Libraries	Wedding halls	Farmer's halls	Rural consultant centers
11	83	1	262	499	573	507

### **Education & training institutes**

The NACF runs an institute for Human Resource Development, five provincial training institutes for staff members and three Agricultural Cooperative Leaders Training Institutes for member farmers. In addition, the Agricultural Cooperatives College run by the NACF aims to educate future leaders in the agricultural cooperative movement and in rural development as a whole.

### **Research and public relations**

The NACF directed its research work toward strengthening agricultural competitiveness and supporting the business activities of the NACF and its member cooperatives. Policy proposals in the

interests of farmers and the cooperative movement were made to the authorities. Statistical data and information on agriculture and agricultural cooperatives are collected on a regular basis. They are published in research bulletins, such as the Monthly Review, the Annual Report, etc. Particularly in 1997, the NACF began publishing "CEO Focus", which primarily provides necessary information in the areas of business management and decision-making. Altogether 14 issues were published and distributed in the year.

The NACF conducts public relations and political/legislative activities. It distributes a number of publications, including the Farmers Newspaper and two monthly magazines: the New Farmer and Fountain of Happiness. The

NACF also runs the Agricultural Museum and the Kimchi Exhibition Hall to preserve and display the rich stock of our agricultural heritage.



# INTERNATIONAL COOPERATION

The NACF collaborates with international organizations and overseas cooperatives in order to promote the exchange of information and to share experiences involving cooperative business activities. The list of major partners includes non-governmental organizations, namely the ICA, IFAP, AFMA, APRACA, and national federations of agricultural cooperatives in Japan, China and other Asian countries.

The year 1997 will be marked as a very successful one in the area of international cooperation for the NACF. Mr. Churl-Hee Won, Chairman & President of the NACF, was elected as an ICA Board Member at the ICA General Assembly in Geneva in September. He is the first Korean ICA representative in history.

There are several international meetings sponsored by the NACF during the year. The NACF hosted the "ICA/NACF International Forum on the Utilization of Subsidiary Companies by Cooperatives", cosponsored by the ICA, from 28 to 31 October 1997. Resource speakers from the BayWa AG of Germany, the Cebeco-Handelsraad of Holland, the Plunkett Foundation of the UK, the Saskatchewan Wheat Pool of Canada, Zen-Noh of Japan, and the NACF of Korea presented their respective experiences with subsidiary businesses. Mr. Bruce Thordarson and Mr. Robby Tulus from the ICA, along with 10 other overseas participants attended the forum.

In November, the NACF cosponsored with IFAD an international seminar on the "Role of Farmers' Organizations in Agricultural and Rural Development Experiences of Asia" in Hanoi, Vietnam. More than sixty participants from eight countries and five international organizations were in attendance. The NACF also hosted a comparative study visit on the "Hi-tech Agricultural Projects" from 6 to 11 October 1997, in coordination with the Center for Training and Research in Agricultural Banking (CENTRAB), a subsidiary of APRACA.

The NACF's international training programs, which are financed fully by the Korea International Cooperation Agency (KOICA), continued in 1997. The two courses on "Rural Development and Agricultural Cooperative Management" and "Agricultural Cooperatives and Marketing" were offered by the Agricultural Cooperative College of the NACF in April and October 1997, respectively.

The NACF participated in international and regional events and meetings. The NACF's delegation attended the 4th Asia-Pacific Conference of Cooperative Ministers hosted by the Cooperative League of Thailand (CLT) in Chiang Mai from 19 to 22 March 1997. At the Conference, Mr. Churl-Hee Won delivered a special speech entitled the "Role of Cooperatives in Food Security", which was an opportunity to reaffirm the collective volition of cooperatives to achieve food security in Asia and the Pacific region. He also agreed to host the 3rd ICA Regional Assembly in Seoul in October 1998.

The head officers from the national confederations of Far-Eastern agricultural cooperatives, including Korea, Japan, and China met again in Taiwan and confirmed their friendly relations. At the 9th meeting of the Far Eastern Agricultural Cooperatives Collaboration Council (FEACCC), with which the NACF is affiliated, the Central Union of Agricultural Cooperatives (JA-Zenchu) and the Taiwan Provincial Farmers' Association (TPFA) invited their Mongolian partner, the National Association of Mongolian Agricultural Cooperatives (NAMAC), to become a regular member from the next meeting. The 10th meeting will be held in Tokyo in late 1998.

The NACF and the ICA will jointly host the ICA Global Conference under the title of the "Asian Experiences and Global Opportunities" in Seoul at the last week of October 1998. In concurrence with the ICA Regional Assembly and following relevant meetings, the Conference is expected to attract the participation of more than 100 cooperative leaders from all over the world.





# FINANCIAL STATEMENTS

## NON-CONSOLIDATED BALANCE SHEET

(in million won)

	1997	1996	1995	1994	1993
<b>Assets(credit &amp; banking sector)</b>	<b>42,665,236</b>	<b>39,191,723</b>	<b>31,925,130</b>	<b>22,137,509</b>	<b>20,063,885</b>
Loans	24,875,888	20,238,692	16,205,293	13,598,151	11,992,054
Call loans	187,742	1,972,418	1,194,258	959,100	1,197,157
Cash	1,027,861	1,371,038	1,157,889	1,049,551	1,490,499
Cash equivalents and due from banks	2,699,090	2,512,320	2,812,732	1,404,014	1,208,771
Foreign exchange	491,360	191,181	105,003	77,791	80,288
Marketable securities	7,307,638	5,388,084	4,003,609	3,067,050	2,659,793
(Allowance for valuation)	(-4,903)	(-49,425)	(-18,956)	-	-
Credit card account	821,197	737,025	584,133	431,461	336,502
Customers' liability under guarantee	2,293,248	2,319,609	1,409,066	472,500	296,842
Premise and equipment	1,158,464	1,145,485	1,120,449	-	-
(Accumulated depreciation)	(-194,959)	(-152,621)	(-114,824)	-	-
Other assets (Note 1)	1,802,748	3,315,871	3,332,698	1,077,891	801,979
<b>Non-banking business sector</b>	<b>3,900,999</b>	<b>3,473,921</b>	<b>4,657,829</b>	<b>5,498,703</b>	<b>4,427,603</b>
Accounts receivable	2,459,634	2,812,115	3,102,787	2,962,292	1,841,653
Commodity inventory	1,144,787	386,596	291,686	402,520	693,534
Premise and equipment	255,705	230,265	529,715	1,515,714	1,411,694
(Accumulated depreciation)	(-14,259)	-	-	(-118,201)	(-98,223)
Other assets (Note 1)	40,873	44,945	733,641	618,177	480,722
<b>Administrative sector (Note 2)</b>	<b>1,657,761</b>	<b>1,352,628</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special business sector</b>	<b>19,651,318</b>	<b>16,289,871</b>	<b>12,383,483</b>	<b>10,422,434</b>	<b>9,045,325</b>
Guidance (Note 3)	538,378	479,262	439,661	373,663	311,289
Cooperative insurance (Note 4)	6,812,952	5,634,545	4,595,636	3,643,807	2,934,989
Mutual credit (Note 5)	12,299,988	10,176,064	7,348,186	6,404,964	5,799,047
<b>Total assets</b>	<b>67,875,314</b>	<b>60,308,143</b>	<b>48,966,442</b>	<b>38,058,646</b>	<b>33,536,813</b>
<b>Liabilities(credit &amp; banking sector)</b>	<b>44,661,007</b>	<b>41,802,976</b>	<b>33,799,847</b>	<b>25,127,179</b>	<b>22,344,979</b>
Deposits	23,332,343	24,198,396	18,737,770	15,684,649	14,079,692
Borrowings	11,028,346	9,183,998	7,916,021	6,375,257	5,576,513
Call money	105,256	4,795	44,713	35,597	50,923
Foreign exchange	430,013	161,331	135,714	70,843	48,005
Guarantee outstanding	2,293,248	2,319,609	1,409,066	472,500	296,842
Provisions	715,110	683,430	454,168	321,721	245,809
Other liabilities (Note 5)	-	(-4,506)	(-3,558)	-	-
Other liabilities (Note 5)	6,756,691	5,251,417	5,102,395	2,166,612	2,047,195

## NON-CONSOLIDATED BALANCE SHEET (cont'd)

(in million won)

	1997	1996	1995	1994	1993
<b>Non-banking business sector</b>	<b>1,651,548</b>	<b>1,147,935</b>	<b>1,965,729</b>	<b>1,796,256</b>	<b>1,207,025</b>
Account payable	461,337	381,032	467,122	582,304	286,658
Borrowings	951,263	563,065	768,651	574,920	379,115
Other liabilities (Note 6)	238,948	203,838	729,956	639,032	541,252
<b>Administrative sector (Note 2)</b>	<b>751,809</b>	<b>563,979</b>	-	-	-
<b>Special business sector</b>	<b>19,422,087</b>	<b>15,679,945</b>	<b>12,120,229</b>	<b>10,094,916</b>	<b>8,964,656</b>
Guidance (Note 3)	278,910	424,961	366,857	303,897	240,260
Cooperative insurance (Note 4)	6,848,391	5,635,289	4,597,335	3,640,202	2,939,176
credit (Note 5)	12,294,786	9,619,695	7,156,037	6,150,817	5,785,220
<b>Total liabilities</b>	<b>66,486,451</b>	<b>59,194,835</b>	<b>47,885,805</b>	<b>37,018,351</b>	<b>32,516,660</b>
<b>Capital funds</b>	<b>1,388,863</b>	<b>1,113,308</b>	<b>1,078,637</b>	<b>1,040,295</b>	<b>1,020,153</b>
Paid-in capital	1,003,279	83,912	66,528	57,100	51,942
Surplus & reserves	365,452	1,010,524	993,603	967,793	955,176
Retained earnings	20,132	18,872	18,506	15,402	13,035
<b>Total liabilities &amp; capital funds</b>	<b>67,875,314</b>	<b>60,308,143</b>	<b>48,964,442</b>	<b>38,058,646</b>	<b>33,536,813</b>

## STATEMENT OF INCOME

(in million won)

	1997	1996	1995	1994	1993
<b>Operating revenue</b>	<b>12,242,624</b>	<b>15,508,553</b>	<b>12,824,574</b>	<b>11,498,980</b>	<b>9,868,085</b>
Credit & banking (Note 7)	4,140,088	3,142,077	2,578,215	2,082,369	1,752,989
Non-banking business (Note 8)	2,828,481	3,595,340	3,391,613	3,889,620	3,564,214
Cooperative insurance (Note 9)	4,021,358	7,797,248	6,150,598	4,851,259	3,933,065
Mutual credit (Note 10)	1,240,440	963,053	702,976	674,396	616,480
Administrative sector	10,914	9,532	-	-	-
Guidance	1,343	1,303	1,172	1,336	1,337
<b>Operating expense</b>	<b>11,000,043</b>	<b>14,485,286</b>	<b>11,901,878</b>	<b>10,700,840</b>	<b>9,236,777</b>
Credit & banking (Note 7)	2,944,705	2,099,048	1,677,229	1,336,898	1,175,499
Non-banking business (Note 8)	2,708,799	3,529,892	3,293,342	3,772,467	3,458,157
Cooperative insurance (Note 9)	3,997,567	7,778,661	6,135,024	4,834,108	3,916,696
Mutual credit (Note 10)	1,227,000	951,785	693,495	663,830	603,932
Administrative sector	787	1,459	-	-	-
Guidance	121,185	124,441	102,788	93,537	82,493

## STATEMENT OF INCOME

(in million won)

	1997	1996	1995	1994	1993
<b>Gross operating income</b>	<b>1,242,581</b>	<b>1,023,267</b>	<b>922,696</b>	<b>798,140</b>	<b>631,308</b>
General & administrative Expense (Note 11)	1,116,507	991,519	865,546	736,589	582,136
Net operating income	126,074	31,748	57,150	61,551	49,172
Income non-operating					
Revenue (Note 12)	414,618	268,366	238,344	208,665	178,672
Non-operating expense (Note 12)	519,680	283,918	272,331	229,794	212,969
<b>Income from business operation</b>	<b>21,012</b>	<b>16,196</b>	<b>23,163</b>	<b>40,422</b>	<b>14,875</b>
Extraordinary gain	6,855	12,188	6,497	4,153	7,521
Extraordinary loss	6,756	8,562	10,855	6,069	1,726
<b>Income after tax</b>	<b>20,132</b>	<b>18,872</b>	<b>18,506</b>	<b>15,402</b>	<b>13,034</b>

\* In accordance with the provisions by the Agricultural Cooperative Law, the accounting of the NACF is divided into general accounting and special accounting. The general accounting keeps records of both banking and non-banking business separately. The latter includes marketing, supply, and mutual credit scheme. The financial statements include general accounting made up of banking and non-banking businesses, and special accounting.

## Note 1: Other assets

(in million won)

	1997	1996	1995	1994	1993
<b>Other asset of credit &amp; banking sector</b>	<b>1,802,748</b>	<b>3,315,871</b>	<b>3,332,698</b>	<b>1,077,891</b>	<b>801,979</b>
Payment under customers' liabilities	76,425	75,167	11,975	5,709	9,995
Loans handled on behalf of livestock fund	20,200	31,287	44,029	55,631	58,162
Domestic exchange settlement account receivables	391,545	1,703,081	2,081,933	142,715	170,882
Local L/C bills bought	25,357	4,076	24,083	2,348	1,339
Agency account receivable	144	108,070	369,216	371,611	233,557
Other asset receivable	652,916	604,598	585,252	389,060	271,948
Suspense receivables	577,521	732,433	157,189	109,003	54,423
Due from inter-office transaction	8,676	4,202	6,852	1,814	1,673
Receivables from disposal of asset	12,206	9,610	7,521	-	-
Premise held for non-operating purpose	28,980	37,717	40,006	-	-
Deferred charge	8,778	5,630	4,378	-	-
Loans for special projects	-	-	264	-	-
<b>Other asset of non-banking business sector</b>	<b>40,873</b>	<b>44,945</b>	<b>733,641</b>	<b>618,177</b>	<b>480,722</b>
Premise held for non-operating purpose	177	196	-	38,210	29,022
Receivables from disposal of asset	2,000	2,529	1,473	7,459	9,876

### Note 1: Other assets (cont'd)

(in million won)

	1997	1996	1995	1994	1993
Equity investment to affiliates	-	-	89,913	78,237	72,288
Other assets	27,806	29,087	638,176	479,914	355,494
Deferred charge	4,561	2,173	2,523	7,468	6,202
Cash	6,329	10,960	8,490	6,889	7,840
Allowance for valuation	-	-	-6,934	-	-

### Note 2: Assets & liabilities of administrative sector

(in million won)

	1997	1996
<b>Assets</b>	<b>1,657,761</b>	<b>1,352,628</b>
Equity investment in affiliates	120,433	103,759
Allowance for valuation	-13,010	-13,010
Premise and equipment	543,836	460,218
Land for operating purpose	276,158	270,448
Building for operating purpose	104,931	93,669
Allowance for accumulated depreciation	-11,737	-9,782
Movables for operating purpose	70,502	59,453
Allowance for accumulated depreciation	-36,311	-26,453
Other fixed assets	140,293	72,883
Other account receivables	1,006,502	801,661
<b>Liabilities</b>	<b>751,809</b>	<b>563,979</b>
Allowance for loan loss & retirement	738,011	572,576
Transfer to National Investment Fund account	-34,244	-25,495
Other account payable	48,042	16,898

※ The NACF has started the separate accounting for administrative sector since 1996.

### Note 3: Assets & liabilities of guidance business

(in million won)

	1997	1996	1995	1994	1993
<b>Assets</b>	<b>538,378</b>	<b>479,262</b>	<b>439,661</b>	<b>373,663</b>	<b>311,289</b>
<b>Other assets</b>	<b>407,629</b>	<b>353,748</b>	<b>320,179</b>	<b>275,690</b>	<b>214,960</b>
Fund for mutual support of member cooperatives	402,196	349,294	316,696	272,365	211,553
Other account receivables	5,433	4,454	3,483	3,325	3,407
<b>Premise and equipment</b>	<b>130,491</b>	<b>125,245</b>	<b>119,420</b>	<b>97,973</b>	<b>96,329</b>
Land for operating purpose	71,072	74,133	74,042	67,787	67,787

### Note 3: Assets & liabilities of guidance business (cont'd)

(in million won)

	1997	1996	1995	1994	1993
Building for operating purpose	43,506	43,630	42,642	29,105	27,083
Provision for accumulated depreciation	-5,429	-4,505	-3,559	-2,795	-2,137
Movables for operating purpose	10,790	10,276	8,854	6,471	5,729
Provision for accumulated depreciation	-6,616	-5,349	-3,764	-3,073	-2,595
Other account receivals	17,168	7,060	1,205	478	462
Others	258	269	62	-	-
<b>Liabilities</b>	<b>278,910</b>	<b>424,961</b>	<b>366,857</b>	<b>303,897</b>	<b>240,260</b>
Account payable	12,850	2,271	9,348	888	3,394
Fund for mutual support of member cooperatives	225,644	392,284	335,384	280,774	236,472
Allowance for loss of marketing business	39,694	29,694	21,694	21,694	-
Other account payable	722	712	431	541	394

### Note 4: Assets & liabilities of cooperative insurance business

(in million won)

	1997	1996	1995	1994	1993
<b>Assets</b>	<b>6,812,952</b>	<b>5,634,545</b>	<b>4,595,636</b>	<b>3,643,807</b>	<b>2,934,989</b>
Due from banks	247,817	159,000	176,300	243,000	223,568
Investment in money trust	453,000	466,500	209,500	1,000	1,000
Investment securities	3,312,980	2,760,780	2,172,227	1,800,624	1,381,647
Securities	3,312,980	2,788,688	2,203,744	1,803,446	1,383,603
Allowance for valuation	-	-27,908	-31,517	-2,822	-1,956
Loans	2,511,933	2,071,933	1,875,408	1,454,970	1,179,803
Other account receivables	287,222	176,332	162,201	144,213	148,971
<b>Liabilities</b>	<b>6,848,391</b>	<b>5,635,289</b>	<b>4,597,335</b>	<b>3,640,202</b>	<b>2,939,176</b>
Reserve for payment	6,756,962	5,550,673	4,515,861	3,569,395	2,881,303
Fund for welfare business	37,762	37,762	37,762	37,762	34,000
Allowance for loan loss, valuation, and depreciation	50,239	41,439	37,508	29,142	23,596
Other account payable	3,428	5,415	6,204	3,903	277

### Note 5: Assets & liabilities of mutual credit business

(in million won)

	1997	1996	1995	1994	1993
<b>Assets</b>	<b>12,299,988</b>	<b>10,176,064</b>	<b>7,348,186</b>	<b>6,404,964</b>	<b>5,799,047</b>
Due from banks	181,009	181,008	-	146	83
Investment securities	7,636,578	7,318,054	4,680,196	4,390,024	4,242,537

## Note 5: Assets & liabilities of mutual credit business(cont'd)

(in million won)

	1997	1996	1995	1994	1993
Securities	7,668,943	7,334,962	4,685,312	4,390,024	4,242,537
Allowance for valuation	-32,365	-16,908	-5,116	-	-
<b>Loans</b>	<b>3,496,038</b>	<b>2,065,455</b>	<b>1,941,811</b>	<b>1,464,932</b>	<b>1,129,617</b>
Account receivables	349,394	262,225	208,362	193,139	236,171
Prepaid expense	356,029	166,403	461,201	356,076	189,300
Other account receivables	280,940	182,919	56,616	647	1,339
<b>Liabilities</b>	<b>12,294,786</b>	<b>9,619,695</b>	<b>7,156,037</b>	<b>6,150,817</b>	<b>5,785,220</b>
Deposits	10,806,990	9,390,375	7,098,866	6,135,164	5,758,493
Other account payable	1,487,796	229,320	57,171	15,653	26,727

## Note 6: Other liabilities

(in million won)

	1997	1996	1995	1994	1993
<b>Other liabilities of credit &amp; banking sector</b>	<b>6,756,691</b>	<b>5,251,417</b>	<b>5,102,395</b>	<b>2,166,612</b>	<b>2,047,195</b>
Domestic exchange settlement account payable	179,087	1,580,720	2,037,455	12,190	20,934
Notes sold	198,451	29,885	5,046	2,316	-
Securities sold under repurchase agreement	4,029,511	1,451,110	993,511	442,280	308,537
Agency account payable	98,686	27	165	528	57
Credit card prepaid	26	19	10	7	-
Guarantee money received	59,570	23,064	31,682	6,408	6,314
Due to trust account	98,774	75,858	128,781	17,323	22,057
Suspense payable	740,606	656,133	141,087	112,894	58,592
Other account payable	983,886	873,179	736,552	763,194	900,506
Suspense payable in foreign currency	66	4	4	24,686	130
Tourism lottery account	368	1,109	4,791	-	-
Fund payable to lottery winner	-	73	39	-	-
Local autonomy lottery account	223	189	1,176	-	-
GIRO account	52,427	41,643	32,330	117,816	69,728
Due to cooperative insurance	1,268	1,001	944	469	605
Due from inter-office transaction	293,589	517,403	988,822	666,486	659,720
Postal saving	-	-	-	15	15
Forward exchange sales contract	20,153	-	-	-	-
<b>Other assets of non-banking sector</b>	<b>238,948</b>	<b>203,838</b>	<b>729,956</b>	<b>639,032</b>	<b>541,252</b>
Other account payable	125,122	91,348	78,678	122,186	74,276
Provision for loan loss & retirement	64,166	64,387	598,235	477,839	423,914
Transfer to Nat'l Investment Fund	-	-	-	(△10,374)	(△4,960)
Allowance for loss of marketing business	44,655	44,822	50,048	39,007	43,062
Stabilization fund for vegetables	2,270	833	117	-	-
Due from inter-office transaction	2,735	2,448	2,878	-	-

## Note 7: Breakdown of credit & banking income and expense

(in million won)

	1997	1996	1995	1994	1993
Interest on	3,383,520	2,599,926	2,101,603	1,722,263	1,459,720
Loan & bill discount	2,181,496	1,745,720	1,394,875	1,180,140	970,220
Deposit	177,038	123,054	44,715	37,936	21,969
Securities	765,631	505,220	404,784	275,551	255,617
Due from other accounting unit	246,796	219,247	227,617	199,696	179,296
Others	12,559	6,685	29,612	28,940	32,618
Fee & commission	658,654	496,039	451,308	352,110	288,328
Credit card	185,100	159,321	120,099	92,582	68,998
Trust Business	122,712	105,459	140,112	105,087	91,045
Cooperative insurance	164,176	153,015	125,079	94,576	74,176
Foreign exchange	125,430	23,500	18,043	11,516	9,266
Others	61,236	54,744	47,975	48,349	44,843
Guarantee fee	10,469	11,362	3,406	948	900
Profit on securities trading	16,968	16,886	14,823	5,485	2,691
Other revenue	70,477	17,864	7,075	1,563	1,350
<b>Total</b>	<b>4,140,088</b>	<b>3,142,077</b>	<b>2,578,215</b>	<b>2,082,369</b>	<b>1,752,989</b>
Interest on	2,192,227	1,620,099	1,275,800	1,059,412	954,539
Deposit	1,726,684	1,244,199	951,295	774,602	683,059
Borrowings	464,056	374,829	321,350	282,486	269,130
Due to other accounting Unit	1,487	1,071	3,155	2,324	2,350
Fee & commission	210,884	129,711	173,574	125,147	103,266
Fee	25,871	22,511	83,806	61,151	53,295
Cooperative insurance fee	110,178	102,234	85,530	62,434	48,686
Foreign exchange	74,835	4,966	4,238	1,562	1,285
Write-off	267,951	147,200	120,440	81,879	59,214
Loss from securities trading	64,593	49,402	17,863	4,029	66
Education tax	15,958	11,786	8,484	7,234	6,038
Other expense	193,092	140,850	81,068	59,197	52,376
Miscellaneous	132,724	122,532	79,119	58,246	52,028
Others	60,368	18,318	1,949	951	348
<b>Total</b>	<b>2,944,705</b>	<b>2,099,048</b>	<b>1,677,229</b>	<b>1,336,898</b>	<b>1,175,499</b>

## Note 8: Breakdown of non-banking business income and expense

(in million won)

	1997	1996	1995	1994	1993
Revenue from sales of farm input supplies	560,758	448,954	487,203	844,548	1,163,451
Commission from supply business	111,588	73,865	36,085	70,313	64,773
Revenue from sales of consumer goods	2,462	2,581	2,464	419,005	972,644
Commission from consumer goods business	23,146	21,849	20,435	18,395	16,534

## Note 8: Breakdown of non-banking business income and expense (cont'd)

(in million won)

	1997	1996	1995	1994	1993
Revenue from sales of agricultural products	2,061,364	2,994,148	2,777,221	2,466,571	1,289,919
Commission from agricultural products sale	62,393	47,795	41,405	43,587	35,160
Other revenues	6,770	6,148	26,800	27,201	21,733
<b>Total</b>	<b>2,828,481</b>	<b>3,595,340</b>	<b>3,391,613</b>	<b>3,889,620</b>	<b>3,564,214</b>
Cost of farm input supplies	655,613	531,581	540,605	846,959	1,203,485
Expense on supply business	18,064	10,986	7,942	5,574	6,966
Cost of consumer goods	2,462	2,582	2,463	419,005	972,644
Expense on consumer goods business	7,132	4,812	1,011	1,865	1,898
Cost of agricultural products	1,951,561	2,912,353	2,632,345	2,394,047	1,227,359
Expense on agricultural products sale	65,659	60,244	57,658	56,746	23,664
Other expense	8,308	7,334	51,318	48,271	22,141
<b>Total</b>	<b>2,708,799</b>	<b>3,529,892</b>	<b>3,293,342</b>	<b>3,772,467</b>	<b>3,458,157</b>

## Note 9: Breakdown of cooperative insurance income and expense

(in million won)

	1997	1996	1995	1994	1993
Premiums	3,294,404	2,759,505	2,174,573	1,672,418	1,357,798
Transfers from reserve*	23,799	4,468,439	3,491,281	2,787,257	2,245,893
Net investment income	702,977	569,124	484,560	391,425	329,120
Other revenue	178	180	184	159	254
<b>Total</b>	<b>4,021,358</b>	<b>7,797,248</b>	<b>6,150,598</b>	<b>4,851,259</b>	<b>3,933,065</b>
Claim cost and benefits	2,440,655	1,974,311	1,416,089	1,166,314	965,056
Dividend to policy holders	27,487	37,604	41,961	34,404	27,415
Transfer to reserve*	1,231,189	5,503,252	4,437,747	3,475,349	2,793,667
Commission	212,896	222,505	187,137	134,503	92,747
Underwriting expense	9,173	8,606	5,897	6,664	4,795
Operating expense	68,185	24,511	39,131	10,272	25,766
Welfare expense	7,982	7,872	7,062	6,602	7,250
<b>Total</b>	<b>3,997,567</b>	<b>7,778,661</b>	<b>6,135,024</b>	<b>4,834,108</b>	<b>3,916,696</b>

\* The figures from 1997 were calculated by the Net Method instead of the Gross Method.



## Note 10: Breakdown of mutual credit income and expense

(in million won)

classification	1997	1996	1995	1994	1993
Interest on loan	216,274	190,535	197,975	126,490	116,028
Interest on deposit	19,990	13,244	-	4	4
Interest due from other accounting unit	200	175	96	67	-
Interest on securities	904,397	723,879	469,730	514,920	473,172
Interest on other assets	44,366	28,885	26,201	22,733	25,032
Gains from securities trading	3,968	5,572	8,486	9,934	1,960
Dividend on securities	564	567	488	242	59
Interest on call loan	33,773	-	-	-	-
Other income	16,908	196	-	6	225
<b>Total</b>	<b>1,240,440</b>	<b>963,053</b>	<b>702,976</b>	<b>674,396</b>	<b>616,480</b>
Interest on deposit	1,140,619	926,948	675,773	655,531	597,493
Loss from securities trading	17,230	1,133	1,463	410	1
Valuation loss on securities	41,992	11,792	5,245	-	-
Interest due to on other accounting unit	6,979	4,031	3,446	731	-
Other expense	20,180	7,881	7,568	7,158	6,438
<b>Total</b>	<b>1,227,000</b>	<b>951,785</b>	<b>693,495</b>	<b>663,830</b>	<b>603,932</b>

## Note 11: Breakdown of administrative expense

(in million won)

	1997	1996	1995	1994	1993
Salaries & wages	473,271	446,048	395,156	339,208	305,260
Provision for retirement	248,601	194,700	173,000	155,000	66,600
Public dues	19,694	19,449	21,740	15,753	12,078
Other general expense	374,941	331,322	275,650	226,628	198,198
<b>Total</b>	<b>1,116,507</b>	<b>991,519</b>	<b>865,546</b>	<b>736,589</b>	<b>582,136</b>

## Note 12: Breakdown of non-operating income and expense

(in million won)

	1997	1996	1995	1994	1993
Interest	361,514	239,190	216,766	195,350	163,497
Rental revenue	2,512	1,996	1,549	1,087	1,132
Purchase income	12,956	8,324	8,791	3,656	2,477
Other income	15,520	17,388	7,737	5,937	8,738
Income from collection of writing-off	11,403	3,525	1,262	-	-
Income from fixed asset sale	5,702	7,854	4,685	-	-
Miscellaneous	5,011	2,277	4,051	2,635	2,828
<b>Total</b>	<b>414,618</b>	<b>280,554</b>	<b>244,841</b>	<b>208,665</b>	<b>178,672</b>
Interest	196,879	30,633	20,542	15,885	18,599
Interest due to other accounting unit	238,426	214,186	223,764	198,833	179,140
Other expense	39,406	30,668	19,469	13,530	14,266
Valuation loss on investment in affiliates	-	6,203	6,934	-	-
Loss from fixed asset sale	6,018	8,375	6,265	-	-
Miscellaneous	38,951	2,415	6,212	1,546	964
<b>Total</b>	<b>519,680</b>	<b>292,480</b>	<b>283,186</b>	<b>229,794</b>	<b>212,969</b>

# ORGANIZATIONAL STRUCTURE

Agricultural cooperatives in Korea had been vertically organized at three levels: primary cooperatives at the township level, city/county cooperatives at the city or county level, and the national federation.

We now have a two-tier system: primary cooperatives in local areas and their national federation (NACF). The primary cooperatives are classified into regional cooperatives and special cooperatives. The former are organized by the agricultural producers who are mainly engaged in grain farming such as rice, while the latter are organized by fruit and vegetable growers.

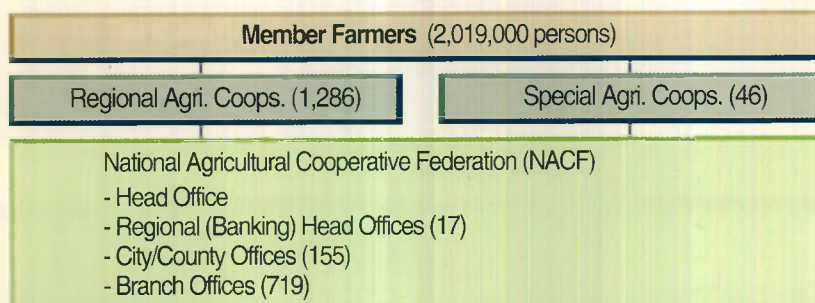
The current two-tier system came into being in 1981 in an effort to improve the managerial competence of primary cooperatives with which farmers have direct contact, and to develop them as core organizations in the cooperative movement and for rural community development. The former city/county cooperatives were transformed into branch offices of the NACF, and now mainly perform banking operations.

Regional cooperatives organized at the village level numbered 21,500 in 1961. The number was drastically reduced due to an amalgamation drive designed and initiated by the NACF during the 1968-1974 period to achieve economies of scale in cooperative management.

The NACF now has 1,286 regional cooperatives and 46 special cooperatives as members. Almost all the nation's farmers are affiliated with these cooperatives. The member cooperatives perform such business activities as the marketing of agricultural products, the supply of farm inputs and consumer goods, agricultural extension, banking and credit, and cooperative insurance services. Since 1989, the special cooperatives, which previously had handled only marketing and supply business, have also been allowed to provide banking and credit services to their member farmers.

The NACF has 17 regional (banking) head offices, 155 city/county offices, and 712 branch offices across the country at the end of the year. It also operates 10 training institutes and 24 agricultural marketing centers in order to efficiently support member cooperatives.

The NACF runs various subsidiary companies to perform effective business activities: the Agricultural Technology Cooperation Co., the Farmers Newspaper, the Korea Agricultural Cooperative Trading Co., Korea Agricultural Cooperative Marketing Inc., the Futures Corporation, Korea Coop-Agro, Inc., and the Nam-Hae Chemical Corporation. The NACF also has 4 overseas offices in Tokyo, New York, Beijing and Brussels.



# ORGANIZATIONAL CHART

Member Farmers  
 General Meeting  
 Board of Directors

**Chairman & President**

**Deputy Chairman & CEO**

Marketing & Supply Business Headquarters

**Deputy Chairman & CEO**

Banking & Insurance Business Headquarters

**Executive Vice Presidents (2)**

Planning & Management

**Executive Vice Presidents (4)**

**Executive Vice Presidents (4)**

Secretariat

General Coordination Dept.

Member Cooperatives Support Dept.

Inspection Dept.

Rural Development Dept.

Research Dept.

International Cooperation Office

Culture & Public Relations Dept.

General Service Dept.

Property Management Dept.

Security Control Dept.

Human Resource Development Institute

Computer & Information Service Center

HANARO Service Office

Marketing Planning & Support Dept.

Cooperative Sales Support Dept.

Horticulture & Special Crop Dept.

Foodgrain Dept.

Agri. Product Processing Dept.

Farm Inputs Dept.

Cooperative Chainstore Headquarters

Banking Business Support Dept.

Savings & Trust Dept.

Agricultural Finance Dept.

Loan Planning & Service Dept.

Treasury Dept.

Workout Dept.

International Banking Dept.

Credit Card Dept.

Auditors

Audit & Examination Secretariat

Cooperative Insurance Headquarters

Mutual Credit Business Headquarters

# BOARD MEMBERS

			Auditors
<b>Churl-Hee Won</b> Chairman & President	<b>Nai-Soo Lee</b> Deputy Chairman & Chief Executive Officer	<b>Hae-Chin Park</b> Deputy Chairman & Chief Executive Officer	<b>Dae-Kun Chung</b> Standing Auditor
<b>Woong-Rai Cho</b> President of Nammyun Agri. Coop.	<b>Byung-Dae Park</b> President of Doam Agri. Coop.	<b>Jong-Wan Park</b> President of Choongjoo Agri. Coop.	<b>Jun-Sik Park</b> Auditor, President of Kwanak Agri. Coop.
<b>Bong-Ju Lee</b> President of Yeonmu Agri. Coop.	<b>Taek-Youl Lee</b> President of Janggae Agri. Coop.	<b>Sang-Gyu Sun</b> President of Boseong Agri. Coop.	<b>Hong-Seob Kim</b> President of Byunggok Agri. Coop.
<b>Jin-Gi Mun</b> President of Samcheonpo Agri. Coop.	<b>Kyung-Hee Hyun</b> President of cheju-city Agri. Coop.	<b>Yong-Bok Lee</b> President of Bukdaegu Agri. Coop.	<b>Kyu-Sam Oh</b> President of Iksan Horticultural Coop.
<b>Ik-Ro Yoon</b> President of Yeisan Apple Coop.	<b>Byung-Joo Kim</b> Prof. of Graduate School of Economics in Seokang Univ.	<b>Sung-Heon Chung</b> Chief Director of Woorimil (Kor. wheat) Revival Movement H.Q.	<b>Byung-Hang Choi</b> Former NACF Executive Vice President

# EXECUTIVE VICE PRESIDENTS

<b>Nam-Hoon Paik</b> Planning, Coordination & Research	<b>Jung-Keun Seo</b> Marketing & Processing	<b>Woong-Jae Yoon</b> Banking, Fund Management & Agri. Finance
<b>Eun-Nam Son</b> Personnel, Management & Inspection	<b>Chang-Kuen Oh</b> Farm Inputs & Foodgrain	<b>Seong-Ki Kim</b> Savings, Trust & Coop. Insurance
	<b>Jong-Moo Kim</b> Extension & Horticulture	<b>Seung-Ky Yang</b> Appraisal, Int'l Banking & Mutual Credit
	<b>Heung-Il Kim</b> Member Coops. Support & Chainstore	<b>Sang-Kyu Kim</b> Credit Guarantee

# NETWORK OF THE NACF & MEMBER COOPERATIVES



## NACF BEIJING OFFICE

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Beichendong st., Chaoyang Distirct,  
Beijing 100101 China  
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· FAX:86-10-6493-4112

## NACF NEW YORK OFFICE

1550 Lemoine Ave, Suite 16 Fort  
Lee New Jersey 07024, USA  
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· FAX: 1-201-585-0790

## NACF BRUSSELS OFFICE

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· FAX: 32-2-231-1486

## NACF TOKYO OFFICE

Nanshinjuku Bldg. 5th floor,  
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Tokyo, Japan  
· TEL: 81-3-5351-5631  
· FAX: 81-3-5351-5633

# SUBSIDIARY COMPANIES

## ***The Agricultural Technology Cooperation Co.***

was established to enhance the domestic and international exchange of advanced farming technologies. It offers a variety of overseas agricultural tours to member farmers, and produces audio-visual materials and training aids relating to farming.

· Address: 15-19, 2-ka, Hangang-ro, Yongsan-ku, Seoul, 140-012 Korea  
· Tel: (822) 3279-0500 · Fax: (822) 706-1548

## ***The Farmers Newspeper***

was inaugurated in 1964 to better voice the interests of farmers and make policy suggestions for more efficient agricultural policy implementation. It is published every other day and circulation surpasses three hundred and thousand copies throughout the country

· Address: 36, 1-ka, Jongro, Jongro-ku, Seoul, 110-121 Korea  
· Tel: (822) 732-4544 · Fax: (822) 739-8942

## ***The Korea Agricultural Cooperative Trading Co.***

was established in 1990 in order to promote the export of local farm products and to import farm inputs and goods needed by member cooperatives and farmers.

· Address: 15-19, 2-ka, Hangang-ro, Yongsan-ku, Seoul, 140-012 Korea  
· Tel: (822) 712-8121 · Fax: (822) 719-2521

## ***Korea Agricultural Cooperative Marketing Inc.***

was opened in April 1995 to contribute to streamlining the agricultural marketing system in the urban areas, thereby increasing member farmers income. The company has two Hanaro Clubs, ten Hanaro Marts, and eight other retail outlets.

· Address: 229, Yangjae-dong, Sucho-ku, Seoul, 137-130 Korea  
· Tel: (822) 529-0091-5 · Fax: (822) 577-1766

## ***Korea Coop-Agro Inc.***

was launched in February 1995, in south-eastern Korea. The company supplies fruit wraps mainly to apple and pear growers. It is the largest company among similar enterprises in Korea, and is expected to benefit fruit growers by providing better quality fruit wraps.

· Address: 29-134, Bonie-ri, Nonkong-myun, Dalsung-gun, Daegu city 711-855 Korea  
· Tel: (8253) 615-0341-2 · Fax: (8253) 615-0840

## ***The Nam-Hae Chemical Corporation***

is the biggest chemical fertilizer manufacturer controlling more than 40% of fertilizer production in Korea, of which the NACF is the dominant share holder with 70% of its shares. The annual production capacity is about two million tons. Major products include urea and compound fertilizer. It was listed on the Korean Stock Exchange in November 1995.

· Address: 60-1, Chungmuro 3-ka, Chung-ku, Seoul 100-013 Korea  
· Tel: (822) 279-5161 · Fax: (822) 272-6679

## ***The NACF Futures Corporation***

is incorporated in March 1997 as a wholly owned subsidiary of NACF. Its reserved capital reaches 10 billion won as a futures brokerage house, being in line with the first domestic financial & commodity futures exchange to be open in the early 1998.

· Address: 15-19, 2-ka, Hangang-ro, Yongsan-ku, Seoul, 140-012 Korea  
· Tel: (822) 3273-5114 Fax: (822) 3273-5225



 **NATIONAL AGRICULTURAL  
COOPERATIVE FEDERATION**

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**Women's Activities**  
**in Korean Agricultural Cooperatives**  
**and**  
**NACF's Extension Service for Women**

for  
3rd Asian Conference of Women Farm Leaders of Agricultural Coops  
Tokyo, 26th August to 6th September 1998

Presented by  
Jeong-joo Oh

75, 1-Ka, Chungjeong-ro Jung-ku, Seoul 100-707 Korea  
Tel : (822) 397-6192 Fax : (822) 397-6200

**National Agricultural Cooperative Federation**



## **Introduction**

These days are called as the world of technology and information, and have shown some changes in many aspects, compared with that of 40 years ago. Keeping up with the wave of change, Korea has made a significant improvement over the last four decades in the areas of economy, technology, politics democratization and social reform.

Agriculture in Korea has progressed in line with the development of the national economy. Although the role of agriculture in the economic development has declined considerably, the agricultural sector has still played a very important role in Korean economy and has had close relations with other sectors.

Economic progress has brought agricultural development in consequence and this enables woman to participate in productive activities. At that time when physical power was the main source of the agricultural productivity, only man played important parts in our lives, whereas woman was nothing but a minor part of them.

However, as the world has changed, the woman's position and role have changed, too. The more modern society develops, the greater women's role becomes. And much evidence proves that women should not be an assisting role any more but a leading person together with men in the lives. This is the same happening in agricultural society.

It is my job to find out many accesses to encouraging the active participation of women in agricultural activities. In that sense, I would like to talk about, firstly, the present situation of Korean women in agriculture; secondly, the institutional supports that the NACF provides and is planning to do for them in order to improve the position and roles of women farmers; lastly, Korean women's involvement in agriculture with some concrete examples.

## **I . The present situation of Korean women's participation in agriculture**

According to the recent research, women take over 48% of agriculture workforces and they make also about 96% of final consumption decision. In addition, the rate of women's participation in economy activity has become higher from 43% in 1980s to over 50% in 1997. And the demand of women labor in agriculture, especially in farm management, is continuously getting larger and larger. Now let me talk about this matter in detail.

### **● The Roles of Women Farmers**

Korean women farmers undertake various kinds of significant roles in the sphere of production and reproduction such as agricultural production, self-employment in non-farm sectors, child care, community activities, and so on. As we can also see from many statistics that the proportion of female engaged with farm household labor as well as family labor has considerably increased and even in employed labor and exchange labor, women's labor hour is much longer than men's. That is, women farmers' role is given much weight in the agricultural society.

However, they still have some obstacles such as patriarchal structure of rural society and lack of education opportunity, etc. in performing their parts. To break through these kinds of obstacles, our organization, the NACF, provides women with varied service, which will be introduced later in this paper.

## **II . What does NACF do for woman extension service?**

The NACF has encouraged women to participate in their cooperatives as well as activated welfare business of member cooperatives. The share of women membership in the cooperatives amounted to only 13 percent at the end of 1997, up 1.9 percent from the year earlier.

Moreover, during the year, member cooperatives saw the first women directors of which there were six at the end of the year. Here, I feel we need more supports from government to implement the welfare programs for women in rural areas. Because cooperatives extension service for women and welfare have been affected by the governmental policies in Korea.

### ● Implementation by government

In order to resolve women's problems, the Korean government has implemented and planned women development policies which are implemented under the collaboration with MAF (Ministry of Agriculture and Forestry), RDA (Rural Development Administration), MHW (Ministry of Health and Welfare), and MPA (Ministry of Political Affairs), etc. Although all of them suggest good policies, I would like to introduce only MPA policies to you.

MPA, which coordinates and plans all policies for the advancement of women position, is now drawing up the 1st Women Policy Master Plan (1996-). This plan will contribute to advancing women's position, especially to women farmer's empowerment.

The main contents of policies related to women farmers are as follows:

- To alleviate the dual-burden of production activities and household affairs.
- To broaden women's participation in planning, policy-making and implementing of agricultural and rural development.
- To foster professional women farmers and women farmer's organizations.
- To reinforce health-care services for women farmers.

In addition, Women Policy Master Plan includes plans to broaden women farmers' participation in agricultural cooperatives. The main contents are first to increase the ratio of women members from 12% in 1997 to 20% in 2000. Second, to introduce vocational representation system of women at the constitution of committee and board of directors.

With this background, let me introduce the NACF's policies.

● Implementation by NACF

NACF has taken the "100 vital tasks and projects" from 1996 to broaden women's participation in NACF business, and implemented various activities for increasing women members, electing women director and activating women's sub-committees, etc.

① to increase women farmers' membership

As the most of rural population is getting composed of the aged and women, NACF made an amendment of its law in order for the youth and women farmers to obtain cooperatives membership and take part in the management of cooperatives in person.

Dual membership system, introduced in June 1996, allows that 2 people in the same household get the cooperatives membership. By introducing the dual membership system, NACF plans to enhance the ratio of women member from 13.1% in 1997, 15% in 1998 and up to 20% by 2000.

NACF is also trying to promote PR such as presenting admirable cases and advertising by cooperatives' newsletters and bulletins for increasing women members. Now, NACF is considering alleviating the criteria of obtaining membership to boost more women's participation.

② to institutionalize women's participation in the cooperative management

As the ratio of women farmers in agricultural population gets higher, the concern of women's participation in communities grows bigger, too. Nevertheless, the opportunities are so restricted that agricultural cooperatives cannot satisfy the women's demand. Moreover, most of member cooperatives adopted the system electing directors only 7 to 15 people in each district of cooperative.

This system is likely to prohibit women from being elected director. However once being elected director or honorary director, women can exercise their influence over decision-making in the committee, so women's opinions are to reflect in cooperative business.

Therefore, NACF has promoted "the election of woman director and honorary director" as the main project since 1996, and has gained satisfactory result. NACF is continuously considering the means of providing women with as many chances to participate in the cooperative management as possible. And it is planning to include whether the cooperative has 'women director' or not as one of additional management assessment items.

③ to activate women's sub-committees

NACF runs several sub-committees for the purpose of reflecting member farmers' opinion and encouraging their voluntary participation.

There are 9 different sub-committees such as marketing, purchasing, mutual benefit, female, etc. But, the chairman, even for female sub-committee, used to be man before women directors were elected. These days, in many cooperatives where has women directors, this committee is changed to female-centered. So we are expecting that female sub-committee will listen to the voices of women farmers' and reflect them in cooperative business.

④ to support women's organizations and implement informal education for women

The NACF has put emphasis on fostering rural women's groups. One is the <sup>Korea Women's Farmers</sup> Rural Housewives' Association (RHA), which includes more than 1,200 primary groups, with about 34,000 individual members, the other is the Alumnae Association of Agricultural Cooperative Housewives' School (AAACHS), in which 842 primary groups offer ~~193,000~~ <sup>220,000</sup> members with various social and cultural activities.

These two associations, as pillars of women's groups in both urban and rural communities, have maintained a sisterhood relationship, seeking mutual benefits by mediating the direct marketing of agricultural products and by participating in community activities through joint social programs.

The NACF is now seeking the way to collaborate with local universities and specialized education institution to improve the level of education program.

### **III. Women's Involvement in Agriculture**

Along with the assistance programs of the NACF, many women groups of member cooperatives are carrying out their own businesses and activities. We expect the scale of the business will be soon much more widened than now.

- to run recreation and education classes

Member cooperatives are running various educational program according to their situation such as hobby class, family unit discussion class, etc. so as to improve the standard of living, provide the opportunity to get closely together with family, and make themselves understood to the other family members. Some cooperatives operate license classes and teach women farmers to get licenses, which have been thought to be only men's territory. This program helps women to be independent and acquire various knowledge and skill.

As the role of rural women has diversified and expanded, many member cooperatives are executed the Adult Education Program for rural women. The education program aims to equip and empower rural women so that they can adequately play their roles.

- campaign to have “visiting card”

Encouraged by the NACF, many women farmers now have visiting card with their names on it. This campaign helps women farmers take pride in themselves, because women farmers not only become specialists in farming, but also play important roles in agriculture. In addition to this, on a signboard of farms are written the couples names together instead of men's name only. These two movements are evaluated to contributed very much to improving women farmers' position.

Apart from these programs and campaigns, there are a lot of other activities run by women groups, which are doing great jobs to improve the standard of living and establish better rural living. And the women groups are continuously attempting to develop better ideas for agricultural society through discussion and studying.

## **Conclusion**

It has been only one and half years since I started to work for the NACF and got interested in agricultural extension services. Therefore, I can't say I have good knowledge and abundant experiences in agriculture and activities of agricultural cooperatives in Korea. But I can tell you that now I realized the agriculture is one of the essential elements in our lives and there are a lot of works to be done by us, women.

Even though, I have not yet made any outstanding accomplishment in the field of agriculture especially related with woman, I have been studying about roles of women farmers and trying to find out effective means to level up women's position and help them to grow their leadership.

I hope and believe that this conference will be a great opportunity and a good challenge for me to broaden my agricultural knowledge as well as to widen my experiences as woman leader.

**LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**Peace Independence Democracy Unity Prosperity**

Country Report

For

“ 3<sup>RD</sup> ASIAN CONFERENCE OF WOMEN FARM LEADERS  
OF AGRICULTURAL COOPERATIVES “

Tokyo ( Japan ) , 26<sup>th</sup> August - 6<sup>th</sup> September 1998

Prepared by :

**Bouavanh PHACHOMPHONH**



## **WOMEN IN LAO PDR, THEIR ORGANISATION AND ROLE IN AGRICULTURE**

### **1. Preamble.**

Since the establishment of the Lao People's Democratic Republic on the 2<sup>nd</sup> of December 1975.

A new era is adapted for independence, freedom and equality for people of all ethnic group and gender. The government of the Lao PDR has mobilized people of all sections, strata, age groups and sexes to contribute to the safeguarding and development of the country for improved security.

For the first ten years of the new regime, the government had to address its attention primarily to raising the living conditions of the people while healing the wound of the war. The issues of the role and status of women in society were also addressed, particularly in the Constitution and various laws adopted which affirmed equal right for men and women.

### **2. Former woman's social status:**

Social organisation and cultural patterns inherently support the relatively high status of the majority of Lao women. In particular the Lao Lum, the dominant ethnic group, their system of group is principally matrilocal and, matrilineal. Matrilineal descent implies inheritance of the house and fields through the youngest, or other daughters as the main custom. The youngest daughter's inheritance of the family home and land is more or less seen as a compensation for her care of the parents. This way women are assured of powerful economic resources, which enable them to have a very central role in the rice-based farming system.

Although other ethnic groups have a social organisation and culture based on male dominance in the ownership of means of production, patrilocal residence patterns and patrilineal descent and inheritance patterns. It is found that being a woman in Lao PDR, even in patriarchal context, implies a potential for economic autonomy and self-reliance as crucial economic sectors and activities are monopolised by women due to the acceptance of the gender division of labour.

However, certain backward traditions and outdated practices remain as obstacles to advancement of women. Women themselves, for example, continue to feel that they are inferior to men, and are seldom bold enough to express their opinion to protect their right and their benefits. As significant proportion of the men, despite the recognition of gender equity under the law, still maintain the same attitude toward women. They still consider women to be the weaker gender, and thus less capable than men of participating in activities for the protection and development of the country.

In agriculture, forestry, irrigation, livestock and fishery sectors there is a small number of women representing in different important posts. Most of women's

workers and government staff are employed as administrative workers, receptionists or elementary workers.

### **3. Women participation in the economic structure and the production process.**

The government of Lao PDR recognizes the important contribution in those women could make to national development efforts. Women represent about 51% of total labor force of country. Three main sectors where women actively contribute to the growth of GDP such as agriculture, industry and service sectors. In the textile-exported industries, women account for 95% and make significant income to the country. In the service sector, women represent 62% of labour force. Moreover, women are actively contribute to the education and health development.

### **4. Women participation in agriculture.**

Agricultural sector is the most an important sector in agriculture and forestry activities and it closely to the livelihood of Lao people. Agriculture is by far the most important sector in which Lao women participate, followed by commerce, education, health, and industry and government administration. There are still very few women in professional, technical and managerial occupations. According to the 1985 census 69.5% of the female labour force (age group 16-60 years) work in agriculture; that is 14 % higher than men, of whom 55.6% of the labour force participates in agriculture. Lao women work in several important sectors of the village economy: they work on the land as farm women, they gather forest products, many are artisans in weaving, they are the buyers and sellers on the market, and last but not least, they run the household.

#### **Some of the constraints in Lao PDR for production of agriculture.**

- Generally, agricultural production is natural and semi-natural production; the agricultural production has high risk because of bad weather conditions.
- Farmers' knowledge level is low and they do not have other jobs and fund for investment their businesses to increase the agriculture output.
- Women are still facing with socio-economical obstacles as well as strong tradition and belief which need some time to change the behavior and attitudes of women. Women lack of adequate opportunities for formal or informal basic education or training opportunities during child hood or later in life of the rural women the potentials for self-development become limited due to the culture and working mechanism.
- There is no clear understanding on the importance of women's role in the society, no clear role division and inadequate support.
- There is no systematic agriculture extension program, in extension methods, program planning for extension activities and management provided to the female and male staff at the districts.

**The suggested plan of action for enhancing the participation of women in better-living activities.**

1. Continue to train and upgrade the trainer and farmers on specific technical production, processing and marketing as well.  
( The training matter are emphasized on activity creating and managing the marketable agriculture, such us mushrom growing, fruit tree propagation, home food processing, lao silk hand weaving, rice production technique and chicken raising.)  
The training objective focus to expand and transfer the special technique to the farmers groups in rural area, by establishing village technician and mode family, on market-additional income for women.
2. Motivate production fund for farmers.  
The agricultural production should be beneficially related with agricultural credit and farmers economy levels should be classified for improving production for exempla poor farmers who have not any tool and equipment and live in poor conditional areas the agricultural credit policy should be lent with low interest rate, however, for farmers who have better living conditions, the agricultural credit policy should be different i.e. high interest rate. Therefore, the flexible agricultural credit policy should be extend to farmers in rural areas for creating better conditions and opportunity to develop the agricultural production system.
3. Provide the budget, motility for extension agents for follow-up and push the production sustainable.
4. Technologies to reduce women's workload are urgently required. E.g. drinking water facilities.
5. Classification of land title in the name of women.  
In case of registration in the name of the men this may have a very drastic negative effect for their role in agrarian production.

**Co-operative Movement in Nepal**  
*(With reference to women farmer's Cooperatives)*

Presented by  
**Ms. Rohini Joshi (Baidya)**  
Chair-person

**Lalitpur Saving & Credit Co-operative Union**  
**Lalitpur NEPAL**

at

**Third Asian Conference of Women Farm  
Leaders of Agriculture Cooperatives**

held in

**Tokyo, JAPAN**  
**August 26 - September 6, 1998**

## Country paper on Women in Farming:

### Topography:

Nepal is a landlocked country where Mt. Everest stands for the highest mountain in the world. It is located in Asia and encircled by Chinese Border on the North and India border on the other three sides. It has an area of 147,181 Sq. Km. Stretching east to west. It can be divided into three geographical region (a) Southern Terai (Plain area) region. (b) Mountain and Hills of the middle region, and (c) Himalayans the Northern region with snow cover. Its altitude above the sea level varies from over 8000 meters in the north to above 100 meters in the Terai region.

Nepal has been divided its five development regions each region consists of various districts. Nepal has 75 districts for the administrative purpose.

Nepal is a birth place of Lord Buddha the Greatest enlightened in the world. But by the religious point of view, Nepal is the only Hindu country of the world consists of 86% of the total population but Buddhists are only 8%, Islam 3%, others 2% and non stated 0.1%.

### Population:

The total population of Nepal in 1996 is estimated 22 million with annual growth rate of 2.10%. Women constitute 50.30% of the total population who play important role in agriculture. The population residing in the Hills and village 46% of the population in Terai 46% and 8 in mountain where there is lack of facilities. The Terai region is the main production area of food region and Hilly area fruits production region. More than 90% of the people earn their income from their agriculture sector which generates 59% of the National GDP.

The life expectancy of the people at birth is 56.5. the average literacy rate is 40% which is very poor in the world ; women are 26% literate and men are 54% only.

The latest data of per capita income is of US\$180 which places it among the very poorest countries of the world. It is also more than 200 times lower than Japanese people and 49% people are living in below poverty line and they are the majority of women

### Agriculture in General:

Total area of the kingdom	147,181 Sq. KM
total agriculture land cultivated	2968017 Hectors
total uncultivated land	986896 Hectares
total irrigated land (1995/96)	782573 Hectares
GDP at current price in Million	
Agriculture	96.30
Non agricultural	143143
total cereal production	6246600 Metric tons
total production of cash crops	2603500 Metric tons
chemical fertilizer	133250 Metric tons
improved seeds	3468 metric tons
total loan disbursement (Rs. in 000)	3.714.609
total loan collection (Rs. in 000)	3.899.380
total loan outstanding (Rs. in 000)	7554.282
per capita GDP	Rs. 12.092

per capita GNP	Rs. 12.307
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\* Source: Ministry of Agriculture Statistic division.

(¥2 = Rs.....)

The above data shows the agriculture production is not sufficient to 90% population and govt. is importing food from other countries since 1960. There is extremely low production due to low investment, old type of farming and irrigation is not sufficient and most depend upon rainy season. But the labour working hours is very high. Due to low production and traditional types of farming mostly farms are only partly employment. So alternative job is very necessary for economic development of the farms. To reduce these partly unemployment commercialization of agriculture is very necessary which was one of the major concern of the twenty year agriculture perspective plan approved recently by HMG of Nepal and also that of the current Eighth Plan.

Agro enterprises is crucial not only to reduce poverty but also to provide economic power of rural women. Economic power is a pre requisite for social power.

The characterization of Nepalese farming is as follows.

- Mixed where small number livestock farming is an integrate part of crop production.
- Labour intensive
- about of 90% women participate in agriculture.
- Majority of the farmers are small and marginal.

As a result of these characterization of agriculture the farmers can be divided into three categories as follows.

- (a) Big landlords : they are not the actual farmers. They do not work in the field. They hold big lands only.
- (b) Middle Class Farmers: They are also the landholders, these landlords also do not work in the field.
- (c) Poor Farmers: are who works hard In the field . The working hour is minimum 14 hours to maximum 18 hours. But the result of production is very low. The land holding are very small in average, so the cultivators are unable to use modern scientific tools and methods. They are always half of the year unemployment and very poor. There is one version "The farmers are born in debt, live in debt and die in debt". Thus the circumstances makes them to borrow money from village money lender which is very high rate of interest. They could not be free; these indebtedness shifted from generation to generation and the result is directly effect to the women. Although more than 90% economically active women are engaged in agriculture, they have little or no access to the alternative means of earning income to feed their families.

Activities of women in farming:

More than 90% female are engaging in farming and playing an important role. But they are socially disadvantage. Women have large portion of labour force and they are taking active participation in performing various agriculture operations. Not only the farming women have their regular household activities fetching water, swiping, collection of firewood, childcare, care of sick people are exclusively the women works. They participate in production grains, vegetables, fruits and raising cattle. The main activities like caring of leaf fodder from the forest, cleaning of shed, Milking and milking various dairy production like curd, Ghee, Kurauni are also performed by women.

There are some regional, ecological and ethical variation in the extent of women participation in various agriculture operation. Women of Terai are less involved in agriculture than mid hill and high hill. So female are less involved in decision making 'contact with social

organizations and a credit institution and cooperatives. In Terai female are mostly engaged in household activities as a result they have little decision making authority. Although major policy level decision are taken by men, operational level decision are taken by women. Operation level decision are important to get maximum output from the farm operation.

Gender variation in decision making amongst different communities ethnic groups.

Community	Decision Makers		Both
	Male	Female	
Ethnic Group			
Baragoanli	8.4	91.6	-
Lahorung Rai	2.0	76.0	42.0
Khan Magar	14.0	42.0	44.0
Parbatia	47.8	47.2	5.0
Newar/ Jhapu	37.0	52.0	11.0
Tamang	18.7	49.3	32.0
Tharu	27.6	66.6	6.4
Maithali	65.0	20.0	15.0

Source : Acharya & Bannett (1981)

Gender Variation in decision making amongst the different social classes.

Social Classes	Decision Makers		
	Male	Female	Both
Upper Class	54.0	27.0	19.0
Middle Class	41.0	27.0	32.0
Lower Class	25.0	30.0	45.0

Source: Singh (1982)

Gender Variation in decision making with regard to crop production activities:

Activities	Decision Making	
	Male	Female
Crop Selection	40	60
Seed Selection	48	52
Traditional Fertilizer	4	96
Kind of Chemical Fertilizer	71	29
Irrigation line	50	56
Harvesting	3	63
Storage	27	73
Processing	77	73
Grain Selling	49	51
Vegetable Selling	42	58

Source M Bannett 1981, Sharma & Acharya, 1993)

Not only in decision making women work more in agriculture activities compared to their male counterparts:

(a) Cereal crop production (Women's Share in the total labour input)

- Transplanting (62-88%)
- Manuring (52-81%)
- Weeding (62-80%)
- Harvesting (57-83%)

Note: Percentage varies according to cereal crops and the geographical region (Source MOA)

Not only in subsistence food crop production but also in the production of high value commodities women have been contributing significantly -as shown in the following table.

Commodities	Contribution of Women's Labour in Percentage
Fruit total	46
Apple group	54
Citrus Group	48
Mango group	33
Vegetable group	67
Vegetable seed	58
Sericulture	79
Ginger	64

#### Market Economy:

As shown in above data women play a vital role in agriculture even then they are in disadvantage. Generally women does not have access to market except village itself for buying and selling vegetables which is main income of women farmers. But access to selling agriculture product depends upon ethnicity, Ecological landholding and economic differences. (SNV Nepal, 1992) 56% of the Mangar women, 41% Chhetri women, 50% Newar women have access to markets though Tharu Women are never involved in selling. The women's markets are only in local village market which is not effective in market economy. Because there is low bargaining power. Due to the lack of financial resources, transportation facilitates, social and cultural obstacles women are always in disadvantage and ever poor. Women have no right in income and property also. They have access to work but no right control over property.

Gender in equality is also the main obstacle of self employment and the recreation of women. the following chart shows the inequality wages rate for women even women do work sincerely

The difference of wages rate by crop and activities Rs/day.

Activities	Man (Rs. Per day)	Women(Rs. Per day)
Digging	24-30	14-15
Making crop bed	24-31	7-15
Sowing Transplantation	20-27	13-15
Weeding	20-30	13-16



Activities	Man (Rs. Per day)	Women(Rs. Per day)
Applying Chemical Fertilizer	22-30	13-16
Harvest Activities	23-29	12-18

Source : Shrestha, 1990, MOA

The role played by women in producing food is substantial but due to lack of opportunities and organizational support, women have to fight the battle of survival on their ways. It is clear that all the problems should be reduced by cooperatization of farming and Co-operative marketing for their surplus.

Women problem & Issues in society:

1) Illiterate, 2) poverty, 3) unaware of own concern, 4) opinion less & voiceless, 5) lack of self confidence, 6) low income, 7) male domination & unknown of right of law, 9) insecurity, child marriage, polygamy of men, 10) low participation in outside, 11) most involvement in household work, 12) ill health due to poor treatment during pregnancy & the child rearing period, 13) no right in income & property.

By the involvement in Co-operative the above problem should be minimized. In this point govt. remain idle in our country. But the peoples movement is increasing day by day.

History of Co-operative in Nepal.

The concept of Co-operative is not a new idea in Nepal. There were so many old types of cooperatives especially related to cast concern. They are

- (a) Guthi: it is related to Newar society. It is a popular saving institution in Newar ethnic whole specific communities agreed to contribute money once a year and especially is used for the social and cultural protection such as funeral, renovation of temple and prayer honorarium.
- (b) Parma: means labour exchange during cultivation and harvesting crops especially in farmer society.
- (c) Dharma Bhakari: Is as common fund in of grain collected in any ethnic society used for social protection, crops cultivation to lend until next harvesting at reasonable cost and use at the time of urgently needed.
- (d) Gumba: is another popular types of common fund developed by Buddhist community to protect Buddhist monastery and development of the Buddhism. These are the old type of Co-operative.

Secondly the farmer credit Co-operative movements initiated by HMG. in 1954 has introduced in Chitwan district as a pilot project of its promotion a history of more than forty four years. In this respect, credit cooperatives turned into the Co-operative Bank in 1964 and its share amount transferred into the agriculture development bank in 1968. Thus its evaluation could be divided into four distinct stages.

1. Period of informal cooperatives in the period of before 1954.
2. Period of formal initiation & initial growth promotion - 1954-1974.
3. Continued promotion, consolidation and quick decline, 1974-1991.
4. Lastly structure change in Co-operative movement by HMG, the stage of reawake 1991 onwards.

In the second stage govt. tried to promote Co-operative development all over the kingdom. So first of all HMG establish the Co-operative department in 1954 and extended for registration Monitoring and supervision of its movement and Co-operative act enforced in 1958. During the period credit coop, consumer coop. Agriculture coop. Transport coop. Publication coop. Health coop. were established at high cost of expenses.

In the third stage promotion was continued and most of the cooperatives were found in loss as well as some organizations were also dissolved. Due to the region, it showed the decline stage.

In the last the major part of the coop movement in Nepal took place at the time when coop Act. 1992 was set up. At the mean time on June 20, 1993 National Cooperative Federation was registered in the Co-operative Department of HMG in the leadership of Mr. Deepak Prakash Baskota, the promoter Chairman of the NCF. As mention in the Act, there are 4 tiers.

- (a) Primary
- (b) District
- (c) Central
- (d) National as an apex organization NCF.

Co-operative in General: (See Annex 1)

National Cooperative Federation	1
Central level coop.	3
District Level	77
Primary Level	3711
The total Cooperatives	3792

Membership :	
Women	Men
98,214	9,51,950
Share Capital:	Amount :
Primary Society	31,18,15,350.03
District Level	1,29,26,542.90
Total	32,47,41,892.92

Selling good of Primary & District Level are as follows:

a.	Agriculture equipment	49,74,86,522.32
b.	Agriculture Production	2,47,71,572.31
c.	Consumer Goods Selling	12,37,56,624.49
d.	Construction goods selling	1,59,86,310.76
e.	Dairy Production selling	24,33,49,749.04

Loan from

a.	Agriculture Development Bank	9,72,28,857.20
b.	Miscellaneous	1,54,34,830.08
	Total	11,26,62,687.28

Loan Repayment:

a.	Agriculture Devt. Bank	7,82,20,734.50
b.	Miscellaneous	9,35,500.00

Loans Advance in

a.	Agricultural Production	6,92,47,731.52
b.	Agriculture Equipment selling	33,31,975.62
c.	Consumer goods selling	2,65,426.00
d.	Agriculture related production	4,48,621.44
e.	Construction goods selling	12,03,345.00
f.	Miscellaneous	9,36,10,279.87
	Total	16,81,07,379.25

Saving & Credit mobilization:

a.	Saving	11,45,71,623.57
b.	Advance Loan	9,88,31,898.82
c.	Repayment of loan	6,06,25,017.12

Total number of cooperatives including women:

Particulars	94/95	95/96	96/97	94/95	95/96	96/97	94/95	95/96	96/97
	Total Coops			Women Only Coops.			% of Women		
Multipurpose and Agri coop. Societies	1211	1247	1802	8	9		0.66	0.72	3.21
Consumer Coop Societies	305	360	250	6	8		1.97	2022	1.58
Dairy Coop Societies	499	569	794	0	1		0.00	0.18	0.00
Saving & Credit Coop Societies	240	280	579	7	15		2.92	5.36	14.50
Miscellaneous coop. Societies	259	283	284	1	2		0.38	0.70	0.00
District Co-operative Unions	66	67	77	0	0		0.00	0.00	0.00
Central Coop. unions	3	3	3	0	0		0.00	0.00	0.00
National Co-operative Federation (Apex Body)	1	1	1	0	0		0.00	0.00	0.00
Total cooperatives	2584	2810	3792	22	35		0.85	1.25	19.29
Total Members, Men/Women	1.28 Mill	1.3 Mill		93381	98659		7.29	7.59	

### Active participation of women in cooperatives.

S No	Activities	Women	Men
a.	Participation in Member's Meeting at primary level	10%	90%
b.	Participation in Coops Activities	35%	65%
c.	Participation in leadership	2%	98%
d.	Be elected in the board	3%	97%
e.	participation in the decisions making about		
	i) Co-operative activities	1%	99%
	ii) Co-operative policies	0.3%	99.7%

But the promulgation of new Co-operative act considerable number of women are coming to join the Co-operative and good participation in membership and very few women are in leadership activities. Women are producing handicraft, home made product, some cash crop, food grain and they are going to near market to sell their products. But the market is not good and sufficient for them. They can not go far from their house due to many constraint and they are unable to fix the price and account to.

At present there are 1802 multipurpose coops and 794 dairy coop. But most of them are lying inactive and 50% of them are promoted by previous government and operated as a govt. enterprises not as a member enterprise. But after 1992 act, most of the agricultural Co-operative are trying to come up with them own interest. They are trying to do some business of their product.

#### Recent problem and issues of women in Co-operative:

- (1) Women are illiterate
- (2) uninformed and unaware of own problem
- (3) opinion less / voiceless
- (4) Women are less participation and keep themselves allof from decision making.
- (5) Lack of awareness of coop. concept and principle
- (6) Women are not encouraged by men due to lack of gender awareness.
- (7) Lack of proper management for institutional development and business.
- (8) Lack of proper market system to benefit their members as well as the people at large.
- (9) Lack of concrete govt. policy in Co-operative.
- (10) Negative effects of liberalization in Co-operative
- (11) Effect of policies in the development of coop.
- (12) Lack of training , motivation and advertisement.

#### Proposed solution:

1. Co-operative education, Training and development support in all level of coop.
2. Financial Technical and management support in all level of coop.
3. Policy & planning support of local, district & national level.
4. Support to be fit in competitive market economy.
5. Necessary of national Co-operative Bank.

6. Large number of women participation in Co-operative
7. Gender education and leadership training are also necessary in all level of coop.
8. Suitable time should choose for women.
9. Establishment of savings and credit Co-operative in every village for their social & economic development.
10. Make them aware of their own need
11. Make them empowerment through participation in Co-operative
12. Emphasis on income generating training for women in order to meet their limited income.

Strategies for empowerment of women in Co-operative:

1. In all decision position, women should have secured seat.
2. In mixed Co-operative women should be 50% in Board Member.
3. 50% women seat for the training & education
4. Financial responsibilities for women.
5. Leadership position for women in order to lead their coop.
6. Income generation training for women in order to make them self reliant.

### A Case Study:

There are few women cooperatives in Nepal which are leading for women very efficiently in the development of women coop. The purpose of coop is saving and credit but it is helping in all the development Programme for women. It is helping for the socio-economic development and self confidence of women by giving training and helping in the business.

Swastik Saving & Credit women Co-operative society is one of the women Co-operative in Nepal. It was established on August 18, 1992, under the Co-operative act 1992, by a group of retired women bankers who have had long experience in banking business

SSCWCS is committed to encourage women for making them self reliant. Its prime concern is on how women's financial position can be strengthened through income generating activities. It is felt that socio-economic development of women may greatly contribute to the national development efforts. Hence, Swastik Savings & Credit women society is making to improve overall development of women .

Its main objective identified are as follows:

- (a) To accept deposit.
- (b) To provide financial and technical assistance, consultancy service on productive and income generating projects for the shareholders.
- (c) To carry out different creative programs for overall development of the society of less privileged women group and other women groups in general.
- (d) To mobilize saving which are lying idle for the productive purpose of the locality.
- (e) To give adequate financial support to the shareholders by providing training on income generating skills.
- (f) To make daily consumable goods available smoothly to the general public at legitimate price.

The board of directors is responsible for its day to day management of SSCWCS. It has nine members including a chairperson elected by its general members for the term of 5 years. It is accountable to its general assembly consisting of members. It meets usually once a month. It is a supreme body of SSCWCS, makes policy decisions forties smooth operation and provides necessary guidance to the board.

SSCWCS has carried out a number of activities for the last six years, those are:

- (a) Collecting saving from its members
- (b) Distributing loan
- (c) Realizing loan from its members
- (d) Providing training on accountancy, banking, secretarial management, interior decoration, Hair dressing, sewing, stitching and preservation of fruits and vegetable and Co-operative education for village members, soap making, candle making & handicrafts etc.
- (e) Promoting six women Co-operatives in the village and the remote area which is very far from the capital. This is one of the special performance of the SSCWCS. SSCWCS Trained them Co-operative education, accountancy & income generating training, resource mobilization which is available in the village. Before they did not know how to mobilize production which are lying wastage. Now they come to know the selling of vegetables, fruits to near market. And the society also provide them the loan for the production and other income generating Programme. This type of training helped them in order to meet their half of unemployment. Altogether 350 members have been trained on above mentioned aspects.

In order to implement these activities, SSCWCS has very few employee who have been rendering their services with very nominal remuneration. But it is running in profit and goodwill for the members.

The information is giving in the following activities of SSCWCS in order to meet the above objectives.

Total members	150
Potential members	50
savers	190
Saver (Non member)	40
Borrower	135
Employee	5
Total Saving Amount	551499.37
Total Deposit amount on current account	17353.33
Total regular saving amount	287465.33
Total paid up share capital	1263575.00
Total loan disbursement till now	2657010.96
Interest Loan recovery amount	385372.63
Loan recovery	725866.90
Fixed deposit	718667.00

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## Annex 3

### A Glance of Geographical, Economic, Social, Political & Other indicators

#### Geographical Information

LATITUDE	26o-30o North
LONGITUDE	80o-88o East
AREA	147181 Sq. KM
NEIGHBOUR COUNTRIES	North- China; South, West & East India
TIME	+5hrs.45 minutes = GMT Madison (-) 12 hr., Bangkok (+) 1.1 hr. Ireland (-) 6.15 Hr., S. Korea (+) 2.50 hr.
CAPITAL	Kathmandu
MAJOR RIVERS	Koshi, Karnali, Narayani

PEOPLE	
POPULATION	22 Million
ANNUAL POPULATION GROWTH	2.1%
ETHNIC BLEND	Indo- Aryans, Tibeto-Burman, Mangols
RELIGION	Hindu 90%, Buddhist 8%, Others 2%
RURAL POPULATION	92%
LIFE EXPECTANCY	52 Years
LITERACY RATE	33% (Male 38%, Female 28%)
LANGUAGE	Official Language is Nepali. Gneral spoken languages are Maithili, Bhojpuri, Hindi, Newari & other local dialects. English is used widely.
AVERAGE WORKING HOURS	12 hours in a day ( Male 9 hrs., Women: 15 hrs.
ADMINISTRATION	
DISTRICTS	75
MUNICIPALITIES	36
VILLAGE DEVELOPMENT COMMITTEES	3394
ADMINISTRATIVE ZONES	14
REGIONAL DEVELOPMENT AREAS	5
ECONOMIC INTICATORS	
CURRENCY	1 Nepali Rupee (Rs. 1= 100 Paisa)
EXCHANGE RATE	US\$ 1= NRs. 67 (Government Exchange Rate) 1 US\$= (Open market Exchange Rates) quoted by different Banks may differ. 2 ¥ = 1 Nrs.
FISCAL YEAR	16 <sup>th</sup> of July to following years' 15 <sup>th</sup> of June.



## Annex 4

In the present context Nepalese women as a whole development process is shown as follows:

### 1. In General:

Description	Female	Male
Population	50.6	49.40
Contribution to rural economy	50.0	44.0
Literacy	25.0	55.0
Working hrs.	14.0	7.0

### 2. Literacy

Description	Ratio	
	Female	Male
Primary Level	2	3
Lower Secondary	3	5
Secondary	3	7

### 3. Cultural Category

Description	% of women	
	Hills	Terai
Hindu	37.2	13.6
Non Caste	22.0	7.11
Untouchables	8.7	8.7
Others	4.1	
Muslim	3.5	
Non Stated	0.3	

### 4. Women's Participation in Literacy on Regional Basis:

Region	% (1991)
Eastern	26
Central	29
Western	29
Mid-Western	10
Far- Western	6

### 5. Women's Participation in Literacy on Geographical Basis:

Geography	% (1991)
Mountain	7
Hills	51
Valley	8

### 6. Non-farming Occupational

#### Engagement in %.

Description	1991	1981
Professional, Technical & Related.	6.96	15.27
Administration	3.47	4.67
Sales Workers	17.44	17.86
Production & Related	20.59	50.79
Services worker	40.29	3.40
Others	8.59	-
Non-stated	2.64	-

### 7. Ratio of Religion in %

Description	1991
Hindu	86.2
Buddhist	7.8
Islam	3.8
Others	2.1
Non-stated	0.1

### 8. Demographic Composition of Women:

Age Group	1991	
	Number	%
0 - 14	3829478	41.3
15 - 49	4403624	47.5
50 - 59	606955	6.6
60 - above	430066	4.6
Total	92170123	100

### 9. Major Occupational Engagement :

Description	% of women	
	1991	1981
Farmers & related	90.46	96.06
Non Farmer	8.46	2.95
Others	-	-
Non-stated	1.08	0.99
Total	100	100

According to the data shown above in relation of Women demographic composition.

CONFERENCE OF  
**WOMAN FARM LEADERS' OF AGRICULTURAL  
COOPERATIVES- TOKYO (JAPAN)**

26<sup>TH</sup> AUGUST TO 6<sup>TH</sup> SEPTEMBER 1998

**BACKGROUND PAPER**

**CHAPTER- 1: PERTAINING TO OWN ORGANIZATION  
INVOLVMENT IN WOMAN RELATED  
ACTIVITIES SPECIALLY CONCERNED WITH  
RURAL WOMAN.**

**CHAPTER -2 AN OUT LINE OF A SUGGESTED PLAN OF  
ACTION FOR ENHANCING THE  
PARTICIPATION OF WOMAN IN BETTER  
LIVING ACTIVITIES AIMED AT IMPROVING  
THEIR STANDARDS OF LIVING IN THE  
DEVELOPMENT WORK OF AGRICULTURAL  
COOPERATIVES.**

**BY**

**MRS.KHALIDA SAEED,  
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## BACK GROUND PAPER.

### CO-OPERATIVE MOVEMENT IN PAKISTAN.

In Indo-Pakistan, the Co-operative movement emerged with the dawn of the 20<sup>th</sup> Century fundamentally as easy credit providing agency for the tiller of the soil, who, hitherto, used to be born in debts, live in debts and die in debts and aimed at creating credit worthiness in him.

The Co-operative idea in Pakistan was imposed from above as a practical measure to reduce rural indebtedness, to save the illiterate and simple agriculturists from the clutches of the callous money lenders and to afford them as opportunity to stand on their own feet through self-help and mutual aid.

The Co-operative movement in Punjab has, by now, developed into a live body intrinsically capable of improving the lot of the common man. The movement has channelised into multifarious spheres of activities and become a light-house for a new way of life for the masses especially in rural areas.

### CHAPTER – 1.

It is a provincial cooperative organization

The Punjab Co-operative Union was registered under the Co-operative Societies Act 1912, in July 1918 is the mother organization of Cooperatives. Its membership comprises of Co-operative Societies in Punjab to which over 47175 Co-operatives are affiliated. The representatives of member societies from the Council of the Union which elects an Executive Committee drawn from all over Punjab.

The Punjab Co-operative Union renders services to its member organizations by imparting training to office bearers of the Co-operative Societies by holding conferences, seminars and publishing journals on Cooperation. The Union is consulted by the Government and other agencies in all matters relating to the development of the Co-operative movement. It also provides guidance to the newly organized Co-operatives to frame bylaws to be adopted by them.

Women Co-operatives have been organized among low and middle-income group by affecting economy in house expenditure. These women Co-operatives aim at creating opportunities to its members to take up in cottage industry. The following types of Women Co-operative are being given necessary assistance by the Punjab Co-operative Union, in promoting their activities.

#### 1). WOMEN THRIFT CO-OPERATIVE SOCIETIES.

At present 988 Women Co-operative Thrift Societies with a membership of 38,656 working capital of Rs. 10 Millions are working with the following objectives:-

“ To promote socio-economic condition of members by creating the spirit of thrift among them and build funds for utilization for their benefits.

2). **WOMEN INDUSTRIAL CO-OPERATIVE SOCIETIES.**

There are 69 such societies in the Punjab Province with a membership of 2,264. These Societies have been organized to impart training to their members in the Industrial fields like knitting, sewing and embroidery etc. just to supplement their family income and to raise their standard of living.

3). **WOMEN CO-OPERATIVE THRIFT & CREDIT SOCIETIES.**

In the year 1995 a scheme sponsored by Women Division, Government of Pakistan, Islamabad, regarding advancement of loan to the members of Women Co-operative Societies in the Punjab Province, was approved. This scheme has now been implemented and medium-term loans for the purchase of milk-cattle, poultry and knitting machines, have been distributed amongst Women through Thrift and Credit Societies, specially organized for the purpose. So far 69 such societies have been organized and registered.

In Pakistan about 50% women live in the rural areas and majority of them are directly or indirectly involved in agricultural activities. In urban areas majority of women belonging to poor and lower middle classes are working in the industrial sector. A small, though ever increasing number of professional women are drawn from upper, middle and lower middle classes, are also working in the industrial sector.

The involvement of women into the public fields is being encouraged. Although the process of women's entry into the public field is very slow. The spread of education and economic pressures has now made it increasingly necessary for women to work outside their homes. As a result significant changes are taking place in the lives and aspirations of women and men.

Our organization "Punjab Co-operative Union" is continuously in touch with agriculturist families to create atmosphere for rural women to come forward and take active part in the agricultural activities.

Besides the activities mentioned above, a Co-operative society known as "Family Welfare Co-operative Society" is working in Lahore capital of Punjab Province. It is doing marvelous jobs. The main objective of this Society is to enhance the social status and improve the economic productivity of women. For this purpose it has carried the following programs: -

## **MAJOR ONGOING PROGRAMMES.**

### **1) INDUSTRIAL HOME.**

This is the basic unit, which was started with the inception of the Society and has continued to flourish over the years. As a skill training Centre it provides training to women in dress making, knitting, embroidery and toy making.

Its production department provides part time home based employment opportunities to women who want to earn their own living.

**2) SECRETARIAL SCHOOL.**

This training Centre was set up in 1971. It trains educated girls in typing, Short hand and office work. Special emphasis is laid on the improvement of their English.

**3) COMPUTER TRAINING CENTRE.**

Computer training Centre was started in 1989. It offers an 8 week training course in computer programming.

Deserving students of the Secretarial School and the Computer Centre are awarded scholarships so that they may continue their training. On the completion of training, certificates are awarded and every effort is made to secure jobs for them.

**4) ACADEMY FEMALE COMMUNITY WORKERS.**

This academy is the only institution of its kind in this part of Pakistan. It has been set up to train Matric and post Matric women preferably from rural areas as grass root level community workers so that they may act as agents of change and development for bringing women into the mainstream of national development for each training session of six months is evenly divided into the theoretical training and field work practice. The academy can accommodate 70 students for each session and has its own hostel for out station trainees.

**5) WORKING WOMEN'S HOSTEL.**

The society has a 40 beds modern hostel for working women who need calm and comfortable accommodation on moderate rates. Due to the facilities available in this hostel, it has become very popular among the working women and now it is full to capacity.

**6) THE MATERNITY HOSPITAL.**

In addition to six out door medical centers in different localities of Lahore, it has a full fledged 40 Bed Maternity Hospital for the benefit of the women and children of Islampura and its surrounding, localities. It is fully equipped with the latest equipment, qualified doctors and paramedics. Ambulance facility is provided round the clock.

12 beds are reserved for mustahqeen for free treatment.

**7) KATCHI ABADI PROJECTS.**

The society has opened 5 Multi-purpose community development projects in the slum areas. Its projects include primary and junior schools, free dispensaries, vocational training classes and family planning programmes. The total population covered by the services in Katchi Abadies comes to over 1,50,000/-

**8) OLD ANARKALI PROJECT.**

This is the oldest of their projects offering an integrated programme of health, literacy and population welfare.

**9) HUMANITARIAN ACTIVITIES.**

1. Welfare Fund to assist needy staff members and workers.
2. Jehaizes (Dowry) to the daughters of low paid staff and workers.
3. Monthly rations and stipends to widows and other deserving persons.
4. Medical aid to the disabled and sick people.
5. Scholarship to deserving students.
6. Relief goods and cash to the victims of floods and other calamities.

**10) FUTURE PROGRAMMES.**

- Construction of multipurpose community development complex in Sabzasar Colony.
- Production of export quality goods and its export to foreign countries.
- Establishment of loanable revolving fund for to encourage self employed women in their enterprises.
- Setting up of field laboratory for practical field work training of grass root level female community workers.
- Addition of X-Ray Department and Nursery in the Maternity Hospital.

**11) ADMINISTRATION AND MANAGEMENT.**

The Society has a full time salaried staff of over 150 members including doctors, LHVS, paramedics, teachers, training instructors, administrators, office workers and junior workers who are responsible for the administration of the projects.

The affairs of the Society are managed by the Executive Committee and the office bearers of the society.

## CHAPTER II.

### Organised participation of Women folk in Agricultural Co-operatives

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It is an admitted fact that most of the countries in Asian Region depend on Agriculture which is the main source of earning and livelihood for bulk of the population residing in rural areas. Agricultural Co-operatives in Pakistan are mostly carried out by men, but women also provide lot of assistance to them. The role of the women-folk in agriculture is not appreciated, being of irregular nature and undefined. However labour put in by them is substantial. Such labour at home-level includes proper care and storage of agricultural produce, breeding of animals, poultry – farming, harvesting and sowing of crops. They also milk their animals and preserve milk and milk products. This is besides taking care of the welfare of their children and other house-hold affairs. Since the land holdings are generally small, the labour is mostly put by the home-wives. However, in cases where women are employed in agricultural activities wages are paid in cash or kind which are less than those paid in cities and towns. Picking of the cotton in cotton growing areas and sowing of paddy in rice-growing areas is generally done by employed persons including women, but that too is not done through Agricultural Co-operatives or associations, in fact women has no recognized involvement in agriculture and no organizational support is there on the spot.

In Pakistan efforts have been made to increase the agricultural production by popularising the use of improved and standard quality seeds, application of fertilizers and pesticides and use of tractors and other agricultural equipments but very little has been done to adopt latest techniques of agricultural operations and cropping pattern. Agricultural farms are too small, as according to the law of the land and religions customs, the land is divided among those who inherit it. They either cultivate such lands themselves or lease them to tenants. Thus the land since beginning is being fragmented into small farms. In this way there are inherent impediments in adopting agriculture as an industry in the country. Crops are sown and cultivated by the farmers at their own discretion, making it impossible to adopt new agricultural techniques and methods.

A small effort was made in the Province of Punjab (Pakistan) in 1980-81 to organize agricultural Cooperatives by persuading owners of lands, to pool their holdings into compact blocks and carry out agricultural techniques. Tractors were provided at a very low cost and Seeds, fertilizers and pesticides were to be supplied on credit free of interest. Sowing and cropping pattern

the Agricultural Department. But the members did not agree to pool their lands. Thus the scheme failed in the beginning.

For the involvement of the Women in Agriculture in an organized manner and to provide opportunities of better employment to them to improve their working conditions & earnings, Farming will have to be done on compact blocks of land so as to produce modern techniques in sowing, harvesting, storage and marketing of produce. Agriculture through application of new and advanced agricultural methods and techniques will not only increase food production but shall also create permanent employment opportunities to the increasing number of un-employed youth and women-folk in Rural areas.

In the existing circumstances the "Agricultural Women Co-operatives" cannot play an effective role in agriculture sector. However, such Co-operatives if organized, can render service in other fields relating to agriculture economy. Those are livestock, dairy farming, vegetable production, fish breeding, sericulture, silk-worm rearing, cottage industry, grain-storage and garment manufacturing.

The main obstacle in organizing women Cooperatives is the absence of facilities relating to supply of institutional credit and marketing of produce / products. But the most important factor hindering the economic activities of women, is lack of education and literacy, backwardness, lack of technical skill and confidence. The over-whelming majority of the women is illiterate. This is due to, besides other factors, shortage of female teachers, lack of adequate number of schools and non-encouragement on the part of parents to educate their daughters. The parents generally remain satisfied with training in house-hold skill, such as cooking, stitching and embroidery.

Similarly non-availability of institutional credit is another deterrent factor to take up financial activities by the women to earn livelihood. Lack of technical skill and marketing facilities are still other factors which stand in the way of making organized efforts in any field.

In view of the above I have to make the following observations and suggestions

:-

1. Credit be supplied to the women by organizing women Cooperatives in rural areas. Since they have got either, no security on the spot to offer, or have no control over it, provision be made to lend them money on the landed security and personal security of their fathers, mothers brothers or husbands as the case may be.
2. Requisite action be taken to introduce cottage industries in selected areas which are preferably situated near to the towns and cities and access to the vocational schools and training centres already working, is possible.



arrangements of the manufactured goods may be made by holding exhibitions and participation in other exhibitions held by different departments and agencies. Other steps may also be taken to encourage marketing and removal of bottle-necks.

3. A campaign of publicity and propaganda be launched to apprise and educate the women-folk to adopt new professions in the fields of dairy farming, sheep and goat rearing, poultry farming and silk-worm breeding etc. etc., to make them known the benefits of earning income on self-help and mutual help basis.

In these women cooperatives, educational programmes be started to acquaint them the benefits of organizational support for undertaking different projects as mentioned above.

4. Women Co-operatives may also be organized in the areas where agriculture labour is involved in harvesting and sowing etc. such cooperatives can also be organized where agriculture land-holding are big or due to shifting of the population to the urban areas there occurred shortage of labour. At places where picking of cotton and sowing of paddy is done on large scale, women cooperatives would help to improve the bargaining powers of the members.
5. To achieve the above objectives different departments and agencies should contribute their role to make projects a success. This will require close coordination amongst them. The Government will have to take requisite steps in this behalf.

The above recommendations without financial help cannot be undertaken with success. It would not help to issue policy directions in this behalf. Financial involvement of the local government and the international organization is must. The later should donate substantial amount of financial help in the field of education, vocational training and skill, setting up of cottage industry in rural areas and publicity and propaganda and other programmes. These programmes may involve construction of schools, training centres, construction of roads and marketing of end products etc. A comprehensive program will be chalked out and financial assistance required will be worked out on the approval of the suggestions narrated above.

# **ROLE OF RURAL WOMEN IN THE DEVELOPMENT WORK OF THE USPD MULTI-PURPOSE COOPERATIVE**



A paper presented by Imelda S. Magabilen,  
General Manager of USPD MPC, Philippines  
to the 3rd Asian Conference of Women Farm  
Leaders of Agricultural Cooperatives in Tokyo,  
Japan, August 26-September 6, 1998

## Brief Description of the Cooperative

- History
- Main Operations
- Livelihood Projects
- Community Services
- Achievements

## Suggested Plan of Action for Enhancing the Participation of Women-Members in the Development Work of the Cooperative

- Village Banking Outreach Program
- Chicken Egg Laying Project
- Candies Production
- Bed Mat Making
- Slipper Making
- Cattle Breeding thru Artificial Insemination

# A BRIEF DESCRIPTION OF THE COOPERATIVE

## History

The United Sugarcane Planters of Davao, Inc. (USPD) Multi-Purpose Cooperative started its operation as a sugarcane planters association in 1980 with only 30 members.

After four years (4) years of successful operation, 28 sugar planter-members thought of creating a marketing arm, thus, the birth of the USPD Marketing Cooperative with P98,000.00 initial capital.

On January, 1991, the cooperative amended its by-laws making it into a multi-purpose cooperative in order to serve the growing needs of its members.

At present, the Cooperative has a total membership of 3,026 sugarcane planters with an average area of 2.5-3.0has. including 25 rebel returnees with a paid-up capital of P24M.

69% of the membership are male, 31% female and only 3% are illiterate.

## Main Operations

USPD MPC extend sugar crop loan to its members from land preparation to harvesting.

The cooperative has seven sugar crop technicians who monitor and give advices to members in their cultivation practices. It has 20 personnels inside the mill that countercheck the deliveries of its members up to the warehouse.

## Livelihood Projects

In 1992, the Cooperative imported 1,061 heads of cattle from Darwin, Australia and distributed them to 468 members for breeding. This program was launched to give additional income to farmers thru the efforts of their wives and children who are usually left at home.

In 1993, the USPD Cooperative distributed mango seedlings to its members to be planted at one corner of their area for diversification project. This will serve as an additional source of income especially on off-season period.

The Cooperative thru the New Zealand Embassy was able to give grants to its farmers' wives and women members thru the "Slipper Making Project" in year 1997. They were given sewing machines and materials good for 100 pairs of slippers.

This project had helped them much during the "El Nino" period.

At present, the USPD MPC applied for Savings and Credit With Education (SCWE) program with the Credit Union Empowerment and Strengthening (CUES). This is a village banking outreach program designed to increase membership especially women, increase liquidity, increase profitability and decrease delinquency.

### Community Services

USPD MPC conducts yearly seminars to its members on value formation, sugar crop culture, cattle management, chemicals handling and other crops production.

The Cooperative does not only educate its members but also give college scholarship to deserving children of members.

During times of calamity, like the rat and locust infestations, the Cooperative provides chemical poisons and sends out its field personnels to help farmers in the chemical preparation.

At the height of "El Nino" phenomenon this year, the Cooperative distributed some rice to its members and also bought rice from NFA and sold the same at cost to its members and the community.

The Cooperative also joins in the ecological preservation program by producing organic fertilizers using the sugar mill's wastes and the cattle manure which are being sold at cost to its members.

The Cooperative extends help in its own small way in the maintenance and repair of farm roads through fuel advance and the use of its own payloader and dumptrucks.

In case of death of member or his beneficiary, the Cooperative extends assistance thru its mortuary fund.

From year 1996, the Cooperative extended hospitalization insurance to its members and plantation workers for only P531.00 per year for the whole family.

The USPD MPC also joins in the savings mobilization program of the government and had opened its savings and credit department last April 18, 1996. Today, the savings & credit has P3.8M paid-up capital and had extended 5.0M loans to 590 members.

## Achievements

The USPD MPC had received the following awards and citations:

- a) August, 1997 - Hall of Fame Award for Best Cooperative, National Gawad Pitak Awards  
First Prize, Regional Best Cooperative Award  
Awarded by: Land Bank of the Philippines
  
- b) January, 1997 - Regional Outstanding PRESEED accredited Co-Partner (ACP) in Region XI  
Awarded by: Department of Labor and Employment
  
- c) October, 1996 - Plaque of Appreciation for invaluable support in the 2nd National Cooperative Summit  
Awarded by: Cooperative Development Authority
  
- d) August, 1996 - Best Cooperative Award & Best in Cattle Development Program, National Gawad Pitak Awards  
First Prize, Regional Best Cooperative Award  
Awarded by: Land Bank of the Philippines
  
- e) April, 1996 - Outstanding Planters' Association/Cooperative National Awardee  
Awarded by: Department of Labor and Employment
  
- f) August, 1995 - Third Best Cooperative Award & Best in Cattle Development Program, National Gawad Pitak Awards  
First Prize, Regional Best Cooperative Award  
Awarded by: Land Bank of the Philippines
  
- g) November, 1994 - Top Grosser and Most Diversified Business Awardee  
Awarded by: Cooperative Development Authority  
Cooperative Development Council  
Cooperative Union, Region XI
  
- h) June, 1994 - Certificate of Recognition for invaluable support of the Cooperative Composite Trainers' Team  
Awarded by: Cooperative Union, Region XI  
Region XI Cooperative Development Council

- l) May, 1994 - Plaque of Appreciation for partaking in the achievement of the vision and mission of rural banking services.  
Awarded by: Cooperative Rural Bank of Davao del Sur
  
- j) December, 1993 - Citation for valuable support and contribution to the success of "Pagpasanay sa Baka 2000" Cattle Field Day in Region XI  
Awarded by: Land Bank of the Philippines
  
- k) November, 1993 - Certificate of Recognition for invaluable contribution to the upliftment of members' quality of life.  
Awarded by: Cooperative Development Authority
  
- l) August, 1993 - Best Cooperative in Cattle Financing, National Gawad Pitak Awards  
Second Best Cooperative of Region XI  
Best Cooperative of the Province of Davao del Sur  
Awarded by: Land Bank of the Philippines
  
- m) October, 1991 - Most Outstanding Award of Recognition for achieving its goal of serving well its members and upholding the federation and union system of the cooperative movement.  
Awarded by: Cooperative Union of the Philippines

Indeed, quality is the life of the cooperative and the life of the USPD Multi-Purpose Cooperative is maintained by the commitment and support not only of its members but also the officers and staffs behind the cooperative. It is through these concepts that the USPD Multi-Purpose Cooperative is poised to continue achieving its growth and prosperity well in the 21st century.

# **SUGGESTED PLAN OF ACTION FOR ENHANCING THE PARTICIPATION OF WOMEN-MEMBERS IN THE DEVELOPMENT WORK OF THE COOPERATIVE**

The primary purpose of the Cooperative is to improve the economic and social well-being of all its planter-members.

Since its birth, the Cooperative always looked for opportunities to fulfill this mission and these include opportunities for women-members to get educated and participate in better-living activities that would enhance and bring out their inner abilities for leadership not only within their local communities but perhaps in the near future, leadership in the cooperative movement.

Outlined below are the ongoing better-living activities which the Cooperative had come up for the participation of its women-members - mothers, daughters, single women -to improve their quality of lives and to enhance their participation in the development work of the Cooperative:

## **➤ VILLAGE BANKING OUTREACH PROGRAM**

Since Filipino culture expects wives to keep the purse for their families, opportunity for greater involvement of women in the upliftment of the quality of their family lives is seen.

Teaching them to “Save first before spending”, meaning setting aside a fixed amount of money for future needs and the rest to be spent for the present needs at home. This can be done thru the village banking outreach program.

The USPD Cooperative plans to start the project in its existing “Clusters” with the wives, women members and children as the targetted clients.

## **➤ CHICKEN EGG LAYING PROJECT**

The USPD MPC started a month ago a backyard “chicken egg-laying” project with one of its member (a mother). A feasibility study on duplicating this to other municipalities is on-going taking into account the possibility of over-production.



#### **➤ CANDIES PRODUCTION**

A woman rebel returnee was also given an aid in the production of “sweetened tamarind and caramel candies” sold in the nearby school children.

This candies production project using other available raw materials are being studied by a committee to be implemented with another group.

#### **➤ BED MAT MAKING**

Production of bed mat using rice waste materials by wives of rice farmers is also being studied for its market demands.

#### **➤ SLIPPER MAKING**

Ongoing slipper making project is being eyed to be expanded as demand increases.

#### **➤ CATTLE BREEDING THRU ARTIFICIAL INSEMINATION**

Cattle Raising using the new technology - Breeding thru Artificial Insemination - is also being implemented especially to the ones dispersed with either their wives or daughters and women members who are in-charge of the livestocks whose records show had done well on the first cattle breeding dispersal.

The projects outlined above, that are in the feasibility study stage, will involve conducting seminars to women-participants to teach these technologies. The women-participants will then undergo screening for possible leadership in the community.



# **NATIONAL FOOD SECURITY CONGRESS**

*"Sapat na Pagkain Para sa Lahat"*

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**19 August 1998**  
**PHILIPPINE INTERNATIONAL CONVENTION CENTER**  
**Metro Manila**

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## **RATIONALE**

In the past, agriculture has not been given as much attention by the top political leadership, hence, food security has always been elusive and the poverty of small farmers has remained unmitigated. By putting agriculture and poverty alleviation at the top of its political agenda, the Estrada administration ushers in tremendous opportunities in improving the country's food security.

In the context of President Estrada's pro-poor vision, food security implies ensuring the availability and accessibility of food to all consumers and at the same time protecting the welfare of Filipino farmers. Thus, making the country self-sufficient in food becomes the principal strategy in attaining food security. Adopting the strategy of self-sufficiency enhances the country's capability in producing most of its food requirements, protecting it from the vagaries and uncertainties of the world market plagued by decreasing food supplies.

Under the present era of decentralization and as further enunciated by the Agriculture and Fisheries Modernization Act of 1997 (AFMA), local institutions, especially LGUs, play a central role in delivering frontline agricultural services that should help bring about higher productivity and, thus, achieve food security in the country. Decentralization has redefined the role of central government to facilitate, rather than direct, agricultural development.

Hence, the devolution of public resources and agricultural support services to local institutions under the management and stewardship of LGUs is an essential part of the strategy towards food security and self-sufficiency. Strengthening the partnership of the DA with local institutions, particularly LGUs, SUCs, NGOs/POs and the private sector is therefore a strategic move in improving the country's agricultural productivity and food security.

Moreover, developing the capabilities of LGUs, together with other local institutions, in implementing food programs is a crucial requisite in ensuring food self-sufficiency at the local level. On the whole, food security can be better realized and sustained if it is institutionalized as a major development agenda of LGUs, in collaboration with other local institutions. The commitment of President Estrada in supporting agriculture, food security and poverty alleviation provides an unprecedented and a strong political will to push this effort.

The proposed National Food Security Congress initiates a strategy of improving food security by strengthening the collaboration of DA with local institutions and building the latter's capabilities to plan and implement local food production, postproduction and marketing programs.

## **EXECUTIVE SUMMARY**

Under the present era of decentralization and as further enunciated by the Agriculture and Fisheries Modernization Act of 1997, local institutions especially SUCs and LGUs play a central role in delivering frontline agricultural services that could help bring about higher productivity and, thus, achieve food security in the country. Decentralization has redefined the role of central government to facilitate, rather than direct, agricultural development.

To be held on 19 August 1998 at the PICC, this proposed national congress initiates a strategy of improving food security by strengthening the collaboration of DA with local institutions and building the latter's capabilities to plan and implement local food production, postproduction and marketing programs.

It will be participated in by provincial governors, agricultural city mayors, state university and college (SUC) presidents, DA regional directors, DA bureau and attached agency heads, DILG officials, farmers/fisherfolks representatives, and private sector representatives.

The national congress on food security aims to: (1) define the policy agenda of the Estrada administration on agriculture with food security as the main focus; (2) present the current state of the country's food security within a national and international perspective; (3) identify strategic issues and draw up recommendations in improving food security and self-sufficiency at the local level; and (4) map out partnership mechanisms and action agenda among DA, LGUs, SUCs, farmer/fisherfolk groups, and the private sector in implementing local food security programs.

One of the major objectives of the conference is to re-emphasize agriculture and poverty alleviation as the top political agenda of the Estrada administration. This will be done through a keynote speech to be delivered by President Estrada. Taking off from the President's policy agenda, the framework of governance for agricultural development, food security, and poverty alleviation will be presented by the Agriculture Secretary. Based on their geographical origin, participants will then be divided into seven clusters to draw up an action agenda on DA-SUC-LGU partnership to improve food security in their respective areas.

To institutionalize the partnership among the DA, SUCs, and LGUs in food security, a ceremonial MOU signing will be done towards the end of the conference in the presence of President Estrada and other top government officials. The MOU will define roles and responsibilities of DA, SUCs, and LGUs in implementing local food security programs.

## **OBJECTIVES**

The national congress on food security aims to:

1. Define the policy agency of the Estrada administration on agriculture with food security as the main focus;
2. Present the current state of the country's food security within a national and international perspective;
3. Identify strategic issues and draw up recommendations in improving food security and self-sufficiency at the local level;
4. Map out partnership mechanisms and action agenda among DA, LGUs, SUCs, farmer/fisherfolk groups, and the private sector in implementing local food security programs.

## **APPROACH AND METHODOLOGY**

The activity flows of the national food security congress is illustrated in Figure 1. Please note that preparatory activities were done before the congress and follow-through activities have been lined up. The approach and methodology are outlined below:

### **1. Food security as a political agenda**

One of the major objectives of the conference is to re-emphasize agriculture and poverty alleviation as the top political agenda of the Estrada administration. This will be done through a keynote speech to be delivered by President Estrada. Highlighting the speech will be the pronouncement that agriculture and poverty alleviation are on top of the government's political agenda. Moreover, the President will also declare that henceforth, LGUs will be the principal stewards of agricultural productivity and food security in their respective jurisdictions. Similarly, the speech will also spell out the need to strengthen and institutionalize the partnership of DA, LGUs, SUCs, farmer/fisherfolk groups, and the private sector in pushing agricultural productivity and food security in the country.

**2. Framework of governance for agricultural development, food security, and poverty alleviation.**

Taking off from the President's policy agenda, the framework of governance for agricultural development, food security, and poverty alleviation will be presented by the Agriculture Secretary. The presentation will focus on the ten-point agenda for agriculture and fisheries under the Estrada Administration. Furthermore, the presentation will also unfold the DA's guiding vision and philosophy, the foundations of this vision, strategies, and key components of the strategic framework. Likewise, it will also enlighten participants about the current state and issues on food security in the country and the urgent need to address them at the local level. The need to strengthen DA-SUC-LGU collaboration and developing local capabilities towards enhancing agricultural productivity and food security will also be reiterated.

**3. Identifying opportunities and mapping out an action agenda**

Based on their geographical origin, participants will be divided into seven clusters to draw up an action agenda on DA-SUC-LGU partnership to improve food security in their respective areas. Such a local collaborative action agenda will be based on the needs and problems of each area according to the assessment of the group, based on local food security situationers that will be provided by selected DA Regional Directors. A discussion leader, facilitators, and rapporteur will be selected by each group. Results of group discussions will be synthesized and presented in a plenary session to the President and other top government officials. After the conference, these will be integrated and packaged by the DA-PMS to serve as a reference material for local food security planning workshops.

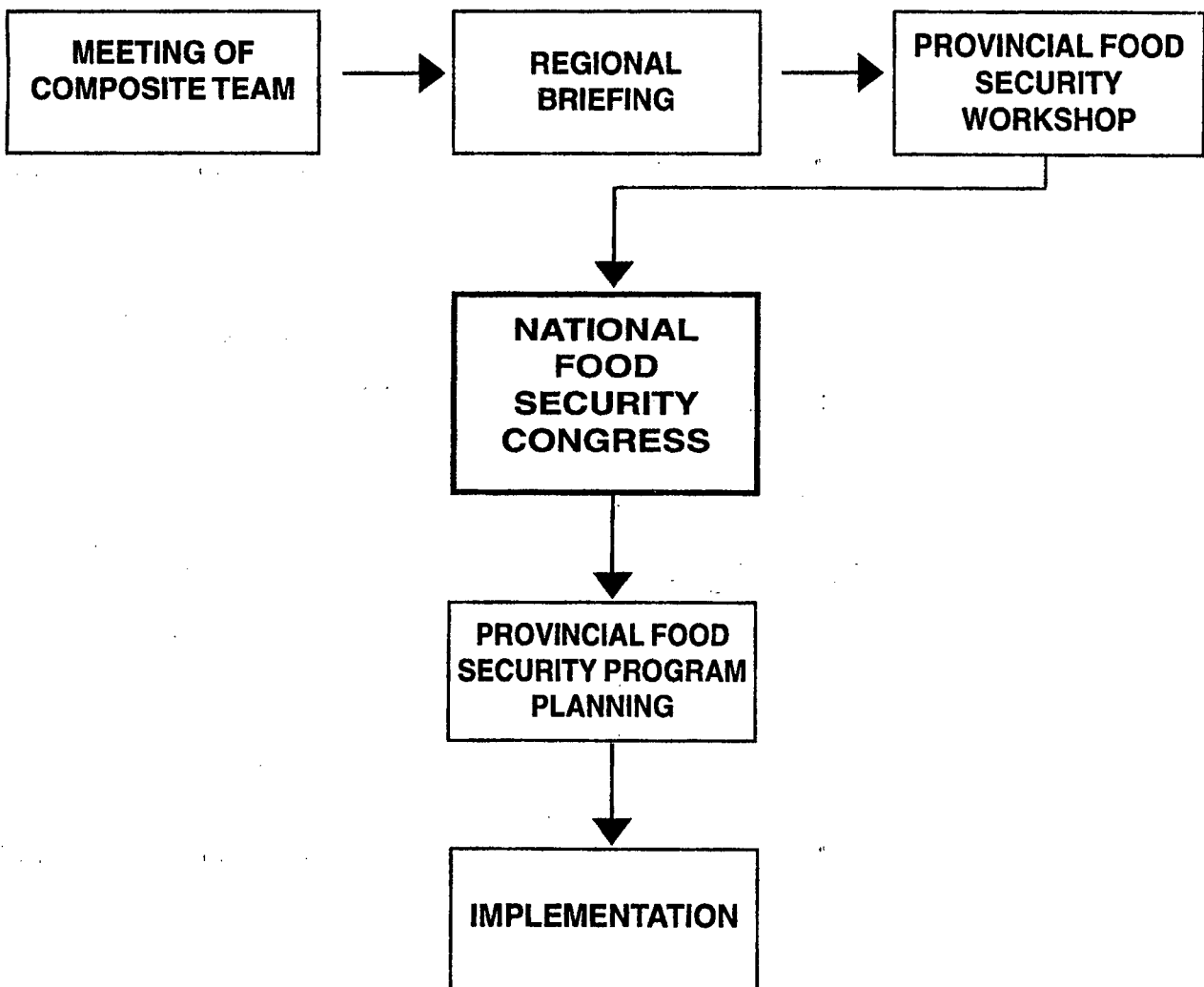
**4. Ceremonial signing of DA, DILG, CHED and LGU MOUs**

To institutionalize the partnership among the DA, DILG, CHED, and LGUs in food security and agriculture and fishery modernization, a ceremonial MOU signing will be done towards the end of the conference in the presence of President Estrada and other top government officials. The MOU will define roles and responsibilities of DA, and LGUs in implementing local food programs.

As one of the follow-through activities, derivative MOUs operationalizing provisions of the national MOU, will be forged, signed and implemented by the DA, SUCs and LGUs at every local administrative and political level. To be fashioned with the framework of AFMA, the local MOUs will include crucial provisions on the participative formulation of the Strategic Agriculture and Fisheries Development Zones, and the local agriculture and fisheries modernization plan.

Figure 1

## ACTIVITY FLOW FOR THE NATIONAL FOOD SECURITY CONGRESS





**Department of Agriculture**

**Framework for  
Agricultural Development  
and**

**The Ten-Point Agenda in  
Agriculture and Fisheries**



July 1998



## **Guiding Vision and Philosophy**

**A scenario of the future that the Philippine Government can reasonably aspire for is one where every Filipino has access to adequate supplies of food at all times, absolute poverty is eradicated, citizens and communities are empowered to shape their future through improved mechanisms of participation in government decision-making.**

**The foundation of this future is a modernized small-holder agriculture and a diversified rural economy. These must be dynamic, technologically advanced and internationally competitive, yet whose transformation is guided by the sound practices of resource use efficiency and sustainability, the principles of social justice and active private sector participation.**

**Towards the realization of this vision, we must be able to discern from the huge mass of experience and lessons, what really works from what simply does not, the fundamental from the peripheral constraints, and the rightful roles of government and the private sectors. It is critical that we now extract the insights and use them to advance the country's goals of achieving international competitiveness and empowering the population with opportunities and means to improve their welfare as they consider appropriate in a society free from hunger and deprivation.**

**In our situation, sustained employment and income generation and the transformation of our small-holder agriculture sector into one that is modern technology- and science-based, provides the best means for an enduring solution to poverty. This requires political will, financial commitment and enlightened governance.**

**When government efforts are dispersed over a wide front, implementation is not adequately governed and monitored, and thinly financed, given public resource constraints. Government falls short not for lack of programs or understanding of the complexity of the issues but for lack of a rationalized, simplified focus - a strategic vision.**

**Government resources must be channeled to where they yield the greatest sustained impact on poverty and food security goals. The necessary strategy must therefore strive for a few simple but rationalized priorities, and enable quick and innovative responses. These can only be assured by a sound and responsible governance.**

**The Estrada Government, therefore, will put highest priority to the provision of enlightened governance focusing on the generation of employment and income opportunities to the poor for long-term impact. No effort will be spared to address immediate sufferings and protect the most vulnerable.**

# THE TEN-POINT AGENDA IN AGRICULTURE AND FISHERIES

## 1. Expansion and Revitalization of Productivity Programs

- ☞ Massive seed production
- ☞ Application of modern science
- ☞ Increase coverage and intensity of techno demos
- ☞ LGUs as food security leaders
- ☞ Expand Gintong Ani Programs to rainfed and marginal areas
- ☞ Encourage/support farmers-cooperatives engaging in postharvest processing and other high-value-adding enterprises
- ☞ Intensively promote use of hybrid rice, corn and high-value crops
- ☞ Encourage/support corporate farming
- ☞ Intensify provision of technical assistance to Agrarian Reform Communities (ARCs) in partnership with DAR

## 2. Quick-response/intervention to calamity and disaster situations

- ☞ Organize quick/emergency response centers at the DA, bureaus, attached agencies and RFUs
- ☞ Use all forms of media in information and early warning systems
- ☞ Allocate adequate funds
- ☞ Buffer seed program and related interventions
- ☞ Coordinate with other sectors like DND, DOST, DOTC, DILG, DOH, and DSWD

## 3. Irrigation

- ☞ Massive repair/rehabilitation and construction of irrigation systems by NIA, LGUs, and farmers' groups
- ☞ Installation of additional small-scale irrigation projects (STW, SFR, SWIP/DD) by BSWM
- ☞ Improvement/reforestation of irrigation systems' watersheds in partnership with DENR
- ☞ Enhance capability of irrigator's associations to manage irrigation systems and facilities
- ☞ Promote proper water management practices among water users
- ☞ Expand the use of pressure irrigation on high value commercial crops

#### **4. Farm-to-Market Roads and Related Infrastructures**

- ☛ Major shift of infrastructure priorities to the rural areas
- ☛ Encourage LGU participation and counterpart schemes in developing rural infrastructure
- ☛ Increase investment in rural infrastructure
- ☛ Adequate rural infrastructure that reduce the cost of doing business
- ☛ Lobby for the accelerated liberalization of land and inter-island transport, port handling and telecommunications industries

#### **5. Agriculture and Fisheries R & D**

- ☛ Reorganize the agricultural research and development system according to the provisions of the AFMA
- ☛ Increase R & D budget to at least 1% of the agriculture and fishery Gross Value Added starting 1999
- ☛ Prepare the medium term national agricultural research and development agenda
- ☛ Fast track the rehabilitation of research and development facilities of the Department of Agriculture
- ☛ Private sector and farmers/fisherfolks to initiate, lead and participate in agricultural research and development
- ☛ Fully tap SCUs, particularly Centers of Excellence
- ☛ Strengthen partnerships with DTI, DAR, DOST/PCAMRD/PCARRD and other institutions
- ☛ Increase effort in packaging and popularization of mature technologies

#### **6. Extension, Education and Training**

- ☛ Enhance agri-business and market assistance services
- ☛ Massive re-tooling of extension technicians and other staff in collaboration with LGUs and SCUs
- ☛ Set-up agribusiness and technology promotion centers in every province
- ☛ Expand Farmers' Field Schools (FFSs) and Magsasaka-Siyentista Programs
- ☛ Develop a DA Human Resource Development Plan
- ☛ Mobilize the SCUs in every province to assist LGUs
- ☛ Develop linkages with Agencies/Foundations providing grants
- ☛ Research-based public awareness and information program

## 7. Rural Finance

- ☞ Lobby for more credit funds
- ☞ Strengthen rural financial institutions' capacity to intermediate in rural sector financing
- ☞ Consolidate existing credit funds and develop a more flexible and accessible package of credit assistance
- ☞ Repeal of Agri-Agra Law

## 8. Food Price Stabilization

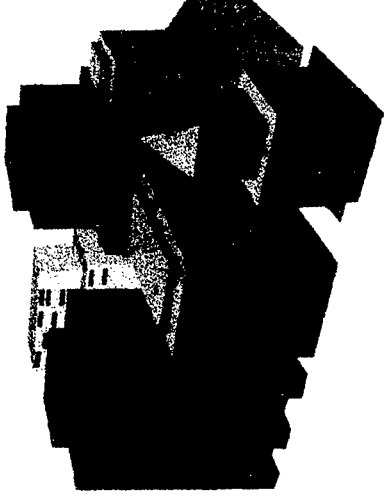
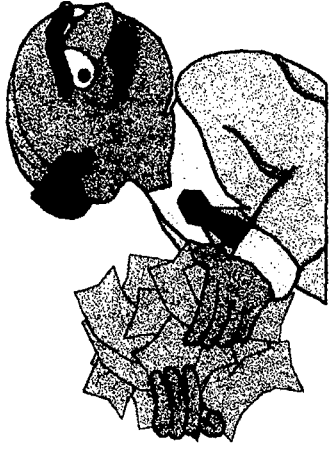
- ☞ Timely intervention in preventing sharp fluctuations in food prices by NFA
- ☞ Institutionalize a transparent and timely rice and corn import policy and decisions
- ☞ Private sector participation in rice importation
- ☞ Institutionalize a buffer stock program with the private sector
- ☞ Separation of regulatory function of NFA from its proprietary function

## 9. Private Sector Participation and Empowerment of Farmers and Fisherfolks

- ☞ Agricultural Enterprises Development
- ☞ Corporate farming
- ☞ Membership in DA National Committees
- ☞ Representation in DA Agencies' Boards
- ☞ Co-sponsor provincial, national and international trade fairs
- ☞ Assist in implementing regulatory measures
- ☞ Involvement in planning and implementation of DA programs
- ☞ Strengthen farmers associations and cooperatives

## 10. Renewal of the DA Bureaucracy

- ☞ Transparent Systems and Procedures
- ☞ Proper Implementation of Civil Service Rules and Regulations
- ☞ Reward and Incentives System
- ☞ Merit and Output-Oriented Evaluation system
- ☞ Implementation of Magna Carta for S & T Workers
- ☞ Reengineering of the bureaucracy



**GLOBALLY COMPETITIVE  
AGRICULTURE AND  
FISHERY  
MODERNIZATION AND  
DEVELOPMENT**

**THE PHILIPPINE STRATEGIC  
AGRICULTURE AND FISHERY  
DEVELOPMENT ZONES:  
towards food security**

**BRIDGING THE RESOURCE ENDOWMENTS  
WITH EFFICIENT FOOD PRODUCTION**

**ROGELIO N. CONCEPCION**  
**DIRECTOR**  
**BUREAU OF SOILS AND WATER MANAGEMENT**

# **STRATEGIC AGRICULTURE AND FISHERY DEVELOPMENT CONVERGENCE ZONES**

## **DAVAO-BUKIDNON DEVELOPMENT CONVERGENCE ZONE**

### **BUDA-MARILOG-KITAO-DAO-KIBAWA HIGHLAND FRONTIER GROWTH CORRIDOR**

- **DAVAO CITY ACTING AS THE OFF-SHORE GROWTH  
CENTER**
- **COMPARATIVE ADVANTAGE**
  - **AGRI-TOURISM**
  - **SEMI-TEMPERATE CROPS, VEGETABLES AND FRUIT REES**
  - **COMMERCIAL CUT-FLOWER PRODUCTION**
  - **COMMERCIAL DAIRY AND BEEF PRODUCTION**
  - **SMALL LIVESTOCK PRODUCTION**

# STRATEGIC AGRICULTURE AND FISHERY DEVELOPMENT CONVERGENCE ZONES

## FACTORS THAT DEFINED SAFDZ

### ① THE CONVERGENCE ZONE

THE CONTIGUOUS LAND AND WATER AREAS THAT HAVE RELATIVELY SIMILAR AND COMPLEMENTARY GROWTH AND LAND USE POTENTIAL IN THE PROVINCE OR REGION

### ② AGRICULTURE AND FISHERY GROWTH CORRIDOR

THE CONTIGUOUS STRIP OF LAND AND WATER AREAS THAT CONNECT TWO SAFDZ PRODUCTION AREAS LOCATED IN DIFFERENT MUNICIPALITIES, PROVINCES, OR REGIONS.

### ③ OFF-SHORE GROWTH CENTERS

THE AREAS THAT ACT AS MAJOR DESTINATION OR CONVERGENCE OF AGRICULTURE AND FISHERY PRODUCTS FOR CONSOLIDATION AND PACKAGING BEFORE THEY ARE SHIPPED TO THEIR FINAL MARKET DESTINATION.



# **STRATEGIC AGRICULTURE AND FISHERY DEVELOPMENT ZONE**

## **IMPORTANT ATTRIBUTES**

- **BEST LAND AND WATER AREAS THAT ARE HIGHLY SUITABLE AND GENERALLY ARE ACTIVELY USED FOR CROPS, LIVESTOCK, AND FISH PRODUCTION;**
- **GENERAL PRESENCE OF ROADS, MARKET CENTERS, CREDIT FACILITIES, IRRIGATION FACILITIES, AND OTHER AGRI-SUPPORT FACILITIES;**
- **PROXIMITY OR CONNECTED TO OFF-SHORE MARKETING INFRASTRUCTURES (AIRPORTS AND/OR PIERS, WHARFS);**
- **PROXIMITY TO URBAN AND OTHER GROWTH CENTERS**

# **THE SAFDZ IN MODERNIZING AGRICULTURE AND FISHERY DEVELOPMENT**

## **ADVOCATES FOR:**

- **INTEGRATION/CONSOLIDATION OF RESOURCE  
ENDOWMENTS AND INVESTMENTS FOR AGRICULTURE  
INDUSTRIALIZATION, VALUE ADDING AND  
DIVERSIFICATION ACTIVITIES**
- **POSITIONING OF INFRASTRUCTURES THAT WILL  
ENCOURAGE INTER-CONNECTIONS OF PRODUCTION  
SOURCES WITH AND PROCESSING AND DEMAND  
CENTERS**
- **CONSOLIDATION AND MOVING OF AGRICULTURE AND  
FISHERY PRODUCTS FOR LOCAL AND OFF-SHORE  
MARKET CENTERS.**

# **STRATEGIC AGRICULTURE AND FISHERY DEVELOPMENT CONVERGENCE ZONES**

## **ROLES IN FOOD AND ECONOMIC SECURITY**

**\* PROVIDE SOUND PHYSICAL DEVELOPMENT FRAMEWORK AND MASTER INFRASTRUCTURE INVESTMENT PLAN FOR MODERNIZED AGRICULTURE AND FISHERY SECTOR;**

**\*LOCATE SPECIFIC AREAS THAT HAVE THE BEST CAPACITY TO PRODUCE FOOD AND FISHERY PRODUCT WITHOUT POSING PROBLEMS TO THE ENVIRONMENT;**

**\*IDENTIFY GAPS AND POTENTIAL INVESTMENT AREAS THAT WILL MAXIMIZE PRODUCTION CAPACITY OF THE COUNTRY FOR PRIME AGRICULTURE AND FISHERY PRODUCTS.**

**\*PROVIDE RATIONAL BASIS FOR DEVELOPMENT OF SITE AND CONDITION-SPECIFIC SCIENCE AND TECHNOLOGIES FOR AGRICULTURE AND FISHERIES;**

# **MODERN AGRICULTURE MUST HAVE APPROPRIATE DEVELOPMENT STRATEGIES**

## **FOR A MOVING TARGET**

- \* **GROWING LOCAL AND REGIONAL POPULATION**
  - Stiff competition for regional surplus
  - Declining availability & affordability of globally tradable food surplus
- \* **DEGRADED LANDS FOR AGRICULTURE & FISHERY PROD.**
- \* **RAPID DEVELOPMENT IN INFORMATION AND PRODUCTION TECHNOLOGIES (e.g. GMO's)**
- \* **RAPID URBANIZATION AND AGRICULTURAL LAND USE CONVERSION:**
  - Increasing conflicts on the use of water and land resources
  - Changing food preferences
  - Changing food affordability and availability
- \* **BORDERLESS REGIONAL AND GLOBAL ECONOMY**
- \* **IMPACTS OF GLOBAL TRADING & REQUIREMENTS**

# **STRATEGIC AGRICULTURE AND FISHERIES DEVELOPMENT CONVERGENCE ZONE**

## **DAVAO - CARAGA DEVELOPMENT CONVERGENCE ZONE**

➔ DAVAO CITY - TAGUM - MONKAYO - COMPOSTELA - SAN FRANCISCO AGRICULTURAL FRONTIER GROWTH CORRIDOR

- ➔ DAVAO CITY ACTING AS THE OFF-SHORE GROWTH CENTRE
- ➔ TAGUM ACTING AS SECONDARY GROWTH CENTRE
- ➔ COMPARATIVE ADVANTAGE FOR:
  - ➔ COMMERCIAL PRODUCTION OF FRESHWATER FISHERIES
  - ➔ HIGH VALUE CROPS AND SMALL LIVESTOCK PRODUCTION
  - ➔ COCONUT OIL PRODUCTION
  - ➔ BANANA PLANTATION
  - ➔ FEED GRAIN PRODUCTION (YELLOW CORN - SOYBEANS)
  - ➔ RUBBER PLANTATION
  - ➔ POULTRY PRODUCTION

# **ACHIEVING THE UNIFICATION OF THE GREATER MINDANAO AGRICULTURE AND FISHERY CONVERGENCE DEVELOPMENT ZONE**

**THE CONSTRUCTION OF THE  
TUKURAN CUT-OFF CHANNEL  
VIA THE TUKURAN RIVER  
TO LINK PAGADIAN BAY AND PANGIL BAY**

- **A HUGE PUSH FACTOR FOR A UNIFIED MINDANAO AGRO-INDUSTRIALIZATION AND FOOD SECURITY.**
- **REDUCE TRANSPORT COST AND TRAVEL TIME, AS WELL AS REDUCE RISKS IN THE SHIPMENT OF PRODUCTS AND PEOPLE TO AND FROM JOLO AND TAWI-TAWI AND OTHER SMALL GROUP OF ISLANDS TO ALL MINDANAO URBAN CENTERS - ZAMBOANGA CITY - PAGADIAN, COTABATO CITY - SARANGANI - DAVAO CITY - CAGAYAN DE ORO CITY - BUTUAN CITY.**
- **INCREASE THE OVER-ALL PRODUCTIVE CAPACITY AND GLOBAL COMPETITIVENESS OF MINDANAO.**

# **Muang Nakornratchasima Agricultural Cooperative Limited**

## **Country Paper**

on

## **Women Farm Leaders' of Agricultural Cooperatives in Thailand**

presented

in

## **ICA/JA-Zenchu/IDACA 3rd Asian Conference of Women Farm Leaders' of Agricultural Cooperatives**

**Tokyo, Japan**

**26th August - 6th September 1998**

By :

Mrs. Jeerawan Chaiviroonrut

Vice Chairman of

Muang Nakornratchasima Agricultural Cooperative Ltd.

Muang, Nakornratchasima Province, Thailand

August 1998

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Muang Nakornratchasima Agricultural Cooperative Ltd.

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# Agricultural Cooperative Development in Thailand



## Historical Background

The cooperatives in Thailand is generally accepted as dating from 1916 when the first cooperative society was established with a group of 16 members in the rural area of Pitsanulok Province as a village cooperative of the Riffaisen model on the initiation of the government of that time. The purpose was to help relieve farmers from severe indebtedness and preventing their mortgaged lands from being foreclosed by the money lenders. After the first cooperative was put up with fair satisfaction the cooperative of this type were established moderately in the other provinces. In 1920, there 60 village credit cooperatives in Pitsanulok, Lopburi and Ayuthaya Provinces with a total membership of 1,190 farm household and the total loan provided by the Siam Commercial Bank was 303,668 Baht. All these cooperatives were registered under the special legislation called "The Civil Association (Amendment 1916)".

The first Cooperative Society Act was promulgated in 1927 (B.E. 2471) which was amended in 1934 broadening the scope of societies authorized. The land settlement cooperative were organized in 1935. The consumers' and paddy marketing cooperatives were established in 1938. Service cooperatives were started in 1935 and farm products marketing in 1952. In 1954 there were 10,332 cooperatives of 22 types in 65 provinces of all the country but village credit cooperatives continued as the most importance.

In 1943, a Bank for Cooperative was formed to serve as financial institute of the cooperatives and to take the place of government's direct lending. It was superseded in 1966 by the Bank for Agriculture and Agricultural Cooperatives with authority to lend to individual farmers, farmer associations and agricultural cooperatives.

Currently, the cooperative in Thailand is enforced by the Cooperative Society Act of 1968 (B.E. 2511) enacted in 1968. It repealed the 1928 legislation. The importance provision of the 1968 legislation were :

- (1) The restructuring of the cooperative infrastructure under the three-tiers system ;  
District (amalgamating of village societies)  
Provincial level  
National Cooperative Federation.
- (2) The establishment of the Cooperative League of Thailand as a national apex organization of the cooperative movement to function as the promotional and educational body of the cooperatives in the Kingdom.

A government program to amalgamate cooperative societies was implemented during 1969 - 1972 merging several village level credit societies into district level cooperatives called "Agricultural Cooperative" This type of cooperative conducted multipurpose activities, serving the member's need in credit, supplies, marketing, storage and processing, receiving deposits and improvement of land

At present, there are six (6) type of cooperatives in Thailand breakdown as following lists :

(Agricultural Sector)

- (1) Agricultural Cooperative
- (2) Land Settlement Cooperative
- (3) Fisheries Cooperative

(Non-Agricultural Sector)

- (4) Consumers' Cooperative
- (5) Thrift and Credit Cooperative
- (6) Services Cooperative

The growth of cooperatives in Thailand as an institution for people's participation is seen from the variety of activities performed by the cooperative sector. As of May 31, 1998 there are 5,418 primary cooperatives with a total membership of 6,645,84 families as breakdown following :

No	Type	No of Societies	No of Members
1	Agricultural Cooperative	3,250	3,876,582
2	Fisheries Cooperative	74	9,855
3	Land Settlement Cooperative	100	118,594
4	Consumers' Cooperative	365	725,433
5	Services Cooperative	369	116,247
6	Thrift and Credit Cooperative	1,260	1,795,873
	<b>Total</b>	<b>5,418</b>	<b>6,642,584</b>

## Structure and Function of Agricultural Cooperatives

Agricultural Cooperative in Thailand are organized in three-tires structure ; District or Primary Cooperatives, Provincial or Changwat level federation and National federations.

District or primary cooperatives are made up of individual farmers producing primarily grain crops, livestock, fruits, vegetables and cut-flowers, etc. Within the society the members are divided into groups at the village level, based on community lines, for the purpose of rationalizing economic business or extension and training.

Provincial cooperative federation are intermediate or secondary level whose members consisted of primary cooperatives located in the administrative area of the province. At present, the agricultural cooperatives are federated at 76 cooperative federations at the provincial level to under take the joint business activities, especially, processing and marketing of the produces for their affiliated cooperatives.

The national level cooperatives are organized as the apex organization of cooperatives whose members consisted of both primary agricultural cooperatives at the district level and provincial cooperative federations. At this level, the cooperatives are horizontally classified into two categories as follows:

- (1) The national federation related to multi-purpose agricultural cooperatives is the Agricultural Cooperative Federation of Thailand Ltd. (ACFT). This apex society is undertaking economic activities primarily in marketing important grain products, like rice, maize, etc., produced by the farmer members of cooperatives as well as supplying directly to cooperatives. The ACFT also engages in import and export.
- (2) Those apex societies related to specialized cooperatives are the Swine Raisers Cooperative Federation Ltd. and the Sugarcane Growers Cooperative Federation Ltd. which are carrying out production and marketing activities of swine raisers and sugarcane growers cooperatives respectively.

And already mentioned, the Cooperative League of Thailand (CLT) was established under the Cooperative Society Act of 1968 representing as a national apex organization of the cooperative movement. The major activities of the CLT are to train and promote the cooperatives of all types throughout the country.

## **Organization of Agricultural Cooperatives**

The organization of agricultural cooperatives are divided into two main parts:

- (1) The policy formulation and controlling.
- (2) The administration and management

### **The Policy Formulation and Controlling**

The policy formulation and controlling are composed of :

- General Meeting
- Board of Director

General Meeting is composed of all members. In case of the larger-size cooperative or cooperative federation it will choose to have a general meeting by the representatives of members. The members shall be called to the general meeting at least once a year. It has the supreme power in decision making of the cooperative.

Board of Director : The board shall be elected yearly from the members by the general meeting. The duties of the board are to manage all affairs of the cooperative in appropriate way according to the law, by-laws, regulations, policies set up by the board of directors.

## **The Administration and Management**

This part consists of the manager and the operating staff. The manager is elected and appoints the staff. The manager has his duty in managing of all day to day activities of cooperative according to the policies set up by the board of directors.



# Muang Nakornratchasima Agricultural Cooperative Limited



## Historical Background

As it was proclaimed in by-law of the Agricultural Cooperative Limited with its objects the society are to encourage members to work together for mutual help as to lend money or to give credit to members for their occupation or spending in necessities, to receive deposit from members, and etc. Muang Nakornratchasima Agricultural Cooperative Ltd. has established under the presented Cooperative Society Act of 1968 with its main objects as mentioned. on 1 September 1976. Its located on 206/1 Mittrabarb Road, Muang, Nakornratchasima Province, northeastern part of Thailand. At present, as of March 31, 1998, there are 2,041 families.

## Business Activities

In general, Muang Nakornratchasima Agricultural Cooperative Ltd. is set up among the farmers who are engaged in farming to undertake joint activities based on self help and mutual help. The Business activities of the cooperative is divided into the local conditioned and crops. Most of the business activities carried out are as follows :

1. To extend credit to members
2. To receive deposit from the members
3. To collect agricultural produces/production from the members for marketing
4. To supply agricultural inputs to members
5. To provide various to the members such as agricultural extension, irrigation system, land preparation and etc.

Business Volume, Fiscal Year 1998, Muang Nakornratchasima Agricultural Cooperatives Ltd. under took various business activities for the benefit of the members. The total business volume was 77,475,484.08 million Baht. The business volume increased over 1997 by 64,581,217.90 million.



## COUNTRY REPORT

*A representative of Vietnam Cooperative Alliance Delegation in the 3<sup>rd</sup> Asian Conference of Women Farm Leaders of Agricultural Cooperatives in Tokyo from 26 /8 - 6/9/1998.*

### SITUATIONS OF VIETNAMESE WOMEN FARM LEADERS IN AGRICULTURAL COOPERATIVES.

Distinguished Mr. Y. Nakaoka, Managing Director of IDACA.  
Distinguished Participants,

Ladies and Gentlemen,

First of all, on behalf of the leadership Board of VCA and women cooperators in Vietnam, I would like to wish all of you good health and the Conference success.

Distinguished Participants,

I would like to outline on Vietnamese Women Movement:

Vietnam had experienced the 4000 year history of the National construction and defence, our grandfather, husbands and children obtained many brilliant achievements in the wars with the aims of protecting the National Independence, building up the powerful country and bringing better livings for the people. The Vietnamese women have made meaningful contributions to the national defence and development.

In the wars, the Vietnamese women took care of local affairs, encouraged their husbands and children to fight against the invaded enemies and number of them directly involved in the fierce struggles for the country protection. After the whole liberation of the nation, they once again put their efforts to build up the happiness and prosperous life without distinguishing of old or young people, men or women. The Vietnamese women continuously enhance their good qualities with the following words "work well both sides of the door way", actively participate in social activities at the same time

shoulder the main responsibility for family affairs as well in order to improve the living conditions. There are many woman leaders in all kinds of cooperatives in general and in agriculture cooperatives in particular who among of them have significantly contributed in the Vietnamese cooperative movement.

The State of Viet nam has often encouraged, created favorable conditions and opportunities for the Vietnamese women in general and for women involved in cooperative movement in particular to take part in social activities and pay more attention for the advancement of women. VCA has established a Committee for the Advancement of Women in the cooperative Sector” and chaired by Mrs. Nguyen Thi Nghia, Vice President of VCA. The objectives of this Committee are to help women cooperators aware their roles and status that not only have the task of doing household chores, bringing up the children but also participate in the social and management works and improve the better living conditions; especially for the women who live in rural, mountainous and disadvantaged areas.

As you know, Vietnam’s economy is predominantly agricultural with 80% of population involving in agriculture. The women labors accounts for 50 - 60 % of total labor force in all sectors and agricultural sector as well. Now there are 13.914 existing agricultural cooperatives inwhich the women farm leaders accounts for 30% of such positions: Chairwomen, staff of Management Board, Inspection Department ect..)

Concerning the daily life of the farmers means caring of the women’s life so the Vietnamese Government has promulgated many incentive policies for the rural development and for the development of agricultural cooperatives through allocating lands for farmers and collecting their products, reducing taxes for cooperatives in disadvantaged areas or promoted products production & trading cooperatives. .. establishing some funds: Hunger elimination and poverty alleviation fund, assistance fund for the poor women, funds for farm households and other funds to help women to improve their knowledge. Thanks to the prompt attention and appropriate policies of the State, Vietnam is the second largest country of exporting rice in the world (3 million tons of rice in 1997) and in the first six month of 1998, Vietnam has exported 2,7 million tons of rice.

### ***III. Some difficulties facing by the women farm leaders in agricultural cooperatives in Vietnam:***



With the traditional industrious and hardworking qualities and high responsible in works, most of Vietnamese women leaders have become brilliant examples and awarded the Labor Heroic Medals or Orders by the State of Vietnam. However, Vietnam has been implemented the transformation of the subsidized cooperatives into new typed cooperatives (equitized cooperatives) so some of the basic constraints of cooperative leaders and women farm leaders in agricultural cooperatives are as followings:

- Low managerial level and vestiges of the feudal ideology remain; most of them haven't obtained the university degrees yet and had little chances to improve their knowledge. Our women still have a heavy burden of household chores.

- In the market mechanism, their experiences and skills on production-trading organization and marketing in cooperatives are still weak and have not met the requirements of the new typed cooperatives in accordance with the Law on Cooperative of Vietnam.

- There are great demands of qualifications improvement of women leaders in cooperatives and particularly in agricultural cooperatives but in fact their needs haven't met as expected yet

### ***III/. Action plan for the development strategy for the advancement of the Vietnamese women in general and women cooperators in particular to the year 2000.***

The Resolution of the second Congress of the Committee for the Advancement of Women in Vietnam in May 1996 put forwards:

“... improving women's material and spiritual life, enhancing the women's knowledge and roles, promoting them to carry out their functions and fully participate in all activities such as politics, economics, cultural and social activities equally in the cause of industrialization and modernization of the Nation with the aims of rich people, powerful country, equal and civilized society”

#### ***Specific plan:***

- 1/. Employment opportunities, increase incomes, poverty alleviation and hunger reduction and improve the women's living quality.

- Reducing the rate of unemployment women labors in urban areas to 5% .
- Reducing 50% women labors that lack of jobs.
- Increase the rate of fully utilized of working hours of rural women up to 72
- 75%.

- The State of Vietnam has guided the Ministry of Finance, the Ministry of Labor - Invalids and Social Affairs and other relevant Ministries and branches to continuously develop credit funds and funds provided by various international organizations to support the Vietnamese women, especially grant credit for the poor women to develop their production by guaranty of the Women Union with different resources and means; to implement a number of training programs e.g. training the new occupations, retraining the jobs for women labors ....

- Investing on research works and policy formulation with the aims of enhancing the women's participation in economic development and getting out of poverty stagnation.

2/. To create equal opportunities for women in education, training and to improve the women's knowledge and capacity in all fields.

+ The Ministry of Education and Training is assigned the task by the State to coordinate with other relevant ministries and branches to promote the social and education programs, expand our network and diversify the content and training methods (developing the distance way training methods ) in order to attract more women to study.

+ The Ministry of Planing and Investment coordinates with the Ministry of Labor - Invalids and Social Affairs, the Ministry of Education and Training, the Governmental Personnel Department and other relevant branches have continuously invested a training center for each province and in the future try to invest a vocational training center for each district and about 50% women to participate in such centers. The Government should have priority policy to invest in vocational training centers for the women in mountainous and the seaside areas, to enhance the post university training and retraining for the women cadres and State officers.

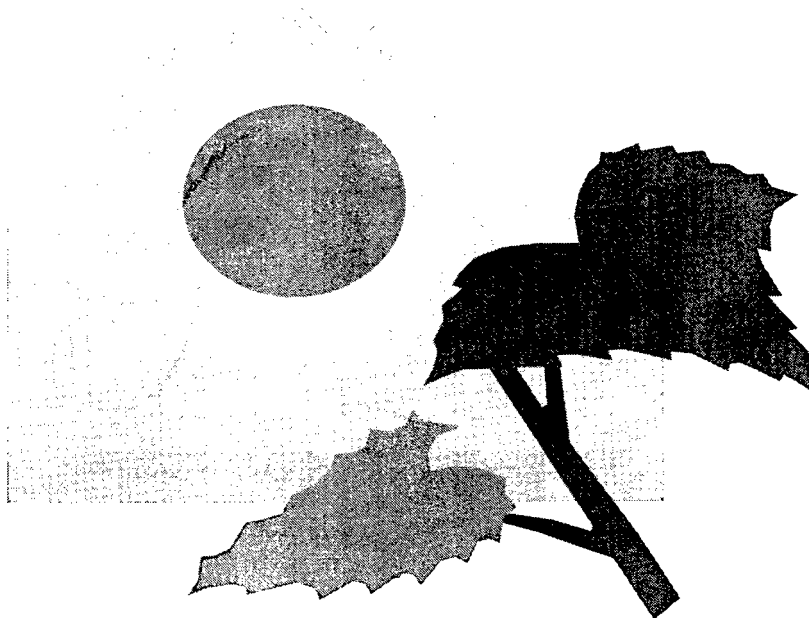
3/. Improving the health care conditions and protect the women's health

8th ICA/ Japan Training Course for Rural Women Leaders  
of Agricultural Cooperatives in Asia  
From August 24 to September 14, 1998  
ICA Regional Seminar  
From August 26 to September 6, 1998



# **Background Information for Study Visit to Niigata Prefecture**

From August 31 ~ September 3, 1998



**The Institute for the Development of Agricultural Cooperation In Asia (IDACA)**

ITINERARY FOR STUDY TOUR  
IN  
NIIGATA PREFECTURE

DATE	TIME	PROGRAMME	ACCOMM.
Aug. 31 (Mon.)	9:00- 9:31- 11:12- -13:20	(Move to Niigata Pref.) Leave IDACA for JR Takao sta. (by taxi) JR Takao sta. → JR Tokyo sta. (by train) <b>Leave JR Tokyo sta.</b> (by Shinkansen Super-Express Train, ASAHI No.311) <b>Arrive at JR Niigata sta.</b> JR Niigata sta. → Hotel /check-in	Bandai Silver Hotel (☎025-243-3711)
Sep. 1 (Tue.)	9:00- 9:30- ----- 13:00- 14:00- ----- 15:00- 15:40- ----- 16:40- -17:20	Leave the Hotel (by taxi) <b>JA NIIGATA PREFECTURAL UNION.</b> -Subj.:Agriculture and Agricultural Cooperatives in Niigata (incl. activities of the women 's association) ( Lunch ) ----- Leave the Pref. Union <b>FERTILIZER PLANT</b> managed by the Niigata Pref. Economic Federation ----- Leave the Plant <b>RICE MILLING PLANT</b> managed by the Niigata Pref. Economic Federation ----- Leave the Plant Back to the hotel.	↓
Sep. 2 (Wed.)	7:20- 8:00- -9:00 ----- 9:10- ----- 13:00- 13:30- ----- 15:30- 15:50- ----- 16:20- 17:30- -18:30 19:00-	Leave the hotel for Niigata Port (by taxi) <b>Leave Niigata Port</b> (by jet foil) <b>Arrive at Ryotsu Port in Sado Island</b> ( Micro-bus from the port) ----- <b>JA SADO (Primary Cooperative) -Head Office</b> -Subj.:Business Activities of the Cooperative and the Women's Association ( Lunch ) ----- Leave the office <b>OBSERVATION:Facilities operated by the Niho Branch</b> Office <b>- THE OFFICE,A-COOP STORE, MACHINERY</b> <b>CENTER, GAS FILLING STA.,AGRI. MACHINERY</b> <b>DEPT., etc.</b> ----- Leave the office <b>OBSERVATION: HATANO PROCESSING PLANT</b> ----- Leave the plant for Ryotsu Port <b>Leave Ryotsu Port</b> (by jet foil) <b>Arrive at Niigata Port</b> Back to the hotel (by taxi)	↓
Sep. 3 (Thur.)	14:16- -16:20	Leave the hotel / Check-out ( by chartered bus ) - Sightseeing Tour in Niigata City - <b>Leave JR Niigata sta.</b> (by Shinkansen Super-Express Train, ASAHI No.320) <b>Arrive at JR Tokyo sta.</b> JR Tokyo sta. → JR Takao sta. (by train) JR Takao sta. → IDACA (by taxi)	

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# 1. Agriculture in Niigata Prefecture

## 1. Position and ranking of Agriculture in Niigata

Total number of farm household and cultivated area in Niigata are ranked third and number of marketing farm household is ranked second. Total land of paddy field is ranked second and production turnover of rice occupies a top position in Japan. Niigata is one of the main Agricultural areas in Japan.

### < Agricultural Structure ~1997~ >

(Unit:household, ha,%)

Classification	Niigata prefecture	National	National share	National ranking
<b>No. of farm households</b>				
Total No. of farm households	125,800	3,344,230	3.8	3
Commercial farm households	106,200	2,567,990	4.1	2
Full-time farm households	16,740	612,180	2.7	15
Part-time I farm households	43,050	716,910	6.0	1
Part-time II farm households	46,410	1,238,900	3.7	5
<b>Cultivated land area (ha)</b>				
Total of cultivated land area	184,600	4,949,000	3.7	3
Paddy fields	163,200	2,701,000	6.0	2
Up-land fields	21,400	2,248,000	1.0	24
<b>Gross agricultural turnover</b>				
of which rice (¥hun.mil.)	3,766	104,676	3.6	6
<b>Agricultural income(¥1,000)</b>				
Agri. income	2,586	30,191	8.6	1
Non-Agri. income	7,100.6	6,850.1	103.7	21
Family budget	1,186.5	1,387.8	85.5	27
Dependent ratio on Agriculture	5,914.1	5,462.3	108.3	16
	6,433.5	5,729.8	112.3	10
	16.7	20.3	-	29

1. Position of agriculture in Niigata prefecture

=

(1) Position in the country

a. Agricultural structure

- Ranked second in terms of both the number of marketing farm households and paddy field area
- Ranked third in terms of both the number of total farm households and cultivated area
- No. of full-time farm households decreased by 0.4 points (Thus the ranking in the whole country fell from 12th to 15th)
- No. of part-time farm households increased by 0.6 points, ranked 1st in the whole country.

b. Agri.gross production turnover

- Income from paddy production increased by 0.2 points or 3.6 %. In particular, the share of rice was up 0.9 points and it has continued to be ranked 1st as in the previous years
- The share of production agricultural income in the country became 3.85 or up 0.7%, ranked 6th in the whole country.

Table 2-1-(1) Agricultural structure

(Unit: farm household, ha, %)

Classification	1998				1997	
	Niigata	Whole Country	Share	Ranking	Share	Ranking
<b>No. OF FARMHOUSEHOLDS</b>						
Total Number	125,800	3,344,230	3.8	3	3.8	3
Self-supply	19,600	776,240	2.5	11	2.6	11
Marketing	106,200	2,567,990	4.1	2	4.1	2
Full-time	9,310	434,990	2.1	21	2.1	21
Part-time I	14,820	410,930	3.6	9	3.9	6
Part-time II	82,070	1,722,060	4.8	1	4.7	1
<b>CULTIVATED AREA</b>						
Total Number	184,600	4,949,000	3.7	3	3.7	3
Paddy Field	163,200	2,701,000	6.0	2	6.0	2
Upland Field	21,400	2,248,000	1.0	24	1.0	24

Table 2-1-(2) Agri.Gross Production Turnover

(Unit: 1,000 yen, bil.yen, %)

Classification	1998				1997	
	Niigata (1,000 yen)	Whole Country (bil. yen)	Share	Ranking	Share	Ranking
Agri.Gross Production Turnover	376.6	10,467.6	3.6	6	3.4	7
Rice	258.6	3,019.1	8.6	1	7.7	1
Production agri.income	169.8	4,502.1	3.8	6	3.1	8
Index						
Per farmhousehold	133.0	132.9	—	22	—	27
Per 0.1ha of cultivated area	9.1	9.0	—	33	—	42



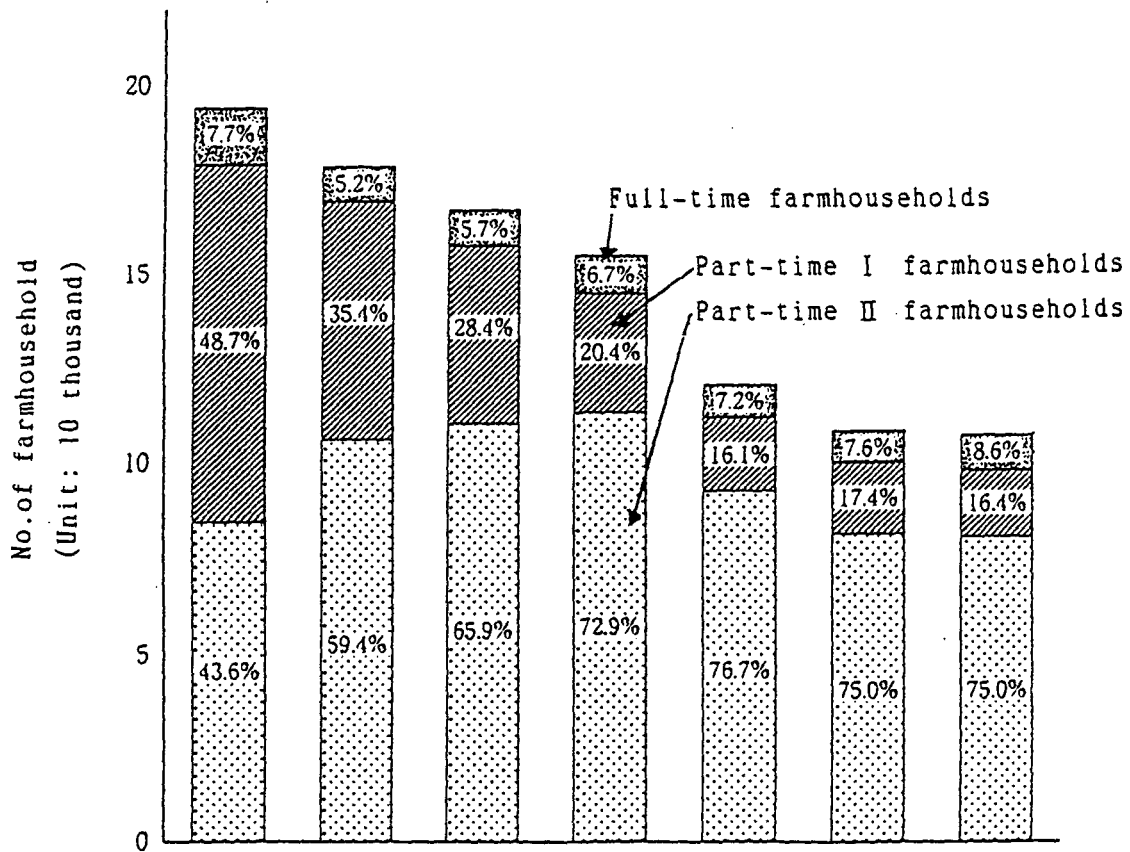
(2) Trends of number of farmhouseholds

The number of farmhouseholds engaged in marketing in 1997 was 106,200, showing an annual decline.

The number of farm-time farmhouseholds totalled 9,310 or 8.8%, which was lower than the national average of 16.9%

The total number of farmhouseholds inclusive of self-supply farmhouseholds decreased from 142,612 in 1992 to 125,800 in 1997.

Changes in the number of farmhouseholds by fiscal year

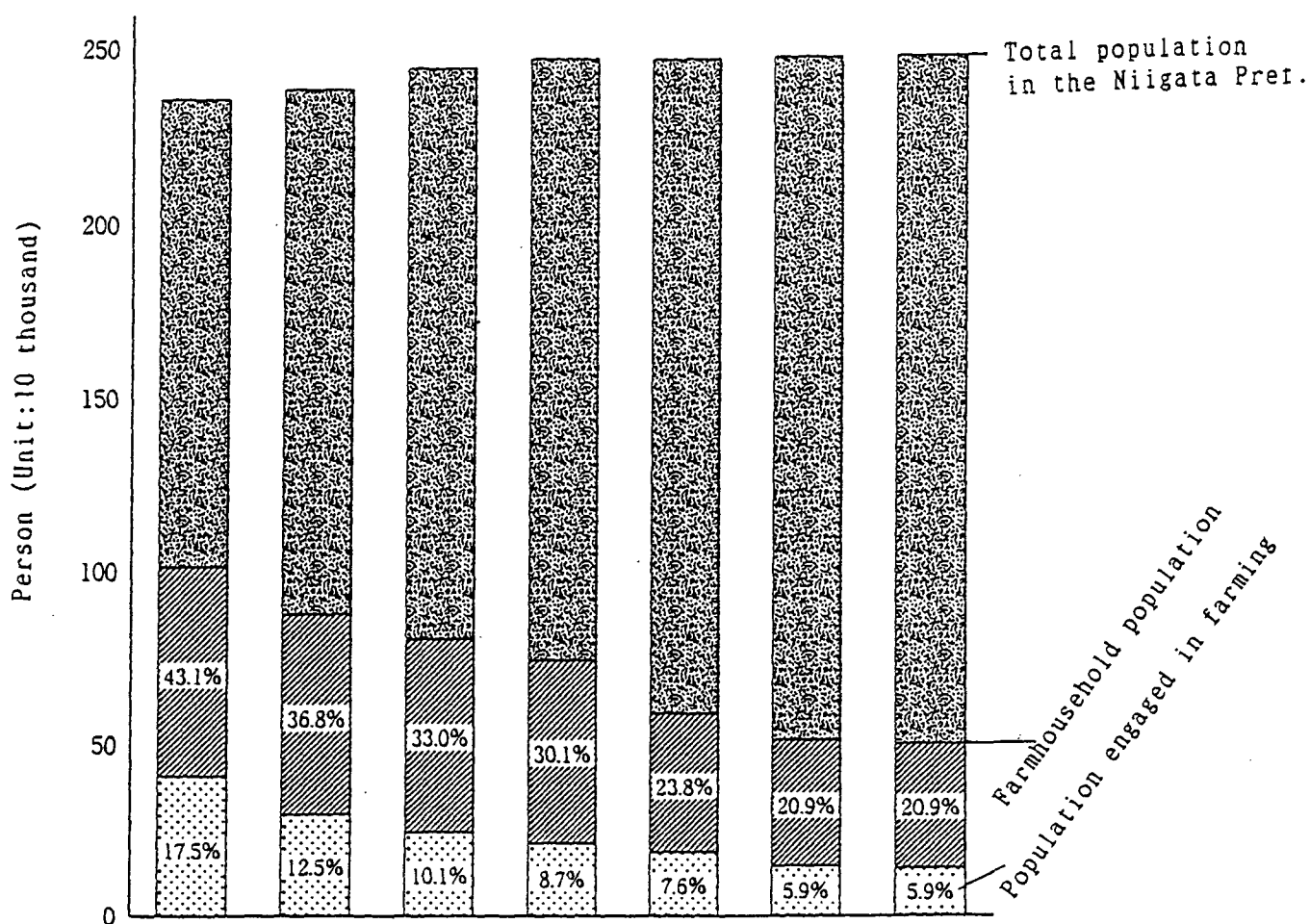


Classification \ Year	1970	1975	1980	1985	1990	1995	1996	1997
No. of farmhousehold	194,480	178,981	167,452	155,522	120,867	108,661	107,520	106,200
Full-time farmhousehold	15,010	9,365	9,470	10,400	8,703	8,291	9,270	9,310
Part-time I farmhousehold	94,739	63,389	47,543	31,692	19,509	18,927	17,640	14,820
Part-time II farmhousehold	84,731	106,227	110,439	113,430	92,655	81,443	80,600	82,070

(3) Trends of farmhouseholds population

The total population of Niigata prefecture stood at 2,492,372, showing a slight increase. Both of farm household population, population engaged in farming have tended to make an annual decline. But in 1997 an increase was observed in terms of farm household population and population engaged in farming. They were 508,700 and 143,770 respectively.

Changes in the farm household population by fiscal year



Classification	Year	1970	1975	1980	1985	1990	1995	1997
Total population in the Niigata Pref.		2,360,982	2,391,938	2,451,357	2,478,470	2,474,583	2,488,364	2,492,372
Farmhousehold population		1,014,057	880,794	808,188	747,060	590,034	519,046	508,700
Population engaged in farming		412,324	299,578	247,452	214,783	189,261	147,745	143,770

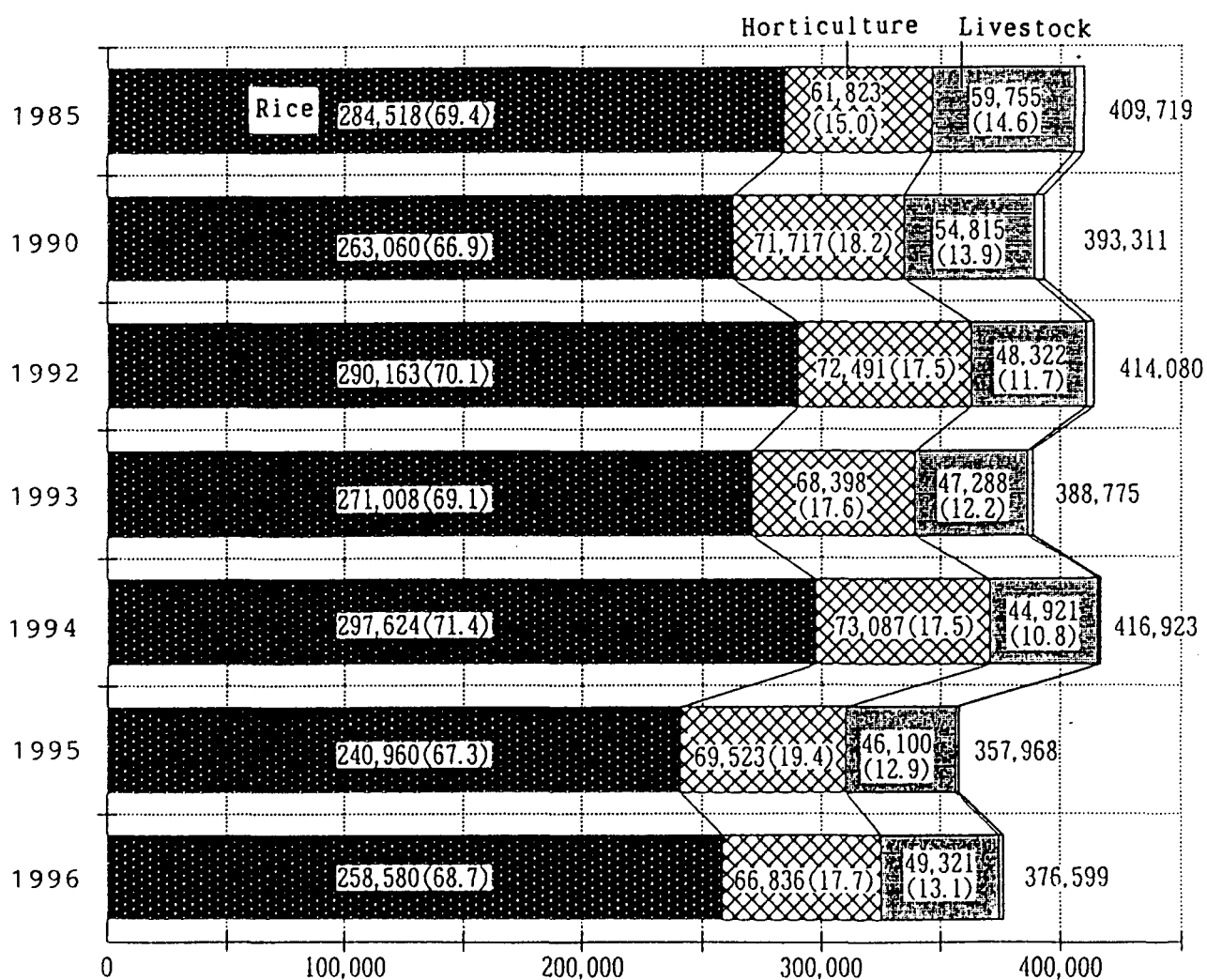
(4) Agricultural gross production turnover

Due to the poor cropping, the gross rice production turnover decreased considerably. As a result, it became 376.5 billion yen, however, a slight increase (up 5.2% ) was observed compared with the previous year.

(5) Production agricultural income

The production agricultural income stood at 169.8 billion yen, showing an increase of 18.8%. In terms of its ratio, it rose 5.1 points over the previous year, exceeding that of the national average by 2.1 points.

Changes in the gross agri. production turnover



(Unit: mil. yen)

Situation of Production of main crops

◇First line Cultivated land (ha)  
 ◇Second line Harvest amount (ton)

		Niigata Pref.	National	Share	Rank
Paddy	Rice	128,900	1,944,000	6.6	2
		671,600	10,004,000	6.7	2
Barley	Rokujo barley	377	8,650	4.4	7
		1,020	28,900	3.5	9
Beans	Soy beans	2,710	83,200	3.3	12
		4,390	144,600	3.0	13
Potatoes		1,190	103,000	1.2	11
		23,800	3,086,000	0.8	10
Vegetables	Radish	2,410	51,800	4.7	6
		82,600	2,132,000	3.9	8
	Taro	785	22,000	3.6	7
		9,380	254,100	3.7	6
	Welsh onion	839	24,800	3.4	8
		18,200	546,800	3.3	5
	Egg plant	847	14,300	5.9	1
		13,900	481,000	2.9	13
	Tomato	497	13,800	3.6	8
		16,400	796,300	2.1	16
Green soybeans	1,460	12,900	11.3	2	
	7,550	81,700	9.2	2	
Water melon	941	19,000	5.0	4	
	30,000	632,500	4.7	5	
Cucumber	640	16,900	3.8	7	
	17,000	823,000	2.1	15	
Fruits	Grapes	436	21,900	2.0	12
		4,360	243,900	1.8	11
	Japanese pear	544	17,700	3.1	10
		14,000	377,700	3.7	8
Persimmon	885	25,500	3.5	9	
	12,000	240,500	5.0	6	
Flowers					
Cut flower	Lily	142	761	18.7	1
		25,900	199,500	13.0	2
Bulb	Tulip	33	130	25.4	1
		33,900	107,300	31.6	1
	Lily	39	274	14.2	3
		7,590	42,200	18.0	2
	Tulip	207	487	42.5	2
		50,100	115,000	43.6	2
	Iris	25	58	43.1	1
		15,100	29,900	50.5	1
Crocus	7	7	100	1	
	2,430	2,740	88.7	1	
Pot flower	69	366	18.9	1	
	10,300	35,300	29.2	1	
Industrial crops	Leaf tobacco	1,158	26,057	4.4	9
		3,070	66,031	4.6	8
Livestock	Milk cattle	560	39,400	1.4	21
		15,700	1,898,000	0.8	24
	Beef cattle	760	142,800	0.5	25
		20,400	2,851,000	0.7	34
	Pork	330	14,400	2.3	17
220,300		9,823,000	2.2	16	
Broiler	100	6,530	1.5	24	
	4,428	183,765	2.4	20	

\*Livestock...◇First line→ Household  
 Second line→ Number of cattle, pork, broiler

## 6. Production of rice

(1) Paddy field for Koshihikari brand rice has been keeping first rank in Japan since 1979. (73% to the total in 1997)

Rank	1996		1997		
	Varieties	%	Varieties	Cultivated area (ha)	to previous year (ha)
1.	Koshihikari	70.2	Koshihikari	91,064	+2,864
2.	Yukinosei	9.3	Yukinosei	10,245	Δ 1,471
3.	Niigata wase	4.7	Niigata wase	5,202	Δ 710
4.	Echiji wase	2.6	Todoroki wase	2,629	Δ 385
5.	Wase jiman	2.5			

(2) Cultivated area is 184,600ha, which has been kept decreasing year by year.

Changes in cultivated area and paddy field

	'80	'85	'90	'95	'96	'97
Total cultivated area (ha)	211,100	203,500	195,600	187,200	185,900	184,600
Paddy field (ha)	153,800	152,300	138,100	137,800	129,700	128,900
Harvest amount of paddy (ton)	752,100	819,400	734,700	687,600	696,500	671,600

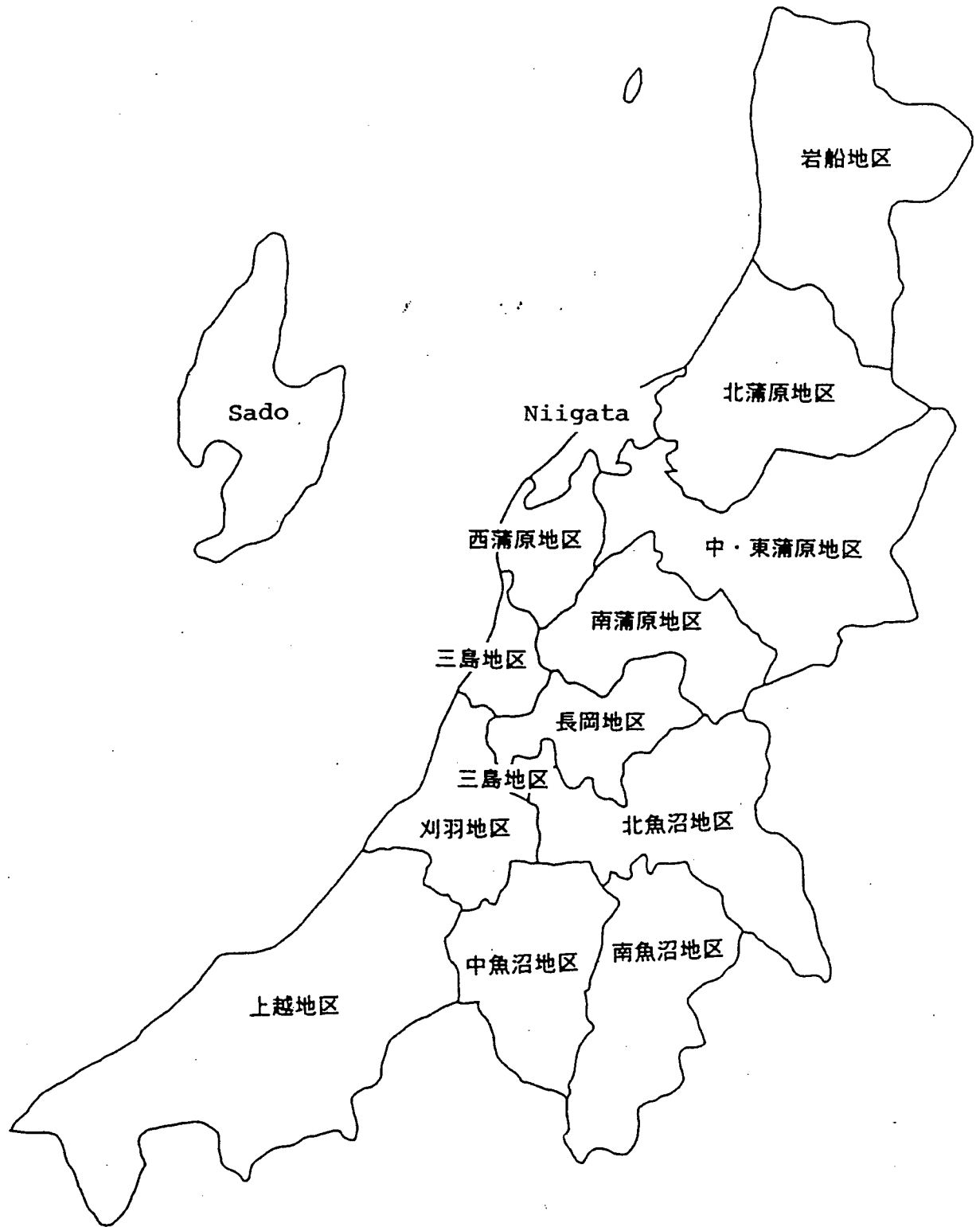
## 7. State of economy of farm household

Total income of farm household has been making a increase year by year. It was 9.1 million yen in 1996. It was due mainly from the increase of non-agri income. Dependent ratio on agriculture was 16.7%, which has been on the decrease.

(Unit: Thou. ¥)

		'80	'85	'90	'95	'96
Agri. income	①=②-③	962.9	1,059.4	1,142.8	1,092.0	1,186.5
Gross agri. income	②	2,244.6	2,754.9	2,881.3	3,065.1	3,154.6
Management cost	③	1,281.7	1,695.5	1,738.5	1,973.1	1,968.1
Non-agri income	④	3,107.2	4,044.1	5,221.1	5,688.8	5,914.1
Farm household income	⑤=①+④	4,070.1	5,103.5	6,363.9	6,780.8	7,100.6
Pension	⑥	691.8	1,170.2	1,565.8	2,168.2	1,994.8
Total income of farm household	⑦=⑤+⑥	4,761.9	6,273.7	7,929.7	8,949.0	9,095.4
Housekeeping expense	⑧	3,610.0	4,770.6	5,377.3	6,027.4	6,433.5
Dependent ratio on Agri.	⑨=①/⑤	23.7	20.8	18.0	16.1	16.7
Sufficiency rate of housekeeping expense	⑩=①/⑧	26.7	22.2	21.3	18.1	18.4

Conception of amalgamation in Niigata Prefecture =



## II. JAs in Niigata Prefecture

### 1. Number of JA

For the amalgamation of JA has been promoted, the total number of JA in Niigata become 78 as of the end of march, 1998. But we try to reduce their number to 14 by the year 2000. Our plan is that we try to set up one JA in each area by deviding the prefecture for 14 areas.

In this way, a high level of business function in amalgamated JA could be introduced. We are preparing for the amalgamation of JAs by establishing a committee in each area.

#### Changes in the number of JA(1975~1997)

	'75	'85	'90	'91	'92	'93	'94	'95	'96	'97
No. of JA	247	212	155	146	137	126	124	115	102	78

### 2. Composition of members

Total number of members is 311,336. It tends to increase because the increase in the number of associate members exceeds the decreasing number of regular members.

The ratio of the regular members to the total become 66.7%.

	'85	'90	'91	'92	'93	'94	'95	'96
Total number of mem.	288,481	300,685	303,124	304,910	306,971	308,139	309,973	311,336
Asso. mem.	74,973	87,288	90,404	93,103	96,265	98,548	101,300	103,806
Regu. mem.	213,508	213,397	212,720	211,807	210,706	209,591	208,673	207,530

### 3. Number of officials in JA

#### (1) Number of officials

The number of directors and auditors tends to decrease due to the progress of amalgamation of JAs.

#### Changes in the number of officials(1985~1996)

	'85	'90	'91	'92	'93	'94	'95	'96
Number of officials	3,287	2,897	2,654	2,543	2,394	2,296	2,230	2,213
Auditors	758	654	586	584	497	472	460	455
Full-time directors	275	235	214	199	192	170	167	161
Part-time directors	2,254	2,008	1,854	1,796	1,705	1,654	1,603	1,597

(2) Number of employees

Changes in the number of employees(1985~1996)

	'85	'90	'91	'92	'93	'94	'95	'96	'97
Total Number	9,717	9,786	9,845	9,839	9,950	10,176	10,121	10,710	10,503
Female staff	2,855	2,958	3,049	3,153	3,295	3,458	3,456	4,005	3,968
Male staff	6,862	6,828	6,796	6,686	6,655	6,718	6,665	6,705	6,535

4. Business of JA

(1) Savings

Increase ratio was just 0.2% over the previous year in 1997.

Shift of average amount of savings

	'85	'90	'91	'92	'93	'94	'95	'96
Saving amount (bil.¥)	1,023	1,385	1,502	1,633	1,722	1,800	1,817	1,821

(2) Loans

Changes of average amount of Loans

	'85	'90	'91	'92	'93	'94	'95	'96
Loans(bil.¥)	411	401	409	426	446	463	480	512

(3) Mutual Insurance

The increase ratio of long term Mutual Insurance in 1996 become 3.8%.

Shift of long term Mutual Insurance

	'85	'90	'91	'92	'93	'94	'95	'96
M.I security amount (bil.¥)	7,094	9,615	10,175	10,695	11,189	11,850	12,451	12,923

(4) Purchasing business

Changes of Purchasing business

(Unit: bil.¥)

	'85	'90	'91	'92	'93	'94	'95	'96
Supply of Purchasing goods	172	181	188	192	191	188	181	181
Daily commodities	99	115	121	123	120	119	115	114
For production	73	66	67	68	71	69	66	66



(5) Marketing business

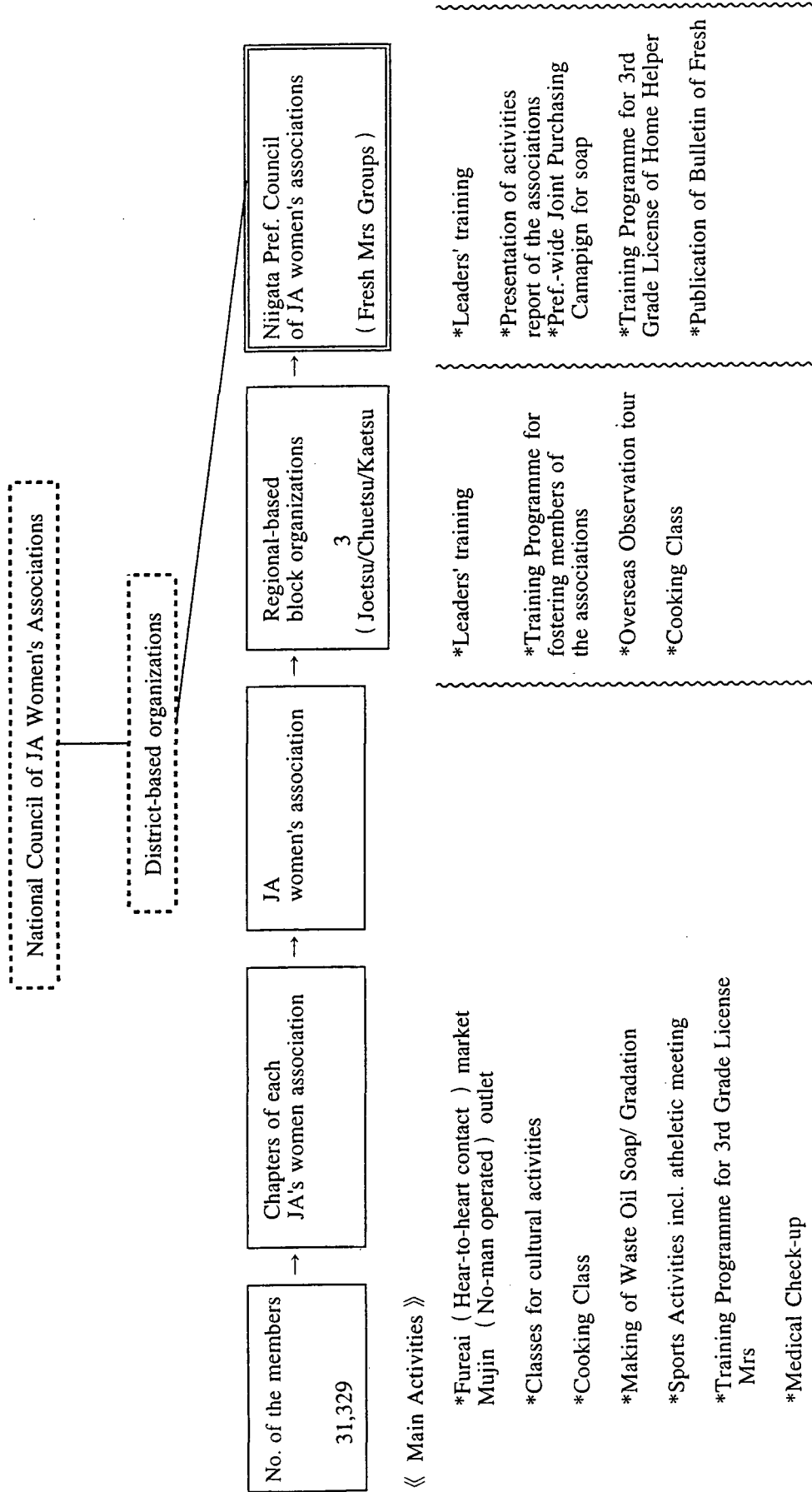
75% of the marketing turnover came from sales of rice. And it has a great impact on the total turnover of marketing.

Changes of Marketing turnover (Unit: bil.¥)

	'85	'90	'91	'92	'93	'94	'95	'96
Total turnover	270	242	251	241	263	225	233	218
Except rice	40	59	62	58	59	56	54	54
Rice	229	183	190	183	203	168	179	164

OUTLINE OF JA WOMEN'S ASSOCIATIONS OF NIIGATA PREFECTURE

《 Organizations 》



**LIST OF WOMEN'S ASSOCIATIONS AND THE COUNCILS**

( Note: WA=Women's Association, JA= Primary Agricultural Cooperative in Japan )

Name of Block-based Organization (Council)	① No. of W.As.	② No. of JAs.	③ No. of JAs with W.As.	③ / ② Organization ratio of W.As in JA.	④ No. of Members in WAs	⑤ No. of Member Households with WAs	④ / ⑤ Member ship ratio per household.	Change in No. of members from 1997	Change in No. of associations from 1997	
Joetsu	County									
	Joetsu Regional Council of W.As.	1	1	1	100.0	788	2,478	△468	△1	
	Naga Kubiki	4	5	4	80.0	070	2,019	△546	△7	
		2	2	2	100.0	286	5,259	△105	△	
		7	7	7	87.5	6,144	27,756	△1,119	△8	
Chuetsu	Total in Joetsu Region									
	County									
	Chuetsu Regional Council of W.As	2	3	2	66.7	309	11,124	△523	△	
	Nagaoka	5	4	4	100.0	763	6,069	△17	△	
	Mishima	5	8	5	62.5	222	8,134	△236	△	
	Miyama Kanbara	3	6	3	50.0	30	772	△81	△1	
	Kanwa	9	9	9	100.0	64	964	△257	△	
	Kita Uonuma	3	4	3	75.0	110	789	△130	△1	
	Miyama Uonuma	3	3	3	100.0	808	11,289	△168	△	
	Naka Uonuma	30	37	29	78.3	12,006	62,247	△1,279	△2	
Kaetsu	Total in Chuetsu Region									
	County									
	Kaetsu Regional Council of W.As	10	8	8	100.0	649	5,037	△129	△3	
	Niiga	6	7	6	85.7	751	8,622	△137	△	
	Iwafune	6	8	6	75.0	476	778	△84	△2	
	Kita Kanbara	5	4	4	100.0	46	241	△34	△5	
	Naka Kanbara	3	3	3	100.0	93	629	△34	△2	
	Nishi Kanbara	2	2	2	100.0	64	1,911	△50	△9	
	Saba	2	1	2	0					
	No W.A. in Higashi Kanbara	32	33	29	87.8	13,179	69,218	△509	△21	
Total in Kaetsu Region										
Grand Total										
	69	78	65	83.3	31,329	159,221	△2,907	△31		

## Business of Niigata Prefectural Economic Federation of JA

(Unit: Million Yen)

Department	Commodities	1993	1997	97/93 (%)	Division in charge
Rice Dept.	Government rice	1,674	14,976		Collection division
	Semi-controlled rice	191,838	124,470		Food marketing
	Rice for consumption	18,444	12,786		Div. Semi-control
	Others	14,281	8,201		Div. 3 rice mills
	Total	226,236	160,434	70.9	1 warehouse
Horticulture Dept.	Horticulture	30,734	30,101	97.9	Fruits/vegetable
	Horticulture material	3,966	3,464	87.3	Div. Flower/special
	Total	34,703	33,565	96.7	Products Div./horticulture Div.
Livestock Dept.	Livestock	12,264	10,340	84.3	Livestock/ sales
	Feed-stuff	8,427	8,080	95.9	Div. JA meat
	Total	20,690	18,420	89.0	Niigata, 2 sales outlets, egg centre, Joetu market, pig raising training farm
Production Material Dept.	Fertilizer	10,282	9,052	88.0	Fertilizer/chemical
	Farm chemical	10,025	8,554	85.3	Div. fertilizer plant
	Sub-total	20,307	17,606	86.7	Farm machinery
	Farm machinery	11,645	10,631	91.3	Div. parts centre,
	Total	31,952	28,238	88.3	JA Auto Niigata Joetu Farm machinery centre Auto training centre
Car & Facility Dept.	Car	13,432	10,849	80.8	Car/Fuel Div.
	Fuel	20,183	19,999	99.1	
	Sub-total	33,615	30,848	91.8	
	Facility	12,132	9,406	77.5	Facility and housing Div.
	Electricity	2,584	1,858	71.9	
	Sub-total	14,716	11,264	76.5	
	Total	48,331	42,112	87.1	
Better Living Dept.	Foods	23,541	19,640	83.4	General better living Div. Fresh food Div. Daily necessity Division
	Consumer goods	7,572	6,061	80.0	Organization Div. A-coop Div. Chuetu Processing Centre
	Total	31,113	25,700	82.6	
Grand-Total		393,025	308,469	78.5	

# JA NIIGATA PREFECTURAL ECONOMIC FEDERATION

## 1. Outline

- 1) Establishment : April 1, 1951
- 2) No. of Member Organizations : 87 agricultural cooperatives  
( of which 77 are multi-purpose cooperatives)
- 3) Share Capital : ¥ 3,840,400,000.-
- 4) No. of Officials : 18  
( Directors : 15 / Auditors : 3 )
- 5) No. of Employees : 563
- 6) Business Volume : ¥ 308,500,000,000.-
- 7) Operation Area : In Niigata Prefecture

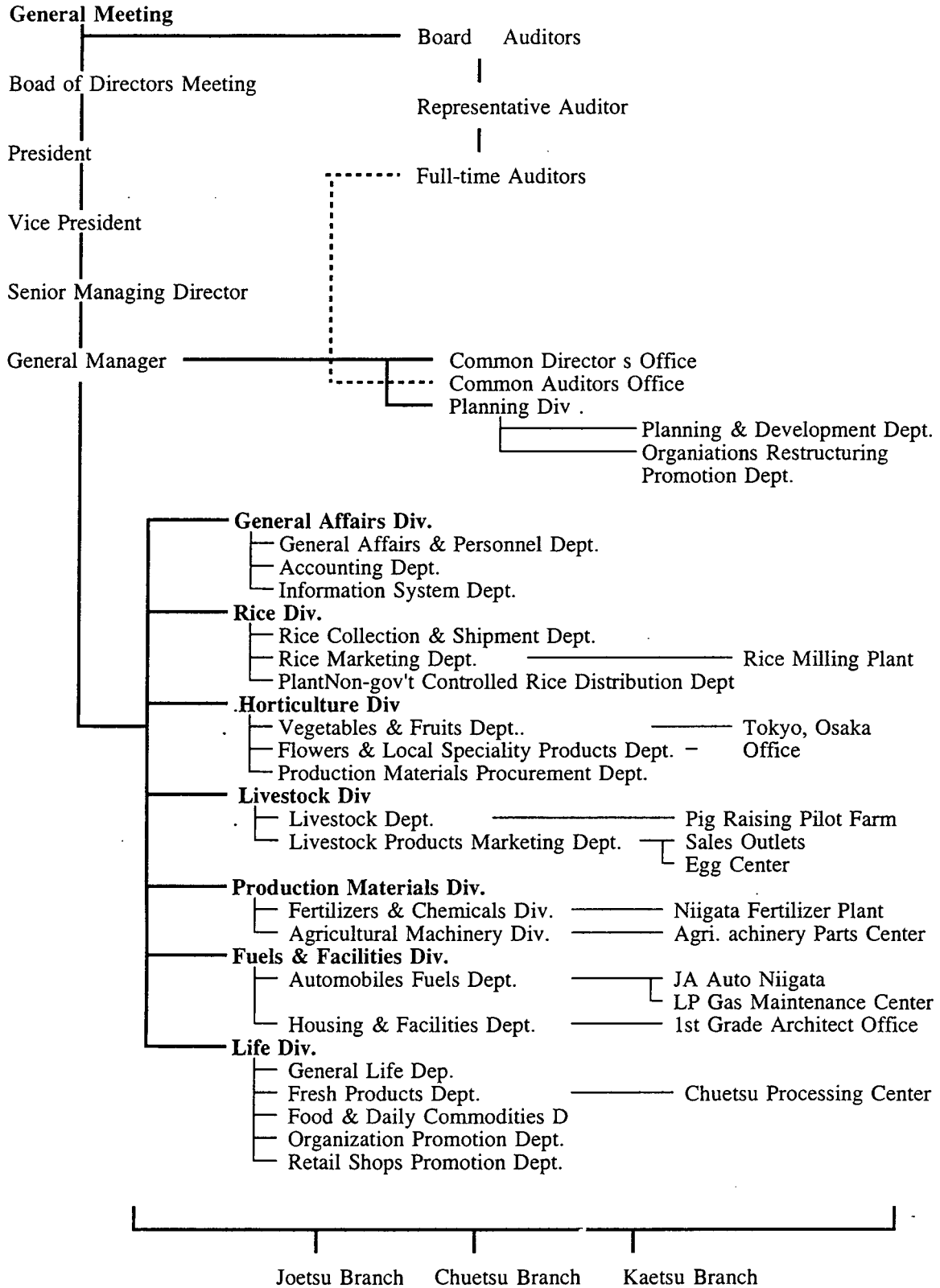
## 2. Business Turnover

<b>Business Year</b>	<b>1980</b>	<b>1985</b>	<b>1990</b>	<b>1995</b>	<b>1997</b>	<b>1998 (Plan)</b>
<b>Marketing</b>	215,549	273,553	250,361	236,458	199,127	180,714
<b>Purchsing (supply)</b>	98,532	109,311	119,261	120,265	109,342	119,532
<b>Total</b>	314,081	382,864	369,622	356,723	308,469	300,246

## 2. Office and Facilities

- 1) Head Office
- 2) Branch Offices (3)
- 3) Business Office (2) --- In Tokyo and Osaka
- 4) Distribution Center (3)
- 5) Rice Milling Plant (3)
- 6) General Horticultural Center
- 7) Meat Processing Center ( JA Meat Niigata)
- 8) Livestock Products Sales Outlet (2)
- 9) Egg Center
- 10) Pig Raising Pilot Farm
- 11) Fertilizer Plant ( Niigata Fertilizer Plant )
- 12) Agricultural Machinery Parts Center
- 13) Automobile Supply ( JA Auto Niigata )
- 14) Automobile & Machinery Center
- 15) JA Auto Training Center
- 16) Chuetsu Process Center

ORGANIZATION / JA NIIGATA PREF. ECONOMIC FEDERATION



## ACTIVITIES

### 1) Comprehensive Farm Management

Information necessary for Farm management and technical guidance are provided. And much devotion is made to foster regional farm management groups and farm successor and to support environmental friendly agriculture gaining credit from consumers through

2) Horticulture Production Fresh vegetables, fruits, mushroom and cut flowers are produced. More environment-friendly production materials are introduced and establishment of pre-cooling facilities promoted to supply safe and reliable Niigata brand items.

3) Grain Production-Rice Abundant water and fertile farm land in Niigata produce top quality rice in Japan. In order to maintain palatability of rice establishment of country elevator and cooling storage is promoted.

4) Livestock Production Stress is put on caged system beef cattle and top quality pork, and livestock management for low-cost is promoted. Fresh, safe and delicious meats and eggs are supplied to consumers from processing plants with advanced equipment.

### 5) Production materials

Development of fertilizers designed based on soil analysis is made to apply appropriate fertilizer to specific item and area, and cheap and effective fertilizers are supplied from the advanced plant to farmers. Guidance is also given for appropriate chemical use and diffusion of environment-friendly fertilizers. Appropriate agricultural machinery and its efficient use are introduced, and labour-saving and low-cost oriented farm management are promoted.

6) Better Living For region-rooted better living activities joint purchasing and joint use of daily necessities and cloths are promoted. and food ingredients delivery and regional-based retail stores are introduced. Furthermore, promotion of household medicine holding, health-related and wedding and funeral-related service are made.

7) Fuel and Facilities More reliable and advanced vehicle maintenance and repair shops and gas filling station are established. And to support better family life kerosene, propane gas, automobiles, electric appliances, etc are supplied.

Agricultural facilities and housing for farmers are also improved with creation of better environment and effective use of land.

### 8) Information Management

High performance office automation equipment are introduced for efficient, appropriate and timely processing information.

Information network is arranged connecting JAs and other organizations for effective collection and distribution of information.

## FERTILIZER PLANT OF NIIGATA PREF. ECONOMIC FEDERATION

### 1. History

- 1930 Production starts for annual production of 622 tons.
- 1938 119 kinds of fertilizers are produced for annual production of 11,000 tons.
- 1951 Pref. Economic Federation is established by merger of Pref. Marketing Federation and Purchasing Federation  
Annual Production: 3,200 tons
- 1964 Niigata Earthquake strikes the plant.
- 1975 Bulk Blending (BB) of fertilizers starts for annual production of 30,600 tons.
- 1981 Accumulation-type blending machines are expanded into two lines for annual production of 75,000 tons.
- 1987 Renovation is made over the machines NO.1 for annual production of 84,000 tons.
- 1993 The plant is moved in Higashi Port Area in Oct.
- 1997 Production of 188 kinds of fertilizers is recorded in FY 1996 with total shipment of 54,937 tons.

### 2. Outline of the facilities

- 1) Total Plant Area : 29,202 m<sup>2</sup> (including greenery zone / 7,500 m<sup>2</sup>)
- 2) Building Area : 7,600 m<sup>2</sup>
  - (1) Plant Building 6,800 m<sup>2</sup>  
(including Raw Materials m<sup>2</sup>, Storage/1,500 m<sup>2</sup>  
Blending Facilities/1,200 Products Storage/  
5,081 m<sup>2</sup>)
  - (2) Office Building 800 m<sup>2</sup>
- 3) Structure : Two-story ferro-concrete. (Tower/ six-story height)
- 4) Main Equipment:
  - (1) Accumulating-type Blending Machine  
30 tons/ hr × 2 lines
  - (2) Automatic Weight Measuring Machine  
1,000 times/ hr × 2 units in 2 sub-lines  
× 2 lines
  - (3) Automatic Packaging Machine  
30 tons/ hr × 2 lines
  - (4) Automatic Stacking Machine  
30 tons/ hr × 2 lines
  - (5) Stretching Packaging Machine  
30 palettes/ hr × 2 lines
- 6) Production Capacity ( with 6-hour operation/day):  
360 tons/ day, 90,000 tons/ year

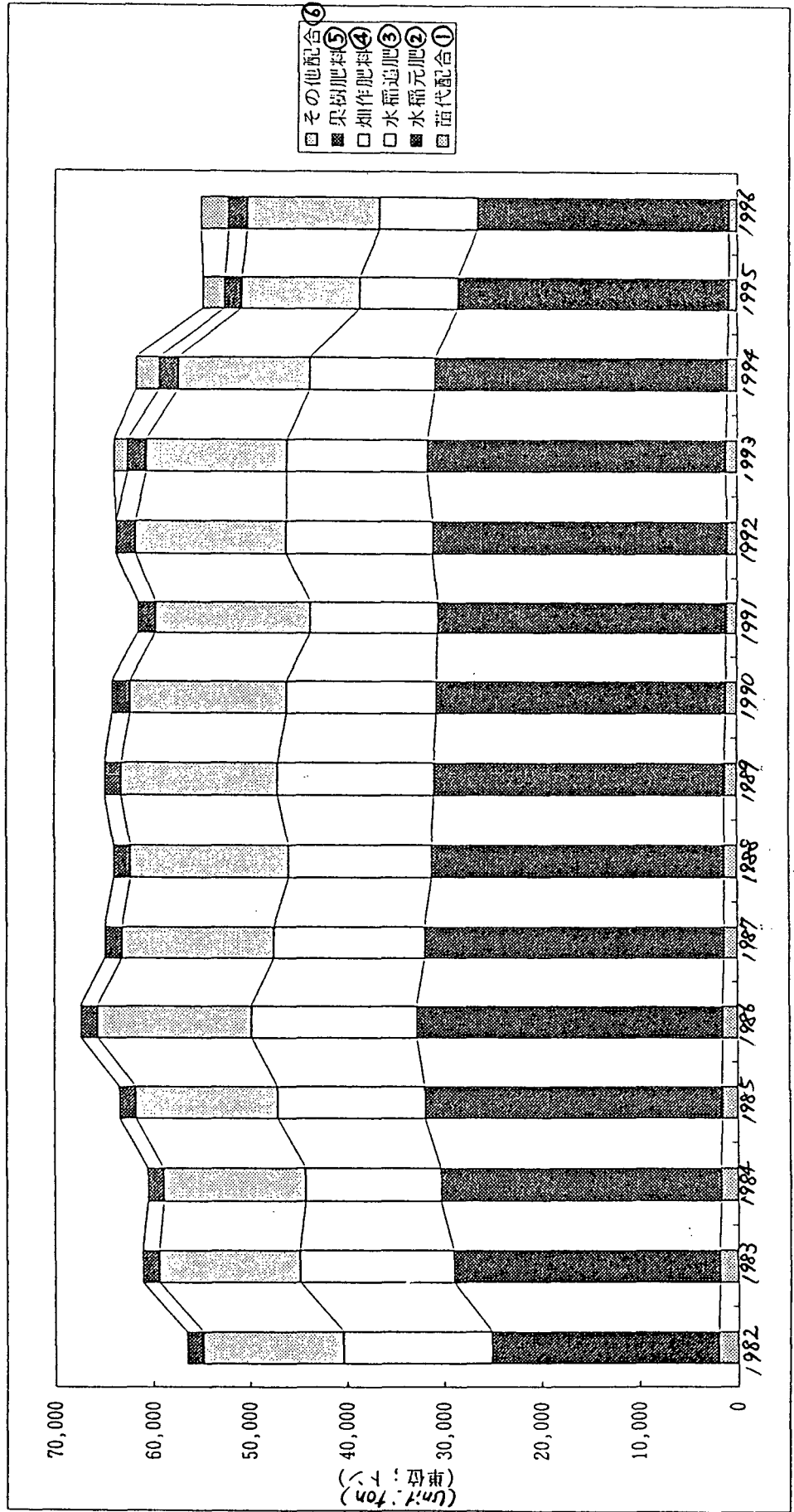


Changes of Products Shipments on Business Year Basis

[ 参考資料 1 ] 年次別出荷数量の推移

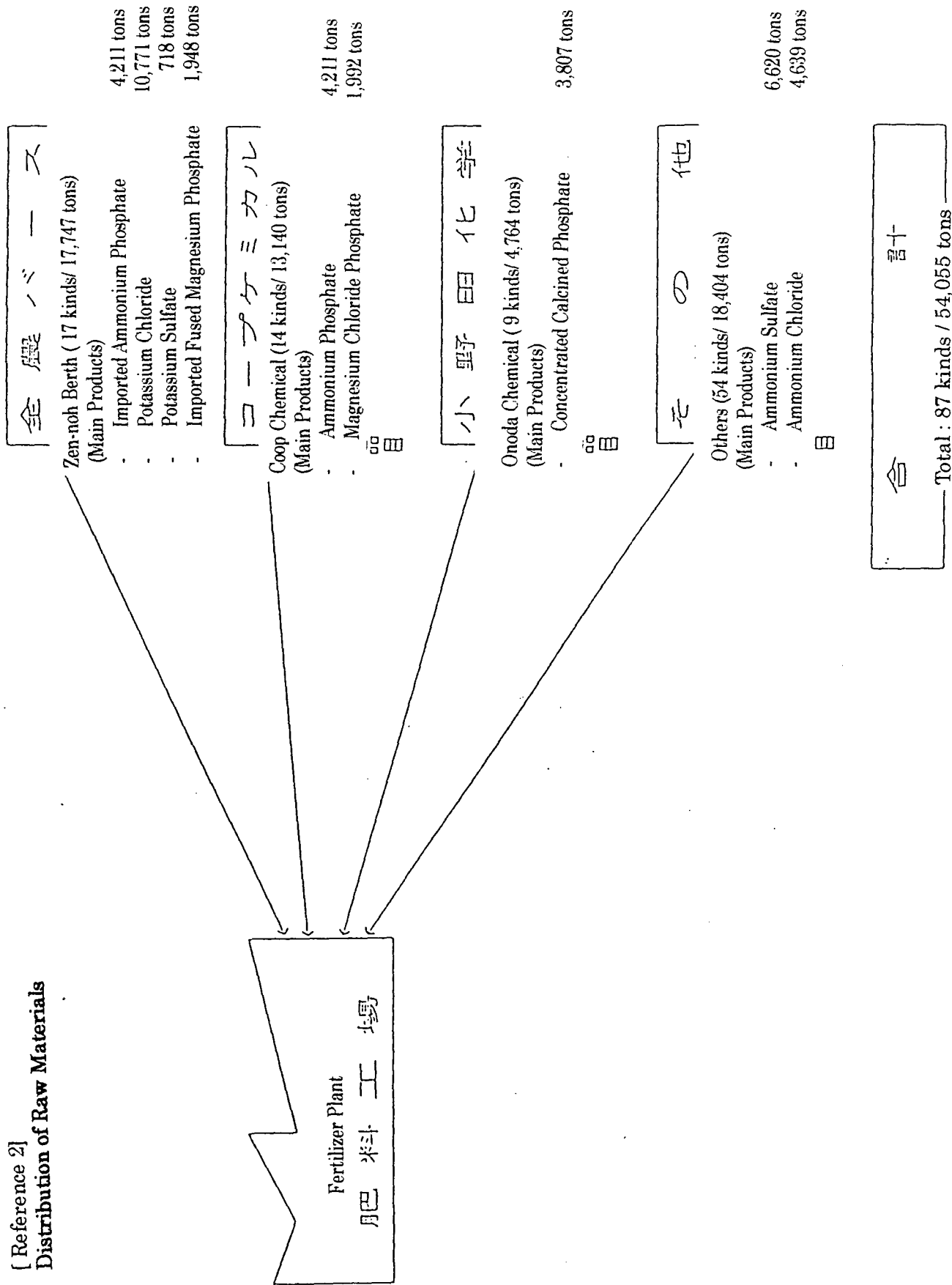
( Unit: ton )  
( 単位: トン )

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
① For Seedlings	1,985	1,868	1,734	1,622	1,501	1,394	1,269	1,226	1,122	1,061	1,013	1,098	967	854	789
As Basal Dressing for Paddy	23,093	27,096	28,576	30,288	31,211	30,504	29,860	29,665	29,479	29,400	29,996	30,447	29,793	27,542	25,598
As Side Dressing for Paddy	15,278	15,890	13,980	15,214	17,064	15,592	14,797	16,168	15,496	13,190	15,129	14,517	12,918	10,105	10,072
④ For Upland Crops	14,451	14,461	14,569	14,614	15,829	15,623	16,273	16,090	16,131	15,933	15,497	14,475	13,578	12,245	13,704
⑤ For fruits,	1,698	1,706	1,603	1,627	1,697	1,727	1,710	1,705	1,840	1,816	1,985	1,908	1,915	1,727	1,911
⑥ Other blended.	9	14	44	32	23	25	20	0	0	0	43	1,400	2,406	2,261	2,861
合計	56,514	61,035	60,506	63,397	67,325	64,865	63,929	64,854	64,068	61,400	63,663	63,845	61,577	54,734	54,935



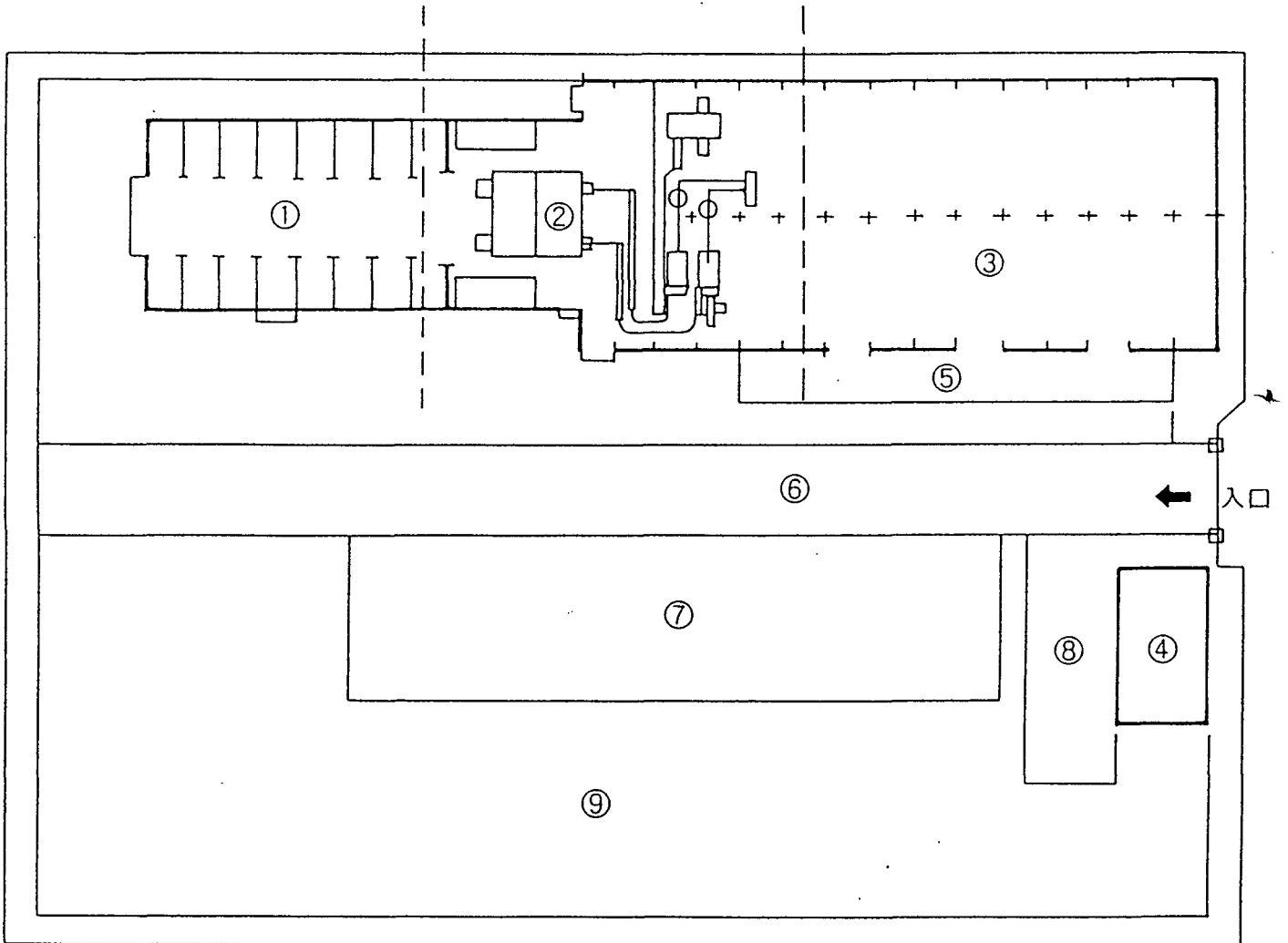
[参考資料 2] 原料の物流ルート (8 肥)

[ Reference 2]  
Distribution of Raw Materials



[ 参考資料 3 ] 肥料工場配置図

[ Reference 3 ]  
Fertilizer Plant Layout



- ① Raw Materials Storage
- ② Main Plant Building
- ③ Products Storage
- ④ Office Building
- ⑤ Truck Yard
- ⑥ Road
- ⑦ Open Storage Yard
- ⑧ Parking Lot
- ⑨ Greenery Zone

No.	名 称	No.	名 称
①	原 料 倉 庫	⑥	道 路
②	工 場 棟	⑦	野 積 地
③	製 品 倉 庫	⑧	駐 車 場
④	事 務 所 棟	⑨	緑 地
⑤	トラックヤード		

## RICE MILLING PLANT

### 1. From Producers to Consumers

1) Rice, staple food for Japanese people, is harvested in most of the areas once a year by farmers, and the harvested rice is collected by agricultural cooperatives and distributed through Prefectural Economic Federation and other marketing agents to consumers.

- (1) Transplantation --- Paddy seedlings are transplanted by farmers in late April to early May.
- (2) Harvest --- Harvesting is done by harvester and combine tractor in late August to early October, and the paddy is collected to agricultural cooperatives. After collection inspection is made by a national government agency (Food Control Office) and the paddy is put into storage of the cooperatives. Some of them are stored in country elevator for drying and adjusting moisture content before final shipment upon inspection.
- (3) Marketing --- Brown rice, which is collected by the cooperatives based on plans for collection-Shipment and Marketing, is sent to milling plant before sales at the cooperatives, rice shops, supermarket, department stores, etc.

Rice from Niigata Prefecture has gained high reputation as the most palatable rice in Japan, and is marketed nationwide, not only in Niigata prefecture but also from Hokkaido in the north to Tokyo, Kanagawa, Osaka, Nagoya to Okinawa in the south

### 2) Characteristics of Niigata Rice

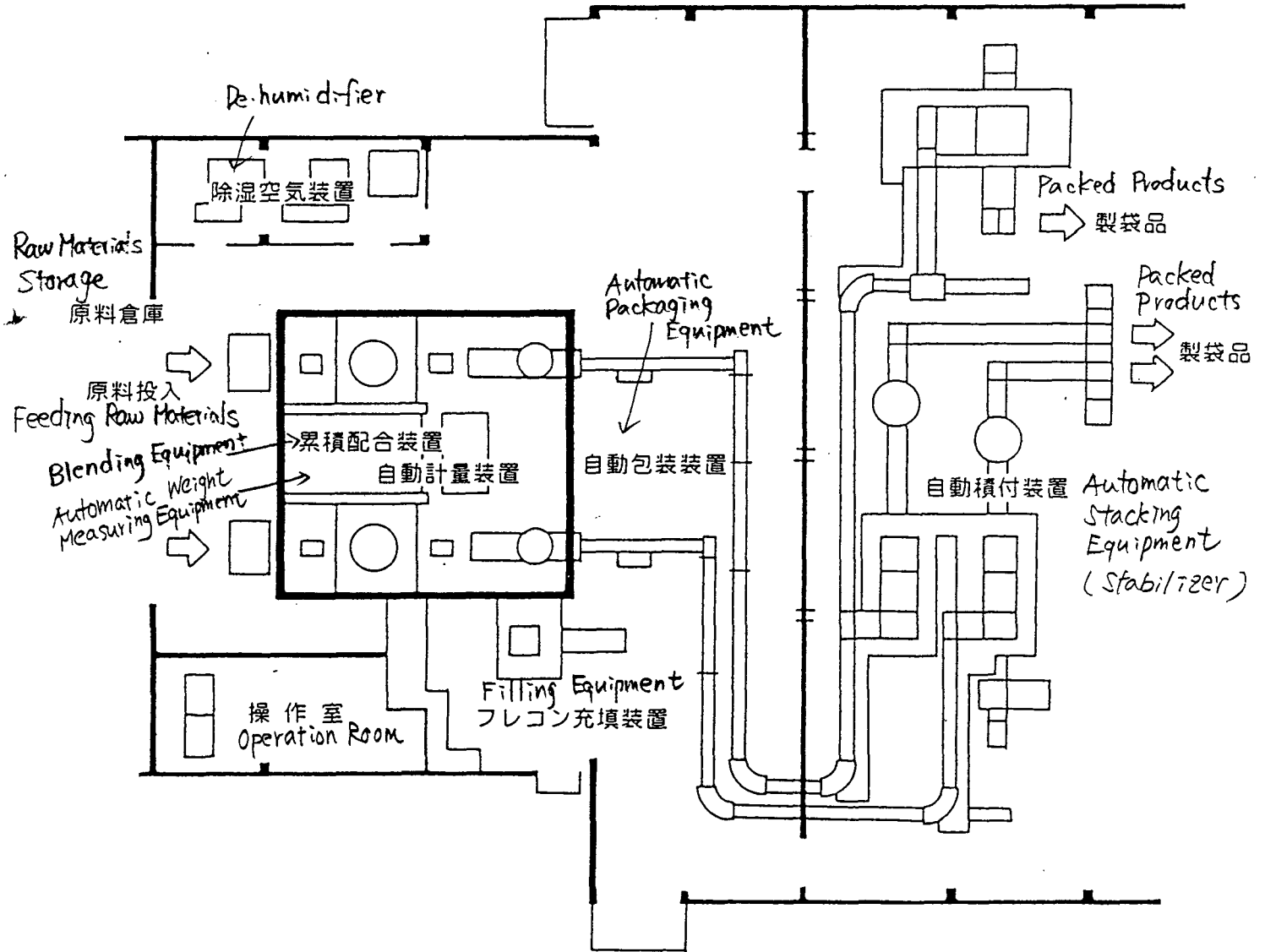
- (1) There are many varieties of Niigata rice. Main variety called Koshihikari.
- (2) Why Niigata rice has gained high reputation  
Niigata is blessed with good climate for rice production; Heavy snow in winter and long-hour of sunshine and small rainfalls in summer set good conditions for rice production.  
Clean stream of river after the thaw provides abundant water, and high temperature favourable for paddy in summer promote its growth.
- (3) Fertile soils and high soil productivity  
Ammonium determines fertility and productivity of soil. In case of Niigata plain, the amount of ammonium contained in 100g soil of dry paddy field is 14mg, which is two times higher than the national average.
- (4) Low amylose determines palatable rice.  
Niigata rice contains low amylose, which is regarded as a negative factor for palatability, and instead it has high amino-pectin determining glutinous factor for more palatable rice.

3) Consumption of Rice : 5.25 kg / month / person ( household average)

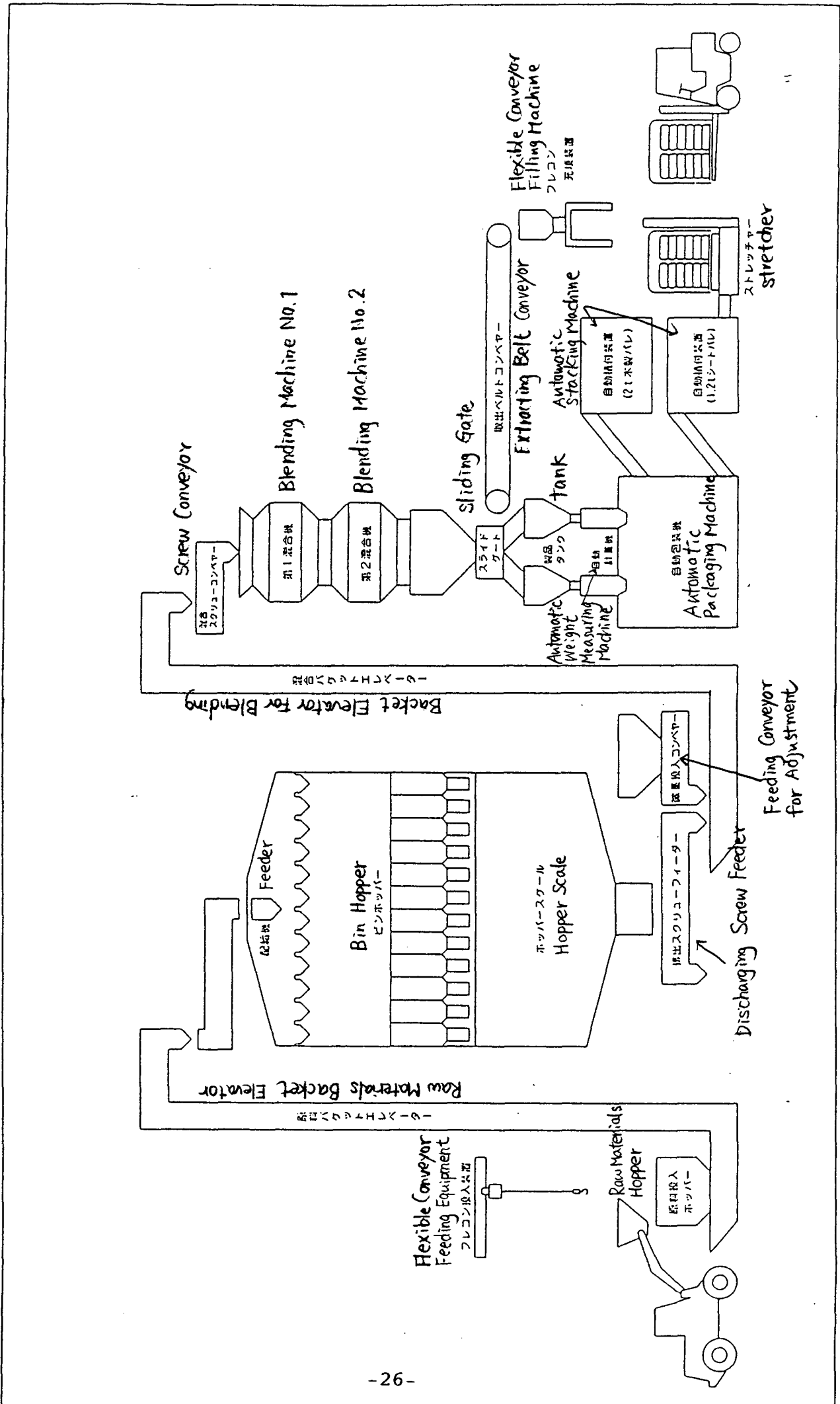
## 2. OUTLINE OF NIIGATA RICE MILLING PLANT

- 1) Name : Niigata Rice Milling Plant of JA Niigata Prefectural Economic Federation  
( The federation has another two rice milling plants: Nagaoka Rice Milling Plant and Joetsu Rice Milling Plant)
- 2) Address : 2310-31, Oaza Yamada Tsutsumi-zuke, Kurosaki-machi, Nishi-Kanbara-gun, Niigata
- 3) Area : Building area - 4,741m<sup>2</sup> (ferro-concrete two-story building)  
Total Land Area - 14,418m<sup>2</sup>
- 4) Capacity : Milling Machine 75 hp × 2 units  
Pounding 15,000 tons /year, 1,250 tons/month, 58 tons/ day
- 5) History : Feb. 1970 Niigata Rice Milling Plant is established in Niigata City.  
Apr. 1986 The plant is moved to the present site.  
Sept. 1997 Renovation is made over milling, sorting, packing and raw materials weight measuring machines  
Nov. 1997 Sub-cooling storage, keeping temp. at 25°C, is added to the plant.

[参考資料 4] 工場棟設備配置図  
 [Reference 4] Plant Layout  
 (Equipment)



〔参考資料 5〕 累積配合設備フローシート  
 [ Reference 5] Flowsheet of Accumulating-type Blending Facilities



## 1. Outline of Sado

Sado is an isolated island which is located in the Japan sea and has an oceanic climate. It has a variety of seasons throughout the year. It is mild and doesn't have much snow due to the Tsushima warm current. Average annual precipitation is 1,630mm which is less than in other cities of Niigata Prefecture and that of the national average.

The Kuninaka plain is located in the middle of the city, while the Osado mountaneous district is found in its north and the Osado hill traverses in the southern part.

The Kuninaka plain consists of grain areas, mainly used for paddy farming. Areas under 5m above the sea level is thus utilized mostly as the paddy field. Blessed with the rich nature, Sado has a beautiful coast line, forest and pastoral scenery and historical cultural heritage still remain plentifully in the island.

### The size of Sado Island

- > Circumference : 247 km
- > Area of the island : 854 k m<sup>2</sup>

From Niigata Port to Ryotsu Port : 59.3 km

The shortest distance from the main island : 29.8 km

## 2. Establishment of JA Sado

(1) Date of establishment : August 1, 1993

(2) Number of amalgamted JAs : 5 JAs

( 1 JA not to be amalgamated yet in Sado)



### 3. Historical Process of the amalgamation of JA Sado

1993 - Exchange of the opinions is conducted regarding amalgamation at JA representative meeting.

- 4 JAs amalgamation council is established in the Island.

- Sado 5 JAs amalgamation standing committee is held.

1994 - Signing Ceremony of Sado 5 JAs amalgamation preparatory contract is held.

- 1~5 founding committee is held.

Amalgamation takes place finally on August 1.

### 4. Outline of operational area

#### (1) Cultivated area

-Paddy field 7,307 ha

-Upland field 827 ha

-Orchards 383 ha

-Mulberry field 10 ha

---

Total 8,527 ha

#### (2) Number of farm households classified by cultivated area

( Unit: household, % )

	Less than 0.5 ha	0.5 ha ~ 1 ha	1 ha ~ 2 ha	2 ha ~ 3 ha	Over 3 ha	Total
No.of households	5,413	2,192	2,524	649	258	11,036
Ratio	49.0	19.9	22.9	5.9	2.3	100%

5. Change in number of members

Business Year	1994	1995	1996	1997
Regular Member	11,679	11,626	11,552	11,368
Associate Member	2,769	2,805	2,816	2,837
<b>Total</b>	<b>11,448</b>	<b>14,431</b>	<b>14,368</b>	<b>14,205</b>

6. Change in number of officials

Business Year	1994	1995	1996	1997
Full-time Director	4	4	4	4
Part-time Director	21	22	21	22
<b>Directors in total</b>	<b>25</b>	<b>26</b>	<b>25</b>	<b>26</b>
Auditor	6	6	6	6
<b>Officials in total</b>	<b>31</b>	<b>32</b>	<b>31</b>	<b>32</b>
Councilor	7	7	7	6

7. Change in number of employees

Business Year	1994	1995	1996	1997
Regular employee	625	593	572	553
of which				
( farm advisor)	(71)	(62)	(64)	(63)
( beter living advisor)	(13)	(10)	(10)	( 7)
Part-time employee	182	203	199	199
<b>Total</b>	<b>807</b>	<b>796</b>	<b>771</b>	<b>752</b>

8. Change in share capital

(Unit: 1,000 yen)

Business Year	1994	1995	1996	1997
Share Capital	2,255,046	2,249,567	2,243,877	2,468,207
Revolving Fund	185,573	159,911	136,714	94,751
<b>Total</b>	<b>2,440,619</b>	<b>2,409,478</b>	<b>2,380,591</b>	<b>2,562,968</b>

9. Credit Business ( Savings / Deposits / Loans )

(Unit:1,000 yen)

Business Year	1994	1995	1996	1997
<b>Savings</b>	95,234,595	93,549,209	97,065,175	98,018,570
<b>Deposits</b>	66,012,909	58,223,072	55,598,024	60,056,348
<b>Loans extended</b>	20,282,263	23,235,069	25,467,429	25,956,954

10. Mutual Insurance Business (Long-term mutual insurance)

(Unit:10,000 yen)

Business Year	1994	1995	1996	1997
<b>Long- term Mutual Insurance</b>	64,870,328	67,351,571	69,166,860	70,294,960

11. Supply Business (Purchasing )

(Unit:1,000 yen)

Business Year	1994	1995	1996	1 997
<b>Production</b>	2,463,298	2,278,910	2,258,100	1,257,126
<b>Machines/Fuel</b>	4,935,528	4,928,935	5,090,642	3,534,408
<b>Better Living</b>	6,287,904	5,985,785	5,961,591	4,995,774
<b>Total</b>	13,686,730	13,193,630	13,310,333	9,787,308

12. Marketing Business

(Unit:1,000 yen)

Business Year	1994	1995	1996	1 997
<b>Rice</b>	10,821,104	10,102,129	8,651,685	11,754,920
<b>Other agri.products</b>	1,833,728	1,926,187	2,062,106	1,428,644
<b>Livestock products</b>	794,403	765,320	737,968	674,186
<b>Total</b>	13,449,235	12,793,636	11,451,751	13,857,750

## 13. Marketing Turnover (except rice)

(Unit:1,000 yen)

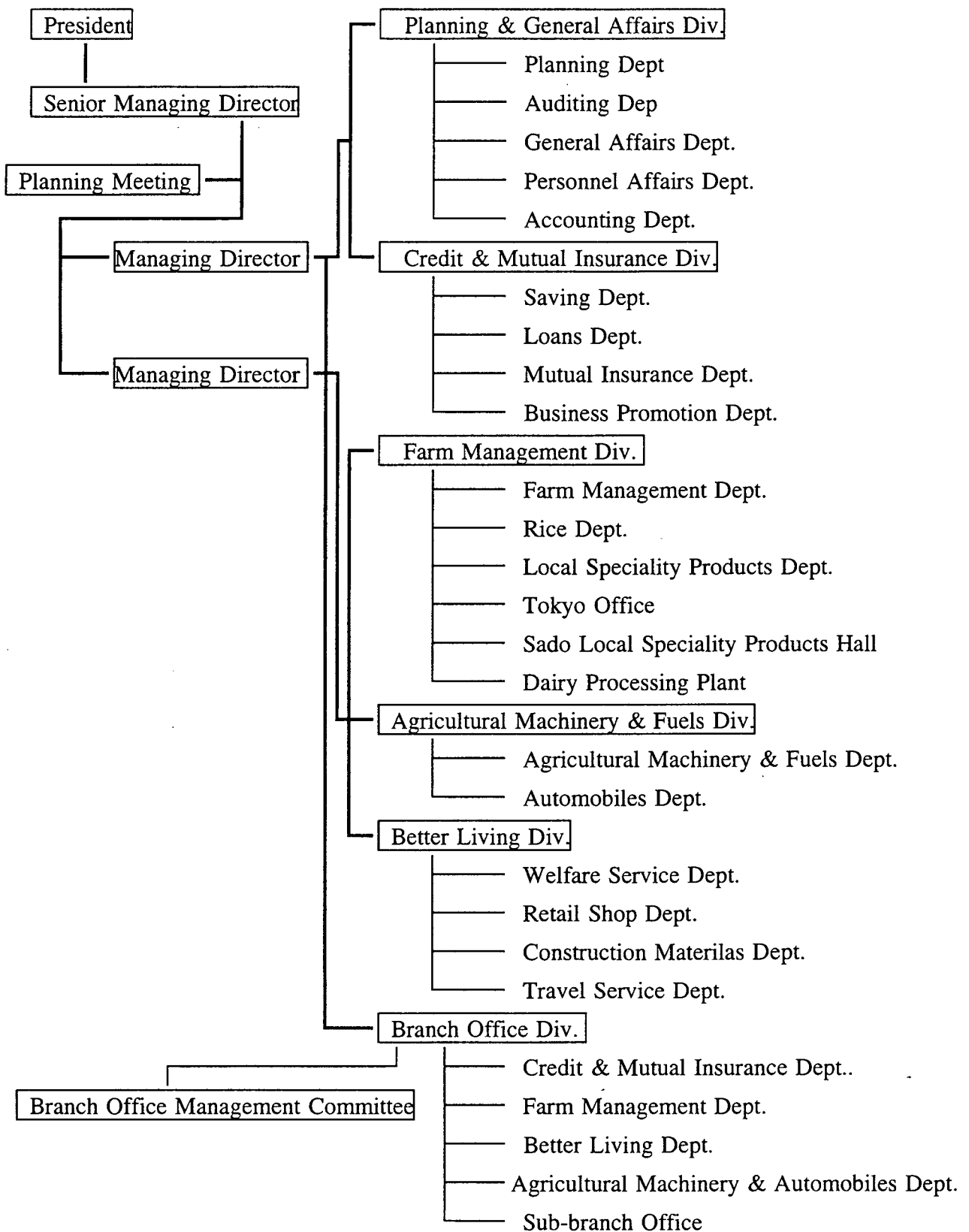
Business Year	1994	1995	1996	1997
Seeds Production	251,385	231,624	231,752	193,134
Okesa Persimmon	943,415	1,082,439	1,179,133	694,292
Mushrooms	367,478	339,797	378,943	300,017
Vegetables & fruits	127,860	134,298	128,782	126,265
Flowers	78,846	77,751	99,608	82,578
Tabacco Leaves	36,543	39,678	27,656	24,324
Other crops	28,201	20,500	16,232	8,034
<b>Sub-total</b>	<b>1,833,728</b>	<b>1,926,187</b>	<b>2,062,106</b>	<b>1,428,644</b>
Fresh Milk	344,511	336,296	326,693	280,833
Beef Cattles	230,651	216,213	201,663	208,246
Pigs	21,161	11,944	9,359	10,247
Eggs	164,551	168,277	168,710	147,239
Other livestock products	33,529	32,590	31,543	27,621
<b>Sub-total</b>	<b>794,403</b>	<b>765,320</b>	<b>737,968</b>	<b>674,186</b>
<b>Total</b>	<b>2,628,131</b>	<b>2,691,507</b>	<b>2,800,074</b>	<b>2,102,830</b>

## 14. Organization

- 1) No. of General Representatives : 560  
( 3-year term / elected on a administrative-unit basis)
- 2) No of CommitteeMember for Branch Office Management : 139  
( 2-year term1 / member per 100 households,  
1 member from youth assocaition, 2 members from  
women's association )
- 3) No. of farmers' associations : 400
- 4) Youth Association : 10 chapters / 228 members
- 5) Women's Association : 9 chapters / 1, 623 members
- 6) Commodity-wise Group

Group	No. of Members	Group	No. of Members
Paddy Production.	277	Sericulture	6
Orchards	921 (Okesa persimmon)	Tabacco leaves	13
Seeds Production	245	Dairy farming	28 (for milk)
Horticulture	190	Beef cattles	145 (Japanese Black Cattle)
Flower bulbs	105 (Lily)	Poultry	4 (Eggs)
Mushroom	297 (Shiitake mushroom)	<b>Total (of 11 groups)</b>	<b>2,231</b>

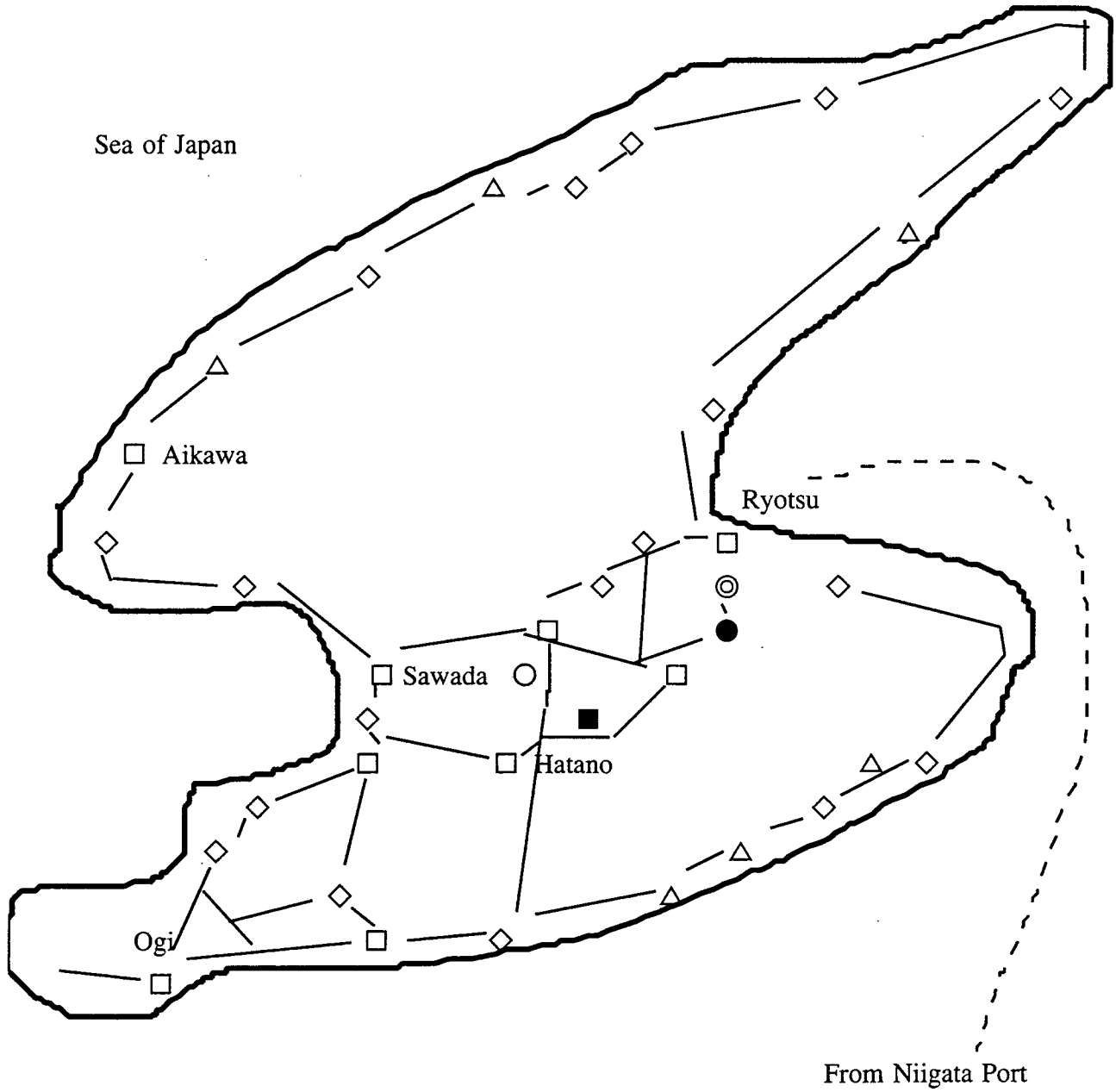
## 15. Organizational Structure



## 16. Main Facilities

Head Office/Branch Office	Facilities
Aikawa	Rice Center (3) , Certified car Inspection Shop. Agri. Mach.Service Center, Gas Filling Sta., A-Coop store, Wired Broadcasting Facilities, Livestock Market, Seedling Center
Sawada	Agri. Mach Service Center, Gas Filling sta.,Agro-processing facilities,
Kanai	Certified Car inspection Shop, Gas Filling sta.,A-Coop store, Large-scale Agri. warehouse, Dairy cattle Breeding Center, Livestock & Agro-processing Facilities, Seedling Center
Niiho	Rice Center, Agri.Mach.Service Center,Gas Filling sta., A-Coop store, Wired Broadcasting Facilities, Large-scale Agri. Warehouse, Farmers Rest Center, Beef Cattle Rasing Center
Hatanao	Chicks raising facilities, Chicken eggs facilities,Chicken Disposal site,Chicken droppings Drying site, Certified car Inspection Shop, Agri. Mach.Service Center, Gas Filling Sta., A-Coop store, Electrical Appliance Center, Large-scale Agri. Warehouse, Agri.ProduceCollection, Shipment & Storage Facilities
Mano	A-Coop store, Agri.Mach.Service Center, Gas Filling Sta., Certified car Inspection Shop, Rice Center
Ogi	Agri.Mach.Service Center, Gas Filling Sta., A-Coop store, Agri.Produce Collection, Shipment & Storage Facilities, Compost Center
Akadomari	Persimmon Grading Center, Milk Collection Center, Certified car Inspection Shop, A-Coop store
Ryotsu	Certified Car Inspection Shop, Agri.Mach.Service Center, Gas Filling sta., A-Coop store, Health Management Center, Rice Center, etc.
Head Office	Persimmon Grading Center, Travel Center, Wide-are Agri. Management center, Dairy Processing Plant, Wide-area Agri.Mach. & Fuels Center, Country Elevator, Organic Center,Fureai Hall, Materials Warehouse, Certified Car Inspection Shop,Construction Materials Center
Sado Wide Area General Distribution Center	Wide-area Food Distribution Center, Vegetables & Fruits Packaging Center, Delivery Center, Restrant & Cooked Foods Preparing Facilities, Pickles Processing Facilities, Salted Foods Processing Facilities, Agro-& Livestock Products Processing Facilities, Agri.ProduceCollection, Shipment & Storage Facilities, Dairy Products Processing Facilities, Smoked Foods Processing Facilities

17. Location of Main Facilities



- ◎ Head Office
- Branch Office
- ◇ Sub-branch Office
- △ Office
- Dairy Processing Plant
- Sado Wide-area Distribution Center
- Country Elevator

# **COUNTRY REPORT**

**NAME OF SEMINAR**

**8<sup>TH</sup> ICA / JAPAN  
TRAINING COURSE FOR THE  
WOMEN LEADERS OF  
AGRICULTURE COOPERATION  
ASIA, IDACA, TOKYO, JAPAN.**

**NAMA OF APPLICANT**

**MRS. DORIAH SHAFIK BT DATUK HAJI AHMAD**

**NAME OF ORGANISATION**

**RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY**

**( R I S D A )**

**MALAYSIA**



## **CHAPTER I : GENERAL INFORMATION OF MALAYSIA**

Malaysia, one of the countries in South East Asia, is made up of 14 states, has an area of 329,758 square kilometers and is separated by 2 countries, the Peninsular Malaysia Sabah and Sarawak, by South China Sea, about 540 kilometers away. Peninsular Malaysia covers 131,598 square kilometers has its frontiers - being Thailand in the North and Singapore in the south. Sabah covers an area of 73,620 square kilometers and Sarawak 124,449 kilometers, and Indonesia's Kalimantan being its border territory.

Malaysia has a population of approximately 20 million people. The three major dominant group are the Malays, Chinese and Indians. Islamic is the official religion in Malaysia while the other religions are the Christians, Buddhism and the Hinduism. The Peninsular Malaysia being the indigenous of Sabah and Sarawak are group as the Orang Asli, Kadazan, Iban and Dayak.

Basically, Malaysia is an Agricultural Country, but with the fast development of Industrial and manufacturing, has now rank as a leading sector, followed by agriculture and mining. Tourism has also develop and has become a major industry in the 1990's. 80% of Malaysia are covered by tropical rain forest. 35% of total land area in the country, amounting to 11.53 million hectares are suitable for agriculture.

The manufacturing sector's main production are crude petroleum, tin, crude palm oil, padi, rubber and timber products. Palm oil is a vast production among the agricultural sector, followed by padi and rubber.

The most developed part of Malaysia is the West Coast of Peninsular Malaysia.

The factors that has influential development are due to the number of ports entry, transportation facilities, general flat lands and a good historical back ground.

The East Coast Of Malaysia has also its influential economic activities. Timber is the main production followed by cocoa and pepper.

## CHAPTER II - STATUS OF AGRICULTURE LAND IN MALAYSIA.

Generally, Malaysia is still known as an agricultural country, as the government encourages economic agriculture practices, especially by the smallholders. The main crops planted are rubber, oil palm cocoa, coconut, padi, pepper, tobacco and pineapple. However, the production of agricultural products are planted in demand and the production yields has increased especially rubber, crude palm oil, palm kernel oil and padi.

5.41 million hectares of area planted with main crops in Malaysia, individual farmers/smallholders owned 3.915 million hectares while estate sectors run about 1.495 million hectares as shown below.

<u>Crops</u>	<u>Total (Hacters)</u>	<u>Estates (Hacters)</u>	<u>Smallholders (Hacters)</u>
Rubber	1,800,700	322,500	1,478,200
Oil Palm	2,167,400	973,000	1,194,400
Cocoa	430,300	171,900	258,400
Padi	660,700	-	660,700
Coconut	315,900	24,600	291,300
Tobacco	11,900	-	11,900
Pepper	11,200	-	11,200
Pineapple	9,600	-	9,600
Tea	3,100	-	-
Total	5,410,800	1,495,100	3,915,700

Statistic below shows production of main crop in Malaysia in 1992, where oil palm is a leading product : -

<u>Crops</u>	<u>Production</u> ( <u>'000 tonnes</u> )	<u>Import</u> ( <u>'000 tonnes</u> )	<u>Export</u> ( <u>'000 tonnes</u> )
Oil Palm	6,373.5	167.3	5,536.0
Rubber	1,217.5	95.8	1,035.0
Padi/rice	1,188.6	443.6	0.1
Pineapple	189.1	-	19.1
Cocoa	184.0	-	125.4
Coconut	40.0	1.5	37.4
Tea	23.0	5.9	0.3
Pepper	24.0	-	22.7
Tobacco	11.2	5.4	-

In terms of labour consumption, 25.16% of total employment taken by agriculture activities, about 1.827 million out of total 7.264 million. Below are detail figure ranking of employment by industry : -

Industry are as below :

Agriculture, forestry and fisheries	1,827,700	25.2%
Manufacturing	1,522,600	21.0%
Wholesale, Retail Trade, Hotels, Restaurants.	1,451,200	20.0%
Government Services	863,000	11.9%
Construction	502,300	6.9%
Other Services	434,300	6.0%
Transport, Storage, Communication	320,000	4.4%
Finance, Insurance, Real Estates, Business Services.	256,000	3.5%
Electricity, Gas, Water	47,100	0.6%
Mining, Quarrying	40,400	0.5%
Total	<u>7,264,600</u>	

As at Mei 1997 - total members of the Selangor seven District Rubber Smallholders Cooperative are with 5560 men (70%) and 2340 women (30%).

Total shares capital about RM566,000 with average of RM 7,800 member.

The activities of this cooperative are normally related to the needs of the members, especially in development and management of rubber plantation, production and marketing.

The main activities are divided as listed below :

1. Preparation and supply rubber seedlings for smallholders to replant their old and uneconomic rubber trees.
2. Supply agriculture inputs such as fertilizers, chemicals, pesticides, insecticides, farming tools and ect.
3. Marketing rubber and other products produced by members.
4. Provide transportation service related to replanting and marketing rubber and other products.
5. Manage to group small size rubber farms to form into a small estate, so that the management cost will become more economic and will give more benefit as well as more income to members.

6. In the case of labour shortage, the Cooperative help to bring workers or rubber tapers from outside.
7. The Cooperative also react as intermediate body between RISDA and rubber smallholders in the district.

#### **Problems In Developing Programmes Relating To Women**

Since 1981, the main problem is to get total involvement of all members to participate in activities carried out by The Cooperative, especially women members.

Some of the members still do not understand what is the function of The Cooperative and what benefit they can get. They still do not understand what is their right and what is their responsibility as a member of the cooperative.

Usually when the activities done in their village, only the man will take part in the programmes carried out by the cooperative, whereas the women folk just past it through their husband or male relative, meaning to say, the knowledge and informations needed, will not reach them directly 100%.

## **MANAGEMENT AND RESEARCH IN AGRICULTURE ACTIVITIES**

Most Government Agencies in my country manages and monitor the agricultural activities with different functions such as : -

1. My organisation RISDA (Rubber Industry Smallholders Development Authority) Is responsible in development, replanting and production of rubber owned by smallholders the research of rubber is done by rubber Institute Malaysia (RRIM).
2. As for FELDA (Federal Development Authority), is responsible in the development of settlers who majority works on planting oil palm. (Palm Oil Research Institute Of Malaysia) PORIM is responsible in this research and promote the multi uses of palm products.
3. The (Federal Land Consolidation rehabilitation Authority) plant crops where suitable on land, either it is rubber, oil palm orchards or others.
4. The Agriculture Depoartment (DA) helps the individual small group farmers in planting other crops like fruit trees, vegetables, flowers and other cash crops. MARDI (Malaysian Agriculture And Research Development Institute).
5. FAMA (Federal Agriculture Marketing Authority) is responsible in planning and programming marketing strategies in agriculture products.
6. (Farmers Organisation authority) monitors the development activities done by farmer's agriculture cooperatives.



### **EXTENSION ACTIVITIES AND TRAINING ON FARM EDUCATION**

For the farmers needs, most of the government agencies are doing extension services. At times the farmers are sent to training centres or let them visit projects so as to gain more knowledge and experience.

The Agriculture Institute are responsible in conducting training extensions in farming and agricultural technologies. The Malay Agriculture College is upgraded to The Agriculture University of Malaysia in 1973. Therefore formers will gain more modern technologies and on the whole would lead a more better living, market prospects and more skillful.

## **CHAPTER III : WOMEN'S INVOLVEMENT IN CO-OPERATIVE IN MALAYSIA**

### **1. CURRENT SITUATION OF MALAYSIA CO-OPERATIVE MOVEMENT**

The co-operative movement has been acknowledged as the third most important sector in the country's economy through its ability to mobilise resources of members and upgrade their socio-economic status. The recognition of co-operatives as part of the national development effort provides opportunities for the growth of the movement involving more than 4 million members and more so far the 1.2 million women members.

The involvement of co-operative in the vibrant economic growth may be seen in the way they diversified into almost all fields of businesses. Besides the popular thrift and loan societies, the trend is now shifting rapidly towards activities which are more multi-purpose in nature such as consumer, housing, transport, land and property development, industrial production, banking and insurance

### **2. WOMEN INVOLVEMENT IN CO-OPERATIVES**

#### **2.1. Overall Participation**

Currently women form more than 30% of the total co-operative membership throughout the country.

As can be seen in Table 1, out of 3,957,232 members in 3,473 co-operatives, 1,211,013 are women.

For the state of Sabah in East Malaysia, women form 28.78% (31,098 individuals) of the total membership (108,045 individuals).

Participation of women in Sarawak's co-operatives is more encouraging. Out of 131,740 members, 77,381 are women. This is actually 58.74% of the total membership.

## 2.2. Exclusively Women Co-operatives

Table 2 shows the membership, share capital and assets in the women only co-operatives. As shown in the table, there is an increase in the number of women's co-operative from 33 in 1992 to 45 in 1994. In terms of membership the number has risen by 1,739 individuals in 1994 compared to 11,872 in 1992.

The increase in capital and assets are also notable. In 1994, women co-operators hold RM2,834,466 shares; an increase of RM477,540 from 1992. Total assets of the 45 women co-operatives stand at RM11,681,273 in 1994. In 1992, it was only RM7,827,097.

## 2.3. Women In Factory Co-operatives

Of late, women working in factories has been given special attention by ANGKASA. Since industrialization, women in Malaysia have had the opportunity to earn their own income and participate in the economic development of the country. This change however creates some negative impact of the cultural and social norms of the nation.

In 1995, Malaysia has 33 registered factory co-operatives with total membership of 22,899 (see Table 3). 42.3% (9,676) are women. These women can be mobilised and trained to take care of themselves. At the moment, ANGKASA through its Task Force for Development of Women Co-operators (JPPW)

division in encouraging industrial workers co-operatives to set up day care centre for their members' children.

#### 2.4. Women In School Co-operatives

Another sector which are becoming equally important in the co-operative movement is the schools. Co-operative societies among school children was introduced mainly with the aim of inculcating thrift and fostering unity and self-help. The movement gets full backing of the Ministry Of Education. When first introduced in 1968, there were only 9 pilot co-operatives. At present, the number has exceed 1,000 co-operatives with total membership of almost 1 million individual. Share capital stands at RM4.5 million with business turnover of more than RM40 million. 50% of the school co-operatives members are female.

Table 4 shows the statistics of School Co-operatives which are now affiliates of ANGKASA.

#### 2.5. Women As Decision-Makers

Through the effort of JPPW, women co-operators are now slowly being accepted to sit on the board of many co-operative societies. In the case of ANGKASA for instance, a total of 13 women now sit on 8 State Liason Committee, positions which formerly monopolised by men.

Measures are now being taken by the committee to improve participation of women as decision-makers in the mix co-operative.

(Please see Table 5 for details).

### **3. PROBLEMS AND CONSTRAINTS REGARDING WOMEN INVOLVEMENT IN CO-OPERATIVES**

#### **3.1. Attitude**

Women are generally shy and reserve. They are mostly comfortable with the 'back seat' rather than taking the lead.

#### **3.2. Financial**

Women, especially those who are not working, have very limited cash to be invested in the co-operative. Those employed or have a career tend to spend their income more on household and personal needs.

#### **3.3. Leadership**

Good women leaders are hard to find. Those with calibre are normally overburdened with so many responsibilities. They are expected to be everywhere, in every association and to help solving all problems related to community development, sometimes even in the political arena.

#### **3.4. Information Data**

Up to-date information on women in every aspect is scarce. There is no centralised data collection centre which can be referred to. Existing data which are sometime out-dated are kept scattered in various agencies, particularly in the government department.

#### **3.5. Co-ordination**

There are too many agencies involve in the development of women in the country. Their functions sometimes overlap. This cause delay in action /

**Table 1 : CO-OPERATIVES IN MALAYSIA (1994)**

State	No. of Coop	Total Membership	No. of Women Members	Women Members in Percentage
West Malaysia	2,610	3,717,447	1,102,534	42.17%
Sabah	396	108,045	31,098	28.78%
Sarawak	467	131,740	77,381	58.74%
<b>TOTAL</b>	<b>3,473</b>	<b>3,957,232</b>	<b>1,211,013</b>	<b>30.60%</b>

Source : Co-operative Development Department (JPK)

**Table 2 : STATISTICS OF WOMEN ONLY CO-OPERATIVE (1992 - 1994)**

Year	No. of Coop	Members	Shares (RM)	Assets (RM)
1992	33	11,872	2,356,926	7,827,097
1993	46	15,220	2,607,358	9,114,857
1994	45	13,611	2,834,466	11,681,273

Source : Co-operative Development Department (JPK)

**Table 3 : INDUSTRIAL CO-OPERATIVES IN MALAYSIA (1995)**

Year	No. of Coop	Total Membership	No. of Women Members	Women Members in Percentage
1995	33	22,899	9,676	42.3%

Source : JPPW ANG KASA

**Table 4 : SCHOOL CO-OPERATIVES IN MALAYSIA (1995)**  
(Affiliates of ANGKASA only)

State	No. of School Coop	Total Membership	No. of Women Members
Perlis	14	15,188	9,112
Kedah	26	27,994	16,796
Penang	19	14,919	8,951
Perak	38	38,586	23,151
Selangor	27	45,232	27,139
Federal Territory	27	40,000	24,000
N. Sembilan	15	21,933	13,159
Malacca	26	18,271	10,962
Johore	69	95,237	57,142
Pahang	16	20,323	12,193
Terengganu	43	41,369	24,821
Kelantan	36	59,860	35,916
Sabah	1	700	420
Sarawak	1	1,000	600
<b>TOTAL</b>	<b>358</b>	<b>440,612</b>	<b>264,362</b>

Source : ANGKASA

**Table 5 : ANGKASA'S STATE LIASON COMMITTEE WITH WOMEN MEMBERS (1995 - 1996)**

State	Total Committee Members		Men		Women		Percentage of Women Members	
	1995	1996	1995	1996	1995	1996	1995	1996
Perlis	9	11	8	9	1	2	11.1	18.2
Kedah	11	11	10	10	1	1	9.1	9.1
Penang	12	11	12	10	0	1	0	9.1
Perak	11	11	10	10	1	1	9.1	9.1
Selangor	11	11	10	11	1	0	9.1	0
Federal Territory	10	11	10	11	0	0	0	0
N.Sembilan	10	11	7	7	3	4	30	36.4
Malacca	11	11	10	10	1	1	9.1	9.1
Johore	10	11	10	9	0	2	0	18.2
Pahang (3)	30	34	30	34	0	0	0	0
Terengganu	10	11	10	10	0	1	0	9.1
Kelantan	11	11	10	10	1	1	9.1	9.1
Sabah	0	11	0	8	0	3	0	27.3
Sarawak	0	11	0	9	0	2	0	18.2
<b>TOTAL</b>	<b>146</b>	<b>177</b>	<b>137</b>	<b>158</b>	<b>9</b>	<b>19</b>	<b>6.2</b>	<b>10.7</b>

Source : ANGKASA



#### **CHAPTER IV : INFORMATION ABOUT SELANGOR DISTRICT RUBBER SMALLHOLDERS COOPERATIVE**

RISDA was set up by Government to achieve the mission of the New Economic Policy with objectives as below : -

1. To Guide rubber smallholders to replant uneconomic rubber trees with new and better clones, such as timber-latex clones which can produce more volume of latex and give more timber later.
2. To do an extension work in the transfer of new technologies to rubber smallholders so that they can increase their rubber production as well as increase their family income.
3. Planning for Human Development Programmes to help rubber smallholders and their family in order to make sure that they will have better standard of living with healthy and wealthy lifestyle.
4. To identify and develop potential entrepreneurs through their participation in cooperative programmes.

In order to make sure that The Cooperative give more benefit and services to members, RISDA has given direct offer to all District Smallholders Cooperative to do most of the contract work such as production and supply of rubber seedlings, supply agriculture input, marketing of rubber and ect.

To promote involvement of women in cooperative activities, RISDA has set the standard policy that 30% of The rubber Smallholders Cooperative activities must involve and give benefit to women members.

For this purpose, Women RISDA Agriculture Assistant was appointed totally responsible in this programme to make sure the achievement of 30% participation of women.

Beside getting involve in ruber plantation and rubber production, women also involve in other small-scale industries such as food processing, making handycraft, tailoring and ect which can give extra income.

And for women members, The Cooperative help them in promoting and marketing their small-scale industry products as well as helping in financial problem.

District Rubber Smallholder Cooperative (SSC) were proposes by RISDA in 1979. Most of the cooperatives were registered in 1981. As at Dicember 31, 1994, 63 district cooperatives and 1 National rubber Smallholders Cooperative (NARSCO) were registered.

From total smallholders about 500,000 43.7% has sbecome members of the 64 cooperatives. The share capital about RM 13.5 million, eith everage of RM 64 / member. Total amount of assets about RM 11.7 milions.

As Selangor District RISDA Officer, I am incharge of the development of about 15,000 smallholders in the district. About 35.8% of the smallholders has registered as members of Selangor District Rubber Smallholders Cooperative (SDRSC).

The activities of this cooperative are normally related in the needs of the members, especially in development and management of rubber plantation, production and marketing.

The main activities are divided as listed below:

1. Preparation and supply rubber seedlings for smallholders to replant their old and uneconomic rubber trees.
2. supply agriculture inputs such as fertilizers, chemicals, pesticides, insecticides, farming tools and ect.
3. Marketing rubber and other products produced by members.
4. Provide transportation services related to replanting and marketing rubber and other products.
5. Manage to group small size rubber farms to form into a small estate, so that the management cost will become more economic and will give more benefit as well as more income to members.
6. In the case of labour shortage, The Cooperative help to bring workers of rubber tapers from outside.
7. The Cooperative also react as intermediate body between RISDA and rubber smallholders in the district.

**Problems In Developing Programmes Relating To Women**

Since 1981, the main problem is to get total involvement of all members to participate in activities carried out by The Cooperative, especially women members.

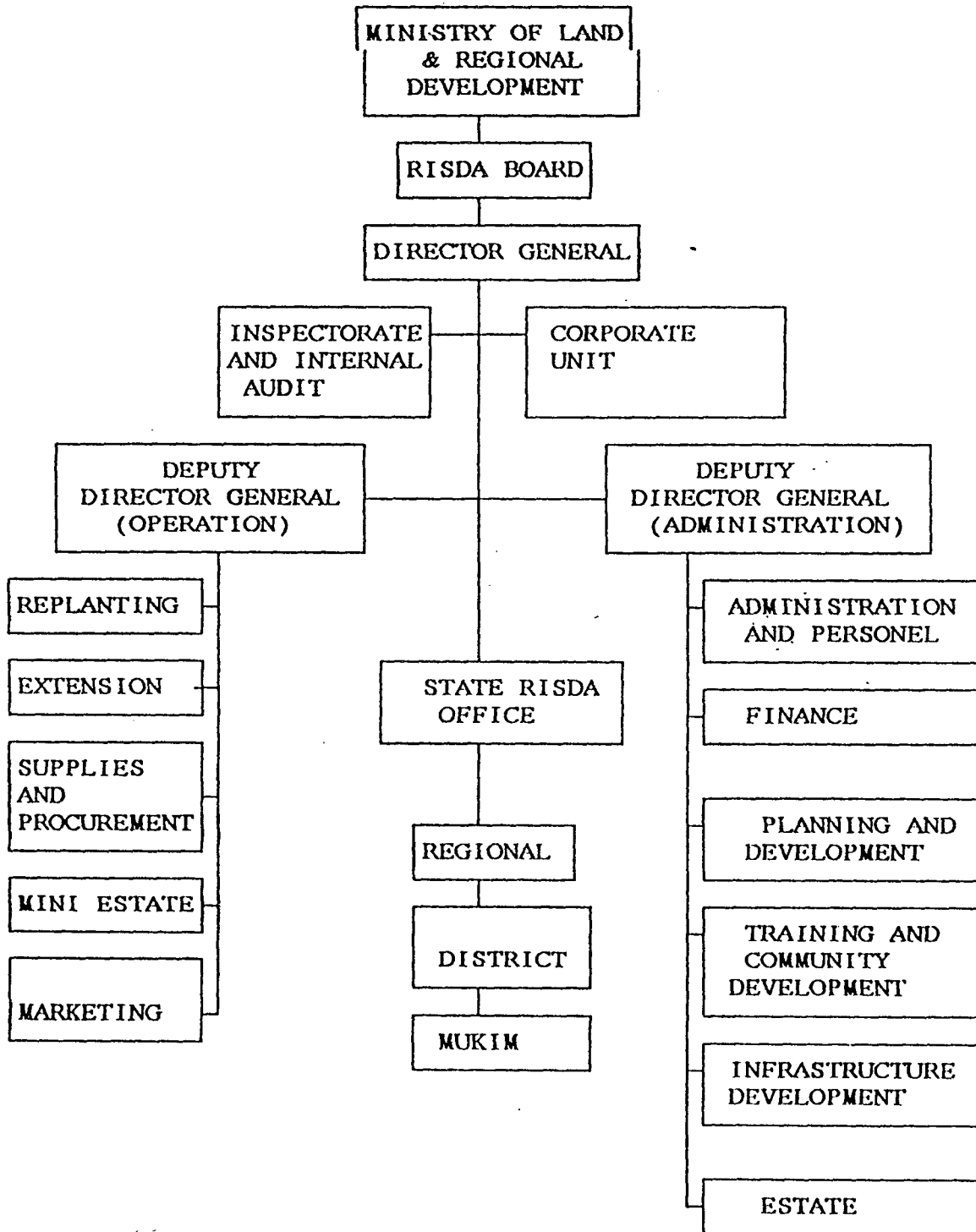
Some of the members still do not understand what is the function of The Cooperative and what benefit they can get. They still do not understand what is their right and what is their responsibility as a member of the cooperative.

Usually when the activities done in their village, only the man will take part in the programmes carried out by the cooperative, whereas the women folk just past it through their husband or male relative, meaning to say, the knowledge and informations needed, will not reach them directly 100%.

In RISDA we have smallholder women organization where activities like processing, packaging and marketing on small scale industries on food and products of handycraft. The smallholder cooperative built a promotion centre for this small scale industries especially for the women's activities. Indirectly the cooperative has support the women activities here and hope that with the facilities given to the small scale industries will create more entrepreneurship among the women. RISDA's strategy is to ensure that the women participation fetches at least 30% in all RISDA's socio-economic activities. RISDA aims to create women smallholders a community that captivates both in knowledge and skill.

The main problem of the cooperatives movement in my country is that there are less comitment and support from members of the cooperatives. However, to overcome these problems, the smallholder cooperative has wisely conduct motivation programmes and seminars in which members are given knowledge about cooperative where the objective of this course is to make them realise the importance of cooperative spirit for the benefit and the concept of profit sharing in all aspects. Therefore, being active and very concern to upgrade the ability and capability of my organisation. I wish to join this training programme where I hope to gain various knowledge and share our experience with other participants from various countries. My main objective is to obtain more knowledge and experience from this programme in my career by seeking the women activities in other country and to accumulate ideas on their life style culture and nature. With the new experience I may be able to help adapt the qualities of good will and hoped to be on a more dynamic, and aggressive involment activities for my organisation.

## Organizational Structure



## CHAPTER V

I am Doriah Shafik bt Datuk Hj. Ahmad, and you may call me Dori in brief. I am an Extension Officer in my organisation, RISDA where I am in the state of Selangor, which is a very popular state because my capital city is the famous Kuala Lumpur, internationally well known in the world.

In Selangor I am an executive, responsible on various job specs like, accessing the rubber fund after being processed and approved, this is important to the smallholders as RISDA's promise to smallholders are to aid them in the development, replanting and production of rubber owned by them.

I am also responsible in the extension work by setting up campaigns and contribute a teamwork to the women's organisation to support them in their various activities namely, setting up of small scale food and handicraft industries, promote their market activities, give moral support and I have to make myself a very dedicated and play an important role and be a good facilitator to the womens' committee so that hopefully their small scale industries will create more entrepreneurship among the women. I am also responsible to give the womens' committee and smallholders the best knowledge and skill that will make RISDA Malaysia proud not only in our country but to other Asian and foreign countries.

**MY EXPECTATION FROM THIS COURSE :-**

Hopefully will gain me vast knowledge from Japan, well known for their hardworking and skillful people. I expect to be more active and hope to conduct more campaigns on planning programmes and management of women smallholders activities, so that the smallholders womens' members in Selangor will also gain better knowledge, skills and become more aggressive, efficient and effective in their daily responsibilities not only in their home, but also for their organization, in my country, Malaysia.

With the knowledge I acquire from Japan will not benefit me solely, but for my people mainly the women members of RISDA Selangor. I will definitely promote what I have knowledge and experience from this course, and definitely the 'Look East' campaign from my government will be a success for me as being selected to represent my organization RISDA Selangor to IDACA Japan.

To know, to venture and to learn more will meet with the most success, and I hope other departments, agricultural especially, will share my experience and knowledge.



**STATISTICAL CHART 'A' (WLTC)**

01	Total National Population	21.66 million
	- Male Population	11.08 million
	- Female Population	10.58 million
02	Total Land Area (sq. km)	329,758 sq.km
03	National Per Capita Income	Not Available
04	Literacy Rate / Average	98.1
	- Among Male	Not Available
	- Among Female	- do -
05	Total Number of Co-operatives (all types, all levels).	3847 million
06	Total Cooperative Membership (all types, all levels).	4.38 million
07	Total Number of Agricultural Cooperatives (all levels).	470
08	Total Membership of Agricultural Cooperatives (all levels).	938,062
09	Population Engaged in Agriculture - Female engaged in Agriculture	1.5177
10	Total Number of Women's Coops (all levels - Exclusively of women)	53
11	Total Membership of these Coops	16,052 people
12	Main types of Cooperatives in which women-in-development / (Please list them below).	
Any other relevant information relating to women-in-development / Cooperative development.		

8th ICA / Japan Training Course for Rural Women Leaders  
of Agricultural Cooperatives in Asia  
(August 24 to Sept. 14, 1998)

## Credit Business of Agricultural Cooperatives

September 4, (Fri), 1998

By  
Mr. Toru Mochizuki  
Deputy Director,  
Norin Chukin Bank Research Institute

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

## **1. Role of Agricultural Cooperative Society Law (enacted in 1947)**

- (1) Supply of Fund for farm management**
- (2) Settlement of accountants for farm management**
- (3) Fund management available for living**

**(Note) Revision of the law in 1996**

## **2. Features of credit business of Agricultural Coop.**

- (1) Business for members**
- (2) Business based in Agriculture and rural areas**
- (3) Spirit of mutual help**
- (4) Individual business basis**
- (5) Comprehensive business management**

## **3. Agricultural Cooperative as financial institution for agriculture**

- (1) Agricultural loan by agri. coop.**
- (2) Agriculture loan by government**
- (3) Role of Agri. coop for loan by government**
- (4) Credit given to accounts to economic business**

## **4. Supply for living funds**

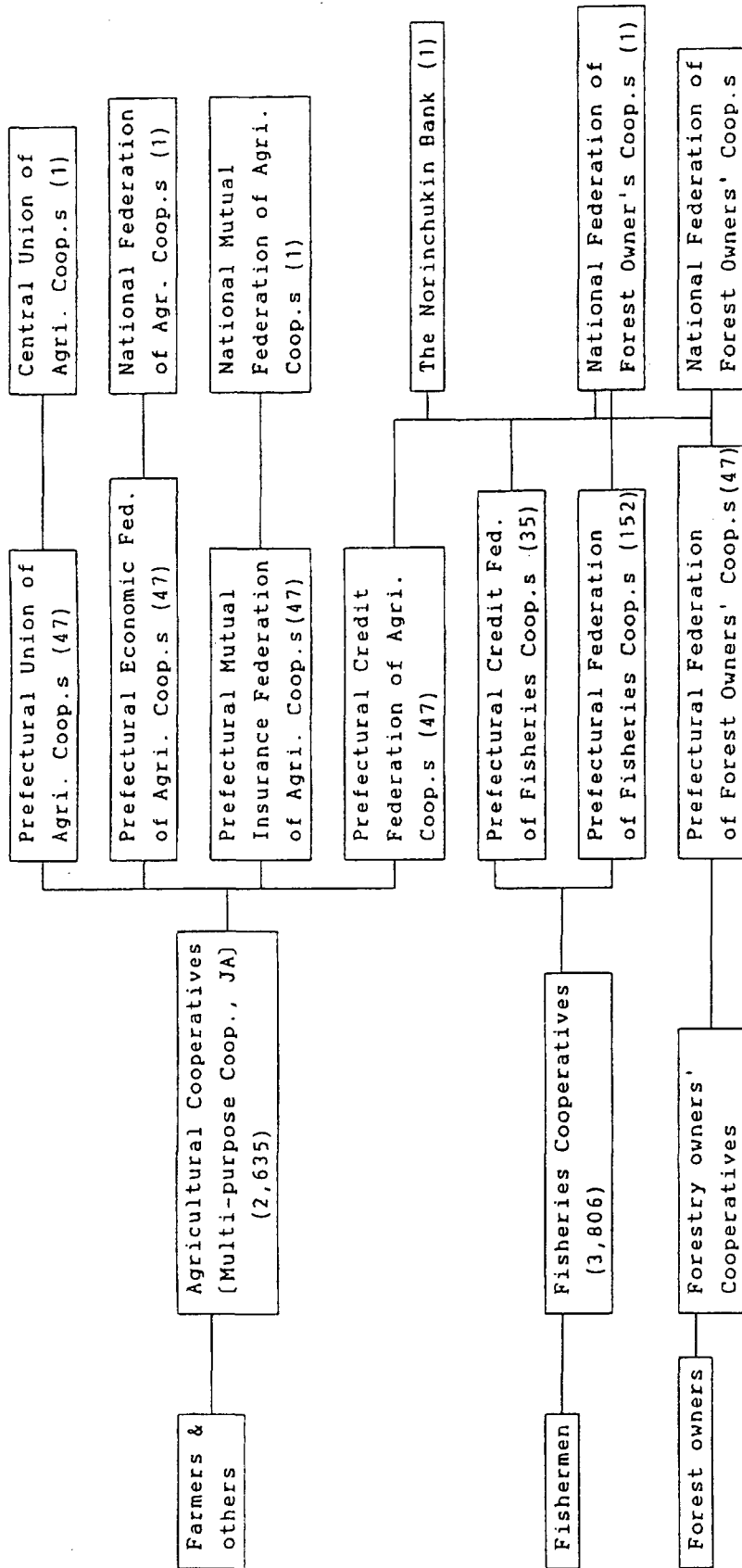
### **(1) Standardized loan**

The standardized loan scheme is basically a loan scheme with standardized terms of loan extension such as the amount, interest rates, financial institutions, etc.

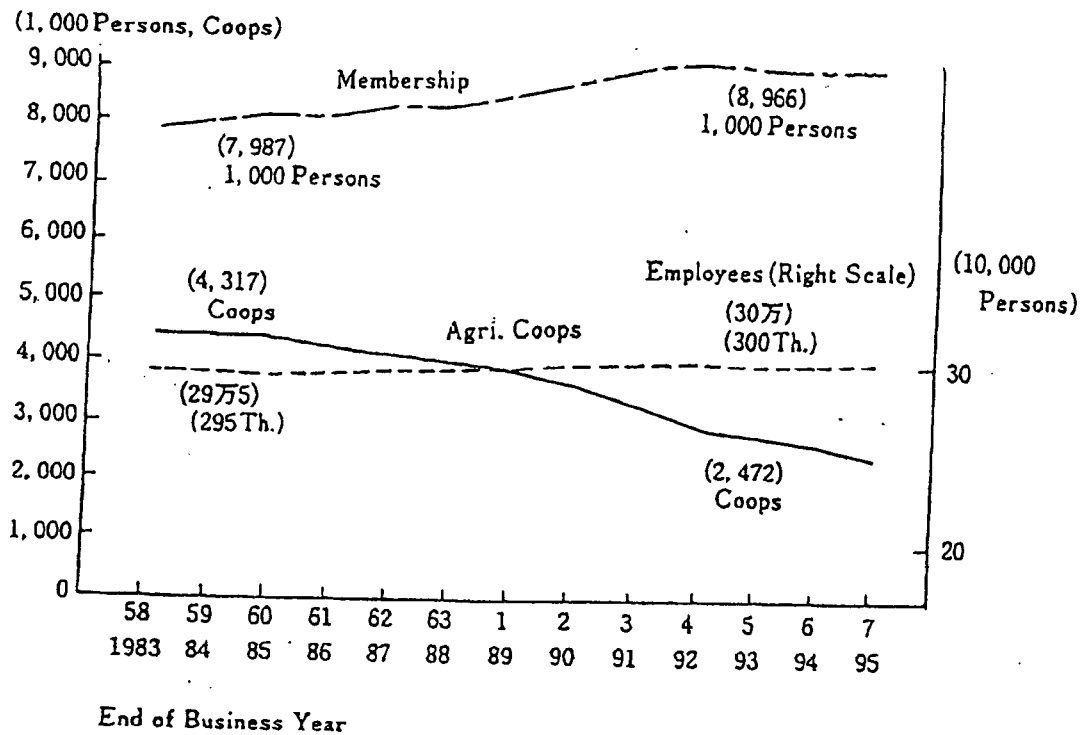
The examination and other procedure necessary for extension of the loan are standardized, since the loan gets guarantee from the Agricultural Credit Fund Association and the Guarantee Center as a means of protection of the creditor, mortgage or individual guarantor are not requested upon application, except housing loan.

**It has the types such as, housing loans, housing loans (2 families, parents & Child), reform loans, education loans, card loans, purchasing loans, Farm management loans and car loans.**

Organizational Structure of Multi-Purpose Agricultural Cooperatives  
 (JA Group) including Fisheries Coop. and Forestry Coop.



## Evolution of Number, Membership and Employees of Agri. Coops



### Composition of Members in Outstanding Savings and Loans of Agricultural Coops

Unit: %

	Outstanding Savings			Outstanding Loans		
	Regular Member	Associate Member	Total	Regular Member	Associate Member	Total
Sep. 1970	78.0	13.4	100.0	78.7	17.6	100.0
Mar. 1975	72.4	17.1	100.0	63.8	26.6	100.0
Mar. 1980	66.3	18.8	100.0	64.3	25.6	100.0
Mar. 1985	61.5	16.9	100.0	62.9	24.4	100.0
Mar. 1990	59.6	17.6	100.0	60.8	25.6	100.0
Mar. 1994	58.6	17.3	100.0	56.9	25.0	100.0

Financial Institution and Its Fund

(Unit: 10 bil. yen)

	No. of Institutions				Fund (March, '95)			Operation	
	End of Mar. 1990	" 1992	" 1994	" 1995	Procurement of saving & deposits	Loans	Securities		
Private Financial Institutions	City Banks	12	11	11	11	31,990	28,209	26,705	5,141
	Regional Banks	64	64	64	64	17,318	17,215	13,220	3,467
	Trust Banks	7	7	7	7	14,471	2,258	3,407	1,768
	Long-term Credit Banks	3	3	3	3	6,956	1,757	5,244	1,480
	The Second Association of Regional Banks	68	66	65	65	6,282	6,167	5,276	984
	Credit Association	452	439	428	421	9,418	9,415	6,792	1,409
	Credit Coop.	407	395	383	373	2,437	2,434	1,609	194
	Agricultural Coop.	3,698	3,407	2,853	2,640	6,766	6,766	1,882	401
	Pref. Credit Union of Agri. Coop.s	47	47	47	47	4,977	4,967	965	1,148
	The Noinchukin Bank	1	1	1	1	3,858	2,940	1,543	1,339
Governmental Finance Institutions	Agriculture, Forestry & Fisheries Finance Coop.	1	1	1	1	-	-	509	-
	Housing Finance Corporation	1	1	1	1	-	-	6,450	-

Private Financial Institutions

Governmental Finance Institutions

Loan Outstandings for Agriculture and Rural Areas by Major Financial Institutions

	In the end of Mar. '95		Changes of Composition by Institutions				
	Total Loans Outstanding (a)	Of which Loans for Agri. & rural areas (b)	b/a	1980	1985	1990	1995
Private Financial Institutions	City Banks	21,837	61	0.4	0.6	1.8	2.6
	Regional Banks	13,086	57	1.7	1.6	2.1	2.4
	The Second Association of Regional Banks	5,261	19	0.6	0.3	0.7	0.8
	Credit Association	6,792	46	1.2	1.2	1.5	2.0
	Others	11,559	5	0.1	0.1	0.1	0.2
	Sub-total	58,534	188	4.2	4.3	6.3	8.0
	Agri. Coops	1,771	1,484	83.8	53.1	56.2	63.6
Cooperative Financial Institutions	Prof. Credit Fed. of Agri. Coop	958	185	17.2	12.2	8.3	7.9
	The Norinchukin Bank	1,543	133	7.1	9.2	8.9	5.7
	Sub-total	4,274	1,802	78.2	74.4	73.4	77.2
	Agri., Forestry & Fisheries Finance Corp.	509	341	17.5	21.1	20.2	14.6
	Okinawa Development Finance Corp.	154	3	0.1	0.1	0.2	0.1
	Others	3,259	0	0.0	0.0	0.0	0.0
	Sub-total	3,922	345	17.6	21.2	20.3	14.8
Governmental Financial Institutions	Total	66,728	2,335	100.0	100.0	100.0	100.0

Types of Coops in Japan

Types	Basic Laws	Members	Current Number
Agricultural Coops	Agri.Coop Law(Nov.,1947)	Farmers, Farmers' Group Residents in the Area (Associate)	Multi-purpose 2,635
Fishery Coops Fishery Productive Association Fishery processing Coops	Fishery Coop Law (Dec., 1948)	Fishermen & Fishermen's Group (Associate) Fishermen only Processors of Fishery Products	With share capital 2,987 654 165
Forestry Coops	Forestry Coop Law (May,1978)	Forest Owners, Forest Operators & Employees in Forestry (Associate)	1,545 3,215
Credit Associations	Credit Association Law (Jun.,1951)	Individual, Small & Medium Scale Business manager	421
Credit Coops Common Facility Coops Petty Common Facility Coops Mutual Fire Insurance Coops Joint Enterprise Coops	Small & Medium Scale Enterprise Cooperative Law (Jun.,1949)	Small Business Management Small Entrepreneur Small Entrepreneur(1958) Small Entrepreneur(1658) Petty Entrepreneur	373 784 16 44 2,398
Consumers' Coops	Consumers' Coop Law (July, 1948)	Individual	1,223
Labor Credit Associations	Labor Credit Association Law (Aug.,1953)	Group of Labores (Labor Unions, Consumers' Coops, etc)	47 (Osaka2, Shimane Tottori)

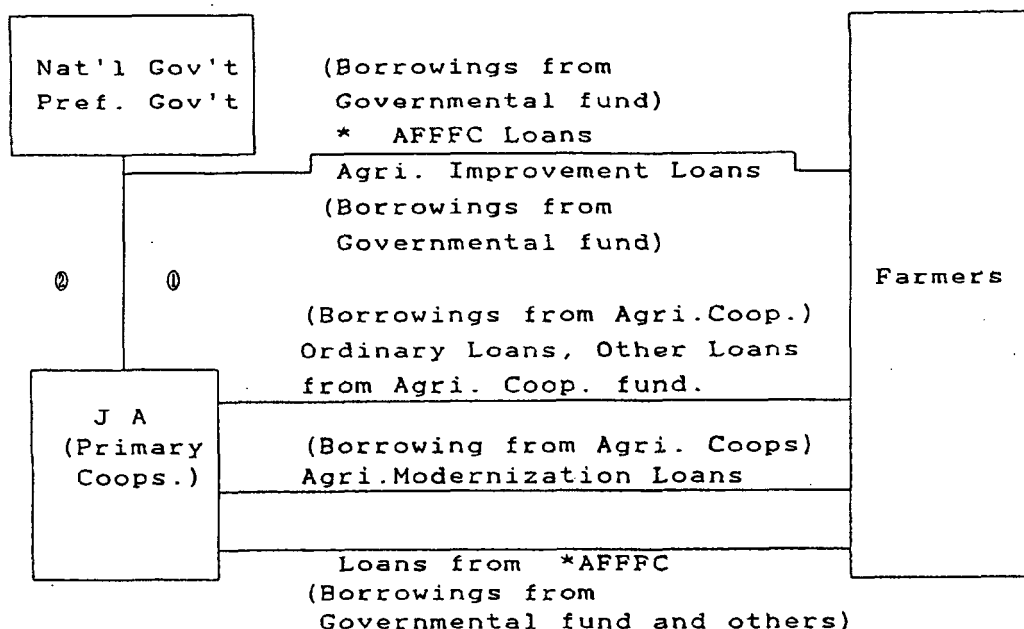
Savings and Loans by Individual in Financial

(Unit: 100mil. yen/ %)

		City Banks	Regional Bank	Second Assn of Regional Bank	Credit Assn.	Agri. Coops
End of March, 1997	Saving & deposits (a)	1,942,099	1,670,181	614,611	938,695	676,562
	of which by individual(b)	914,859	956,869	385,099	679,317	657,152
	Loans (c)	2,183,668	1,308,634	526,142	679,157	188,204
	of which by individual(d)	414,112	208,771	123,257	177,817	159,488
	of which by facilities(e)	779,372	441,691	183,619	261,637	151,338
	Individual Saving ratio(b/a)	47.1	57.3	62.7	72.4	97.1
	Individual Loans ratio(d/c)	19.0	16.0	23.4	26.2	84.7
	Long-term Loans ratio(e/c)	35.7	33.8	34.9	38.5	80.4
	Time saving & deposit ratio	65.9	63.8	77.1	82.3	82.8
	of which by individual	78.5	80.5	86.1	86.7	85.2
	Loans-to-savings/deposits(c/a)	112.4	78.4	85.6	72.4	27.8
	of which by individual(d/b)	45.3	21.8	32.0	26.2	24.3



Figure 3. System of Major Agricultural Funds



- ⊙: Commissioned to Pref. Credit Federation
- ⊙: AFFFC Loans (Borrowings from Governmental fund)
- \* AFFFC: Agriculture, Forestry, and Fisheries Finance Corporation

(NOTE)

1. Even though private financial institutions perform agriculture-related loans, JA is representing organization for that kind of loans.
2. AFFFC commissions its loans to the Pref. Credit Federations, and the loans are extended through primary coops.
3. This figure is simplified by excluding borrowings from the Pref. Credit Federations, the Norinchukin Bank and Governmental fund.

Figure 4. Two Types of Government Programmed Loans for Agriculture

a. Coops' & Banks' Fund (Interest Subsidies Type )

Interest Received	Bank Rate (Authorized Interest Rate)	
Share of Interest	Borrowers (Farmers)	Interest Subsidies (Governments)

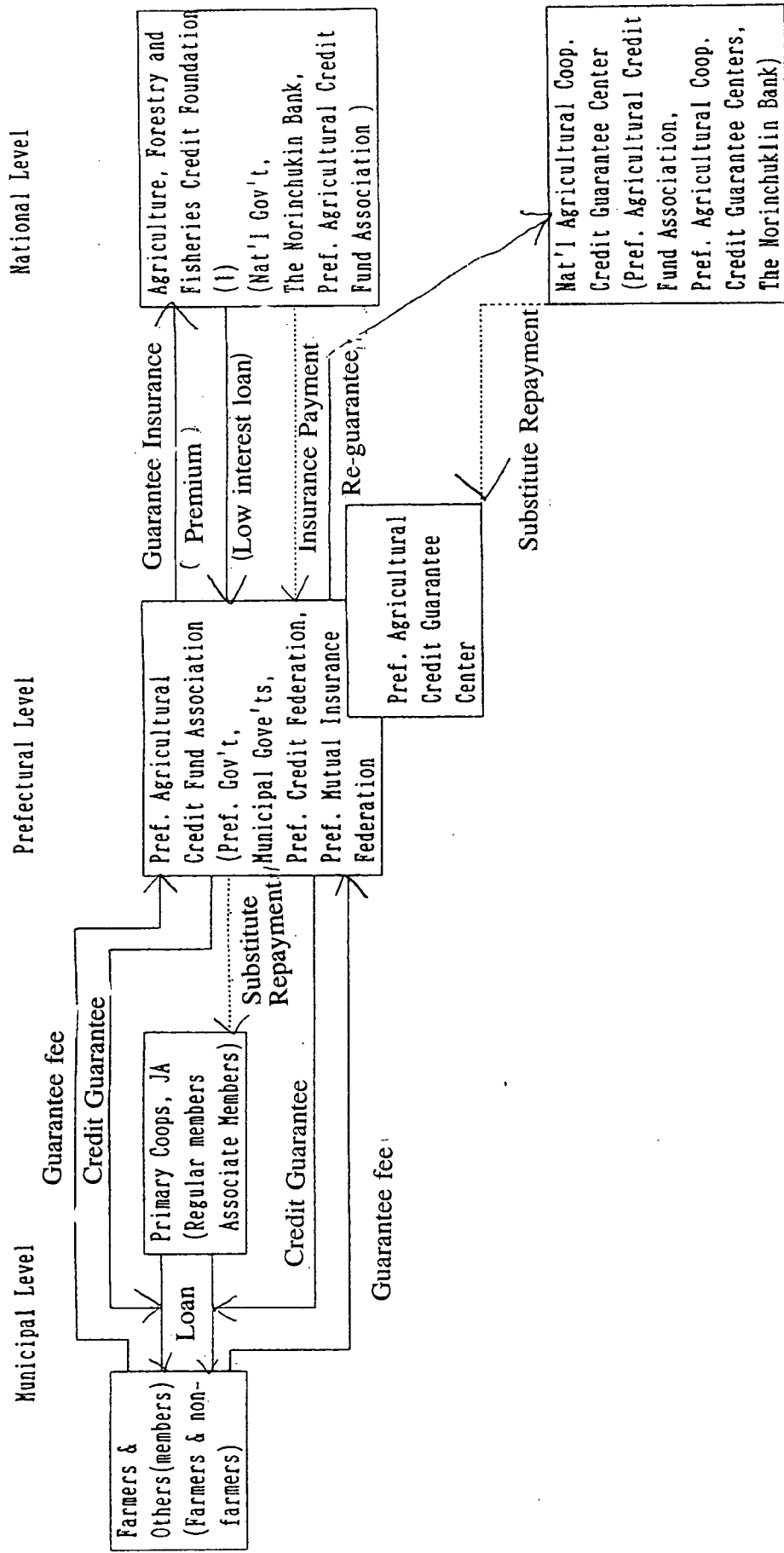
Kinds of Loan : Modernization Loan, Natural Disaster Relief Loans, etc.

b. Government Funds (Long Term and Low / non Interest )

Kinds of Loan : AFFFC Loan, Agricultural Improvement Loan, etc.

c. Combination of a and b

Figure 5. system of Agricultural Credit Guarantee Insurance



8th ICA / Japan Training Course for Rural Women Leaders  
of Agricultural Cooperatives in Asia  
(August 24 to Sept. 14, 1998)

## Better Living Activities of JA

September 4, (Fri), 1998

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Better living activities of JA is regarded equally important to production activities.  
To realize more comfortable and affluent life for members of JA as well as people in the community, the activities revolving JA is essential.

As far as JA is responsible for the entire better living activities of regular members and associate members, cultural activities, which are integrated in the better living activities and seek for rich mind, are getting more important.

**Better living activities of JA has the following six pillars:**

**1) Consultation**

This is a basic for better activities covering tax, marriage, legal affairs, travel, etc. In any case, go to JA to get consultation service, which is a starting point for better living activities.

**2) Life Planning**

We should have our own life cycle for the future with the events such as education, employment, marriage, hospitalization and death. For the events a life plan should be made combined with saving, mutual insurance, household book accounting, etc., which can be arranged with JA.

**3) Programmes for cultural activities**

JA women's association leads cultural and learning activities by holding various kinds of classes, such as hand knitting, cooking, Japanese-style flower arrangement (*Ikebana*), aerobic exercise and Sing-along music (*Karaoke*), which the members can enjoy and promote more cultural exchange

**4) Health Management**

JA grasps the condition of the members by conducting regular medical check-ups and thorough examinations. In addition sports activities and physical exercises are promoted and arranged by JA to improve their health.

**5) Welfare Service for the Elderly**

JA provides services to elderly people for creating a community without any concerns in the old age. The services include visits to the elderly to check their situation on a voluntary basis, home help service, day service and meal box delivery service

**6) Joint Purchasing .**

Joint purchasing is conducted in *Han* group of JA and supported with food ingredients delivery service for supply of fresh, safe and quality foods.

<REFERENCE>

History of Better Living Activities of Agricultural Cooperatives.

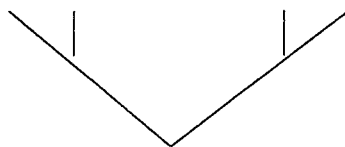
1) Post-war (W.W. II) period / 1947 ~ 1960

- *Protection of life from poverty*

< Gap in Living Standards between Urban and Rural Areas >

- Number of clothes farmers usually wears such as underwear, night clothes and working clothes is small.
- 60% of farm households use one futon ,or Japanese-style beddings, for two family members.
- Farmer's intake of protein, fat, calium and Vitamin A is only 50% to 60% of the standard intake.
- Housing problems: incomplete kichen facilities, insanitary condition of toilet, insufficient facilities for water and energy supply.
- Poor hygienic condition: epidemic diseases, parasite infection
- Death rate by cause: Highest in rural areas by causes except accidents.
- Level of clothing: extremely low

	Rural Areas	Urban Areas		Rural Areas	Urban Areas
Television set	43.9 (%)	79.4 (%)	Household		
Refrigerator	4.8	28.0	expenses_per		
Elec. rice-cooker	19.4	79.4	1) person	91.9	100.0
Washing machine	22.9	58.1	2) household	67.0	100.0



- To make family life more democratic
- To promote more sound education, hobbies and recreational activities for affluent life.
- To strengthen health management for members.
- To arrange a system for supply of daily necessities.
  - ~ Saving promotion, Patronaging KUMIAI (Cooperative) brand products,
  - ~ Campaign for more reading IE-NO-HIKARI monthly magazine.

## Concrete Activities in villages.

### <Household Book Accounting>

Straitened circumstances and increase of income in cash

- Campaign to keep household book accounting
- Campaign to make a long-term life plan

### <Improvement of Kitchen Facilities>

Cooking in the dark kitchen is women's job. And water taken from well and nearby river is also women's job.

- Sink to be equipped inside the kitchen / Windows to be set in the kitchen
- Water service facilities to be arranged / Stack to be installed over oven.

### <Health Management>

Three vices : insanitary condition, over-work, poor nutrition intake

- Health Check-up / Counsultation services
- Nursing home for the children to be set up in busy season.
- Cooking Class / Campaign to dry futon. or Japanese-style beddings

### <Improvement of status of women>

- "Ox without horns" or women without any authorities, and study meeting on problems caused by unfavorable relationship with mother-in-law.

2) High Economic Growth Period / 1960 ~ 1980

- *From economic affluence to rich in mind*

1960 Consumption level of rural areas surpasses that of urban areas.

( which is attributed to increasing income with part-time farming )

This bridges the gap of living standards between rural and urban areas

Spread of durable consumption goods

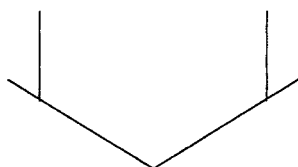
- “Three sacred treasures” of high economic growth era ~ Television, Refrigerator, Washing Machine
- 3 C ~ Color television, Cooler( or in Japanese usage for air conditioner) , Car

More salaried-worker oriented.

- More women tend to be full-time housewives  
~ man working outside, women as housewife doing housework and child care
- Child not for production but for consumption

Intensification of population in urban areas and depopulation of rural areas

More aging population and less childberth



1970 “Basic Concept for Better Living” drafted by Agricultural Cooperatives

- Correct and appropriate information, educational activities, consultation activities
- Health management ~ disease prevention and improve healthy condition
- Improvement of welfare services for the elderly and for sound growth of children
- Strengthening the basis of life in emergency
- Creation of comfortable living environment
- Protection and improvement of good consumption life
- More enjoyment in life and cultural activities
- Optimum employment opportunities
- Sound assets management

People in rural areas are seriously concerned with difficulty in marriage, and some of the reasons why young women keep farm households and young farmers at arm's length are agriculture-related such as unstable income, no bright future and long working hours, and they are also related to human relationship such as kinship between bride and mother-in-law and father-in-law and troublesome socialization with people in the community.

For the young woman her marriage means taking care of children, housework and farming with involvement of strong relationship with relatives such as father-in-law, mother-in-law and with people in the community, which is totally different from the situation in urban areas, i.e., nuclear family, rather weak relationship with neighbors and full-time housewife. This may answer to a question why unmarried ratio is relatively high in rural areas. That is not because it is burden of raising children, but because the regional custom or culture requires standardized roles of women, i.e., "women for farm household", not accepting diversified patterns of life and family.

Difficulty in marriage may cause a serious problem in lack of successors for farm households. This also stems from standardized custom or culture on roles of women, which require the women to take care of the elderly members of the family by living together and to succeed farming as profession of the family.

In the middle of 1970's local governments and agricultural cooperatives launched various kinds of services to overcome difficulty in marriage such as consultation services and more opportunities of exchange between men and women. However, it has not been proved effective due to their symptomatic treatments.

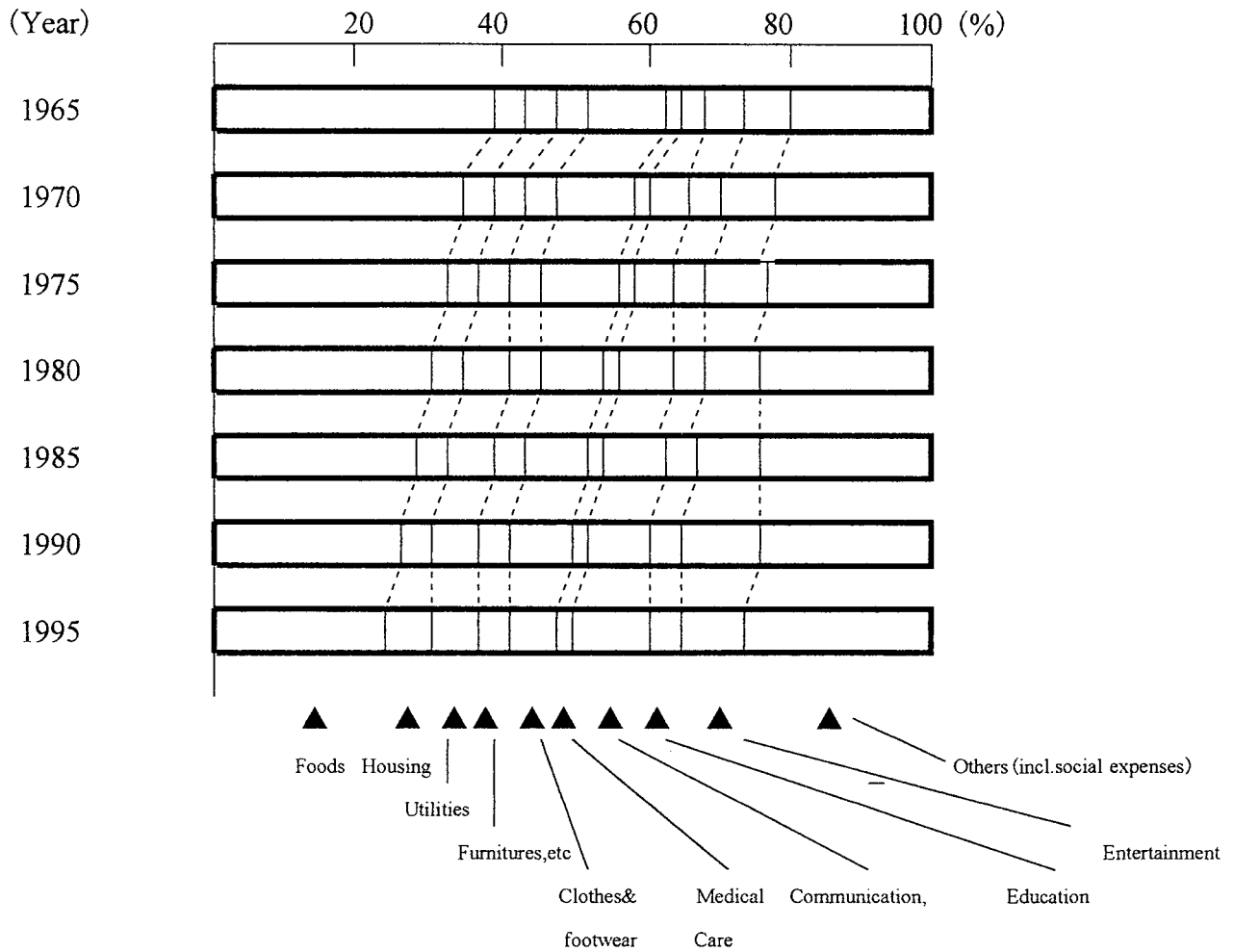
**Reasons young women keep away young farmers for marriage.**

Reasons	Women	Men
1. Small and unstable income from farming	66.0	70.3
2. Difficulties in relationship with father-in-law and mother-in-law	56.6	44.4
3. No bright future for agriculture	54.2	62.3
4. Almost no holidays in farming life	49.7	46.5
5. Long and hard working hours	48.3	52.8
6. Employment opportunities limited for the young	46.5	37.2
7. Bothersome relationship in the community	46.2	36.9
8. Bothersome customs in farming family and rural areas	44.1	40.5
9. Inconvenience in life, unlike urban areas	43.1	33.1
10. Less facilities for cultural and recreational activities	30.6	24.4
11. Low status of women and limited rights	8.0	9.1
12. Others	4.2	5.1



~~~~~  
 Increasing Transportation, Communication and Social Expenditure  
 upon Higher Living Standards  
 ~~~~~

**Change in Household Expenses**



As living standards are lifted, expenses also change.

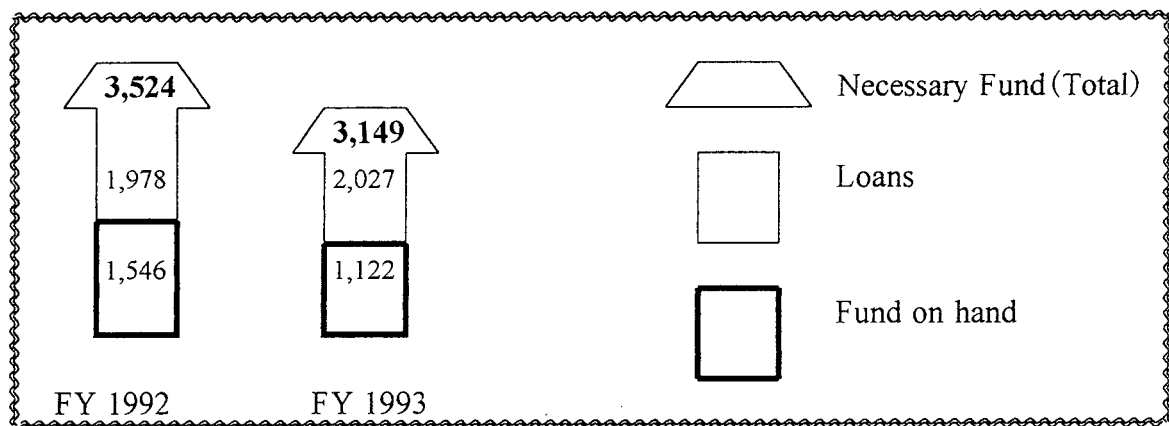
Engel's coefficient in 1995 shows 23.7%, 14.4% low from 38.8% in 1965

Expenditure for clothes, footwear, furnitures and other necessities for housing also show decrease, while transportation, communication and other expenditure like social expense and culture and entertainment

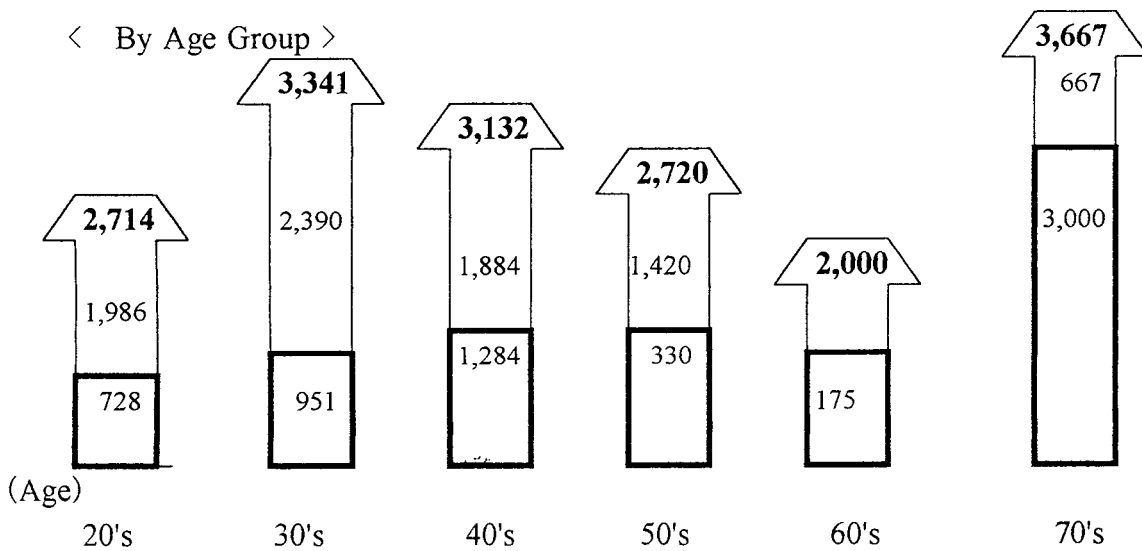
Acquisition of a house is a once-in-a-lifetime venture and needs the tens of millions of yen. Planning of housing funds should be started when the first child enters a lower secondary school.

Fund Necessary for Acquisition of a House is 30,000,000 yen.

■ Fund Necessary for Acquisition of a House and Plan for Fund Procurement



< By Age Group >



**Total expenditure from both families of bride and bridegroom for marriage is 8,335,000 yen**

■ Breakdowns of expenditure for marriage (Unit:10,000 yen)

		Total in both families	Bridegroom	Bride
Engagement	Betrothal (Incl.return favor)	82.2	72.8	9.4
	Momento	54.9	44.9	10.0
	Other expenditure	23.0	12.3	10.7
Wedding Ceremony	Ceremony/ Party	324.0	177.2	146.8
Wedding party	Reward to go-between	13.8	8.7	5.1
	Other expenditure	23.4	13.4	9.9
Honeymoon trip		97.1	60.1	36.9
Preparation for a new life a couple	Furniture,Electric appliances, kichen tools,etc.	161.6	31.4	130.2
	Clothes, Ornaments, etc.	62.9	5.2	57.7
	Housing ( in case of rent)	72.8	64.7	8.1
<b>Total</b>		<b>915.7</b>	<b>490.7</b>	<b>424.8</b>
Betrothal to be deducted		-82.2	-9.4	-72.8
<b>Net Expenditure</b>		<b>833.5</b>	<b>481.3</b>	<b>352.0</b>

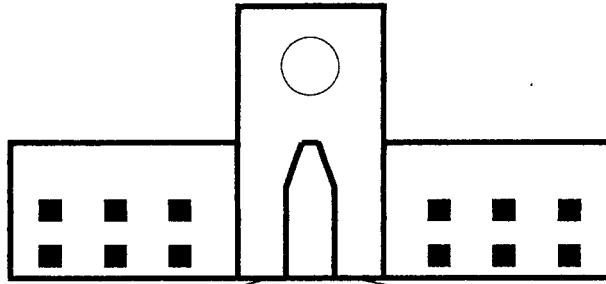
Average number of guests for wedding party is **83.5**

■ No. of guests for wedding party by age.

Age	under 25	25 ~under 30	over 30
For Bridegroom	42.5	46.4	44.5
For bride	35.9	38.9	37.5

Aid from parents for the marriage is 40% of the total expenditure

Savings of bridegroom	166.1
Savings of bride	138.7
Aid from the parents	314.3
Aid from parents out of the total expenditure : 37.7%	



**Annual expenditure for education for a student in private senior high school is about 700,000 yen.**

■ Expenditure for education borne by parents (Unit:10,000 yen)

Expenditure	Kindergarten		Public	Public	Senior High School	
	Public	Private	Elementary School	Junior High School	Public	Private
School Education	10.9	24.7	5.7	11.2	27.0	60.6
School Lunch	1.6	1.9	3.7	2.9	-	-
Home Education	7.6	14.1	13.6	13.4	8.2	9.8
<b>Total</b>	<b>20.2</b>	<b>40.7</b>	<b>23.0</b>	<b>27.5</b>	<b>35.2</b>	<b>70.4</b>

(Source: A survey by Ministry of Education, Aug. 1993)

**Money due for the first year is : 6,700,000 yen at National University and 11,300,000 yen at Private University**

(Unit:10,000 yen)

	Money due for the First year	Entrance Fee	School Fee	Fee for Facilities & Equipment
<b>National University</b> (day school)	<b>67.7</b>	<b>26.0</b>	<b>41.1</b>	<b>-</b>
<b>Private University</b> (day school / Ave.)	<b>113.7</b>	<b>27.6</b>	<b>68.8</b>	<b>17.3</b>
in Liberal Arts	98.4	25.9	58.8	13.7
in Science	128.8	27.2	80.4	21.3
in Medical	442.3	106.0	244.5	91.8
in Dental	449.1	58.1	331.0	60.0
Others	132.8	31.9	77.3	23.6

(Source: A survey by Ministry of Education )

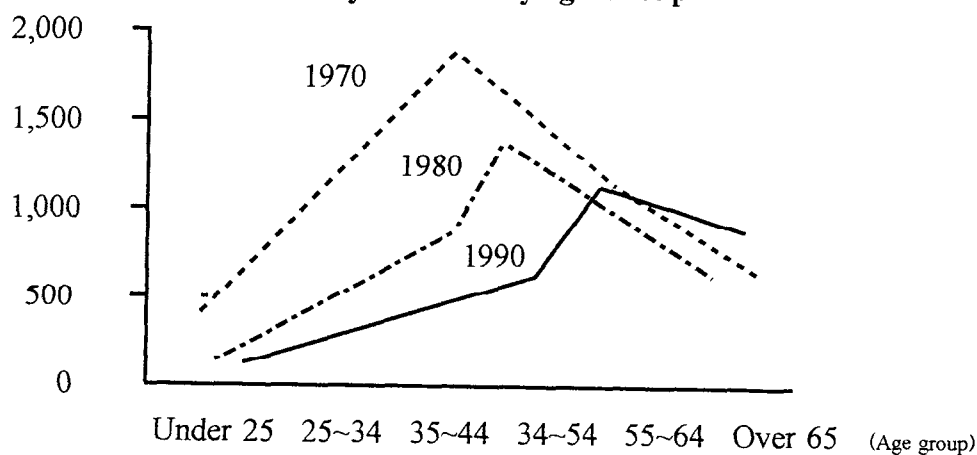
Note: 1994 survey for National University , 1993 survey for Private University

## Necessary Conditions to Attract Young Women to Rural Areas

Conditions	For Women (%)	For Men (%)
1.To improve human relationship among family members and community	93.9	54.9
2.To improve family and regional custom	68.1	54.9
3.To secure employment opportunities/places for young people.	65.6	56.4
4.To change consciousness of young people and parents	58.0	66.4
5.To increase cultural and recreational facilities	41.3	41.2
6.To engage in development of agriculture and forestry and work out the related problems	40.3	54.0
7.To improve social status of women and gain the rights for women	34.0	36.7
8.To promote exchange activities with people in urban areas	32.3	27.4
9.To improve water works, sewage treatment facilities and waste treatment facilities	22.2	29.4
10.To arrange more sports facilities	18.1	14.9
11.To arrange more parks and amusement parks	13.5	10.5
12.Others	0.3	1.5

(Unit:1,000 persons)

### No. of Key Farmers by Age Group



### Top 5 Pref. having Elderly Farmers (age -over 65)

RANK	Farming Pop.		No. of Key Farmers	
	(pref.)	(%)		(%)
1	Hiroshima	35.0	Hiroshima	67.2
2	Kagoshima	33.5	Yamaguchi	61.5
3	Yamaguchi	33.1	Fukui	61.0
4	Oita	31.6	Okayama	60.5
5	Shimane	30.1	Kyoto	58.2
Total	Farmers Households: 26.2 %			
	Farming Pop.: 47.7%			
	Key Farmers 42.6%			

### Farm Successors (in 1995)

Having children and living together 54.9	No. children living together for succession 45.1
	17.7 No one for succession 27.4

Others

### Three-generation Households

Year	1970	1975	1980	1985	1990	1995
No. of Three-generation Households (Unit: 10,000)	488	496	522	526	494	459
Ratio to the Total No. of Households (%)	16.1	14.8	14.6	13.9	12.1	10.5

(Source: A survey by Management & Coordination Agency)

Note: Three-generation household means a household with grandparents, parents and child (ren), with one grandparent, parents and child (ren) or with parents, child (ren) and other relatives

### Composition of Nuclear Family and No. of the Households (Unit: %)

Year/Composition	Only a couple	Parents & Child (ren)	One Parent & Child (ren)
1960	13.8	72.0	14.2
1970	17.3	72.6	10.1
1975	19.4	71.5	9.1
1980	20.7	69.8	9.5
1985	22.9	66.6	10.5
1990	26.0	62.4	11.4
1995	29.6	58.4	12.1
2010	35.8	64.2	

### Single-generation Households

(Unit: 10,000 households / %)

Year	Total No.	Not Married	With Spouse	With bereavement		With separation
				of which over 65 yrs old		
1985	789	511	52	150	96	71
(%)	(100)	(64.7)	( 6.5)	(19.0)	(12.2)	( 9.0)
1990	939	586	61	180	126	88
(%)	(100)	(62.4)	( 6.5)	(19.2)	(13.5)	( 9.3)
1995	1,124	689	70	220	166	110
(%)	(100)	(61.3)	( 6.3)	(19.6)	(14.7)	( 9.8)

**THE 8th ICA / JAPAN TRAINING COURSE FOR  
WOMEN LEADERS OF AGRICULTURAL COOPERATIVES IN ASIA,  
TOKYO, JAPAN**

**24 AUGUST - 14 SEPTEMBER 1998**

**WOMEN IN DEVELOPMENT IN AGRICULTURAL COOPERATIVES  
IN MALAYSIA - ORGANISATIONAL STRUCTURE,  
MANAGEMENT AND PROBLEMS**

**SARINAH AB. GHANI  
RUBBER INDUSTRY SMALLHOLDERS  
DEVELOPMENT AUTHORITY (RISDA)  
MALAYSIA**

**WOMEN IN DEVELOPMENT IN AGRICULTURAL COOPERATIVES IN MALAYSIA -  
ORGANISATIONAL STRUCTURE, MANAGEMENT AND PROBLEMS**

Chapter 1 - **GENERAL INFORMATION OF MALAYSIA**

- 1.1 Malaysia covers an area of about 329,758 sq. km. consisting of Peninsular Malaysia and the states of Sabah and Sarawak and the Federal Territory of Labuan in the north - western coastal area of Borneo Island. The two regions are separated by about 540 km of the South China Sea. Peninsular Malaysia covers 131,598 sq. km has its frontiers with Thailand in the north and Singapore in the south, while Sabah, with an area of 73,620 sq. km. and Sarawak with about 124,449 sq. km border the territory of Indonesia's Kalimantan.
- 1.2 Peninsular Malaysia consists of the following states - Johore, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Pulau Pinang, Perak, Perlis, Selangor, Terengganu and Federal Territory of Kuala Lumpur. The state of Sabah consists of five division namely Tawau, Sandakan, Kudat, West Coast and Interior. Sarawak comprises of nine division namely Kuching, Sri Aman, Sibuan, Miri, Sarekei, Limbang, Kapit, Bintulu and Kota Samarahan. The Federal Territory of Labuan with an area of 91 sq. km is situated off the west coast of Sabah.
- 1.3 Malaysia has an equatorial climate with fairly uniform temperatures throughout the year. Temperatures range from 32° C during the day to 21° C at night. Rainfall is common throughout the year averaging from 200 - 250 cm a year. 80% of Malaysia are covered by tropical rain forest and 35% of total land area in the country are suitable for agriculture.
- 1.4 Malaysia is truly multicultural and one of its greatest resources is its rich cultural diversity. Malays constitute around 50 percent of the nation's total population of 21.66 million people in 1997. The rest of the population comprises Chinese, Indians, Ibans, Kadazans and other races spread over 13 states. The ratio of male : female is 11.08 million male : 10.58 million female. The annual population growth rate is 2.3%, Bahasa Malaysia is the national language and Islam is the national religion. The Malaysian constitution guarantees freedom of worship.
- 1.5 Basically Malaysia is an agricultural country but for today agro-based industry and manufacturing is the leading sector followed by agriculture and mining. The main agricultural product of this country are rubber, crude palm oil, paddy, cocoa and coconuts.



Chapter 2 In view of the rapid economic transformation towards an industrialized nation and the structural weaknesses that exist within the agriculture sector, more strategic approaches will be adopted to sustain agricultural growth and Malaysia is still known as an agricultural country.

2.1 5.14 million hectares of total land area are planted with main crops in Malaysia. 2.22 million hectares owned by individual farmers/smallholders whereas 2.92 million hectares are run by estate sectors and the details are shown below.

**Table 1 : Planted Hectareage Of Major Crops In Malaysia 1996**

<b>Crops</b>	<b>Estates (‘000 hectares)</b>	<b>Smallholders (‘000 hectares)</b>	<b>Total Hectares (‘000 hectares)</b>
Rubber	224.0	1,420.4	1,644.4
Oil Palm	1,318.8	1,296.7	2,615.5
Cocoa	85.2	123.8	209.0
Paddy	-	679.5	679.5
<b>Total</b>	<b>1,628.0</b>	<b>3,530.4</b>	<b>5,148.4</b>

**Source : Statistics Year Book 1997 by Department of Statistics, Malaysia.**

2.2 Palm oil continued to lead the development of agricultural industrial commodities. The increase in hectareage was the result of new land development and conversion of rubber and cocoa plantations into oil palm cultivation. Other agricultural industrial commodities particularly rubber and cocoa continued to show a declining trend in production. Rubber production declined due to untapped trees arising from the shortage of labour as well as declining hectareage.

**Table 2 : Production Of Main Crops In Malaysia (‘000 Tonnes)**

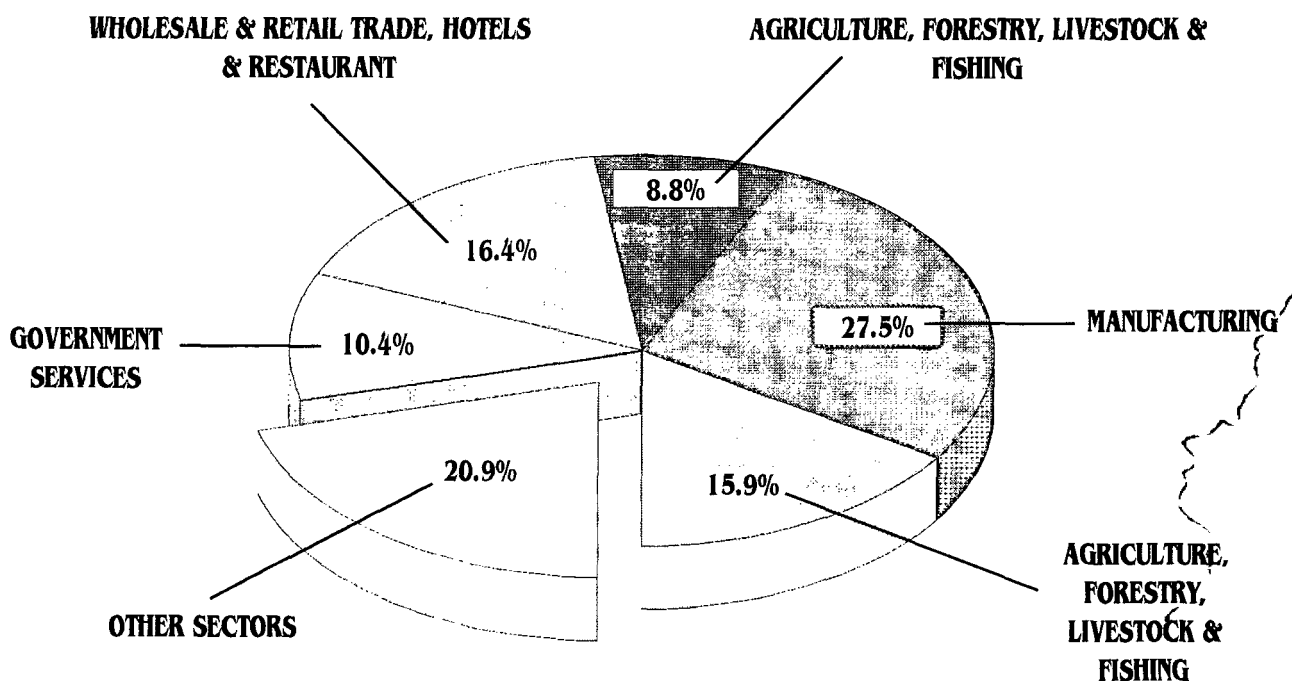
<b>Crops</b>	<b>1995</b>	<b>1996</b>
Crude Palm Oil	7,813.6	8,385.9
Palm Kernel	2,395.6	2,488.8
Rubber	1,106.1	1,082.5
Paddy	2,159.2	1,440.1
Cocoa	151.9	120.0
Coconut Oil (crude and refined)	-	26.9
Copra/copra cake	-	46.4

**Source : Statistics Year Book 1997 - Department Of Statistics, Malaysia**

2.3 Employment in the agriculture sector declined by 3.8 percent per annum from 1.7 million in 1990 to 1.4 million in 1995. In 1997, it is declining to 1.3 million. High labour mobility to non-agricultural activities which offered better wages and working environment and the reluctance of younger members of the labour force to work in agriculture sector resulted in the shortage of labour in the sector. Whereas the rate of employment in the manufacturing industry is about 27.5% and contribute the highest employment percentage as shown in the table 3.

Table 3 : Employment By Industry In Malaysia ('000)

Industry	1996	1997	%
Agriculture, forestry, livestock & fishing	1,375.9	1,344.6	15.9
Manufacturing	2,209.0	2,325.3	27.5
Construction	705.1	746.8	8.8
Wholesale, retail trade, hotels & restaurant	1,353.7	1,381.8	16.4
Government services	876.6	880.9	10.4
Other sectors	1,660.5	1,763.2	20.9
<b>Total</b>	<b>8,180.8</b>	<b>8,442.6</b>	<b>100.0</b>



Source : Statistics Year Book 1997 - Department Of Statistics, Malaysia

- 2.4 Various training programmes and extension service continued to be provided by agricultural agencies. The training programmes covered several areas such as agronomic practices, farm management, marketing, post harvest handling, processing and agribusiness.
- 2.5 Most of the government agencies are doing extension services which is relevant to the needs of farmers and they are also sent to the nearby training centre or visit other projects to give them more knowledge and experience.
- 2.6 Extension services which include new agricultural techniques and technologies were made available to farmers with the aim to promote a more commercialised and efficient farming system. Through these training and extension services, an increasing number of farmers and fishermen adopted new techniques and technologies which improved their productivity.
- 2.7 The management and monitoring of agriculture activities is done by several government agencies with different functions. These agencies are :
- 2.7.1 RISDA (Rubber Industry Smallholders Development Authority) is responsible in development, replanting and production of rubber owned by smallholders.
- 2.7.2 RRIM (Rubber Research Institute of Malaysia) is responsible for the research on development of rubber, concentrate its effort on the production of new forms of natural rubber and new applications of rubber.
- 2.7.3 FELDA (Federal Land Development Authority) and FELCRA (Federal Land Consolidation Rehabilitation Authority) - responsible for the development of Felda settlers.
- 2.7.4 PORIM (Palm Oil Research Institute of Malaysia) is responsible in doing research on oil palm.
- 2.7.5 Department of Agriculture help the individual and small group farmers in planting of other crops like fruit trees, vegetables and others.
- 2.7.6 MARDI - (Malaysian Agricultural Research and Development Institute) focus its research and development activities towards propagating new varieties and develop efficient farm management

and processing technologies for the food sector.

2.7.7 FAMA (Federal Agriculture Marketing Authority) is responsible in planning and programming marketing strategies in agriculture products.

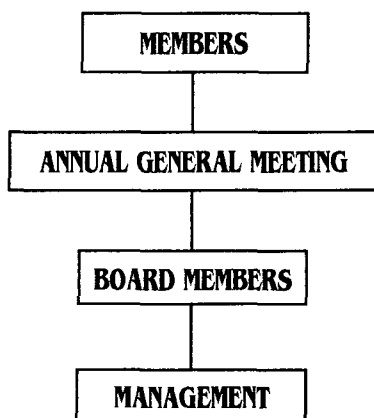
2.7.8 FOA (Farmers Organization Authority) is form to develop and monitor activities done by farmers agriculture cooperatives.

2.7.9 In Malaysia, the export development of major commodities is under the jurisdiction of Ministry of Primary Industries whereas for the local agricultural development are under the Ministry of Agriculture and Ministry of Rural Development.

### Chapter 3 **COOPERATIVES/WOMENS ASSOSIATION/WOMENS COPERATIVE**

3.1 Cooperatives Society movements in Malaysia started in 1922. There are now 4210 registered cooperatives in Malaysia with more than 5.07 million members. Total share capital in the cooperatives are more than Ringgit Malaysia 3.1 billion.

3.2 The organisational structure of the cooperatives in Malaysia are basically similar as below.



3.3 The registration and monitoring of cooperative programme is done by the Department of Cooperative Development for non-agricultural cooperatives, the Farmers Organization Authority for Agricultural Cooperatives and Fisheries Development Authority for fishermen cooperatives.

3.4 The activities of the agricultural cooperatives under FOA are related to the needs of the members and other farmers which included activities in agribusiness, agro-based industry and contract farming, transportation

services, poultry, livestock/aquafarms and other services related to agriculture and farmers.

3.5 For the non-agricultural cooperatives under the Department of Cooperative Development, as at 1997, 3847 cooperatives were registered with total membership of 4.38 million. The total share capitals are about RM3.09 billion and assets worth RM13.65 billion.

3.6 Some of the activities and types of cooperatives under the non-agricultured cooperatives are:

**3.6.1 Finance/Banking**

These co-operatives pioneered the development of the co-operative movement in the 20's. There are 465 co-operatives which provide loans to members at a minimal interest rate. The members are mostly fixed income employees particularly in the public, statutory and private sector.

**3.6.2 Housing**

There are 83 co-operatives carrying out housing projects for the benefit of its member. Most of these projects concentrate on low and medium cost houses.

**3.6.3 Consumer**

There are 2,070 registered co-operatives involved in this activity. They are formed to assist members obtain quality goods at reasonable prices through bulk-purchasing. They usually operate mini markets, supermarkets or provision stores.

Of the above, 1,155 are school co-operatives introduced with the aim to inculcate thrift and develop entrepreneurial skills among the students. They run the school canteen, bookshop while others operate laundry and computer classes.

**3.6.4 Transport**

About 410 co-operatives provide transportation services to the members. The majority of them are based in land development schemes such as (FELDA, RISDA and FELCRA) carrying out activities such as transporting their agricultural products to the processing plants. They also operate retail stores, mini markets, petrol kiosks and motor workshops.

**3.6.5 Insurance**

The Malaysian Co-operative Insurance Society Limited (MCIS) is the sole registered co-operative in the insurance sector. It has 281,912 policyholders worth RM2.57 billion.

**3.6.6 Plantation**

About 124 co-operatives are registered to manage and develop their agricultural land. Crops include rubber, oil palm and cocoa.

### 3.6.7 Industries

They are generally small and medium scale industries and a majority of them are carried out by Koperasi Industri Kecil (KIK). KIK was formed to pool their resources together to produce, market and promote handicrafts such as pottery and silverware.

### 3.6.8 Construction

They carry out minor infrastructure such as building small bridges, roads and general maintenance in their respective districts. District Developments Cooperative was initially set up to participate actively in government development projects in their localities. These in turn have provided job opportunities and income for the locals.

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The services provided by the co-operatives include management of funds, maintenance of housing estates, rentals of buildings/lots owned by members, day care centers, computer classes and collection centers for settling utility bills. They are prominent in both rural and urban areas.

There are few agriculture based cooperative which comes under the supervision of Department of Cooperative Development for example the cooperatives for the smallholders formed by RISDA are registered and monitored under the Department of Cooperative Development.

There are 49 women cooperatives registered under the Department of Cooperative Development with 15,721 memberships. The total share capital is about RM3.05 million and asset of RM12.7 million. The main activities of women cooperatives are credit and banking, consumer product, food processing and other activities such as child care centre, tailoring shop, transportation services and catering services.

Organisational Structure of Womens Associations.

Women continued to make tangible contributions to national development while playing a significant role in the development of their families. The National Policy for women formulated in 1989 which reflected the government's commitment towards the advancement of women guided government's effort and strategies to promote the role and position of women in society and to achieve better progress. The overall objectives of the NWP is to ensure the fair share in the acquisition of sources and information amongst men and women, and in the acquisition of opportunities and benefits from development and to integrate the women folk in all sectors of national development in line with their ability and needs, with the objective of improving their quality of life, eradication of poverty, ignorance and illiteracy and to ensure the country is safe and prosperous.

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#### Chapter 4 **MARANG DISTRICT SMALLHOLDERS COOPERATIVE**

- 4.1 Cooperative organisation in RISDA has started since 1980 and there are 65 smallholders cooperatives through out Malaysia. All these smallholders cooperatives are supervised and monitored by the National Rubber Smallholders Cooperative (NARSCO).
- 4.2 The district of Marang in the State of Terengganu has a smallholders Cooperative which is known as KOPEDAM BERHAD - (Koperasi Pekebun Kecil Daerah Marang Berhad - District of Marang Smallholders Cooperative). This cooperative was registered on the 27th of Mei 1980.
- 4.3 The main objectives of this cooperative are:
- i. To provide efficient and effective services and welfare to the members,
  - ii. To invest the capital contributed by members in potential business,
  - iii. To develop and guide members to be self sufficient and self independant and
  - iv. Also to actively promote and encourage savings by its members.

4.4 In order to realize these objectives, the Board of Directors elected in the annual general meeting will structure the movement of the organisation and draft the policies to be carried out by the management. From the total of fifteen board members, two of them are women.

4.5 This cooperative has 2800 members and 956 of them are women i.e. 34 percent of the total membership. The accumulated share capital is about RM407,000.00 with average of RM145.35/member.

4.6 The activities of this cooperative are normally related to the needs of the members, especially in development and management of rubber plantation production and marketing. The activities are:

- i. Marketing of rubber products produced by members.
- ii. Supply agricultural inputs such as fertilisers, chemicals farming tools and etc.
- iii. Preparation and supplying of rubber and oil palm planting materials to the smallholders.
- iv. Contract work - such as land development in the replanting areas of rubber, building of rural roads and drainage system.
- v. Marketing of small scale industry products in food such as tomato/chilly sauces etc. and marketing of handicraft products of the smallholders.
- vi. Catering Services

By the end of this year, this cooperative will be involving in the building of the low cost housing projects in the Marang and the members of this cooperative will get the benefit and be given priority.

4.7 From the activities carried out by the cooperative, marketing of small scale industry products and catering services are the activities which involve the women members. And for further development and encouragement to women members, these two activities should penetrate new markets by having promotion sales and exhibition in strategic locations. Apart from this, the cooperative has to strengthen the marketing channels for their products, increase quality control and improve the packaging of the small scale industry products.

4.8 *Problems in Developing Programmes Relating to Women.*

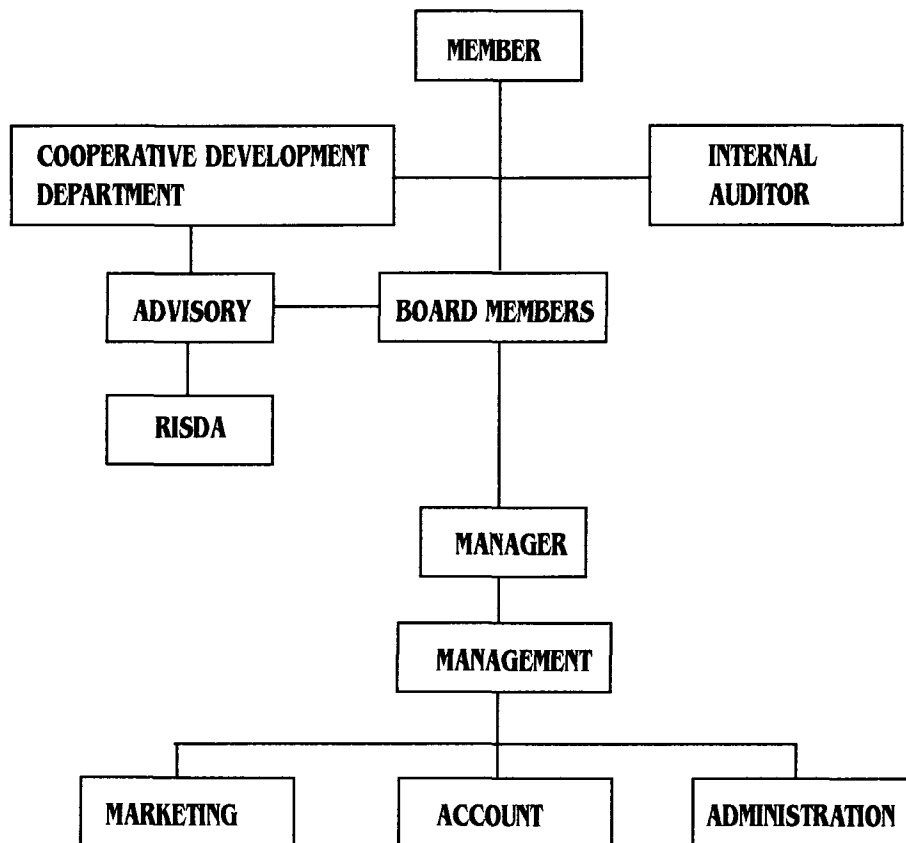
The main problem in the cooperative is to get the total involvement of all members to participate in activities carried out by the cooperative especially women members. These women members are still unaware of their responsibilities towards the development of their cooperative. They still do not understand their rights and responsibility as a member of the cooperative. When campaigns or activities done in the village, the men will directly involve in the programme and the women will stay at home and they will get the second hand information.



4.9 For future development of women members, steps must be taken to educate them. They should be informed and educate them of their rights and responsibilities as members.

4.10 Follow up programmes must be done to supervise the steps taken and finally evaluation of the programme whether it is successful or not and modifications will be made where necessary.

Table 5 - **Organization Structure of Marang District Smallholders Cooperative**



Chapter 5 - **MY EXPECTATION FROM THIS COURSE**

- 5.1 I have been working for almost 19 years as an Assistant Agriculture Officer in RISDA and there are much improvement among the smallholders now in terms of terms of the economic or social development programme done by my organisation.
- 5.2 From this course I hope to exchange ideas and experience regarding the women's activities in the participating countries and what are the factors that contribute to the successful, active and efficient womens organisation in their countries especially from the Japan's Women's Organisation.
- 5.3 As an Assistant Agriculture Officer in RISDA and involve directly in the Smallholders Women's Organisation, I hope that this training course will really benefit me. With the knowledge, skill and experienced gained from this course, will then be shared with my other RISDA Officers especially the women extension officers in my country and then be use for further planning programmes towards an effective and efficient smallholders womens organisation.

## STATISTICAL CHART "A" (WLTC)

01	Total National Population	21.66 million
	- Male Population	11.08 million
	- Female Population	10.58 million
02	Total Land Area (sq. km)	329,758 sq. km
03	National Per Capital Income	n.a
04	Literacy Rate/average	98.1%
	- Among Male	n.a
	- Among Female	n.a
05	Total Number of Cooperatives (all types, all levels)	4,210
06	Total Cooperative Membership (all types, all levels)	5.07 million
07	Total Number of Agricultural Cooperatives (all levels)	362
08	Total Membership of Agricultural Cooperatives (all levels)	0.69 million
09	Population Engaged in Agriculture	1.3446 million
	- Female engaged in Agriculture	n.a
10	Total Number of Women's Coops (all levels - Exclusively of women)	49
11.	Total Membership of these Coops	15,721
12.	Main Types of Cooperatives in which Women are Members: (Please list them below)	
	i. Women Cooperatives	
	ii. Agriculture Cooperatives	
	iii. Consumer Cooperatives	
	iv. District Development Cooperatives	
	v. Rubber Smallholders Cooperatives	
Any other relevant information relating to women-in-development/cooperative development.		

**THE 8th ICA / JAPAN TRAINING COURSE FOR  
WOMEN LEADERS OF AGRICULTURAL COOPERATIVES IN ASIA,  
TOKYO, JAPAN**

**24 AUGUST - 14 SEPTEMBER 1998**

**WOMEN IN DEVELOPMENT IN AGRICULTURAL COOPERATIVES  
IN MALAYSIA - ORGANISATIONAL STRUCTURE,  
MANAGEMENT AND PROBLEMS**

**SARINAH AB. GHANI  
RUBBER INDUSTRY SMALLHOLDERS  
DEVELOPMENT AUTHORITY (RISDA)  
MALAYSIA**

**WOMEN IN DEVELOPMENT IN AGRICULTURAL COOPERATIVES IN MALAYSIA -  
ORGANISATIONAL STRUCTURE, MANAGEMENT AND PROBLEMS**

Chapter 1 - **GENERAL INFORMATION OF MALAYSIA**

- 1.1 Malaysia covers an area of about 329,758 sq. km. consisting of Peninsular Malaysia and the states of Sabah and Sarawak and the Federal Territory of Labuan in the north - western coastal area of Borneo Island. The two regions are separated by about 540 km of the South China Sea. Peninsular Malaysia covers 131,598 sq. km has its frontiers with Thailand in the north and Singapore in the south, while Sabah, with an area of 73,620 sq. km. and Sarawak with about 124,449 sq. km border the territory of Indonesia's Kalimantan.
- 1.2 Peninsular Malaysia consists of the following states - Johore, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Pulau Pinang, Perak, Perlis, Selangor, Terengganu and Federal Territory of Kuala Lumpur. The state of Sabah consists of five division namely Tawau, Sandakan, Kudat, West Coast and Interior. Sarawak comprises of nine division namely Kuching, Sri Aman, Sibuan, Miri, Sarekei, Limbang, Kapit, Bintulu and Kota Samarahan. The Federal Territory of Labuan with an area of 91 sq. km is situated off the west coast of Sabah.
- 1.3 Malaysia has an equatorial climate with fairly uniform temperatures throughout the year. Temperatures range from 32° C during the day to 21° C at night. Rainfall is common throughout the year averaging from 200 - 250 cm a year. 80% of Malaysia are covered by tropical rain forest and 35% of total land area in the country are suitable for agriculture.
- 1.4 Malaysia is truly multicultural and one of its greatest resources is its rich cultural diversity. Malays constitute around 50 percent of the nation's total population of 21.66 million people in 1997. The rest of the population comprises Chinese, Indians, Ibans, Kadazans and other races spread over 13 states. The ratio of male : female is 11.08 million male : 10.58 million female. The annual population growth rate is 2.3%. Bahasa Malaysia is the national language and Islam is the national religion. The Malaysian constitution guarantees freedom of worship.
- 1.5 Basically Malaysia is an agricultural country but for today agro-based industry and manufacturing is the leading sector followed by agriculture and mining. The main agricultural product of this country are rubber, crude palm oil, paddy, cocoa and coconuts.

Chapter 2 In view of the rapid economic transformation towards an industrialized nation and the structural weaknesses that exist within the agriculture sector, more strategic approaches will be adopted to sustain agricultural growth and Malaysia is still known as an agricultural country.

2.1 5.14 million hectares of total land area are planted with main crops in Malaysia. 2.22 million hectares owned by individual farmers/smallholders whereas 2.92 million hectares are run by estate sectors and the details are shown below.

**Table 1 : Planted Hectareage Of Major Crops In Malaysia 1996**

<b>Crops</b>	<b>Estates (‘000 hectares)</b>	<b>Smallholders (‘000 hectares)</b>	<b>Total Hectares (‘000 hectares)</b>
Rubber	224.0	1,420.4	1,644.4
Oil Palm	1,318.8	1,296.7	2,615.5
Cocoa	85.2	123.8	209.0
Paddy	-	679.5	679.5
<b>Total</b>	<b>1,628.0</b>	<b>3,530.4</b>	<b>5,148.4</b>

**Source : Statistics Year Book 1997 by Department of Statistics, Malaysia.**

2.2 Palm oil continued to lead the development of agricultural industrial commodities. The increase in hectareage was the result of new land development and conversion of rubber and cocoa plantations into oil palm cultivation. Other agricultural industrial commodities particularly rubber and cocoa continued to show a declining trend in production. Rubber production declined due to untapped trees arising from the shortage of labour as well as declining hectareage.

**Table 2 : Production Of Main Crops In Malaysia (‘000 Tonnes)**

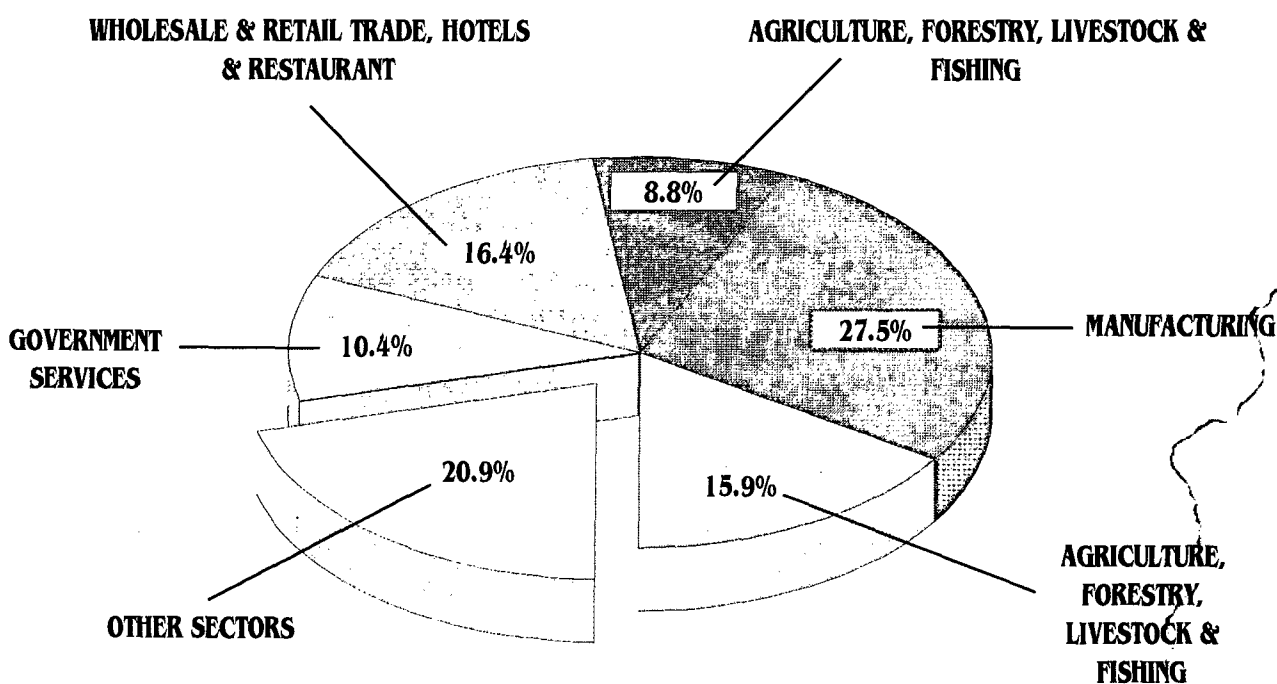
<b>Crops</b>	<b>1995</b>	<b>1996</b>
Crude Palm Oil	7,813.6	8,385.9
Palm Kernel	2,395.6	2,488.8
Rubber	1,106.1	1,082.5
Paddy	2,159.2	1,440.1
Cocoa	151.9	120.0
Coconut Oil (crude and refined)	-	26.9
Copra/copra cake	-	46.4

**Source : Statistics Year Book 1997 - Department Of Statistics, Malaysia**

2.3 Employment in the agriculture sector declined by 3.8 percent per annum from 1.7 million in 1990 to 1.4 million in 1995. In 1997, it is declining to 1.3 million. High labour mobility to non-agricultural activities which offered better wages and working environment and the reluctance of younger members of the labour force to work in agriculture sector resulted in the shortage of labour in the sector. Whereas the rate of employment in the manufacturing industry is about 27.5% and contribute the highest employment percentage as shown in the table 3.

Table 3 : Employment By Industry In Malaysia ('000)

Industry	1996	1997	%
Agriculture, forestry, livestock & fishing	1,375.9	1,344.6	15.9
Manufacturing	2,209.0	2,325.3	27.5
Construction	705.1	746.8	8.8
Wholesale, retail trade, hotels & restaurant	1,353.7	1,381.8	16.4
Government services	876.6	880.9	10.4
Other sectors	1,660.5	1,763.2	20.9
<b>Total</b>	<b>8,180.8</b>	<b>8,442.6</b>	<b>100.0</b>



Source : Statistics Year Book 1997 - Department Of Statistics, Malaysia

- 2.4 Various training programmes and extension service continued to be provided by agricultural agencies. The training programmes covered several areas such as agronomic practices, farm management, marketing, post harvest handling, processing and agribusiness.
- 2.5 Most of the government agencies are doing extension services which is relevant to the needs of farmers and they are also sent to the nearby training centre or visit other projects to give them more knowledge and experience.
- 2.6 Extension services which include new agricultural techniques and technologies were made available to farmers with the aim to promote a more commercialised and efficient farming system. Through these training and extension services, an increasing number of farmers and fishermen adopted new techniques and technologies which improved their productivity.
- 2.7 The management and monitoring of agriculture activities is done by several government agencies with different functions. These agencies are :
- 2.7.1 RISDA (Rubber Industry Smallholders Development Authority) is responsible in development, replanting and production of rubber owned by smallholders.
- 2.7.2 RRIM (Rubber Research Institute of Malaysia) is responsible for the research on development of rubber, concentrate its effort on the production of new forms of natural rubber and new applications of rubber.
- 2.7.3 FELDA (Federal Land Development Authority) and FELCRA (Federal Land Consolidation Rehabilitation Authority) - responsible for the development of Felda settlers.
- 2.7.4 PORIM (Palm Oil Research Institute of Malaysia) is responsible in doing research on oil palm.
- 2.7.5 Department of Agriculture help the individual and small group farmers in planting of other crops like fruit trees, vegetables and others.
- 2.7.6 MARDI - (Malaysian Agricultural Research and Development Institute) focus its research and development activities towards propagating new varieties and develop efficient farm management



and processing technologies for the food sector.

2.7.7 FAMA (Federal Agriculture Marketing Authority) is responsible in planning and programming marketing strategies in agriculture products.

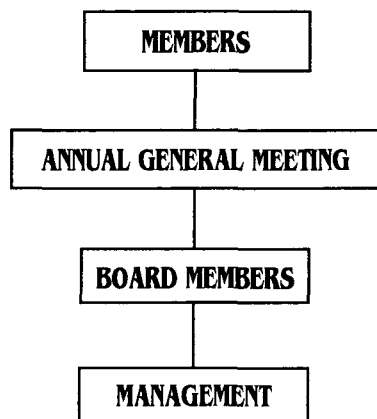
2.7.8 FOA (Farmers Organization Authority) is form to develop and monitor activities done by farmers agriculture cooperatives.

2.7.9 In Malaysia, the export development of major commodities is under the jurisdiction of Ministry of Primary Industries whereas for the local agricultural development are under the Ministry of Agriculture and Ministry of Rural Development.

### Chapter 3 **COOPERATIVES/WOMENS ASSOSIATION/WOMENS COPERATIVE**

3.1 Cooperatives Society movements in Malaysia started in 1922. There are now 4210 registered cooperatives in Malaysia with more than 5.07 million members. Total share capital in the cooperatives are more than Ringgit Malaysia 3.1 billion.

3.2 The organisational structure of the cooperatives in Malaysia are basically similar as below.



3.3 The registration and monitoring of cooperative programme is done by the Department of Cooperative Development for non-agricultural cooperatives, the Farmers Organization Authority for Agricultural Cooperatives and Fisheries Development Authority for fishermen cooperatives.

3.4 The activities of the agricultural cooperatives under FOA are related to the needs of the members and other farmers which included activities in agribusiness, agro-based industry and contract farming, transportation

services, poultry, livestock/aquafarms and other services related to agriculture and farmers.

3.5 For the non-agricultural cooperatives under the Department of Cooperative Development, as at 1997, 3847 cooperatives were registered with total membership of 4.38 million. The total share capitals are about RM3.09 billion and assets worth RM13.65 billion.

3.6 Some of the activities and types of cooperatives under the non-agricultured cooperatives are:

**3.6.1 Finance/Banking**

These co-operatives pioneered the development of the co-operative movement in the 20's. There are 465 co-operatives which provide loans to members at a minimal interest rate. The members are mostly fixed income employees particularly in the public, statutory and private sector.

**3.6.2 Housing**

There are 83 co-operatives carrying out housing projects for the benefit of its member. Most of these projects concentrate on low and medium cost houses.

**3.6.3 Consumer**

There are 2,070 registered co-operatives involved in this activity. They are formed to assist members obtain quality goods at reasonable prices through bulk-purchasing. They usually operate mini markets, supermarkets or provision stores.

Of the above, 1,155 are school co-operatives introduced with the aim to inculcate thrift and develop entrepreneurial skills among the students. They run the school canteen, bookshop while others operate laundry and computer classes.

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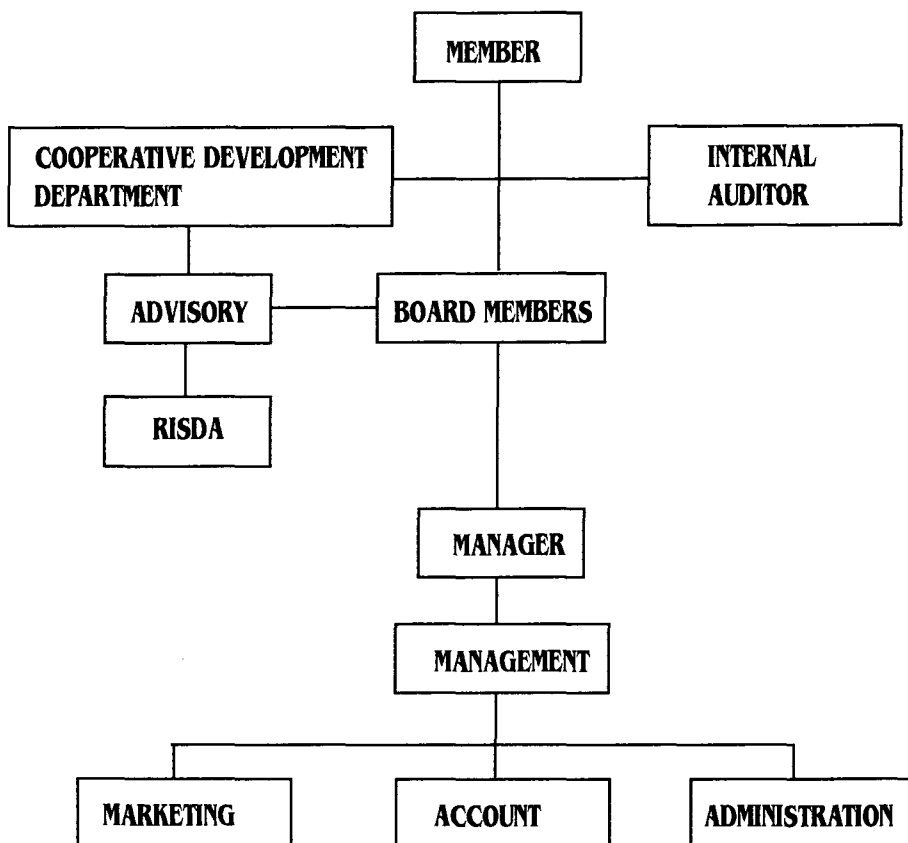
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**Japanese Experience on Small Entrepreneurship  
Development for Rural Women**

**8th September, 1998**

**Yumiko Iwasaki  
Assistant Professor  
Fukushima University**

**International Cooperative Alliance Regional Office for Asia and the Pacific (ICAROAP)  
The Institute for the Development of Agricultural Cooperation in Asia (IDACA)**

## **1. Introduction**

In the rural area of Japan, " Entrepreneurship by rural women" which attempts to utilize local resources and extant life technology in a bid to create a working place by themselves have become the centre of attention as a new working style for rural women, is now assiduously grappled with by women nation wide. According to the survey conducted by MAFF in fiscal 1997, 4,040 cases (individual management 678, group management 3,362 cases) were reported and these small enterprises of women operate various activities such as holding of direct sale outlet of their farm produces, agricultural processing activities as well as marketing of their products. The previous survey conducted in 1994 has reported 1,255 cases of such activities (individual management 241, group management 1,014 cases). This means that three times of increase in the number of small enterprises has been made in these three years.

## **2. Social background of development of women entrepreneurship**

### **1) Development of women entrepreneurship in urban area**

Since around the middle of 1980s, the new work styles so called " Home life improvement", "Citizen's business" or " Workers collective" have been suggested by house wives who have no particular occupation. This was an attempt to change the working style from employed workers to autonomous and creative work style as well as giving economical values to those unpaid works of socially effective works such as home works, child rearing and care of aged people. These are considered to be positioned in between unstable part-time works and voluntary activities as " Semi-formal activities".

### **2) Position of women entrepreneurship in rural area**

Processing of surplus agricultural products or direct sale were considered as an extension of agricultural production activities. Recently these activities are giving positive significance as activities to hand down local life technology to next generation as well as suggesting new dieting style to lead vitalization of rural area through exchanges with consumers.

Also, it is suggesting alternative way of work style for women to be emancipated

from assisting family labour based farming works.

The flow out of population of young generation is one of the reasons for leaving rural community inactive. Against such a backdrop, the entrepreneurship of rural women is anticipated having a great potentiality to maintain and develop rural community. The government and municipality are recently preparing various support system for women entrepreneurship. A number of seminars on women entrepreneurship are held by various organizations which attended by home life improvement advisors of MAFF and the technology introduced in the seminar is disseminated to rural women.

### **3. Problems encountered by entrepreneurship of rural women**

- 1) Rejection of local community for women entrepreneurship;
- 2) Difficulty in access to credit for expansion of business due to shortage of mortgage;
- 3) Difficulty in changing awareness of women to step up from group activities to entrepreneurship;
- 4) Heavy burdens for women to pursue home works, farming works and enterprises;
- 5) Trend of playing a role of sub-contract company of administrations and agricultural groups and so on;
- 6) Scale of business is too small to realize economical independence of women.

- According to the survey of MAFF, 1997, the annual sales turnover less than 10 million yen was 1,418 cases which accounts 35.1%, less than 3 million to 1 million was 1,152 cases accounting 28.5%. The percentage of enterprises which achieved sales turnover of less than 5 million yen was 77.1% which was slightly increased from the last survey in 1994 of 66.7%. Thus the most of women enterprises are sustained by lower labour costs to be paid to women.

- 7) Two options to select future direction namely "entrepreneurship to seek social benefit" and "entrepreneurship to seek economical independence".

### **4. Conclusion**

- 1) Inconsistencies in the process embarking on women entrepreneurship

- Contribution of women in agricultural production is not linked with the increase

of own property and they face difficulty in access to credit due to lack of mortgage;

- Difficulties to find time to engage in the business due to division of labour by sex and women have to spend time for home works, child rearing and care of aged people;

- The concept of products to seek for salute of foods and environmental protection will lead increase of production cost and the management will not be profitable.

Women entrepreneurship is the starting point for rural women to be enlightened, to have awareness to grapple with these social discrepancies as harbingers of reform would be a momentous subject for rural women.

## 2) International cooperation

- Empowerment approach since the middle of 1980s has underscored the importance of bottom up movement by women's organization with consistent and organizational methods;

## 3) Establishment of networks with Non Profit Organizations (NPO)

- 1.5 million NPO in USA are promoting various range of activities such as consumer's movement, protection of environment and creation of job opportunity.

- Laying down NPO Law in Japan

- The function of network as a place of exchange of information, training and mutual help,

- Network to connect urban and rural areas, network to connect Asian countries and the world.

## **Table - 1 The number of Women Entrepreneurship**

	Individual management	Group management	Total
Number of enterprises	678 (16.8%)	3,362 (83.2%)	4,040 (100%)

**Table - 2 Contents of Entrepreneurship by Rural Women**

(Unit: Number of enterprises, %)

	Number of enterprises
Management relating to agricultural production	541 (13.4)
Food processing and special products development	2,467 (61.1)
Processing other than foods	204 (5.0)
Marketing and distribution	1,398 (34.6)
Exchange with urban residents	168 (4.2)
Service relating to rural life improvement	12 (0.3)
Others	17 (0.4)

**Table - 3 Sales turnover**

Unit: Million Yen

Sales turnover	Number of enterprises ( %)
Less than 3 million	2,570 (63.6)
3 - 5 million	547 (13.5)
5 - 10 million	441 (10.9)
More than 10 million	412 (10.3)
Unknown	70 ( 1.7)

**Table - 4 Time of starting management**

Years	Number of enterprises
Before 1974	72 (1.8)
1975 - 1979	109 (2.7)
1980 - 1984	453 (11.2)
1885 - 1989	958 (23.7)
1990 - 1994	1,648 (40.7)
After 1995	623 (15.4)
Unknown	179 (4.4)

**Table - 5 Juridical corporation of management**

Juridical corporation	Number of enterprises
Farming corporation	20
Limited liability	19
Stock company	6
Others	6
Sub-total	51 (1.5%)
Not adopted	3,311 (98.5%)

**ICA Regional Seminar**  
**From August 26 to September 6, 1998**

**History and Activities of Women's Association in  
Agricultural Cooperatives**

August 26 (Wed.), 1998

By Ms. Yoko Noguchi  
Assistant Manager  
Youth and Women's Division  
Regional Development Department  
JA ZENCHU

**The Institute for the Development of Agricultural Cooperation in Asia  
(IDACA)**

## 1. History of Women's Association of Agricultural Cooperatives

### (1) The Background of establishment Women's Association

- Amid the Post-war upheaval

- ① The Situation of Farmers before the World War II
- ② Liberation of Farmers
  - 1946 Land Reform
  - 1947 Promulgation of Agricultural Cooperative Society Law
- ③ Liberation of Women
  - Suffrage
  - Organizations by Women
- ④ Impoverished Agriculture and Rural Communities
  - Overpopulation
  - Economic Recession
  - Management Crunch of Agricultural Cooperatives

### (2) Establishment of Women's Association of Agricultural Cooperatives(1947~1951)

- ① Encouragement to Women to set up their organizations on their close terms
- ② Initiative taken by Agricultural Cooperatives
- ③ Establishment of National Council of Women's Associations in 1951

### (3) Main Activities of the Associations at its inception

- ① Propagation and strengthening of the Associations
  - Publication of Newsletter of the National Council
  - Holding of the Council's Meeting on an district basis
- ② Better Living Activities



- Simplification on Ceremonial Occasions
- Improvement of Kitchen Facilities
- Improvement of Dietary Habit
- Family Planning
- ③ Diffusion of Monthly Magazine, IE-NO-HIKARI
- ④ Propagation of Saving Promotion Group of Women's Association

(4) Method of establishing the foundation of the Association

- ① Creating Song and Badge of the Association
- ② Problem of dullness of the Association
- ③ Definition of Characteristics of the Association
  - Promotion of the Agricultural Cooperative Movement
  - The Membership --- women from farm household
  - Voluntary Management
  - Organization by like-minded women
  - Politically Neutral
- ④ Holding of the 1st National Congress of Women Associations of Agricultural Cooperatives

(5) Measures for Expanding the Association

- ① Action launched for producing a movie of the Association
  - 3-year plan from 1957
  - Movie titled "Niguruma no Uta (the song of a cart)" favourably received
- ② Diversified Better Living Activities
  - Movement of creation of healthy communities
    - a. Family planning
    - b. Extermination of flies and mosquitoes
    - c. Extermination of parasitic worms
  - Holding of the 1st Report Presentation Meeting on Better Living Activities

《Themes for the Report》

“ Promotion of Use of Household Account Book for Better Living”

“ Joint Kichen Work”

“ Improved Public Bath and Washing Place by Women”

“ Saving Box for Simple Water Service”

“ Household Account Book and Improvement of Kichen”

“ Our Group Activities ”

“ Better Living Activities Firmely Established in Our Life”

“ Better Living Activities in Group”

- ③ Promotion of Hamlet-based Activities
- ④ Incorporating Young Wife into the Assiciation

## 6) Development of the Association and Its Activities (1960~1974)

### (1) Measures for strengthening the Association

- ① Revision of “ The Five Fundamental Rules of Women's Association of Agricultural Cooperative”and adoption of“Principles of Women's Association of Agricultural Cooperative”
- ② Issuance of “ Handbook of Women's Association of Agricultural Cooperative”
- ③ The 20th Anniversary of Women's Association of Agricultural Cooperative (1971)
  - a. Song of Women's Association of Agricultural Cooperative
  - b.Publication of the 20-year History of Women's Associations of Agricultural Cooperatives
- ④ National Speech Contest of Young Wives

### (2) Improvement of Its Activities

- ① Better Living Activies
  - a.Movement of Life Planning
  - b.Patronaging Movement of A-Coop Commodities

c. Health Management Activities

d. Consumers' Movement

② Farm Management

a. Promotion of Farming Work Study Group and Joint Farming

b. Countermeasures against off-the-season temporary work outside

③ Lobbying Activities

a. Participation in the Headquarters for Rice Price Countermeasures of Agricultural Cooperatives

b. Active lobbying activities in cooperation with the Youth Association of Agricultural Cooperatives

④ Learning/Cultural Activities

a. Setting up the Month for Learning on a nation-wide basis

b. Hobby/Sports Activities

(3) Relation with other women's group

a. Cooperation with women's organizations in Japan

b. Exchange Programme with overseas countries

7) The Main Activities since 1975

(1) Promotion of Exchange Programme between Production Sites and Consumption Sites  
(1975~)

(2) Campaign for More Use of Powder Soap  
(1978~)

(3) Campaign for Reviewing Dietary Habit  
(1978~)

(4) Campaign for More Use of Statistics in Daily Life ~ Survey conducted on Household  
(1978~) Account Book

(5) 10-yen Saving Campaign for Supply of Fresh and Safe Water to Children of  
the Cooperatives around the World  
(1985~1986)

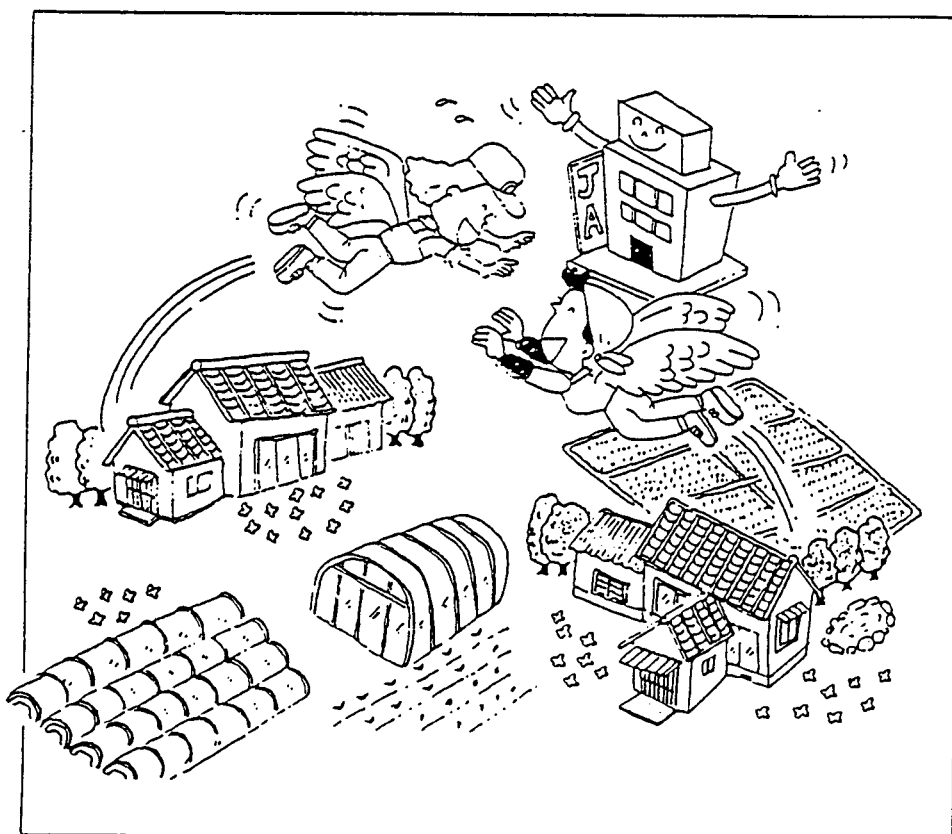
- (6) Donation Campaign for Relief of Starving People in Africa  
(1985~1989)
- (7) Nationwide Campaign for Unity of Women with a slogan of “No More Teasing  
(Discrimination) against Farmers and Show Women's Pride”
- (8) The Way to 21st Century for Women's Association of Agricultural Cooperatives
- (9) Drafting Sun-Sun Plan of National Council of Women's Associations of  
Agricultural Cooperatives
- (10) Drafting Action Plan of 21st Century for JA Women

We are Members of JA (= Japan Agricultural Cooperative ) Women's Associations

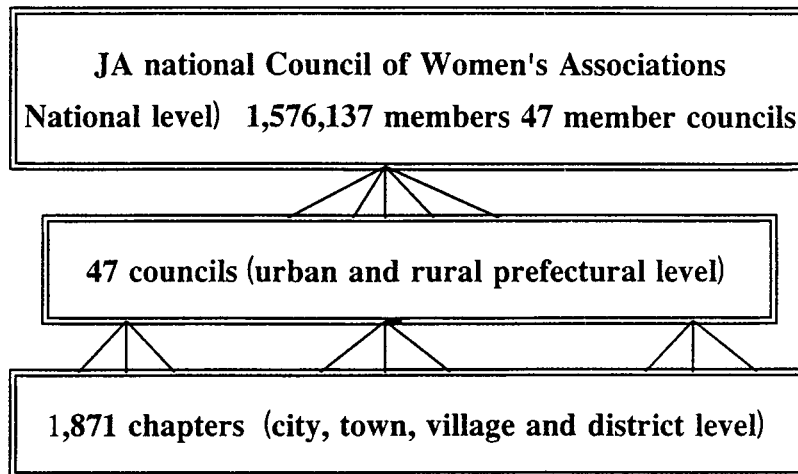
### ■About JA Women's Associations■

Our JA Women's Associations were organized primarily among women living in agricultural areas with the purpose of improving their social and economic status. Everyday we participate in JA activities and work in broad areas ranging from agriculture to the general improvement of regional lifestyle in closely-knit, cooperative societies.

Currently the organization counts 1,871 chapters and 1,576,137 members. These are led by a national council and lower councils in 47 urban and rural prefectures, bodies which collectively work to administer activities nationwide.



## JA Women's Associations Organizational Diagram



### The Development of JA Women's Associations

#### 1. The Emergence of Agricultural Cooperative Associations

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 were difficult for the agricultural cooperative association, the JA

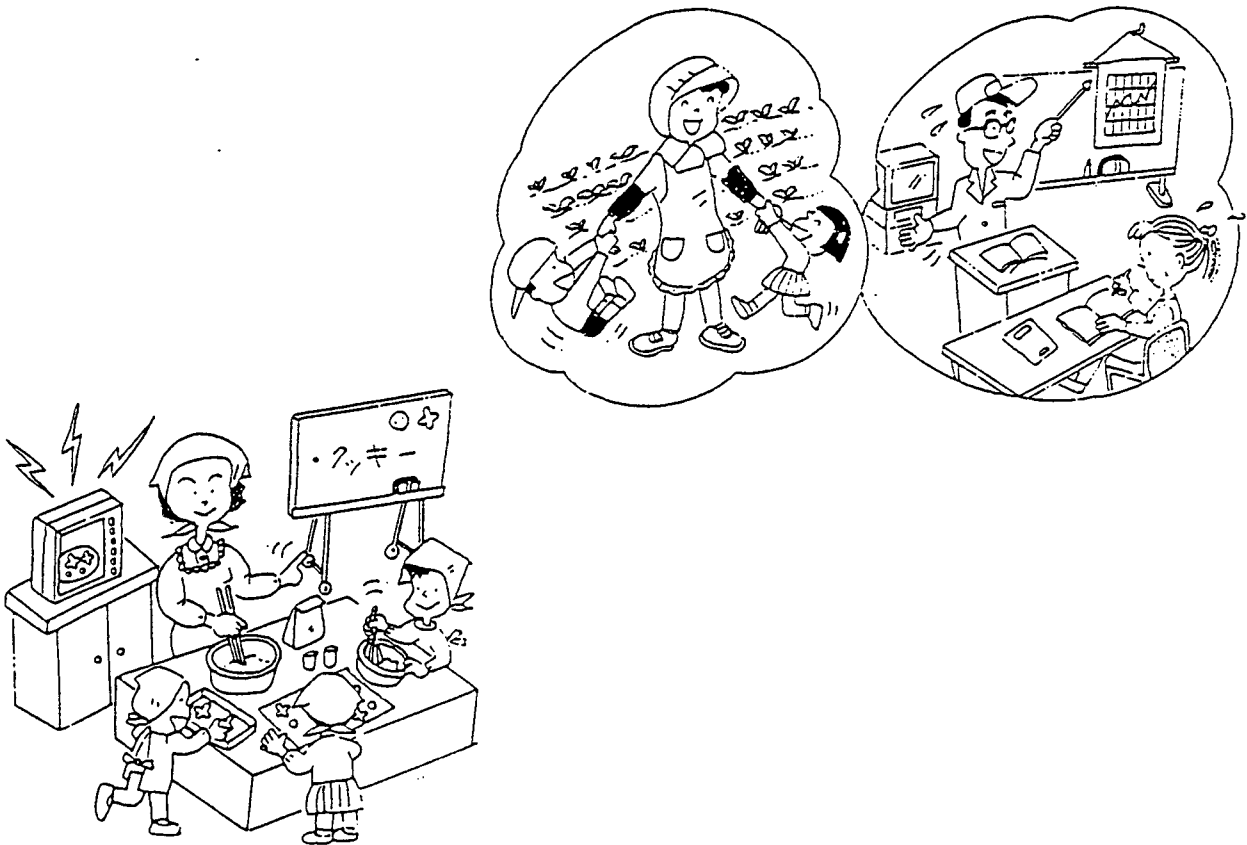
Women's Associations became a force in its rise by undertaking efforts to increase investment and encouraging savings.

To improve poor living conditions the JA Women's Associations actively mounted a campaign to share purchase costs of daily necessities, for example, matches and sugar, and improve

kitchen conditions y setting up small water supply systems, providing improved kitchen ranges and controlling vermin. Other programs to aid people focused on birth control, teaching management of family finances and cooking for better nutrition at a time when foods fell short of satisfying the needs of people who had to perform hard work. 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 deprivations 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, the nature of the efforts undertaken diversified in hand with changing lifestyles. A list of primary activities launched on a national level is as follows.

- \* Announcement of results of organizational activities with objective of learning from superior examples (1963~)
- \* Nationally uniform "Agricultural Cooperative Women's Associations Pocketbook" issued. (1969~)
- \* "Young Wives' Suggestions" national contest introduced to make the best use of young members' ideas (1974~)
- \* Joint activities by women on the production side and women on the consumption side implemented to improve understanding between producers and consumers. (1975~)
- \* Living conditions from the point of view of housekeeping guides surveyed 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 presented water well (1979)
- \* Fund-raising campaign mounted to relieve starvation in Africa; food warehouse built in Caboverde. (1985)
- \* National campaign calls for promises to be written on "ori-zuru" folded-paper cranes. Theme of "That's enough! Unfair to farmers. Let's respond to women's feelings" aimed at preserving food production and farm life (1988)
- \*\* A campaign for Supporting Flooded District in North Korea" was launched and 64 tons of rice were sent to North Korea.





**JA Women's Associations undertakes activities such as these :**

- ◇ Let's join agricultural cooperative associations as formal union members and work to become officials of the associations.

At present 60% of the people working in Japan's agriculture are women but less than 13% of the regular members of agricultural cooperative associations are women. among directors the share is slightly over 0.1%.

We are seeking to overcome the roles concept providing that "women are for work and policy making is for men" We need joint management of agricultural cooperative associations.

- ◇ Let's rebuild Japan's agriculture and produce safe, good quality food.



Outcomes of the GATT Uruguay Round of Talks undermined import controls even on rice, our staple food. Here in Japan, the world's leading importer of food, we are building regional agriculture and improving cooperation with consumers.

Objectives include raising Japan's self-sufficiency in food production, positioning food as "source of life," and encouraging healthy dietary habits suited to the Japanese lifestyle.

◇ Let's build a pleasant homeland where the elderly can live without worry.

There are many women today who find it difficult to support themselves when old because of inadequate social security and the fact that they worked without salary when younger.

To avoid such a fate, people advancing in years must be cared for with a better system. They must also carefully plan their lives with the intention of maintaining economic independence in later years.

We take measures readily at hand to make life in our regions agreeable to elderly people. We mount campaign to promote communications with them, and provide meal services and care programmes for their benefit

◇ Let's protect regional and global environment.

We constantly urge people to switch to environmentally-friendly detergents, stop the waste of resources and cooperate with recycling programmes.

Further, as producers, we pursue agriculture that is gentle to nature and we seek to perpetuate cultivation through better soils and less use of agricultural chemicals.



◇ Let's strengthen our Association by tackling the above 4 action plans.

we will vitalise the association, make efforts to promote joining of new members and also fostering young wife leaders.

**CHRONOLOGICAL TABLE OF WOMEN'S ASSOCIATIONS OF AGRICULTURAL COOPERATIVES ( J A )**

(1/2)

YEAR (Month)	HISTORY OF JA WOMEN'S ASSOCIATION	YEAR (Month)	HISTORY OF WOMEN'S MOVEMENT
1947 (Nov.)	Agri. Coop. Society Law is promulgated	1945 (Oct.)	Gov't decides provision of women's suffrage.
1949 (Apr.)	Guideline of Agri. Coop's Activities is adopted, and Emphasis is placed on Necessity of Education for Women	1949 (Apr.)	The 1st Women's Week is launched.
1951 (Apr.)	Nat'l Council of Women's Group is organized.	1950 (Oct.)	The Alliance for Protection of Women's Rights is organized.
1952	1st News Letter from the Nat'l Council is issued. The Song and Badge for Women's Association is adopted	1952 (Mar.)	The Federation of Housewives adopts a campaign for ration of one-go (0.18 l) -for-one person-per day rice
1955 (Sep.)	The Five Fundamental Rules are adopted	(Jul.)	The Nat'l Federation of Regional Housewives is organized.
(Dec.)	The 1st National Congress of the association is held	1953 (Mar.)	The 1st report presentation is made on achievement of improvement of rural life.
1958 (Mar.)	The Council is changed into the Nat'l Council of Women's Association./ The Membership reaches a peak of 3,44 mil.	(Apr.)	Japan Federation of Women is organized.
1959 (Jan.)	Movie "A Song of the Cart "is produced by the Council	1954 (Feb.)	The Regular Nat'l Congress of Women adopts resolution for banning prostitution
1960 (Dec.)	President and others of the Council attends the 8th Nat'l Congress of Agri. Coops.	1955 (Jun.)	The Council of anti-traditional family system is set up.
1963 (Jan.)	Presentation of Achievement of the Activities	(Jul.)	The 1st Japan Mothers Congress is held.
1967 (Apr.)	The Council joins Headquarters of Rice Price Countermeasures of Agri. Coops. The Five Fundamental Rules are revised and New Principles of Women' s Associations of Agri. Coops. is adopted.	1959 (Sep.)	Representatives from Japan attends the World Congress of Mothers
1969 (Feb.)	Standard version of Handbook of Women' s Associations of Agri. Coops. is issued.	1956 (Jun.)	The 1st World Conference of Women Labourers is held.
1970 (Oct.)	The Basic Concept of Better Living is adopted at the 12th Nat'l Congress of Agri. Coops.	(Dec.)	The Nat'l Council of Consumers Groups is organized.
1973 (Dec.)	The Council attends the Meeting of the Association of Asian Rural Medicine	1957 (Feb.)	The 1st Consumers' Congress is held.
1974	The 1st Nat'l Speech Contest of Young Wife of Agri. Coop.	1959 (Sep.)	The Nat'l Council of Women's Associations of Fisheries Coops. is organized
1975 (Oct.)	Discussion starts on woman's membership in Agri. Coops. Women's Exchange programmes are launched between production sites and Consumptions sites.	1964 (Mar.)	The Nat'l Study Council of Life Improvement Groups is organized.
		1965 (Dec.)	National Congress for anti-Commodity Price Hike is held.
		1966 (Dec.)	The Tokyo Dist. Court judges after-the-marriage retirement system for women as unconstitutional.
		1970 (May)	Household Labour Law is enacted.
		1971 (Jul.)	Akita Bank is in court struggle on unequal payment to men and women

YEAR (Month)	HISTORY OF JA WOMEN'S ASSOCIATION	YEAR (Month)	HISTORY OF WOMEN'S MOVEMENT
1977 (Jan.)	Proposal is made to strengthen dialogue with Agri. Coops.	1972 (Feb.)	Nationwide people's Meeting is organized in opposition to commodity price hike
1978 (Oct.)	Survey on the Actual Situation of Life is conducted based on household account book	1973 (Nov.)	Oil crisis breaks out. People rushed to buy toilet paper for stock.
1979	10-yen Community Chest Campaign is launched for "Clean and Safe Water for Children of Coops. of the World."	1974 (Nov.)	The 1st Nat'l Meeting against the Use of Synthetic Detergent
1980 (Sep.)	Representatives of the Council attends Women's Seminar of South East Asian Region organized by ICA.	1975 (Jun.)	The 1st World Conference for the Year of Women is held in Mexico.
1982 (Feb.)	"Guideline for fostering Youth and Women's Associations of Agri. Coops. is drafted by Central Union of Agri. Coops.	1977 (Oct.)	The Ministry of Education establishes National Hall of Women's Education.
1985 (Sep.)	Donation campaign for relief of starving people in Africa is carried out.	1979 (Jun.)	Japan Society of Women is set up.
1986 (Sep.)	"3-Year Plan for Revitalization of Regional Activities by Women's Associations of Agri. Coops." is drafted.	1980 (Jul.)	The 1st World Conference for the Year of Women is held in Denmark
1988 (Nov.)	Long-term Policy of Women's Associations Activities of Agri. Coops., "The Way toward the 21st Century of Women's Associations is drafted."	1985 (Nov.)	Japan Congress for Int'l Decade of Women is held to adopt Action Programmes for the Goal for improving social status of women.
1989 (Oct.)	Representatives of the Council make the first attendance at Women's Committee of ICA.	1986 (Apr.)	The Law for Equal Employment Opportunities for Men and Women is promulgated.
1990 (Apr.) (Nov.)	"Sun-Sun Plan of the Council" is launched. Bulletin, "Fureai (Heart-to-Heart Contact)" is published for members of the Associations.	1989 (Apr.)	The Consumption Tax is introduced.
1992 (May)	New nickname, "JA Women's Association" is adopted.	1992 (Jun.)	The Ministry of Agriculture, Forestry and Fisheries announces a policy for "Toward 21st Century of Women in Farming and Fishing Villages."
1994 (Nov.)	The 1st Nat'l. Exchange Meeting of Fresh Mrs. is held.	(Oct.)	ICACongress on Women is held in Tokyo.
1995 (May)	The Council changes its name as JA Nat'l Council of Women's Associations.	1994 (Oct.)	Women's Forum of East Asia is held..
(Oct.)	The Principles and the Fundamental Rules of JA Women's Associations are revised.	1995 (Sep.)	The 4th UN World Conference of Women is held in Beijing, China. submitted by the Promotion Council for Joint Participation of Men and Women
1996 (May)	"5-Year Plan toward 21st Century~Goal for JA Women's Associations	1996 (Jul.)	"Vision for Joint Participation of Men and Women" is submitted by the Promotion Council for Joint Participation of Men and Women.
		(Dec.)	The Year 2000 Plan for Promotion of Joint Participation of Men and Women is decided by the Promotion Council.

8th ICA/Japan Training Course for Rural Women Leaders  
of Agricultural Cooperatives in Asia  
From August 24 to September 14, 1998

Agriculture in Japan  
and  
Japanese Culture, Society and Economy  
With Stress Upon Socio-Economic Condition in Japan

August 26, 1998 (Wed)

By  
Mr. Yukio Abe  
Programme Coordinator  
IDACA

The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

Japan's Experience in Agricultural Development  
and its Applicability to Developing Countries

Part I . Characteristics of Japanese Agriculture

1. Land and Climate
2. Intensive Agriculture
3. Predominance of Rice
4. A shift from Predominant rice group to other crops

Part II . Agricultural Development before the World War II

1. Technological Development
  - (1) Introduction of western technology
  - (2) Innovation by progressive farmers and government support
  - (3) Research and experiment
  - (4) Agricultural education
  - (5) Main factors which contributed to production increase
    - a) Variety improvement
    - b) Use of fertilizers
    - c) Irrigation
  - (6) Development of non-rice crops
    - a) Sericulture
    - b) Upland crops
    - c) Livestock
    - d) Horticulture
2. Economic and Institutional Improvement
  - (1) Land tenure
  - (2) Farmers organization
  - (3) Agricultural extension
  - (4) Marketing and price

Part III . Post-war Development

1. Rice Production Increase by New Technology
  - (1) New chemicals for insects and pest control
  - (2) Early planting method
  - (3) Raising labor productivity (mechanization)
  - (4) Emergence of group farming centering on hamlet farm management

## 2. Crops Diversification ("Selective Expansion")

Rapid expansion of livestock industry and horticulture,  
decline of sericulture and upland food crops.

## 3. Change of Food Consumption Pattern

## 4. Institutional Changes

- (1) Land reform
- (2) Farmers organization (cooperatives)
- (3) Extension and education
- (4) Crop Insurance organization
- (5) Land Improvement District
- (6) Liberalization of farm products

## 5. New Agricultural Policy

## 6. Present Problems

- (1) Limitation of farmland size for raising productivity
- (2) Over-production of rice
- (3) International competition
- (4) Lack of farm successor
- (5) Aging of labour forces
- (6) Liberalization & Deregulation

## Part IV . Applicability of Japanese Experiences

# Present Condition of Agriculture in Japan

As already reported often in IDACA News, agriculture and agricultural cooperatives in Japan are at a crucial stage, facing increasingly severe problems, such as the aging of farmers, a lack of young people to take over farming from older generations, liberalization of farm produce, reduction of rice acreage and cooperative restructuring. In Japan, therefore, the Ministry of Agriculture, Forestry and Fisheries, agricultural cooperatives and various other agricultural organizations are working together to formulate every possible measure to solve a host of such difficult problems. As one of the steps to promote solutions, efforts are being exerted to establish a regional agriculture promotion system (through the development of hamlet farming on a group basis in accordance with regional agriculture promotion plans).

Following is the outline of the present condition of Japanese agriculture reassessed by JA-Zenchu's Farm Management and Better Living Department from the standpoint of accelerating regional agriculture promotion plans. (Tables on pages 8 and 9 are based on information gleaned from JA-Zenchu.)

## 1. Diverse Agricultural Management Bodies

### (1) Changes in Number of Farm Households in Full-time and Part-time Categories

Farm households in 1991 totaled 3,789,000, representing a decrease of about 1.2 million to three-quarters of the 1975 level.

A look at marketing farm households in full-time and part-time categories shows that the number of households in Category I: Part-time farm households decreased significantly by 63 percent between 1975 and 1991.

Of all farm households, those in Category II: Part-time farm households and self-supplying farm households constitute 75 percent.

### (2) Changes in Number of Farm Households by Size of Land Under Farming Operation

Against the backdrop of a decrease in the number of farm households, farming operations tend to be expanding, with an increase of farm households having 3.0 hectares or more of land.

### (3) Changes in Number of Farm Households with A Core Male Farm Workforce

A look at the core farm workforce in the 16-29 age group shows that it has been reduced to one-quarter of the 1975 level whereas the workforce aged 60 and over has increased by 18.8 percent.

The core male farm workforce aged 60 and over, which accounted for 35.2 percent of the total in 1980, increased in 1990 to form 54.6 percent.

### (4) Changes in Number of Young People Fresh out of School Taking up Farming

In 1991, the number of young people engaged in agriculture after graduating from school was 1,700, marking a decline. On the other hand, of the new school graduates who took up employment in other industries, those concurrently working on their home farms or quitting jobs to return to the farms increased over the previous year.

### (5) Changes in Number of Agricultural Production Corporations

Agricultural production corporations come in four different categories, i.e., agricultural producers' cooperative corporations, partnerships, limited partnerships and limited companies, but they are predominantly composed of agricultural producers' cooperative corporations, and limited companies.

A look at changes in the number of agricultural production corporations in recent years shows that limited private companies have been on the increase since 1985 whereas agricultural producers' cooperative corporations decreased in 1991, and that the total number of agricultural cooperative corporations registered a decrease in 1991.

In terms of primary farm crops, rice and wheat production — typical land utilization-type agriculture — remained stagnant since the 1980s, but in 1991, 41 additional agricultural production corporations were inaugurated, bringing the total to 599.

By membership, agricultural producers' coop-



erative corporations top the list with between five to 10 and limited companies, with three to four.

#### **(6) Number of Agricultural Service Entities**

Agricultural service entities total 21,814 nationwide.

By entity, there are many farm household groups and agricultural cooperatives.

### **2. Progressive Aging of Farmers and Increase of Female Farmers**

#### **(1) Agricultural Production Relying on Elderly Farmers**

The ratio of elderly people (aged 60 and over) in the farming population, which stood at 35.8 percent to the total farming population in 1980, rose to 52.5 percent in 1990, accounting for the majority of the farming population.

Again, the share of progressively aging farm households (with members aged 60 and over mainly engaged in farming operations) in the production of staple farm crops is 28 percent and 24 percent on a rice and vegetable acreage basis, respectively, and 30 percent on a fruit growing acreage basis. Obviously the share has risen in recent years.

#### **(2) Women Shouldering Agricultural Production**

A look at farming operations in terms of the number of men and women involved shows that about one-third of marketing farm households are engaged in agricultural production with women working full-time (together with the support of men or with women only).

#### **(3) Increasing Fatal Accidents During Farming Operations**

In such circumstances, the number of fatal accidents involving farmers at work is increasing annually. While the number of women involved in accidents is substantial, it is men who are overwhelmingly involved in such accidents, presumably because of the mechanization of farm work.

By age group, farmers aged 60 and over accounted for about 60 percent of the total fatalities in 1990, as a result of the progressive aging of the farming population.

### **3. Present Status of Agricultural Production**

#### **(1) Changes in Component Ratio of Total Agricultural Output**

Although agricultural production has leveled off in recent years, the total agricultural output increased in 1989 and 1990 on an upsurge in farm product prices, but the total agricultural output in 1991 came to ¥11.4548 trillion, almost the same level as in the previous year.

By category, the weight of rice diminished in 1991 to place second after livestock. As a whole, the ratio of vegetables, however, increased.

#### **(2) Changes in Food Self-Sufficiency Rate**

The food self-sufficiency rate continues to decline. The self-sufficiency rate on a calorie basis is 46 percent and the cereal self-sufficiency rate stands at 29 percent.

In an item breakdown, only rice and eggs have almost attained domestic self-sufficiency, while most other farm products rely on imports.

### **4. Present Status of Farm Household Economy**

In recent years, the ratio of non-agricultural income to farm household income has increased, and more than 80 percent of farm households rely on income from non-farming business.

Again, the rate of household expenses covered by farming income has decreased also, now standing at only 22 percent.

By full-time and part-time farm households, the rate of household expenses covered by farming income is only 8.6 percent in the case of Category II: Part-time farm households, but 76.2 percent in the case of full-time farm households and 96.2 percent in the case of Category I: Part-time farm households. The rate is 116.2 percent in the case of full-time farm households with a core male workforce.

In terms of the size of land under farming operation, the larger the size, the higher the rate of self-sufficiency.

### **5. Present Farmland Situation**

#### **(1) Changes in Area of Arable Land**

The area of arable land, which covered 5.2 million hectares nationwide in 1991, is annually diminishing.

#### **(2) Changes in Non-Planted Land and Abandoned Farm**

In 1990, non-planted land and abandoned farmland covered 160,000 hectares and 217,000 hectares, respectively. Abandoned farmland has tended to increase in recent years. The tendency was pronounced between 1985 and 1990 in particular.

#### **(3) Changes in Farmland Liquidity**

In recent years, arable land for cultivation has been converted to other uses through the establishment of the utilization rights instead of through the transfer of ownership.

In 1990, the area of arable land diverted to other uses through the establishment of the utilization right (under the Farmland Utilization Promotion Law) covered 51,000 hectares.

**New Agricultural Administration Plans Oriented to the 21st Century Made Public**  
**—For Shorter Working Hours and 50% Cost Reductions—**

On June 10, the Ministry of Agriculture, Forestry and Fisheries (MAFF) disclosed "New Policies for Food, Agriculture and Rural Communities" (new agricultural administration plans) oriented to the 21st century.

Under the new agricultural administration plans, 150,000 large-scale farm households and 20,000 organized farming groups will be encouraged to engage in intensive rice farming. The government will promote a flexible rice acreage reduction policy, while the food control system will be eased, including increasing rice shipments from the farm.

These plans will be implemented on a priority basis from the standpoint of nurturing rice growers in order to adapt to global trends toward cutbacks in agricultural protection and the expansion of free trade.

The new agricultural administration plans emphasize the need to reduce the annual working hours of farmers to the level of other industries (somewhere between 1,800 hours and 2,000 hours) and to realize farming operations that will ensure a lifetime income of ¥200 million and ¥250 million for farmers, in order to solve problems facing rice farmers, such as a severe shortage of successors and the increasing amount of arable land being abandoned.

The MAFF will therefore implement the following policies:

- To nurture 50,000 large-scale farm households, each with 10 to 20 hectares of land, to engage exclusively in rice production, and 100,000 farm households, each with five to 10 hectares of land, to grow rice and other farm crops; and for "individual groups" comprising farm households that can form an independent corporation, to account for more than 50 percent of the nation's rice production;
- To form 20,000 "organized groups" in which many medium and small-scale farm households participate on a single hamlet and several hamlets basis, or to which farming operations are consigned by leasing land; and to leave 80 percent of national rice production to these individual and organized groups.

The MAFF, in a bid to carry out such agricultural reorganization, will implement policies ① to re-examine the agricultural land system and the land improvement system to ensure the efficient utilization of agricultural land by crops and ② to improve the current mechanism of agricultural corporations, which are open to only agricultural land suppliers or farm manpower suppliers.

The MAFF deems the acquisition of agricultural land by ordinary companies inappropriate on the grounds that it may be utilized for purposes such as speculation and the preservation of corporate assets. However, it will continue to study the advisability of the acquisition of agricultural land by companies in the manufacturing sector.

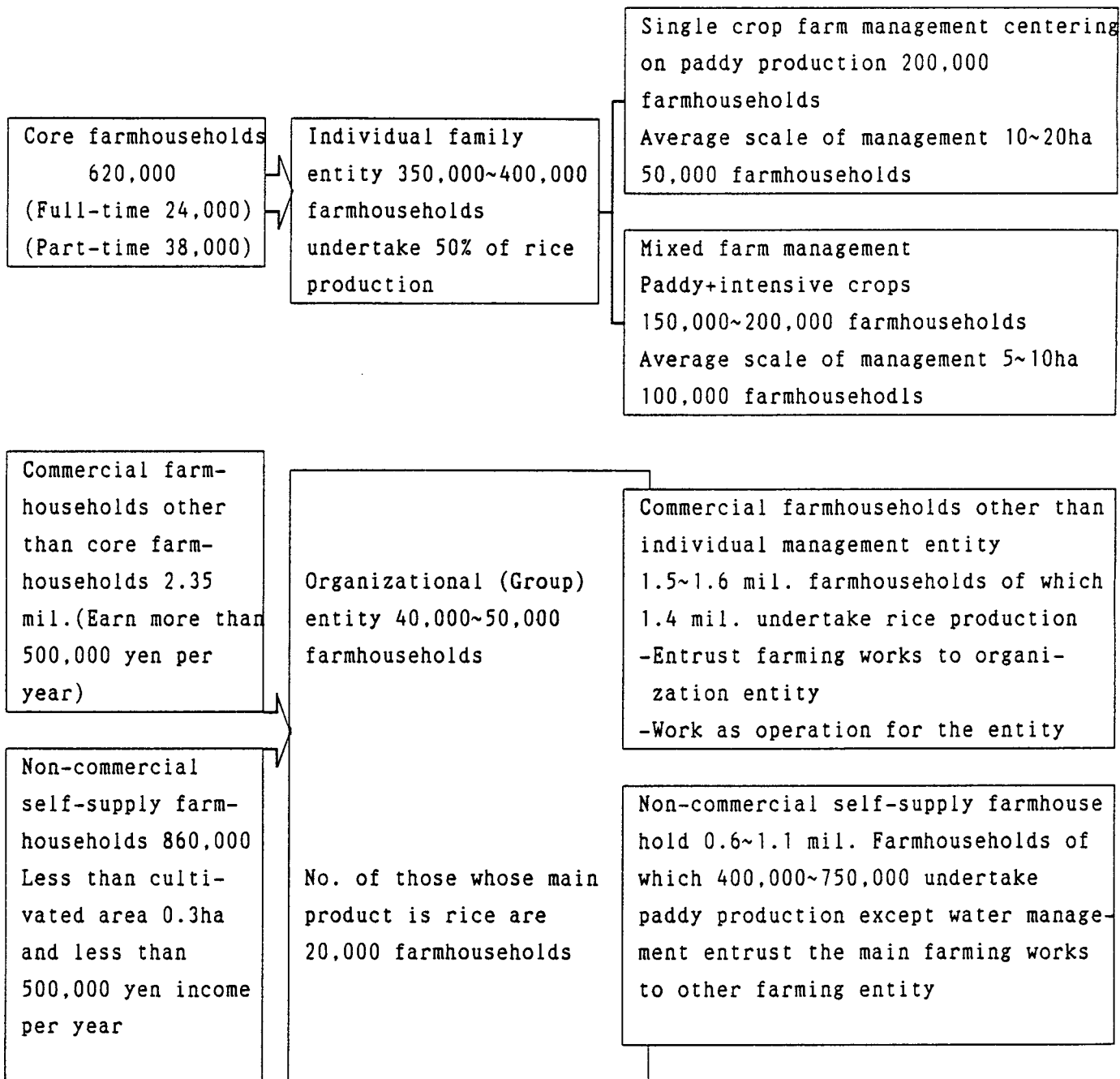
The MAFF also plans to introduce market mechanisms and elements of competition into rice production and distribution, and also to review the current uniform rice acreage reduction policy. From now, it is contemplating utilizing the pricing mechanism of rice under voluntary distribution, and also expanding rice supply routes direct from the farm, in the hope of reflecting market mechanisms in rice production.

Year 1990

Year 2,000

No. of farmhouseholds 3.8 mil.

No. of farmhouseholds 2.5~3 mil.



Changes in Number of Farm Households in Full-time and Part-time Categories

(Unit: 1,000 households)

Year	Total number of farm households	Marketing farm households					Self-supplying farm households
		Total	Full-time farm households	Part-time farm households			
				Total	Category I : Part-time farm households	Category II : Part-time farm households	
1975	4,953	....	616	4,337	1,295	3,078	....
1980	4,661	....	623	4,038	1,002	3,036	....
1985	4,229	3,315	498	2,817	758	2,058	914
1990	3,835	2,971	473	2,497	521	1,977	864
1991	3,789	2,936	460	2,476	478	1,998	852
1994	3,691	2,835	447	2,388	429	1,959	856

Sources: MAFF "Agricultural Census" and "Agricultural Survey"

Changes in Number of Farm Households by Size of Land

Under Farming Operation (prefectures) (Unit: 1,000 households)

Total	Total	Marketing farm households							Self-supplying farm households
		Total	Up to 0.5ha	0.5~ 1.0	1.0~ 2.0	2.0~ 3.0	3.0~ 5.0	5.0ha or more	
1975	4,819	....	1,995	1,436	1,086	236	67	9	...
1980	4,542	....	1,921	1,304	980	240	82	13	...
1985	4,120	3,215	804	1,182	883	234	93	19	905
1990	3,739	2,884	705	1,049	782	222	100	26	855
1991	3,695	2,851	632	1,058	797	227	107	30	844
1994	2,709	....	588	1,006	755	216	108	34	...

Sources: MAFF "Agricultural Census" and "Agricultural Survey"

Changes in Number of Agricultural Production Corporations

Item	Year					
	1980	1985	1988	1989	1990	1991
Agricultural production corporations	3,200	3,168	3,609	3,633	3,816	3,748
Limited companies	1,939	1,825	1,986	2,020	2,167	2,184
Agricultural producers' cooperatives corporations	1,240	1,324	1,605	1,593	1,626	1,541
Rice/wheat farming	727	553	546	548	558	599
Livestock	1,131	1,262	1,472	1,462	1,564	1,508

Source: Agricultural Structure Improvement Bureau, MAFF

Changes in Farming Population by Sex and by Age

(Unit: 1,000 person)

Year	Combined total of men and women	Men					Women				
		Sub-total	16~29	30~59	60 years over	65 years and over	Sub-total	16~29	30~59	60 years over	65 years and over
1980	6,973	2,674	321	1,211	1,142	837	4,300	390	2,553	1,357	875
1985	6,242	2,444	203	1,019	1,222	874	3,798	236	2,097	1,465	919
1990	5,653	2,249	154	731	1,364	962	3,404	161	1,597	1,646	1,059
1992	4,522	1,897	106	631	1,159	828	2,625	85	1,197	1,343	875

Note: Figures for 1980 are based on old definitions.

Source: MAFF, "Agricultural Census"

Main Indicators Relating to Agriculture, Forestry & Fisheries  
Land and Population

(Unit: 100ha, person)

Classification	1965	1970	1975	1980	1986	1992
Total Area (in thou. ha)	37,286	38,063	38,068	38,084	37,780	37,781
Cultivated land	6,004	5,796	5,572	5,461	5,358	5,165
-Paddy field	3,391	3,415	3,171	3,055	2,931	2,782
-Upland field	2,614	2,381	2,402	2,406	2,427	2,343
Normal upland field	1,948	1,495	1,289	1,239	1,263	1,243
Land under permanent crops	526	600	628	587	538	439
Temporary meadows	140	286	485	580	626	661
Forest and wood land area (National 30%, Private 55%, Others 15%)	25,609	25,284	25,011	25,197	25,105 *1	25,026
Total Households (in thou.)	24,082	27,870	32,141	35,977	38,987	43,077
Farmhouseholds population	30,083	26,282	23,197	21,366	19,839	13,107
No. of farmhouseholds	5,665	5,402	4,953	4,661	4,331	3,691
Full-time farmhouseholds	1,219	845	616	623	643	447
Part-time farmhouseholds	4,446	4,557	4,337	4,038	3,688	2,388
Self-supply farmhouseholds (Non commercial farmer)						856
Total population (1,000 person)	98,275	103,720	111,940	117,057	120,721	123,950
Population engaged in farming (1,000 person)				4,640	4,340 *2	3,780

Notes: Figures for 1965 exclude Okinawa Prefecture

\*1 Figure for 1985 and Figure \*2 1988

Number of Farm Households, Full-time and Part-time  
(in 1,000 households)

Year	Total	Full-time	Part-time			Non-Commercial
			Total	Category I	Category II	
1950	6,176 (100.0%)	3,086 (49.9%)	3,090 (50.0%)	1,753	1,337	
1960	6,057	2,078	3,979	2,036	1,337	
1970	5,402	845	4,557	1,814	2,743	
1980	4,661	623	4,038	1,002	3,036	
1983	4,522 (100.0%)	596 (13.2%)	3,926 (86.8%)	731 (16.2%)	3,195 (70.6%)	
1984	4,473	605	3,868	689	3,179	
1986	4,331 (100.0%)	643 (14.8%)	3,688 (85.1%)	660 (15.2%)	3,028 (69.9%)	
1993	3,691 (100.0%)	447 (12.1%)	2,388 (64.6%)	429	1,959	856 (23.0%)

Note; Full-time: Family members engage only in agriculture

Part-time: One or more member of the family engage in  
non-agriculture business

Category I : Households income from agriculture exceeds  
non-agriculture income

Category II : Non-agriculture income exceeds agriculture income

Share of Agriculture in the National Economy

	1970	1980	1984	1985	1992
Net domestic product (bil.yen)	60,687	199,032	241,870	254,482	465,431
Of which, agriculture (pct.)	4.7	2.5	2.2	2.1	1.6
Total exports (million \$)	19,318	129,807	170,114	175,638	339,650
Of which, agriculture products (pct.)	1.9	0.7	0.5	0.4	0.4
Total imports (million \$)	18,881	140,528	136,503	129,539	233,021
Of which, agriculture products (pct.)	17.2	10.6	11.8	11.3	12.7
Total employed persons (thousands)	51,090	55,520	57,860	58,170	64,370
Of which, in agriculture (pct.)	15.9	9.1	7.8	7.6	5.5
Total national general account(bil.yen)	8,213	43,681	51,513	53,223	71,489
Of which, expenditure regarding agriculture (pct.)	10.6	7.1	5.5	5.1	3.9

Source: "White Paper on Agriculture"



## (3) Number of employed persons of 15 years old and over by industry

Source : Annual Report on the Labour Force Survey, Statistics Bureau, Management and Coordination Agency.

Figures are yearly average.

Unit : ten thousand persons

Industrial classification	1975	1980	1985	1990	1991	1992	1993
All industries	5 223	5 536	5 807	6 249	6 369	6 436	<u>6 450</u>
Agriculture	596	512	449	400	380	363	<u>339</u> (5.2%)
Forestry	22	19	15	11	11	12	11
Fisheries	43	45	45	40	36	36	33
Mining	16	11	9	6	6	6	6
Construction	479	548	530	588	604	619	640
Manufacturing	1 346	1 367	1 453	1 505	1 550	1 569	1 530
Wholesale and retail trade, finance, insurance and real estate	1 296	1 439	1 535	1 674	1 696	1 698	1 709
Transportation and communication, electric, gas and water service	363	381	376	406	411	418	429
1) All other services n.e.s.	855	1 001	1 173	1 394	1 446	1 481	1 516
Government	196	199	199	195	199	204	209

Note : 1) "Veterinary services" (10 thousand persons) which had been included in "Agriculture and Forestry" is included in "All other service" since 1985.

Table 5.3

Gross Domestic Product by Industry (At constant prices) <sup>1)</sup>

(Billion yen)

Item	1991	1992	1993
Agriculture, forestry and fisheries .....	9 595.1	9 806.1	9 360.9 (1.7%)
Mining .....	1 096.7	1 075.3	1 030.3
Manufacturing .....	133 420.8	130 808.5	127 509.7
Construction .....	36 500.3	36 690.8	37 137.9
Electricity, gas and water supply .....	14 854.6	15 242.4	15 710.2
Industries .....	13 639.9	13 983.4	14 390.5
Producers of government services .....	1 214.7	1 259.0	1 319.7
Wholesale and retail trade .....	57 254.8	58 971.2	59 059.8
Finance and insurance .....	24 727.0	24 565.6	22 705.0
Real estate .....	40 693.1	41 494.1	42 561.2
Transport and communications .....	26 256.3	26 216.5	26 829.7
Services .....	77 397.5	78 626.4	77 961.0
Industries .....	58 836.5	59 658.8	58 639.5
Producers of government services .....	11 162.8	11 273.0	11 365.1
Producers of private non-profit services to households .....	7 398.2	7 694.6	7 956.4
Public administration .....	14 570.7	14 777.1	14 853.7
Sub total .....	436 366.7	438 273.9	434 719.5
Import duties .....	3 213.1	3 665.2	3 543.8
Less: imputed service charges .....	23 794.4	24 429.4	22 389.9
Statistical discrepancy .....	252.9	3 112.3	3 891.8
Gross domestic product .....	416 038.3	420 622.0	419 765.1

1) At market prices in 1985.

Source: Economic Planning Agency.

Farmhousehold income which is more than wage earners' income

(Unit: thousand yen)

	1965	1975	1985	1992
A. Total farmhousehold income	835.1	3,960.7	6,915.9	8,819
① Agri. income	365.2	1,146.0	1,065.5	1,430
② Non-agri. income	395.6	2,268.4	4,437.0	5,526
③ Income from seasonal works	74.3	546.3	1,413.4	1,863
B. Wage earner's income	797.3	2,897.2	5,387.5	6,585
A/B (%)	(104.7)	(136.9)	(128.6)	(133.9)

Engel's co-efficient is lower than that of wage earners'

Family expenses of farmhouseholds

(Unit: thousand yen)

	1989	1992
Household expenditure	5,091.8	5,504
Cash expenditure	4,478.1	4,934
of which		
Food & drink exp.	1,056.2	1,132
Traffic & communication exp.	651.0	647
Recreation, culture & education exp.	427.1	491
Clothing exp.	302.8	309
Housing exp.	283.4	295
Furniture & daily necessities exp.	203.5	218
Fuel, light & water exp.	185.1	214
Education exp.	147.1	177
Medical exp.	130.3	144
Miscellaneous exp.	1,332.6	1,496
Incidental exp.	372.7	381

(National average per farm household)

Co-efficient of farmhousehold: 20.5%

Wage earners' household co-efficient: 23.7%

## Supply of Cereals

Fiscal year	Area planted (1000 ha.)	Production (1000 t)	Yield per hectare (t)	Imports (1000 t)	Supplies for domestic consumption (1000 t)
<b>Rice</b>					
1980	2 377	9 751	4.10	27	11 209
1985	2 342	11 662	4.98	30	10 849
1990	2 074	10 499	5.06	50	10 484
1993	2 139	7 834	3.66	1 049	10 476
1994	2 212	11 981	5.42	...	...
<b>Wheat</b>					
1980	191	583	3.05	5 564	6 054
1985	234	874	3.74	5 194	6 101
1990	260	952	3.66	5 307	6 270
1993	184	638	3.47	5 607	6 344
1994	152	565	3.72	...	...

Source: Ministry of Agriculture, Forestry and Fisheries.

## Livestock

Type of livestock	1980	1985	1990	1993	1994
Milking cows .....	2 091	2 111	2 058	2 068	2 018
Beef cattle .....	2 157	2 587	2 702	2 956	2 971
Pigs .....	9 998	10 718	11 817	10 783	10 621
Horses .....	a)24	23	23	27	28
Sheep.....	a)16	24	31	27	25
Goats.....	a)62	51	35	34	31
Layers .....	a)164 716	177 477	187 412	198 443	196 371
Broilers.....	a)131 252	150 215	150 445	135 221	127 289

a) 1981.

Source: Ministry of Agriculture, Forestry and Fisheries.

## Agricultural Production

(Unit:1,000 tons)

Commodity	1975	1980	1985	1990	1993
Potatoes	3,261	3,421	3,727	3,552	3,390
Soybeans, dried	126	174	228	220	101
Cucumbers	1,023	1,018	1,033	931	836
Tomatoes	1,024	1,014	802	767	738
Egg plants	668	619	599	554	449
Cabbages	1,423	1,545	1,589	1,544	1,513
Chinese cabbages	1,607	1,616	1,478	1,220	1,185
Spinach	346	352	383	384	378
Welsh onions	555	539	553	558	506
Onions	1,032	1,152	1,326	1,317	1,367
Lettuces	258	381	459	518	493
Japanese radishes	2,545	2,690	2,544	2,336	2,224
Carrots	495	600	663	655	709
Taros	370	459	375	315	299
Mandarin oranges	3,665	2,892	2,491	1,653	1,490
Apples	898	960	910	1,053	1,011
Grapes	284	323	311	276	260
Japanese pears	461	485	461	432	382
Peaches	271	245	205	190	173
Persimmons	275	265	290	286	242
Tobaccos	166	141	116	81	67
Crude tea	105	102	96	90	92
Sugar beets	1,759	3,550	3,921	3,994	3,388

Source: Ministry of Agriculture, Forestry and Fisheries

## Production of Meat, Cow Milk and Eggs

(Unit: tons)

	1980	1985	1990	1992	1993
Pork	1,475,005	1,531,914	1,555,226	1,434,148	1,439,613
Beef	415,837	552,959	548,358	590,447	593,312
Veal	3,225	2,297	1,120	1,236	1,054
Horse meat	3,751	5,418	4,737	5,330	6,314
Mutton and lamb	41	143	249	242	241
Goat meat	76	118	146	218	248
Chicken	1,419,032	1,750,005	1,811,687	1,782,060	1,738,942
Cow milk	6,504,457	7,380,369	8,189,348	8,576,442	8,625,699
Eggs	2,001,582	2,152,356	2,419,081	2,571,443	2,597,684

Source: Ministry of Agriculture, Forestry and Fisheries

### Rice Production

Unit: Planted area:1,000 ha  
 Production: 1,000 ton of brown rice  
 Yield: ton of brown rice/hectare

Year	Lowland Rice			Upland Rice		
	Planted Area	Production	Yield	Planned Area	Production	Yield
1939/41	3,000	9,000	3.0	150	200	1.3
1950	2,900	9,412	3.3	135	238	1.8
1960	3,150	12,539	4.0	186	320	1.7
1970	2,836	12,528	4.4	87	161	1.8
1980	2,350	9,692	4.1	27	59	2.1
1983	2,246	10,308	4.6	27	58	2.1
1986	2,280	11,592	5.0	23	55	2.3
1993	2,127	7,811	3.6	12	22	-

### Planted Areas of Major Crops in 1993

Year	(Unit:1,000 ha)									
	Rice	Wheat Barley	Vegeta- bles	Fruits	Beans	Potato- es	Industrial crops	Fodders	Mul- berry	Tea
1985	2,324	350	639	387	249	195	177	1,049	97	60
1993	2,139	261	384	279	-	160	-	-	48	57

Number of Main Livestock

Unit: 1,000

as of February of the year

Year	Cattle			Pigs	Chicken		
	Total	For milk	For meat		Total	For egg	Broiler
1940	2,034			669	45,000		
1960	3,163			1,918	52,153		
1965	3,175	1,289	1,886	3,976	138,476	120,197	18,279
1975	3,644	1,787	1,857	7,684	242,163	154,504	87,659
1983	4,590	2,098	2,492	10,273	307,288	172,571	134,717
1986	4,742	2,103	2,639	11,061	336,653	180,865	155,788
1993	4,989	2,018	2,971	10,621	323,660	196,371	127,289

Food Consumption Pattern  
Unit: per-year per-capita in kg.

Year	1911-15 average	1935-39 average	1955-59 average	1965-69 average	1975-79 average	1985 average	1992 average
Grain	196.6	158.0	153.7	138.4	118.3	107.9	103.3
(Rice)	(130.7	134.6	113.3	103.6	83.8	74.6	69.7)
Potatoes	57.0	26.4	39.1	18.6	17.1	18.6	38.8
Starch	—	2.0	4.9	8.6	8.9	14.1	
Beans	15.0	8.3	8.8	9.8	8.7	9.0	9.9
Vegetables	87.2	73.2	83.4	115.8	111.4	108.3	123.2
Fruit	8.0	20.0	17.6	33.5	40.6	37.0	49.3
Meats	1.3	2.3	4.0	10.7	20.3	25.2	40.3
Eggs	0.7	2.3	4.3	11.7	14.1	14.9	19.9
Milk and milk products	1.1	3.5	15.9	43.0	57.2	67.1	84.8
Fish	3.7	13.7	26.6	29.4	34.7	35.8	66.7
Sugar	5.4	12.4	13.2	21.1	25.7	21.0	20.9
Oils & Fats	0.4	1.0	3.2	8.0	12.2	14.1	17.1
Miso	—	10.7	9.4	7.7	6.2	5.4	
Shoyu	—	13.9	14.0	11.6	11.4	10.0	

Rate of Self-sufficiency of Major Foods  
(in percentage)

	1960	1970	1980	1985	1992
Rice	102	106	87	107	101
Wheat	39	9	10	14	12
Soybeans	28	4	4	5	6
Vegetables	100	99	97	95	90
Fruit	100	84	81	76	59
Eggs	101	97	98	98	97
Milk and milk products	89	89	86	89	81
Meat	91	89	81	81	65
Beef	96	90	72	72	49
Pork	96	98	87	86	—
Sugar	18	23	29	34	35



Imports of Major Agricultural Products for  
Food and Feeds in 1985 & 1992

Quantity	1985	1992
Items		
Wheat	5,194	5,979
Maize	14,225	16,382
Barley	2,071	-
Soybeans	4,910	4,725
Meats	705	
Beef	225	
Pork	195	
Chicken	100	
Sugar	1,823	1,833

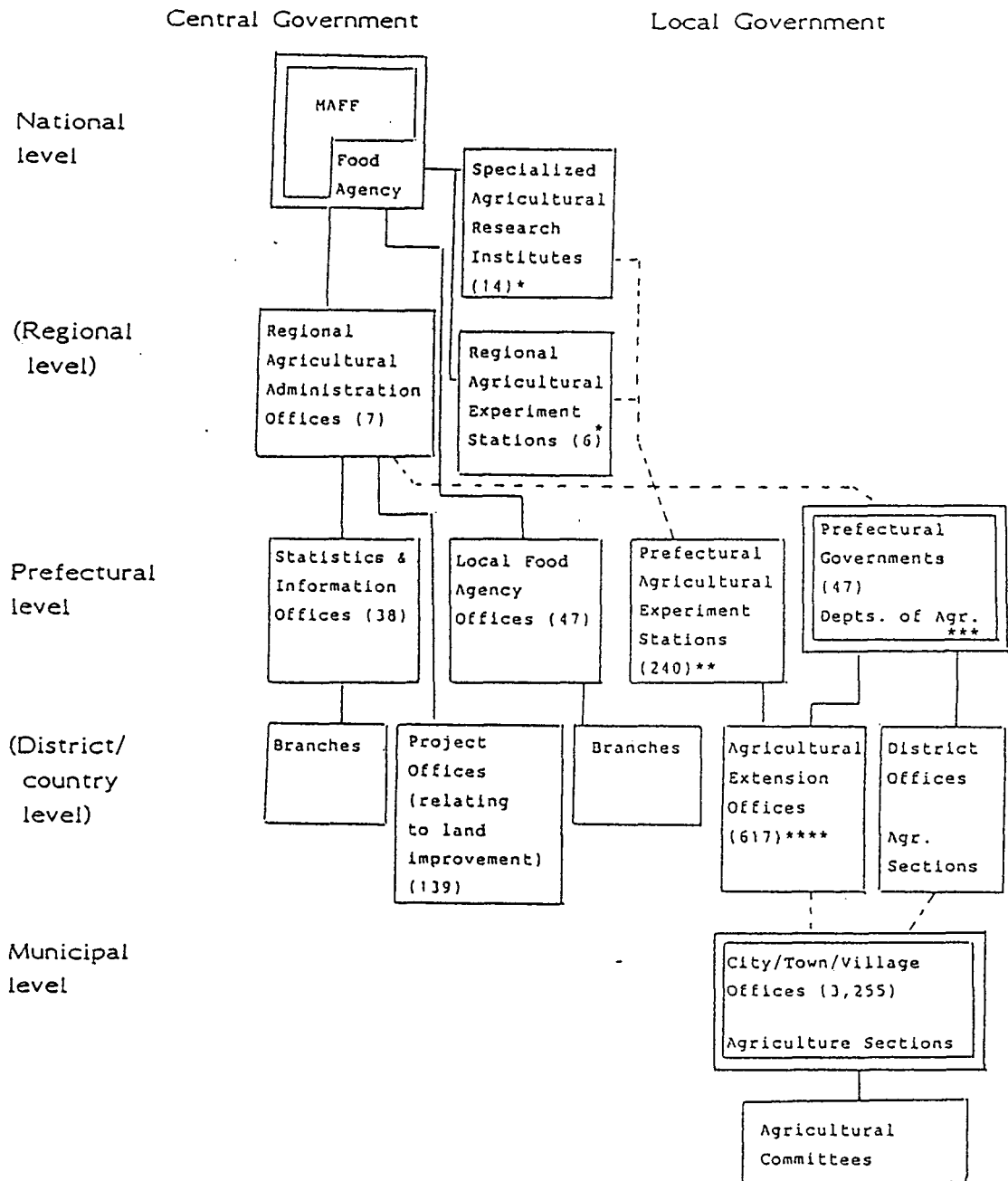
Trends of labor inputs by hours per 10a of rice production

(from survey of production costs of rice,  
direct labor only)

(rice production)	(hours)	(%)
1950	204.5	100.0
1953	190.8	93.3
1959	177.3	86.7
1960	172.9	84.5
1961	167.0	81.7
1962	153.2	74.9
1963	146.3	71.5
1964	147.2	72.0
1965	141.0	68.9
1966	140.0	68.5
1967	139.4	68.2
1968	137.7	67.3
1969	128.1	62.6
1970	117.8	57.6
1971	110.3	53.9
1972	99.0	48.4
1973	92.7	45.3
1974	87.1	42.6
1975	81.5	39.9
1976	79.5	38.9
1977	73.8	36.1
1978	71.7	35.1
1979	69.4	33.9
1980	64.4	31.5
1981	63.9	31.2
1982	60.4	29.5
1985	56.7	27.7
1987	52.1	25.4
1988	50.0	24.4
1989	46.0	22.4
1991	44.1	21.5
1992	42.1	20.5

Agricultural Policy

Organizational Setup of Public Administration Concerning Agriculture



Note: \* The number of subject-matter specialists as of March 31, 1989 totaled 563 for farming and 130 for home life improvement.

\*\* The number of field extension workers as of March 31, 1989 totaled 8,874 for farming and 1,792 for home life improvement.

4) Changes in Productivity of Paddy and Development of Farmland Consolidation

		Consolidation stage of cultivated lands		Paddy-field consolidation stage		
		Before the consolidation of cultivated lands (early Meiji Era)	Late Meiji Era till the 1940's	1950's	1960's	Recent trends
State of technology	Advance of mechanization	Mainly by manual cultivation	Cultivation using animal power (paddy fields were cultivated using horses)	Spread of small-sized machines (power cultivators)	Spread of large & medium-sized machines (mechanization of rice planting and harvesting)	Farm operation by large & medium-sized machines systematized with improved efficiency
	Rice yield	on 150 - 200 kg level	on 200 - 300 kg level	on 350 - 400 kg level	on 400 - 450 kg level	on 450 - 500 kg level
Consolidation level	Division	Irregular and small divisions	Adjusted by units, of 8 to 10 a	Adjusted by units of 8 to 10 a	Adjusted by units of 20 to 30 a	For rice only Units of 30 to 60 a For general purpose: Units of 20 to 30 a
	Irrigation	Irrigation available (for both irrigation & drainage)	Irrigation available (for both irrigation & drainage)	Reinforcement of water supply sources (setting the standard)	Separation of irrigation from drainage & lining canals	Partially converted to pipelines Automation of water control
	Drainage	None in particular	None in particular	Reinforcement of drainage (setting the standard)	Reinforcement of drainage (setting the standard)	Drain capacity ensured as general-purpose paddy fields (underground water level in winter: 70 cm or deeper) Lining drain pipes
	Farm roads	Provided only for trunk lines (width: 3 to 4 m)	In some partial areas for grouped farmlands (width: 1 to 2 m)	Farm roads provided to contact each division of cultivation	Trunk farm roads (width: 6 to 7 m) paved Farm roads in the grouped farmlands (width: 3 to 4 m)	Farm roads in the grouped farmlands partially paved

必要だが、最近のシイタケ  
菌床栽培はコスト高(同  
当たり、平均で二百五十  
もの約十五個、多いも  
の四百五十個のきのこが  
収穫できた。

# 京都の研究所 新技術を開発

「シイタケ新栽培法」と  
言付たこの栽培方法は、  
菌が極端に減つたり、発生  
量にばらつき  
が出るこ  
さらにオガラ  
イト製造機を  
所有する業者  
がいなくなっ  
ていることな  
どが、今後の  
研究や解決すべき課題だと  
いう。

このオガライトを使った  
きのこ栽培を行うと、特別  
な施設をわざわざ造る必要  
はなく、高価な殺菌がまも  
不要。小川所長は福祉施設  
などの活用、老人、婦人  
の小遣い稼ぎにはびつたり  
と、その普及に大きな期待  
を寄せる。

原料費も同所長の試算に  
よると、オガライト一本は  
五十一六十円で製造が可能  
で、これにビニール袋や種  
菌も加えて一セットにして  
も、百円程度で供給できる  
としている。

# 菌

なお、この栽培方法につ  
いては、菌形培地の作り方、  
殺菌しないで培養する方  
法、棒状の種菌接種方法に  
ついて特許申請中(米園で  
はすでに特許が下りてい  
る)だ。

大阪取引場で行われ、  
契約見込みを大きく上回る  
六月の白米米機調整委員  
会では上場対象銘柄、上場  
数量を決めたが、基準価格  
六割幅制限は、人柱の七日  
前までに決める」として、  
十七日午後六時、すべて  
先送りした。

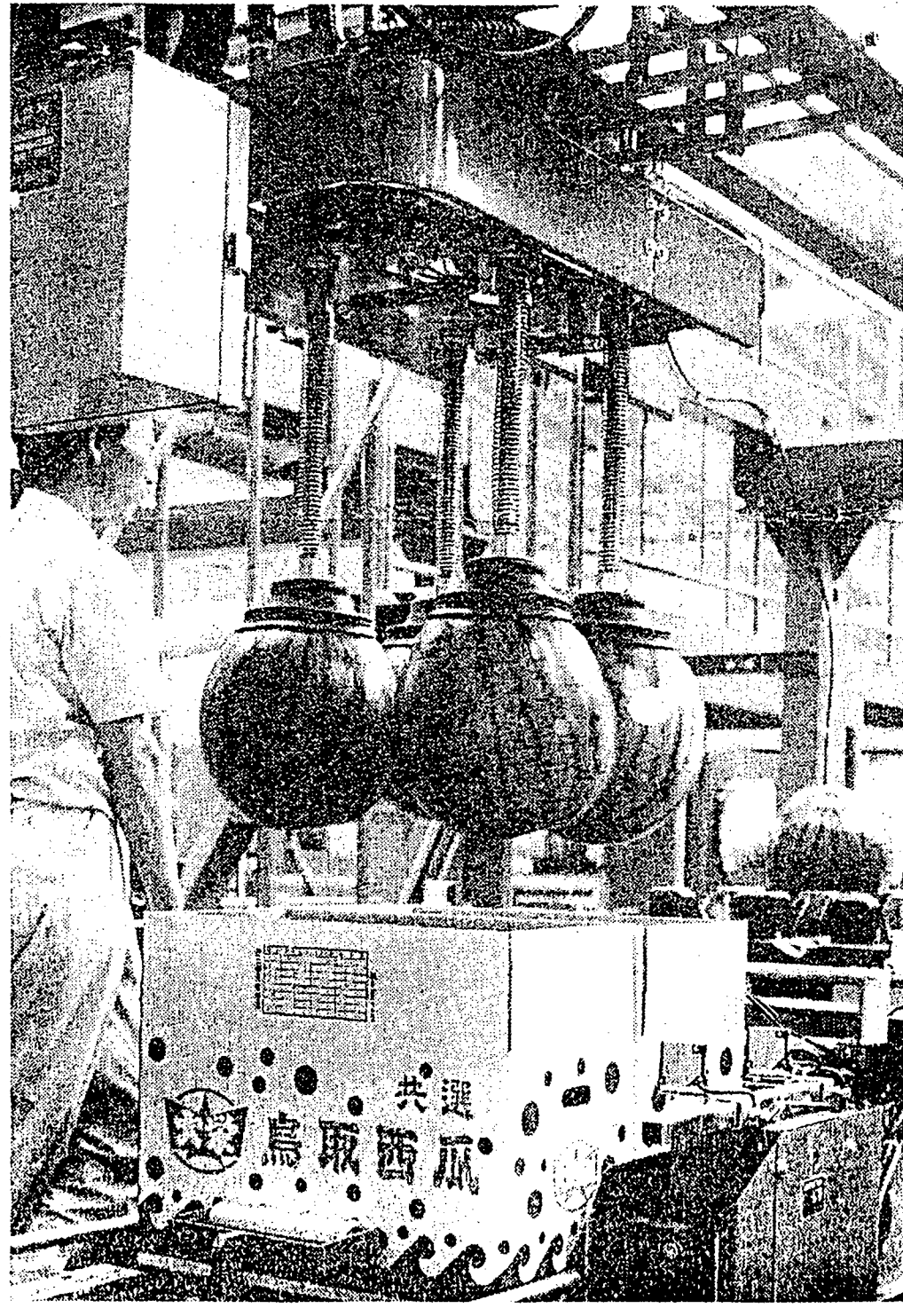
基準価格の設定では、需  
だけ発売した限定貯金。特  
給事情を考慮して決定する  
典として、七月七日生まれ  
とし、売り手、買い手双方  
の人と独自の暮らしのお年寄

「おの」  
全荷のピートを迎えて連日  
三億円余を投じて昨年完  
成。横置き、横置きも  
フル回転。玉の箱詰めや  
成した。自動箱詰め装置  
箱のパレット積みなど、  
えいスイカ選果場が、今  
年の重労働

機械の手々が  
選果場努力  
鳥取のJAだいえい  
を四分の一  
に軽減した近代的選果場  
として注目されている。封  
かん機を通って規格ご  
この選果場は、四つの  
選果場を統合、総額十  
トットがパレットに積み込  
詰めの装置

吸着装置で  
吸い上げ、  
一回に四百  
同JAの今年のスイカ  
栽培面積は、昨年より約  
六百六十一  
七

入りで自  
荷、一六億円の販売を  
出



「物」  
の引き下げ  
生活に直撃  
から

## Chronology

1868	Maiji Restoration
1870	Introduction of Western coops and technology Innovation by progressive farmers
	Establishment of Sapporo Agriculture School (1876)
1880	Establishment of Komaba Agricultural School (1878)
1890	Establishment of Agriculture Dept. of Tokyo Imperial University Establishment of National Agricultural Experiment Station (1895)
1890	Enactment of Land Consolidation Law " " Agricultural Association Law (1899) " " Cooperative Association Law
	Rice Breeding Program by National Experiment Station
1910	Establishment of Prefecture Experiment Station
1920	Use of chemical fertilizer supersede soy-bean cakes
1930	Wheat Production Increases Program
1940	World War II (1941 - 1945) Enactment of Food Control Law (1942) Land Reform (1946) Enactment of Agricultural Improvement Law (1948) (New system of Agriculture extension service) Recovery of agricultural production to pre-war level
1960	Enactment of Agricultural Basic Law Growth of Agricultural production High economic growth Over-production of rice
1980	Import liberalization
1992	A New Agricultural Policy on the foods, agri. & rural Community announced
1993	Partial liberalization of rice

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

190868



▲  
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.

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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.

## Notes;

This textbook has been compiled with the use of following reference materials.

1.	Nippon 1987/88 a charter survey of Japan
2.	Statistical handbook of Japan 1988
3.	Introducing Japan
4.	Nippon The Land and Its People



## 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.

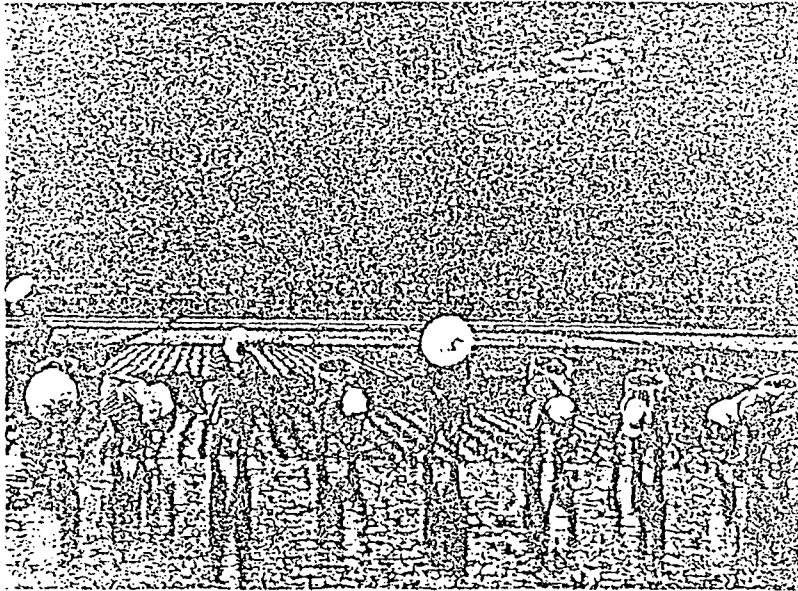
These influences, together with the fact that early Japan was an agricultural nation based on rice-farming, created a tradition in which the virtues of saving, thrift and hard work were highly valued. Also, since rice-growing is easily affected by slight changes in the climate, there has always been a strong tradition of harmonizing with nature. The Japanese have traditionally emphasized spiritual fulfilment 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.

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## 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 millenia 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 tanin*" (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.

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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

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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 (*tatemaie*) 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 *tatemaie* 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*).

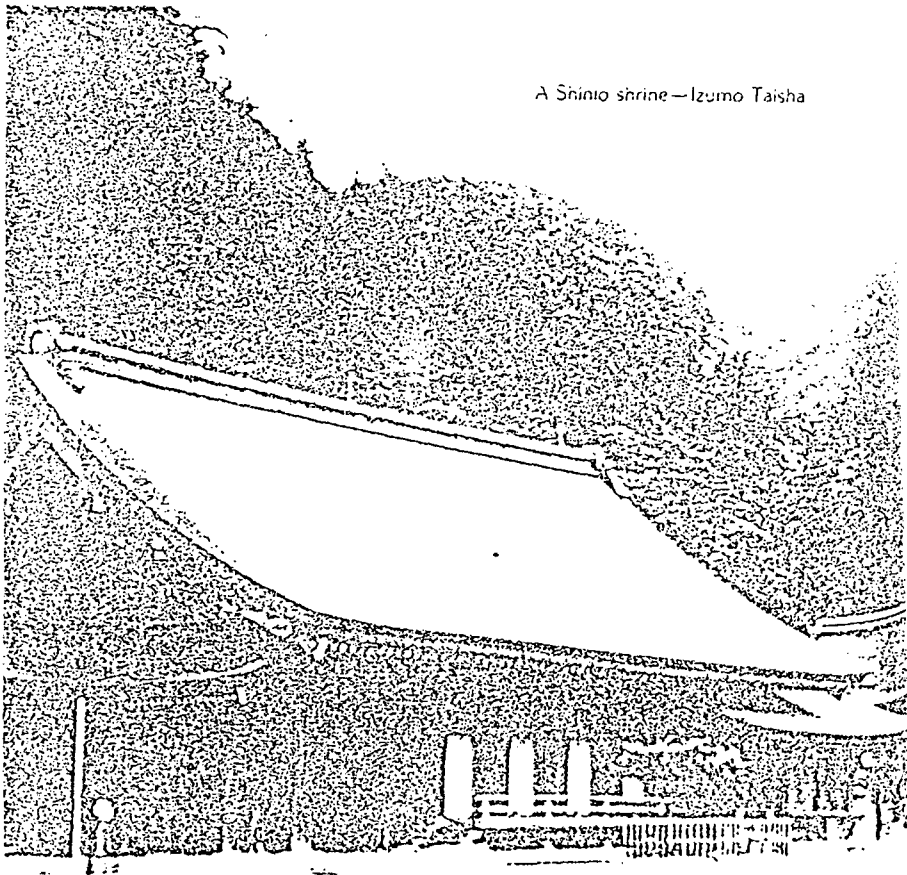
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### Religion and the Japanese

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

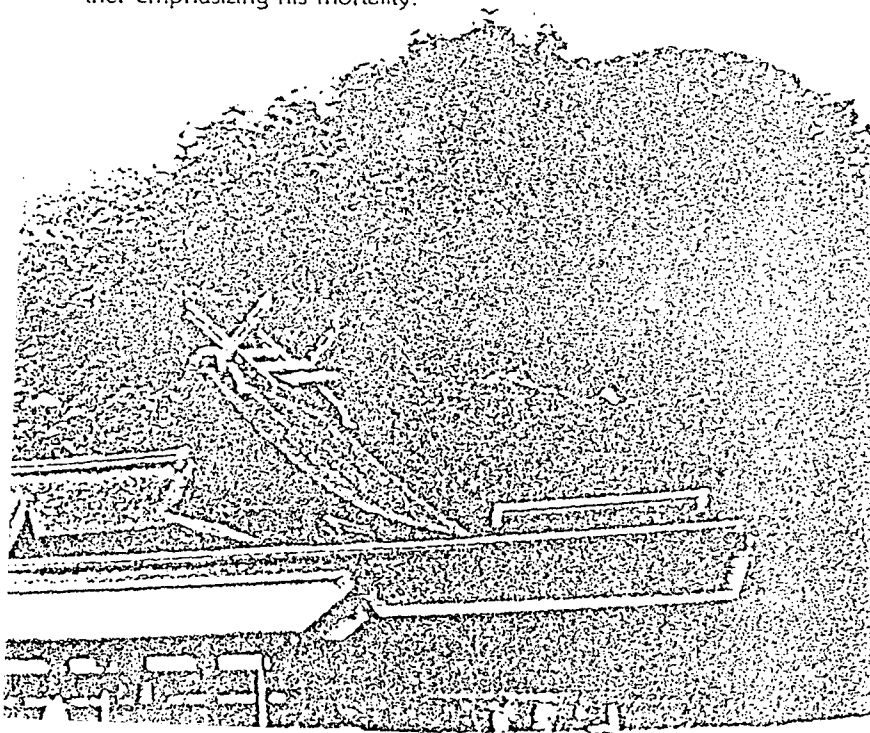
A Shinto shrine—Izumo Taisha



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.



## 日本人の宗教心

### ④ 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」という通過儀礼における宗教の多様性である。

ふつう、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、それぞれ体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家には神棚も仏壇もある上、時にはさらに、他の新宗教の信徒であることもありうる。加えて、お稲荷さん、道祖神といったアニミズムやシャーマニ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てもらい、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、アニミズム的信仰の表れと書ってよさそうだ。

これを裏付けるのは、文化庁が調査している「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。

### ⑤ 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、心情として、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だ。その根本にあるのが、やはり、日本人の自然観に基づく現実肯定の宗教的表現である、現世利益を求めの心である。日本固有の民族信仰である神道はもともと豊作や部族社会の安全を祈る祈願神であり、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、日本伝来とともに祈願する宗教となった。

こうして日本では、宗教は商売繁盛、家内安全、受験合格、安産に至るまで、多種多様な現世利益を祈る場となり、宗教法人の経済的益もそこにある。「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。

## 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 *kurushii toki no kami danomi* (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.

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## 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

Refrigerators	Colour TV Sets	Electric Washing Machines	Vacuum Cleaners
1960 31.1%	1960 26.3%	1960 91.6%	1960 63.3%
1983 99.0%	1983 98.0%	1983 98.2%	1983 95.3%
(116.5)	(153.6)	(105.1)	(112.7)
Video Tape Recorders	Microwave Ovens	Telephones	Stereo Sets
1960 —	1960 2.1%	1960 —	1960 31.2%
1983 11.8%	1983 37.2%	1985 38%	1983 59.0%
(12.3)	(37.5)		(63.3)
Passenger Cars	Room Air Conditioners		
1960 —	1960 5.9%		
1986 67.4%	1983 49.6%		
(84.5)	(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.



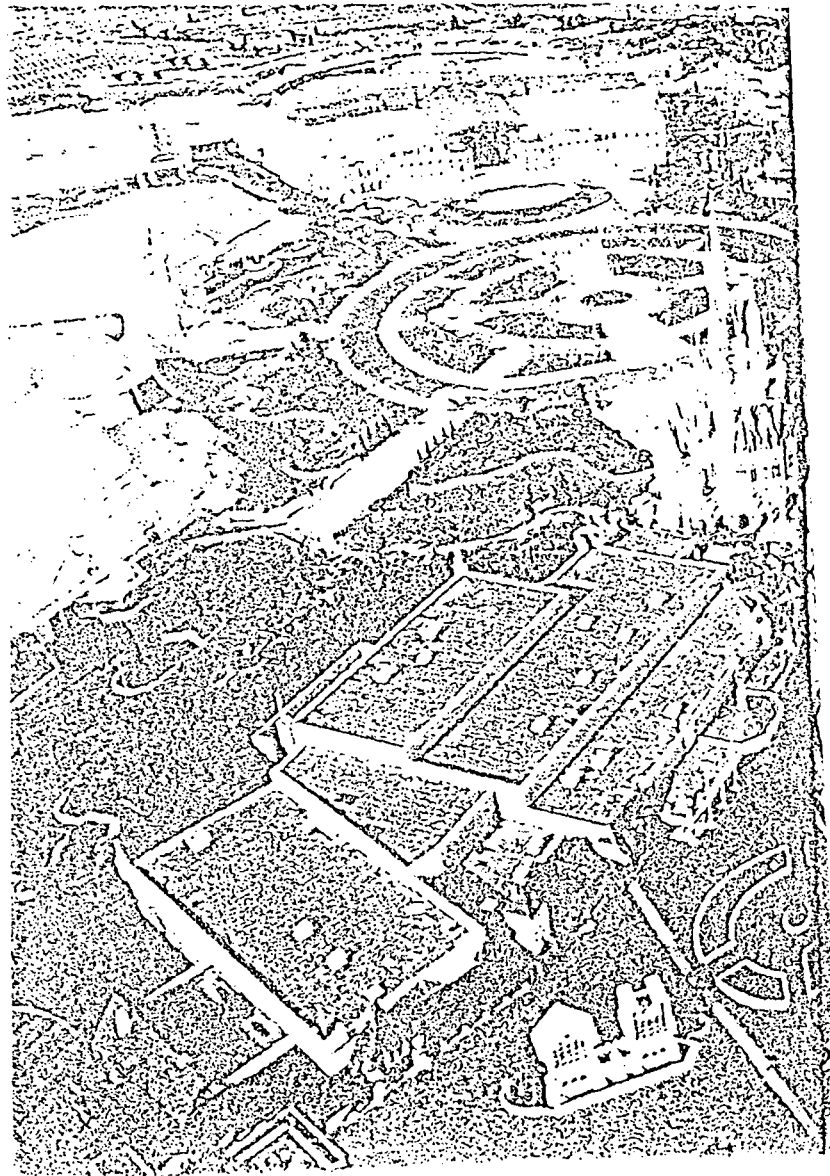
popular culture is their classlessness. Because of the success Japan has had in levelling out incomes and achieving a comparatively fair distribution of wealth, there is no class distinction associated with sports as diverse as golf and bowling; and people from all positions and walks of life are numbered 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 ship-building 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.

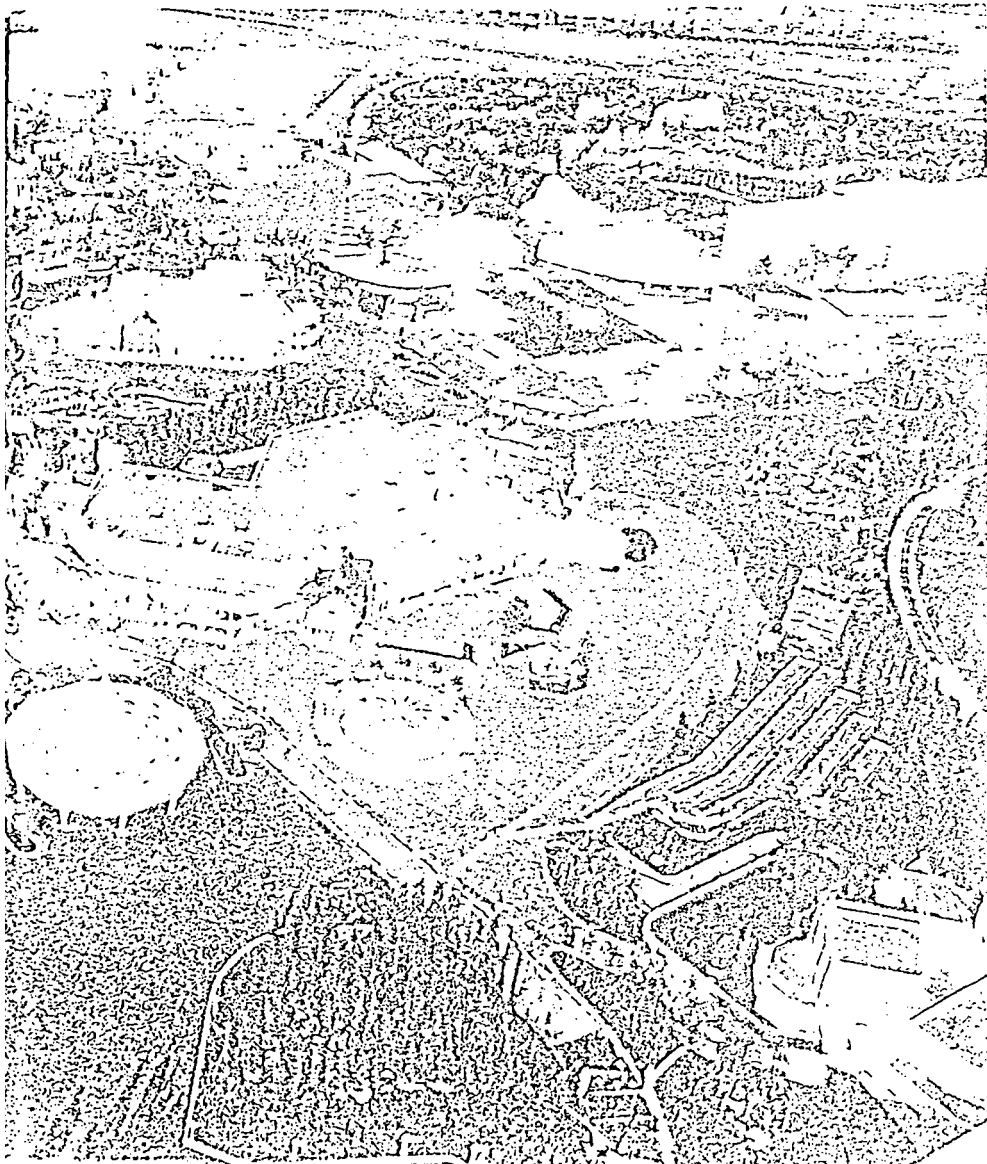
Another feature of popular culture is the tendency to act in groups. Most Japanese who go abroad on holiday do so as part of a group, and most people pass their leisure hours in group pastimes ranging from karaoke to mah-jongg. The number of people who like to do things as part of a group rather than 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.

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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.



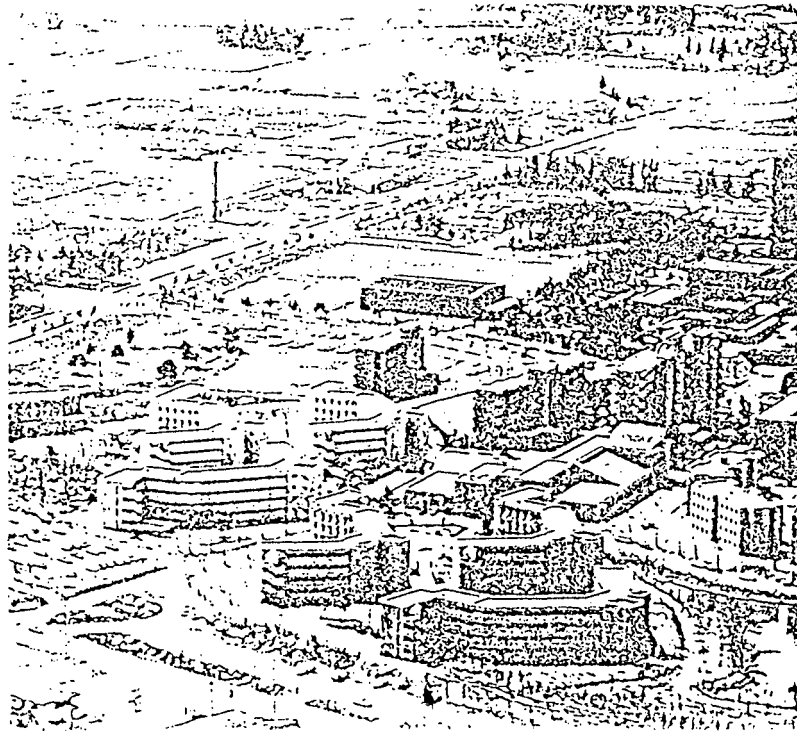
Tokyo Disneyland



## The Japanese Education System

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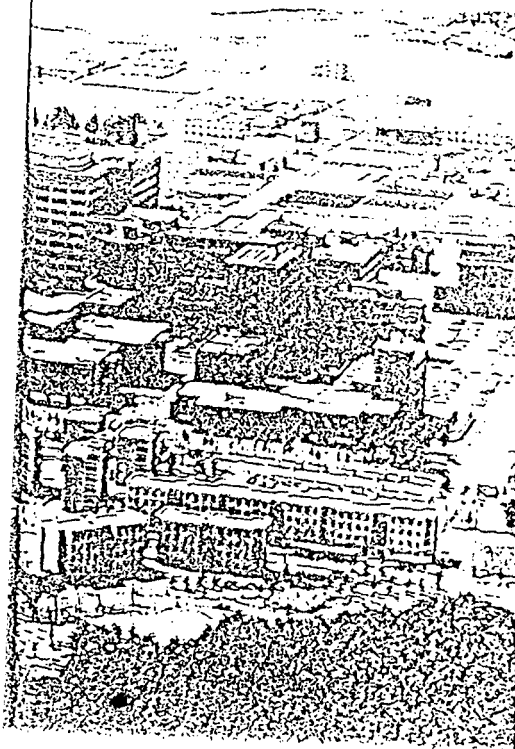
A modern education system was established in Japan after the Meiji Restoration, and a tradition of compulsory education and higher education was built up in the succeeding years. However, the system was changed after the Second World War to one based on the American system, with compulsory education 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

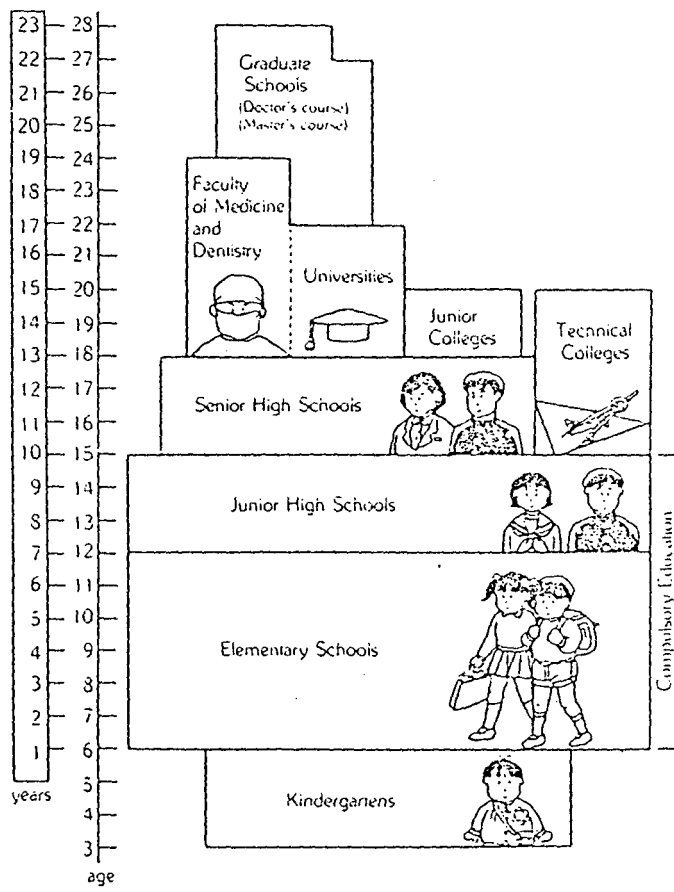
in elementary and middle schools was 100 percent, in high schools, 94.2 percent, and in institutions of higher learning, 36.3 percent. Also, since there is almost no discrimination on the basis of class or family wealth, a great deal of importance is placed on people's academic records. Since graduation 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.

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### School Education System in Japan



## 日本人の勤労意識

### ◎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・アニマル」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認識の誤りがあるようだ。

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成仏するための修業であり、経済的利益は宗教的に動機づけられた、つまり、私欲のない労働の結果とされる。このような、結果としての利潤は是認されると考えていると言うのである。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、一方では独自のいわゆる日本的経営を生み出したと言う。

### ◎変わりつつある労働観

しかし、最近では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てはいるものの、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。



## The Japanese Work Ethic

### ➤ 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 is based not so much on the profit motive as it is on the value of working. The distinguished social commentator Yamamoto Shichihei,<sup>6</sup> 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 Buddhahood, 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 this 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. This 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.

### ➤ 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.

## 集団主義

### ●集団の重視

E. O. ライシャワーは「サ・ジャパニーズ」の中で、日本人と欧米人とのいちばん顕著な違いを、日本人の集団重視に見ている。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重視は過去、第2次世界大戦における玉碎や集団自決の悲劇、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和の重視、果ては学校の生徒の制服に至るまで、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。例外はむしろあるが、日本の社会は個我の主張より、集団あつての個、個は集団にあつて生かされると理解してきたと看える。

### ●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、はるか弥生時代に始まる稲作文化の影響がある。農村では今日もなお、田植えや稲刈り期には近隣どうしが助け合い、共同作業を行う習慣が一部に残っている。狩猟文化と異なり、そこでは集団作業と共同秩序とが必要であり、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。家長は絶対の権限を持ち、家族は「家」に従わねばならず、武士階級にあつては一朝事あれば御家断絶と、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ばしば種目するところだが、当の日本人は甘受せざるを得ないし、そこから集団の調和という社会生活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ろうし、戦後の高度経済成長の原動力となったニッポン式経営は、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「日本に学ぶ」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久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。

## 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 gung-ho zeal of World War II, the mass suicides, and slogans such as *ichiku issin* (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  *Murahachibu* "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.

## 日本人の1年

まとまった休暇がのったにとれな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。日ごろ世話になっている知人、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、いつもは通勤時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7日ぐらいから仕事が始まるが、2月初のぐらまで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忙殺されて、正月気分がなかなか抜けない。その期間を過ぎると、今度は4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4月だからで、自分自身の職場での人事異動がどうなるか、転動はないか、子供がいる場合は子供たちの進・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うらごろ。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、日ごろ、富仕えの身のサラリーマンにとっ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週間ぐらいの夏休みをとるのが普通。日ごろ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でふだんの日より疲れてしまうか、逆に妻や子供たちだけ重擔りや旅行に出し、父親は「にわかやちめ」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。

気候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、8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、家族そろって年始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 putter 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.

## 日本人の一生

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、仕事に打ち込むにはある程度、家庭を犠牲にしてもかまわないと考える「モーレツ型」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庭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

その家庭での中心は、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学すると、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、教育費は親にとって頭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、子供も自分の家庭を持ったときということになろう。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ン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。どこかで寂しさを感ずながらも、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-gos-an* (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.

## 意思決定のしくみ

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。欧米がトップ・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、最善の結論へと導くとともに、最終的判断を下す。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よまとのていくことも重要な役割であり、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なのである。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当事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。ただ、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。起案に対する検討やいくつかの案を検討、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。

### ●稟議制

ボトム・アップによる意思決定が、経営慣行となったのが、稟議制である。下役が起案した文書を関係各部署に回し、協議し、上司の決断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

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.

## 日本人と付き合い方

### ④ ウチとソト

日本を訪れた外国人が朝の通勤ラッシュを見て、まず驚くのは、「日本には、日本人ばかりがこんなに大勢いる」ということであるという。日本人と付き合いとき、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礎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てもしくさしく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、お客様扱いされるのである。

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、ガイジン(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変なガイジンと呼ばれる。

### ⑤ 間人主義

欧米で社会の基本は個人主義であるが、日本では「間人主義」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、人と人之間に在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、表向きの方針である。また、ホンネを個人の論理、タテマエを集団の論理としてとらえることもある。日本人は表向きの方針や集団の論理であるタテマエを優先するが、その奥に本当の声、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たいへん多い。「そのうちに」「いずれまた」「考えてみます」「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得ておく「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ると、相手を傷つけるのではないかと配慮による婉曲な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

### 3 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 mannerisms, 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).

### 4 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 *honme* and *tatemae*. *Honme* 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 *honme* 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 *honme*.

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 a tentative yes when someone is doing *nemawashi* to touch all the bases and line up support, and sometimes they are definite negatives phrased 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、人間関係の和を重要視する。そのために、企業内ではフォーマ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1つの会社で過ごすために、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、あるいは接待、贈り物など、独特の慣習がある。

### ① 運動会、忘年会など

多くの会社では、定期的に組織全体、あるいは各セッ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、日本の会社の家族主義的慣習で、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、活動している。こうした活動では労使の区別はなく、経営幹部も一般社員といっしょになって楽しむのが普通である。

### ② 赤ちょうちん

日常的な付き合いで最もよく利用されるのが、赤ちょ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。赤ちょうちんとともにマージャンも終業後の楽しみの1つで、マージャン屋はいつもビジネスマンでいっぱいである。

### ③ 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、こぞってゴルフを始める。したがってゴルフは、必ずしも純粋に個人的趣味ではなく、仕事上の利益をも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 expense-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 such 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.

## ビジネスマンの1日

### ① 通勤・会議

ビジネスマンの朝は早い。始業時間は8時半～9時というのが一般的であるが、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、部課長会議、支店長会議などの縦割りの会議など、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職位が上がるほど多くなる傾向にあり、1日中会議などということも珍しいことではない。会議の時間は、一応決められてはいるものの結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聞くということもよくある。

### ② 社員食堂・喫茶店

昼食時ともなると、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、会社には社内に社員用の食堂を常設しているところが少なくない。社員食堂は、会社が業者と契約して設置しており、財政的にも何割かを負担しているため、値段は市価よりも安い。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務効率を図る——例えば、社内コミュニケーションの促進、すぐ仕事に戻れるなど——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。

### ③ 退社後

所属するセクションにもよるが、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るまで残業するのが普通である。また、夜は取引先の接待も多く、帰宅が深夜に及ぶことも珍しいことではない。もっとも石油危機後は、接待費あるいは交際費を削減した会社が増え、いわゆる社用族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.

## ビジネスマンの一生

### ● 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とともに、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こと、というように学歴問題はエスカレートし、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、教育のゆがみ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、あるいは選択権はほとんどないと言ってよい。まず、どのセクションに配属されるかは会社が決める。転勤も辞令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置転換を行うので、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、月給も全額妻に渡し、必要な小遣いを妻からも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、中年になっ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くな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、いずれ戻っ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、任地が海外であったり、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っているところもあるが、なかなか実効は上がっていない。



## The Life of a Businessman

### ◆ 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 life-long 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 doles out his weekly or monthly allowance.

### ◆ Living away from Home

Relocations are a fact of life for many Japanese businessmen, and some middle-aged transferees 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.

## 日本的商談

### ③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あいまいで、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、それに基づいて確実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肝要となる。日本人担当者は、何度か面接の機会を作らさうが、それは、契約条件を詰めるという目的以外に、個人として信用がおける人間かどうかを観察しているのである。

### ④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、意思決定までには、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、誠意を持って当たることである。契約内容に対して恣意にイエスかノーを迫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はなく、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、この点でも合意に時間がかかるのである。

### ⑤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、日本的商売においては最初から詳細な取引規定をせず、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てみようという意味であり、問題が起きたらそのつど話し合いで解決し、困ったときは助け合お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。

### ①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、地主制が解体した結果、新たに自作農となった人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。

### ②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年に特命全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。これの実施により、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、大企業の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、その持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、産業界は一時、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 Mitsui, 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.

## 高度成長から安定成長へ

### ●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3%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、「経済六国」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・裕福・商業車が世界のシェアで20%を超え、粗鋼・精鋼・亜鉛・紙・レーヨン・合繊・セメントなどが10%を超え、アルミ・ガラス・時計など5%を超えたりものも数多い。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豊富な優れた労働力 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労使関係・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、経済は沈滞してはならず、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ックな動きも見られる。

## From Rapid Growth to Stable Growth

### ● 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.

### ➤ 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.

### ➤ 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.

## 産業構造の変遷

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、今や斜陽産業のレッテルをはられている。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、そのほかに銀行、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ィスカウント店が急速に増えた。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。

### ●香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(主に農林漁業)、第2次産業(主に建設・製造業)、第3次産業(卸小売、金融、運輸通信、サービス業、公務など)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業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。ここで目だつのは、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.

## 家庭

欧米先進諸国の例に漏れず、日本でも核家族化は時代の趨勢である。夫婦だけが、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人台だった平均世帯人数も年々減少して、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、日本の一般的な家族構成と言えよう。

### ●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父長として絶対的権威を持っていたのが、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・姑に任せ、家事・育児一切を切り盛りした。戦中の女性戦時時代には、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、日本的家政学だった。

### ●戦後・現在の家庭

こうした家庭のイメージも、戦後の核家族化に伴って、だいぶ変わってきている。かつては家風についても子供の教育・結婚についても主導権を握っていた「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、ものわが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部下」という言葉が一時はやったほど向上した。夫と同等の立場で自分の意見を言い、特に子供の教育について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ため、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手のかかる期間も短くなった結果、家の中の仕事より生計を外に求めて働きに出る主婦も多く、今では主婦の2人に1人は働くに至っている。

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ということだろう。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ようだが、戦後は妻が一家の大蔵大臣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さい配する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, *kamui* (lit. 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ので、日本は西ドイツに次いで物価上昇率の低い国であったことになる。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、値下りしたものに注意がいか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、ことにバター・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・テニスシューズ・オートバイ・小型乗用車などの工業製品、アパート賃貸料・ホテル料金・クリーニング代・パーマ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、贈答(ギフト)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 increases in the other industrialized countries for the same decade were 23.3% 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 food-stuffs 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.

## 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、まめに家計簿をつけている。こうした各家庭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28万2716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押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、このものさしは通用しなくなってきている。具体的には、1970年に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%と減少の一途。衣食住などの基本的支出の割合のほうも同じく56.0%、53.2%、49.5%、47.3%と、すでに50%を切っている。逆に増えているのが娯楽・娯楽・教育・交際費などの選択的支出である。

### ●増える教育費

とりわけ、高学歴社会を反映して、教育費のウエ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挙げると、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、イタリアが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ない住宅事情のたのと言えよう。

## 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 ¥63,730, 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.

Mar.5, 1998

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%



ICA Regional Seminar

From August 26 to September 6, 1998

## Agricultural Cooperative System of Japan

August 29, 1998 (Sat) ☺

By  
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The Institute for the Development of Agricultural Cooperation in Asia (IDACA)

## C O N T E N T S

1. HISTORICAL SETTING
2. ORGANIZATIONAL STRUCTURE
  - Primary Societies
  - Prefectural Federations and Unions
  - National Organizations
3. DISTINCTIVE FEATURE OF AGRI. COOP. MOVEMENT
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4. DEMOCRATIC CONTROL AND MANAGEMENT OF MULTI-PURPOSE SOCIETY
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5. ACTIVITIES OF MULTI-PURPOSE SOCIETY
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  - Credit
  - Mutual Insurance
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## 1. HISTORICAL SETTING

The transformation of Japan into a modern society started about 130 years ago, when the Meiji restoration took place and Japan changed from a feudal society into modern state. However, during the Meiji period, industrial development was of primary importance in the Government Economic Policy and agricultural sector was imposed with heavy responsibility not only in food supply but also in tax assessments. As an inevitable consequence, many farmers were forced to ruin, leading to the spread of social unrest. It was a fatal blow to the Government and Landlords.

Under such circumstances, the Government extended positive assistance to promote establishment of cooperative societies and during 1880s many marketing societies in primitive form were established on voluntary basis for major export commodities, such as silk and tea.

In 1900 the first Cooperative Law was enacted, which gave statutory approval for establishment of four kinds of primary cooperative societies, such as credit, marketing, purchasing and processing. The first revision of the Law in 1906 enabled credit cooperative societies to operate marketing, purchasing and processing businesses concurrently. This established the groundwork for the development of the present type of multi-purpose cooperative societies. The second revision of the Law in 1909 opened the way for establishment of federations and national union. With these legal supports, promotional measures of the Government and the devoted efforts of the leaders, the cooperative movement made a rapid expansion throughout the country.

Agricultural panic in 1930s gave a fatal blow to rural communities in Japan and the Government promoted "Self-reconstruction Campaign of Agricultural Economy" as a counter-measure against the ensuing agricultural panic. In response to such government programme, cooperative societies had also implemented Five Year Cooperative Expansion Programme from 1933. The objective of the Programme was to establish a cooperative society in every village throughout the country involving all farm families and to enable

all the rural cooperative societies to operate credit, marketing, purchasing and utilization activities. Thus, the cooperative movement established strong foundation and made remarkable progress during 1930s with positive government assistance and guidance.

Toward the end of 1930s, along with the shift to a wartime economic control, various business activities of cooperatives were brought within the confines of overhead control. In 1943, the Agricultural Organization Law was promulgated and the cooperative societies were merged into Agricultural Society together with other agricultural organizations. All the farmers were enforced to become members of Agricultural Society. Cooperative movement started in 1900 ceased to exist until 1947 when the new Agricultural Cooperative Law was enacted.

After World War II, cooperative societies were re-established under the new cooperative laws. In pre-war period it was only one cooperative law, under which various types of cooperatives were registered. After World War II, however, cooperative laws were enacted separately for each branch of cooperatives, such as agriculture, consumers, fisheries, small and medium enterprisers and forestry-owners.

In pre-war days, cooperatives in rural area experienced a lot of difficulties since they embraced landlords and non-farmer residents as members. But their interests often conflicted with those of farmers. In post war period it was an urgent task of the Government to promote democratization of rural communities and to ensure successful implementation of Land Reformation. The Government, therefore, enacted separate Agricultural Cooperative Law to enable agricultural cooperative societies to serve farmers in voluntary and democratic manner to the maximum extent by making farmers as their regular members with a view to eliminating any possible interference of the Government and non-farmers' interests.

## **2. 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.

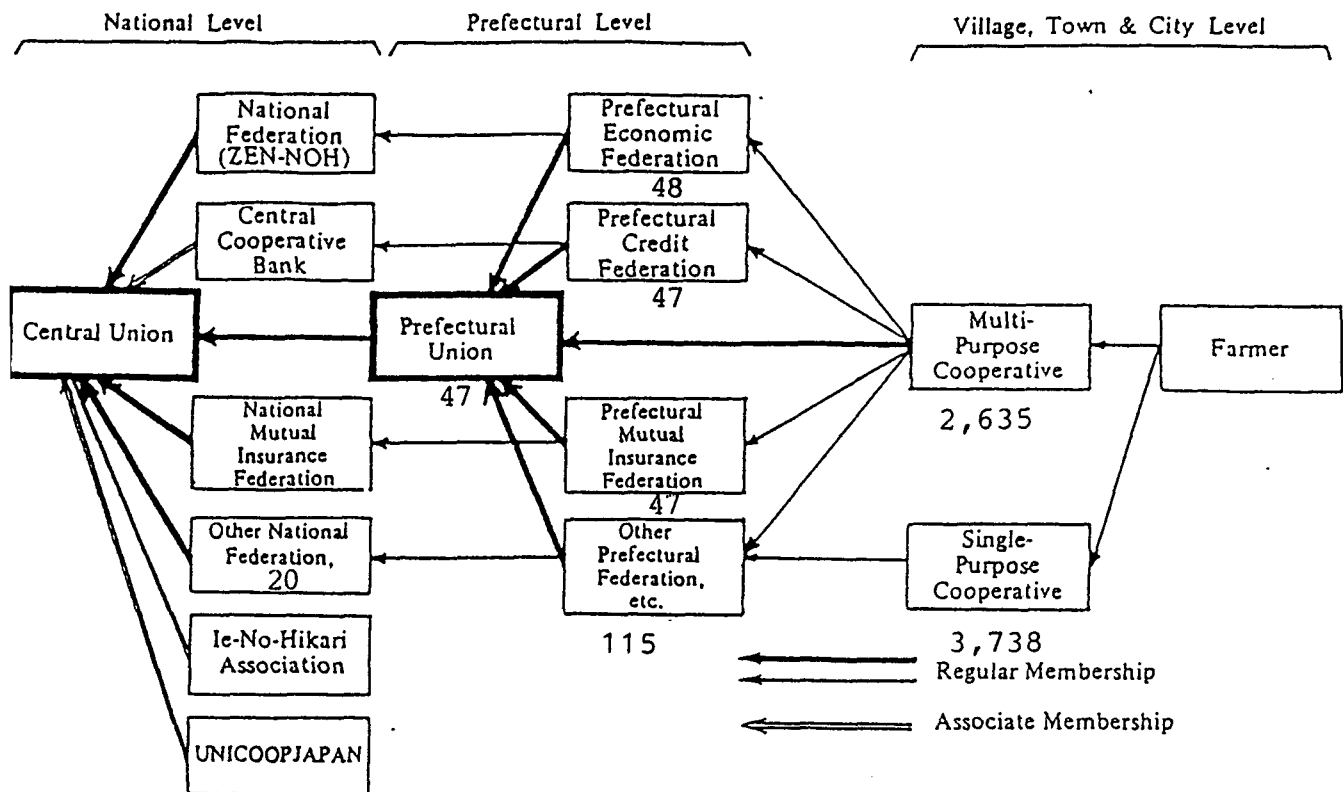
### **National Organizations**

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

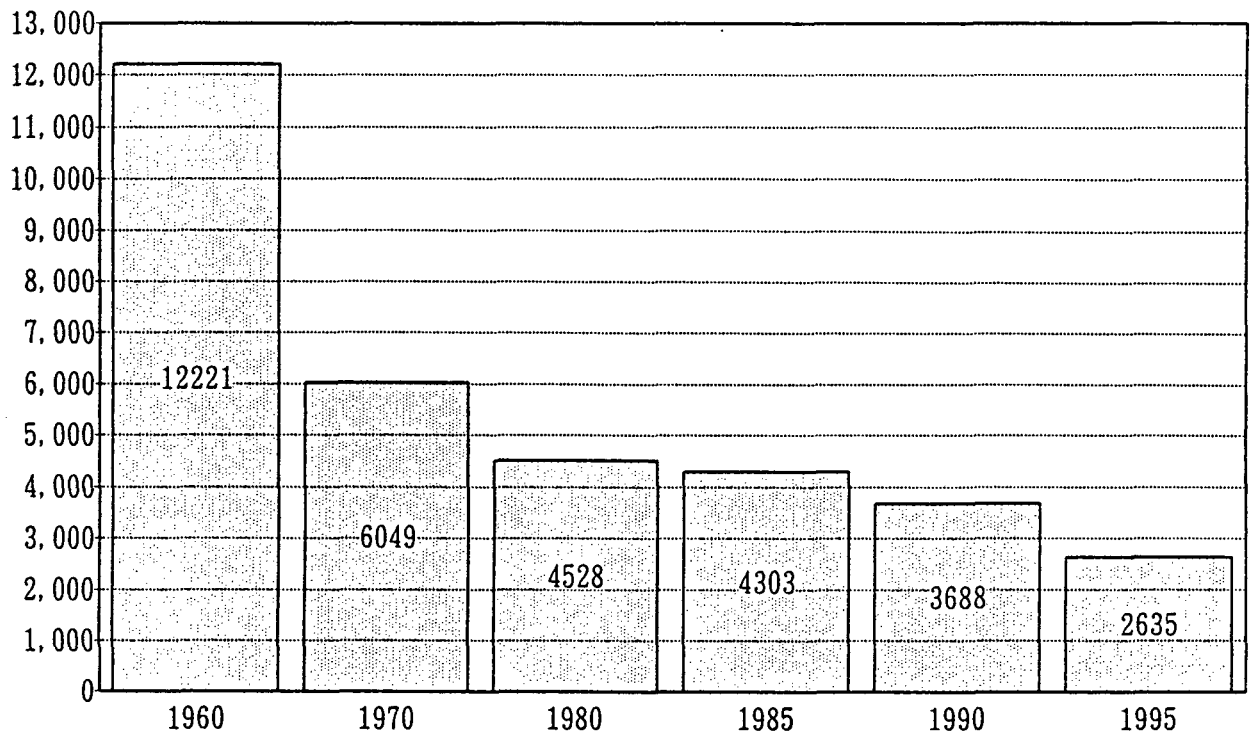
ORGANISATIONAL STRUCTURE



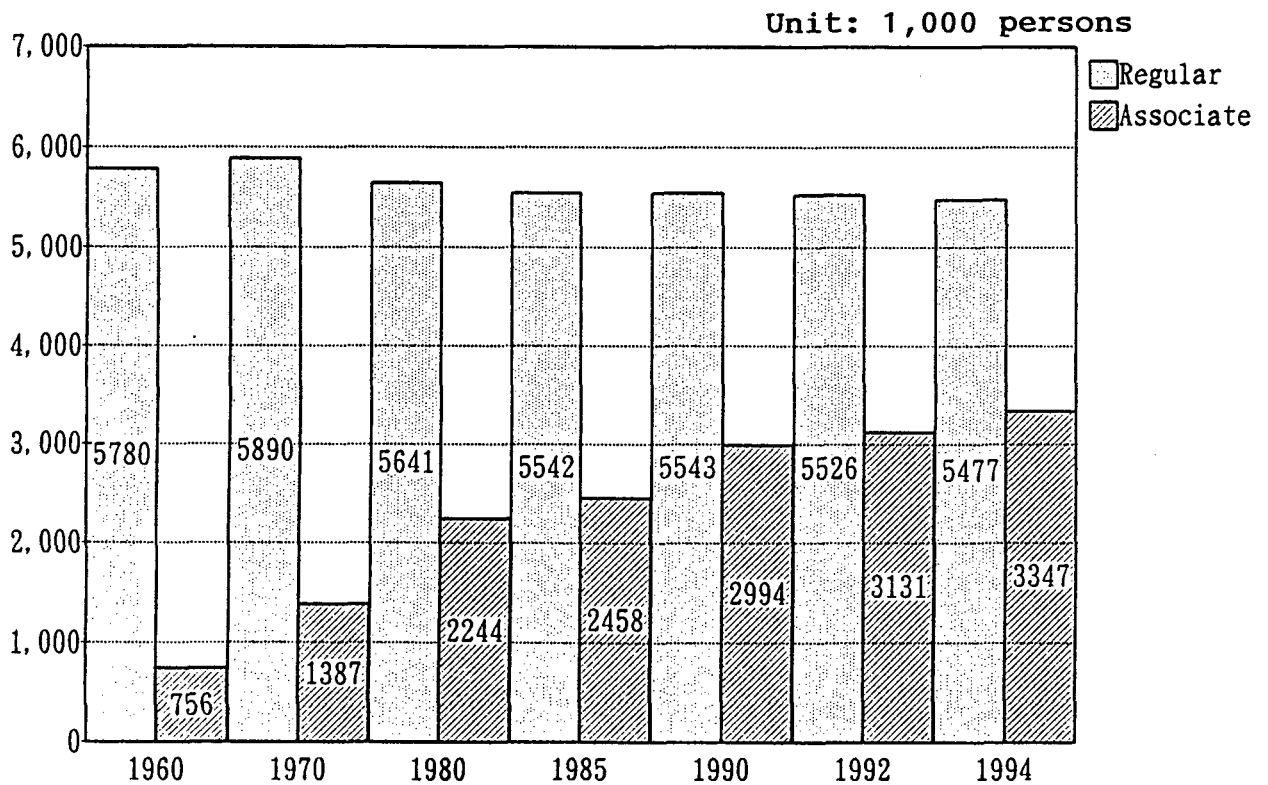
Membership of Multi-Purpose Coop.

Regular Members	<ul style="list-style-type: none"> <li>— <u>Farmers</u> who cultivate more than 1/10 ha. or work more than 90 days a year.</li> <li>— <u>Farming associations</u></li> </ul>
Associate members	<ul style="list-style-type: none"> <li>— <u>Non-farmer residents</u> who want to utilize agri. coop. facilities.</li> <li>— <u>Organisations</u> formed by farmers and non-farmer residents.</li> </ul>

**NO. OF MULTI-PURPOSE AGRICULTURAL COOPS.**



**TREND OF MEMBERSHIP**



**MULTI-PURPOSE AGRICULTURAL  
COOPERATIVE SOCIETY**  
(Average figures per society )

Fiscal Year 1993

		persons	TOTAL
Membership	Regular members	1,885.4	3,037.4
	Associate members	1,152.0	
Elected officials	Directors (Board of)	16.2	20.5
	Of which full-time	1.5	
	Auditors	4.3	
Employees	General managers	0.8	103.6
	Farm advisors	6.2	
	Better-living advisors	1.1	
	Other employees	95.5	
Share capital		428 million yen (¥260,000/member family)	
Turn over (¥ million)	Marketing	2,043	
	Supply	1,808	
	Balance of loan advanced	6,278	
	Balance of savings	22,001	
	Long term insurance (Amount insured)	342,994 billion yen	
	Short term insurance (Premium received)	393,782	



SINGLE-PURPOSE AGRICULTURAL COOPERATIVE SOCIETIES

March 1995

Types of societies	No. of societies			No. of membership		
	With share capital	Without share capital	Total	With share capital	Without share capital	Total
Sericulture	26	396	422	3,410	3,838	7,248
Livestock	289	53	342	79,452	1,580	9,525
Dairy	454	21	475	41,639	124	41,763
Poultry	199	10	209	7,266	56	7,322
Horticulture	455	50	505	61,641	948	62,589
Others	588	1,197	1,785	213,648	79,976	293,624
Total	2,011	1,727	3,738	407,056	86,522	493,578

AVERAGE FIGURES PER SINGLE-PURPOSE SOCIETY WITH SHARE CAPITAL SURVEYED

Fiscal Year 1993

Types of societies	No. of Societies surveyed	Membership per society	Employees per society	Share Capital per society (¥ million)	Supply Turnover per society (¥ million)	Marketing Turnover per society (¥ million)
Sericulture	7	365	12.4	48	20	55
Livestock	114	487	9.4	55	325	810
Dairy	338	88	13.9	65	345	988
Poultry	95	59	20.3	70	550	1,264
Horticulture	264	225	5.6	60	208	1,141

### 3. 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.

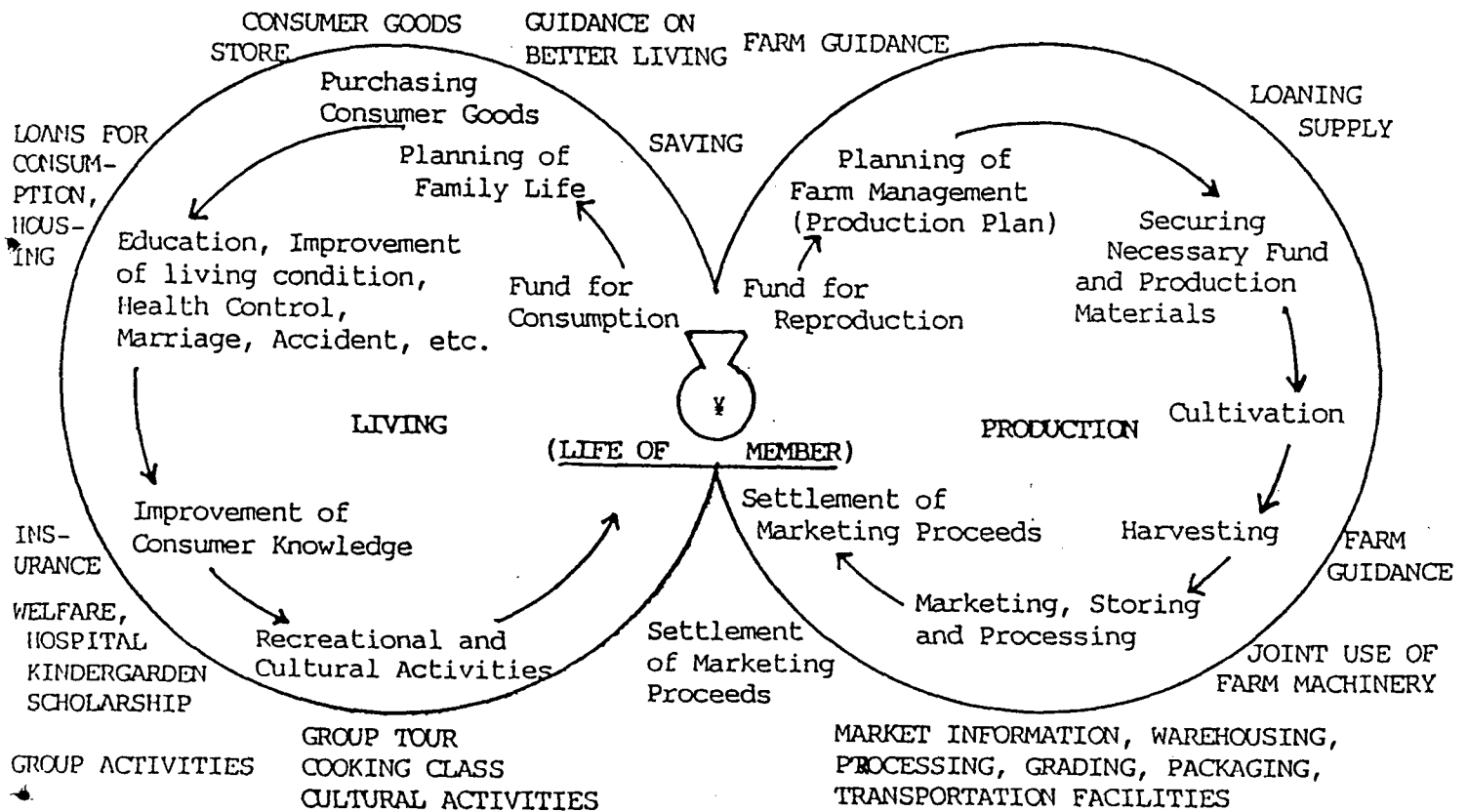
#### Integrated Approach of Multi-purpose Cooperatives

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



#### 4. DEMOCRATIC CONTROL AND MANAGEMENT OF MULTI-PURPOSE SOCIETY

##### Administrative Organs

###### 1) General Meeting

General meeting is held annually and it is the highest authority of a society. Matters to be resolved at the general meeting are as follows;

- (1) Amendment of the bye-laws
- (2) Dissolution/amalgamation of a society
- (3) Expulsion of a member
- (4) Annual business plan
- (5) Membership contribution & 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-committee meeting
- (9) Joining or withdrawal from federation or union
- (10) Election of board members

###### 2) Representative Meeting

Any society with more than 500 members may set up representative meeting in place of general meeting. Number of representatives should be more than 1/5 of the total regular members.

###### 3) Board of Directors

Members of the board of directors shall be elected at the general meeting of a society.

- |                      |  |
|----------------------|--|
| Number of directors: | More than 5  |
| Eligibility:         | More than 2/3 of the board members must be regular members.<br>Less than 1/3 may be non-members.<br>No director may hold another post of organization which is competitive to businesses of the society. |

Prohibition of interlocking duties: Any of the directors shall not be concurrently be an auditor or an employee of the society.

Term of office: 3 years (No restriction for re-lection)

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.

#### 4) Board of Auditors

Members of the board of auditors shall be elected at the general meeting of the society.

Number of auditors: More than 2

Eligibility: No specific conditions

Prohibition of interlocking duties: Any auditor shall not be concurrently a director or an employee of the society.

Term of office: 3 years (No restriction for re-election)

#### Supporting Organizations of members within Multi-purpose Society

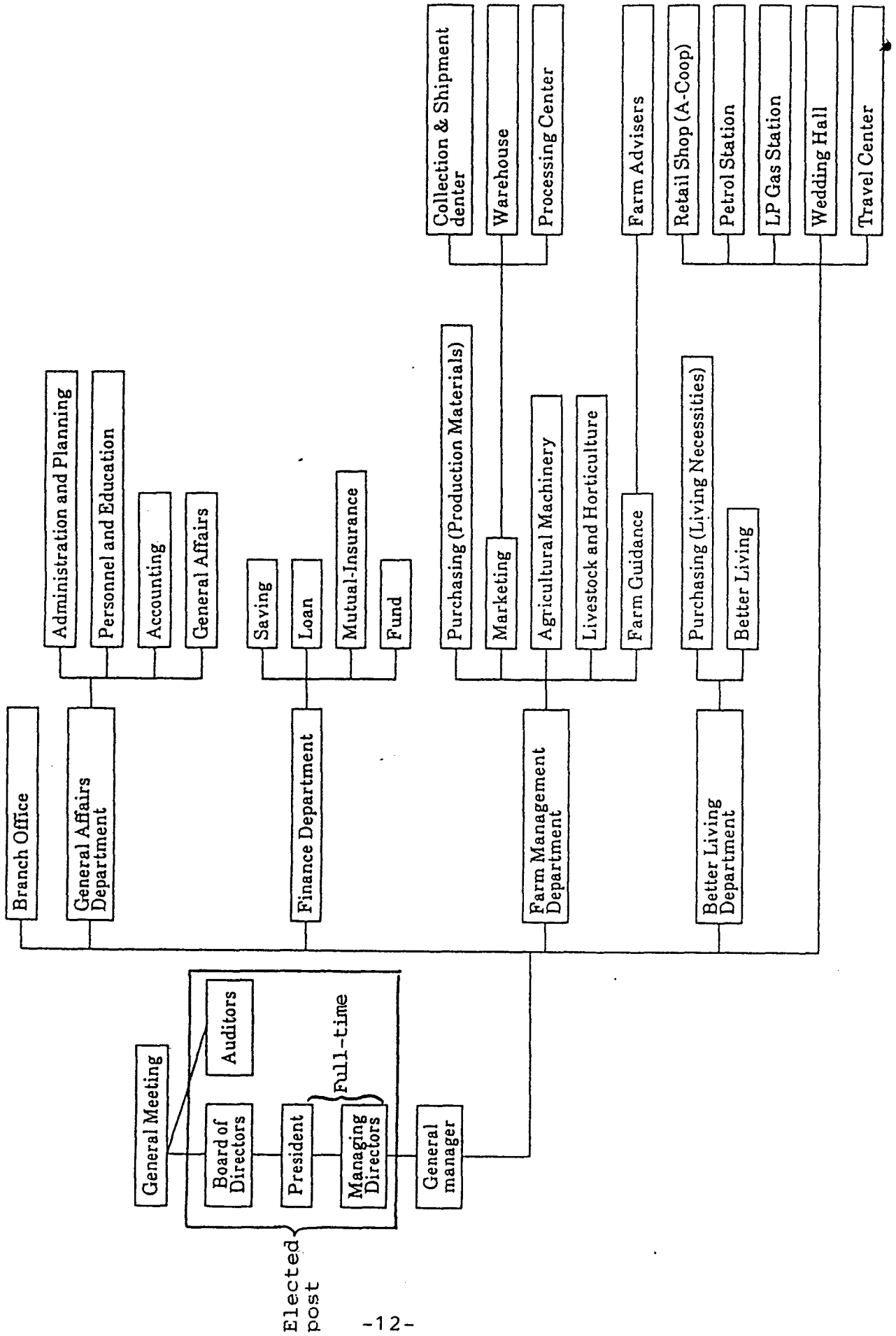
Commodity-wise Groups: Rice Growers Group, Horticultural Group, Citrus Growers Group, Pig raising Group, Poultry Farmers Group, Dairy Farmers Group and so on.

Functional Groups: Cooperative Store Management Group  
Insurance Policy Holders Group, etc.

Hamlet Groups: Farming Association

Gender Groups: Youth Association of Agri. Coop.  
Women's Association of Agri. Coop.

GENERAL PATTERN OF INTERNAL STRUCTURE OF  
MULTI-PURPOSE AGRICULTURAL COOP SOCIETY



## 5. 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. 1994)

Total No. of Farm Advisors	17,880
Average per society	6.2
<b>Socs. by No. of Farm Adv.</b>	
Non	11.3%
1	14.6%
2	13.4%
3	10.9%
4	9.3%
5 - 6	11.9%
7 - 10	13.4%
11 - 20	9.4%
21 or more	5.8%
	100.0%

Specialised area of Farm Advosors	
Rice cultivation	24.0%
Silkworm raising	2.0%
Livestock	17.0%
Vegetables	26.6%
Fruits	11.7%
Farm management	8.9%
Farm machinaries	2.4%
Others	7.4%
	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)

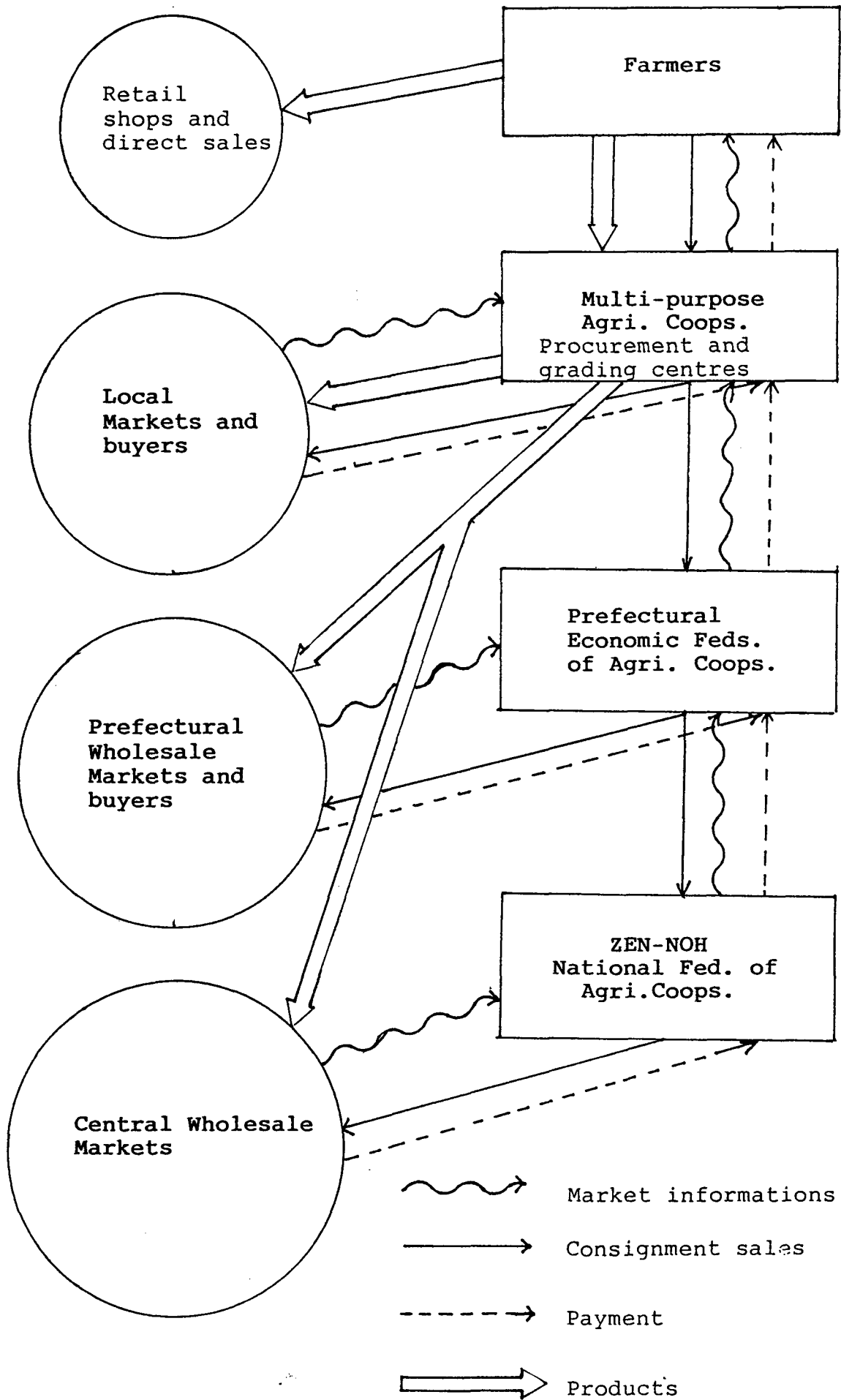
### Share of Agricultural Cooperatives in Total Sales of Member Farmers

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

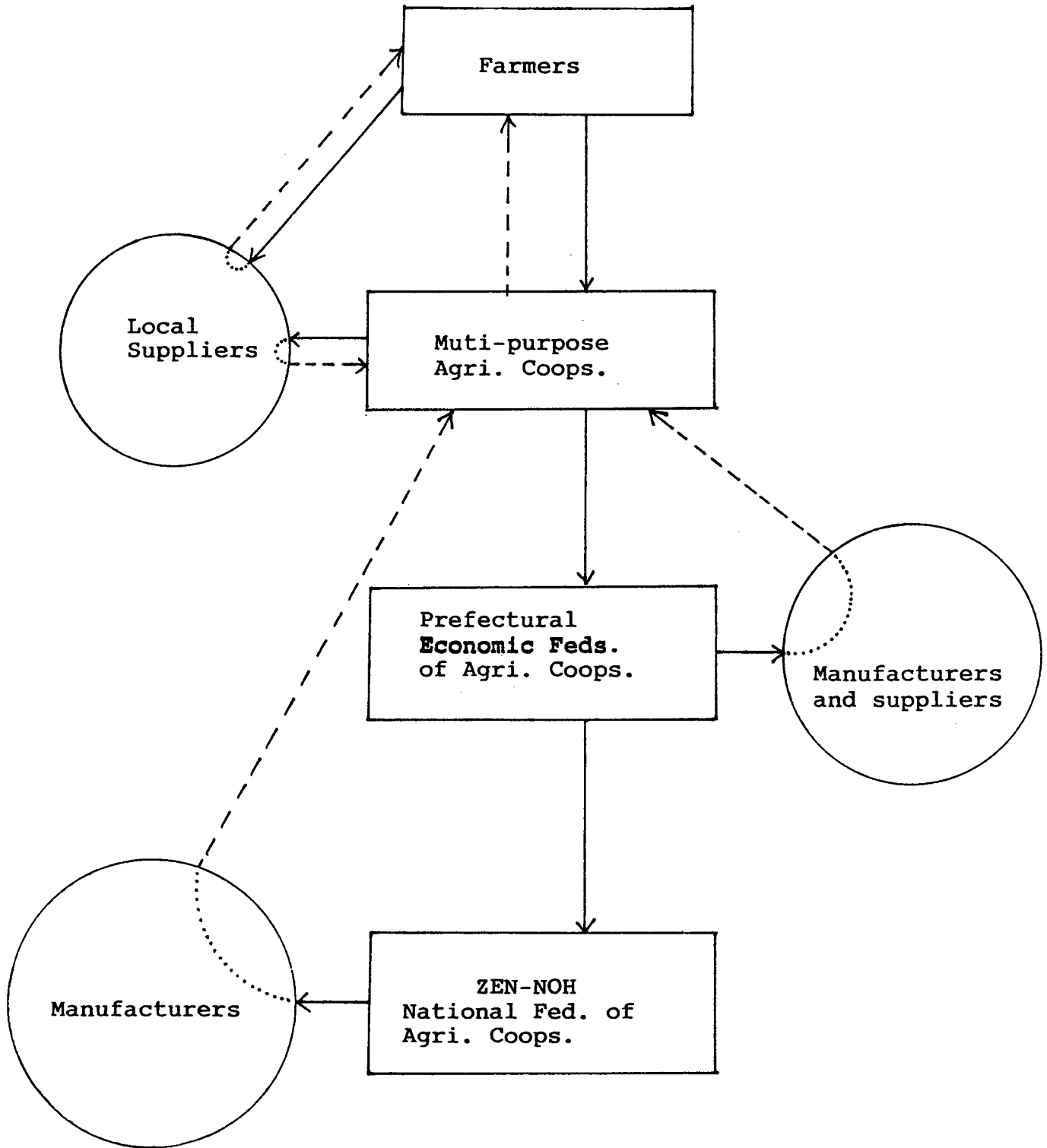
	Purchase per society (¥ million)	Composition (%)	Rate of commission (%)
Feeds	160	8.8	4.8
Fertilizers	140	7.7	12.0
Agri. chemicals	112	6.2	10.1
Agri. machinaries	134	7.4	10.3
Petrol products	220	12.2	20.5
Automobiles	106	5.9	6.0
Other prod. materials	218	12.0	-
Consumer goods	719	39.8	18.7
Total	1,808	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 nachinary	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

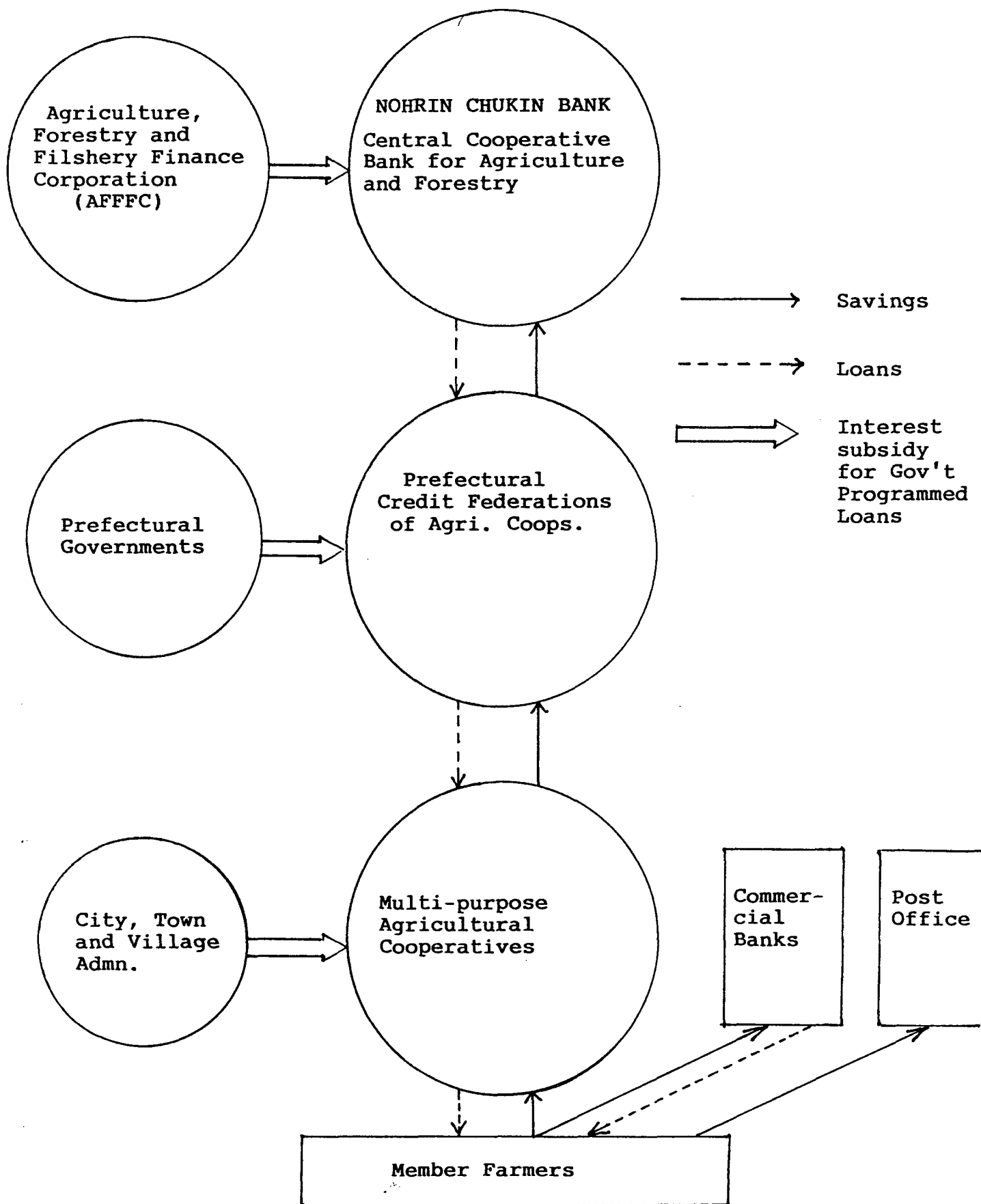
	AFFFC loans	Agri. Modernization loans	Agri. Improvement loans	Natural Disaster loans
Source of fund	Government	Agri. Coops.	Government	Agri. Coops.
Loan Agency	AFFFC	Agri. Coops.	Prefectural governments	Agri. Coops.
Term	Long	Medium, Long	Medium, Short	Medium, Short
Interest rate	Low	Low	Free	Low
Purpose	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 AGRIC. 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

8th ICA / Japan Training Course for Women Leaders  
of Agricultural Cooperatives in Asia  
August 24 to September 14, 1998

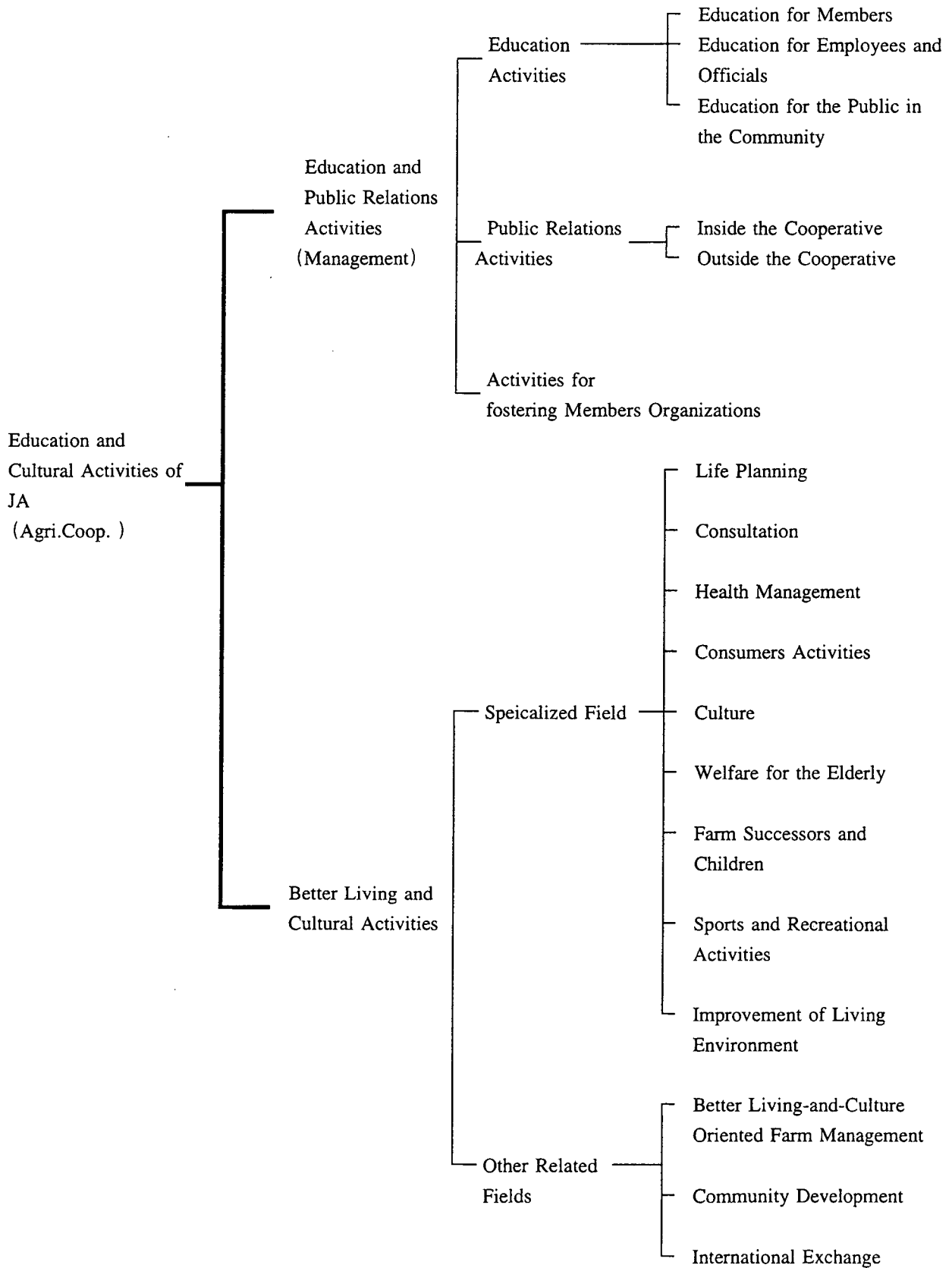
## **Cultural Activities of JA**

**9th September, 1998**

Mr. Isao Takayama  
Ie-no-Hikari Association

**The Institute for the Development of Agricultural Cooperation in Asia (IDACA)**

*Coverage of Cultural Activities by Ageicultural Cooperatives and Its Contents*



# **COUNTRY REPORT**

**NAME OF SEMINAR**

**8<sup>TH</sup> ICA / JAPAN  
TRAINING COURSE FOR THE  
WOMEN LEADERS OF  
AGRICULTURE COOPERATION  
ASIA, IDACA, TOKYO, JAPAN.**

**NAMA OF APPLICANT**

**MRS. DORIAH SHAFIK BT DATUK HAJI AHMAD**

**NAME OF ORGANISATION**

**RUBBER INDUSTRY SMALLHOLDERS DEVELOPMENT AUTHORITY**

**( R I S D A )**

**MALAYSIA**

## **CHAPTER I : GENERAL INFORMATION OF MALAYSIA**

Malaysia, one of the countries in South East Asia, is made up of 14 states, has an area of 329,758 square kilometers and is separated by 2 countries, the Peninsular Malaysia Sabah and Sarawak, by South China Sea, about 540 kilometers away. Peninsular Malaysia covers 131,598 square kilometers has its frontiers - being Thailand in the North and Singapore in the south. Sabah covers an area of 73,620 square kilometers and Sarawak 124,449 kilometers, and Indonesia's Kalimantan being its border territory.

Malaysia has a population of approximately 20 million people. The three major dominant groups are the Malays, Chinese and Indians. Islamic is the official religion in Malaysia while the other religions are the Christians, Buddhism and the Hinduism. The Peninsular Malaysia being the indigenous of Sabah and Sarawak are groups as the Orang Asli, Kadazan, Iban and Dayak.

Basically, Malaysia is an Agricultural Country, but with the fast development of Industrial and manufacturing, has now rank as a leading sector, followed by agriculture and mining. Tourism has also developed and has become a major industry in the 1990's. 80% of Malaysia are covered by tropical rain forest. 35% of total land area in the country, amounting to 11.53 million hectares are suitable for agriculture.

The manufacturing sector's main production are crude petroleum, tin, crude palm oil, padi, rubber and timber products. Palm oil is a vast production among the agricultural sector, followed by padi and rubber.

The most developed part of Malaysia is the West Coast of Peninsular Malaysia.

The factors that has influencial development are due to the number of ports entry, transportation facilities, general flat lands and a good historical back ground.

The East Coast Of Malaysia has also its influencial economic activities. Timber is the main production followed by cocoa and pepper.

## CHAPTER II - STATUS OF AGRICULTURE LAND IN MALAYSIA .

Generally, Malaysia is still known as an agricultural country, as the government encourages economic agriculture practices, especially by the smallholders. The main crops planted are rubber, oil palm cocoa, coconut, padi, pepper, tobacco and pineapple. However, the production of agricultural products are planted in demand and the production yields has increased especially rubber, crude palm oil, palm kernel oil and padi.

5.41 million hectares of area planted with main crops in Malaysia, individual farmers/smallholders owned 3.915 million hectares while estate sectors run about 1.495 million hectares as shown below.

<u>Crops</u>	<u>Total (Hacters)</u>	<u>Estates (Hecters)</u>	<u>Smallholders (Hecters)</u>
Rubber	1,800,700	322,500	1,478,200
Oil Palm	2,167,400	973,000	1,194,400
Cocoa	430,300	171,900	258,400
Padi	660,700	-	660,700
Coconut	315,900	24,600	291,300
Tobacco	11,900	-	11,900
Pepper	11,200	-	11,200
Pineapple	9,600	-	9,600
Tea	3,100	-	-
Total	5,410,800	1,495,100	3,915,700

Statistics Books - Year 1995

Statistic below shows production of main crop in Malaysia in 1992, where oil palm is a leading product : -

<u>Crops</u>	<u>Production</u> ( <u>'000 tonnes</u> )	<u>Import</u> ( <u>'000 tonnes</u> )	<u>Export</u> ( <u>'000 tonnes</u> )
Oil Palm	6,373.5	167.3	5,536.0
Rubber	1,217.5	95.8	1,035.0
Padi/rice	1,188.6	443.6	0.1
Pineapple	189.1	-	19.1
Cocoa	184.0	-	125.4
Coconut	40.0	1.5	37.4
Tea	23.0	5.9	0.3
Pepper	24.0	-	22.7
Tobacco	11.2	5.4	-



In terms of labour consumption, 25.16% of total employment taken by agriculture activities, about 1.827 million out of total 7.264 million. Below are detail figure ranking of employment by industry :-

Industry are as below :

Agriculture, forestry and fisheries	1,827,700	25.2%
Manufacturing	1,522,600	21.0%
Wholesale, Retail Trade, Hotels, Restaurants.	1,451,200	20.0%
Government Services	863,000	11.9%
Construction	502,300	6.9%
Other Services	434,300	6.0%
Transport, Storage, Communication	320,000	4.4%
Finance, Insurance, Real Estates, Business Services.	256,000	3.5%
Electricity, Gas, Water	47,100	0.6%
Mining, Quarrying	40,400	0.5%
Total	<u><u>7,264,600</u></u>	

As at Mei 1997 - total members of the Selangor seven District Rubber Smallholders Cooperative are with 5560 men (70%) and 2340 women (30%).

Total shares capital about RM566,000 with average of RM 7,800 member.

The activities of this cooperative are normally related to the needs of the members, especially in development and management of rubber plantation, production and marketing.

The main activities are divided as listed below :

1. Preparation and supply rubber seedlings for smallholders to replant their old and uneconomic rubber trees.
2. Supply agriculture inputs such as fertilizers, chemicals, pesticides, insecticides, farming tools and ect.
3. Marketing rubber and other products produced by members.
4. Provide transportation service related to replanting and marketing rubber and other products.
5. Manage to group small size rubber farms to form into a small estate, so that the management cost will become more economic and will give more benefit as well as more income to members.

6. In the case of labour shortage, the Cooperative help to bring workers or rubber tapers from outside.
7. The Cooperative also react as intermediate body between RISDA and rubber smallholders in the district.

#### **Problems In Developing Programmes Relating To Women**

Since 1981, the main problem is to get total involvement of all members to participate in activities carried out by The Cooperative, especially women members.

Some of the members still do not understand what is the function of The Cooperative and what benefit they can get. They still do not understand what is their right and what is their responsibility as a member of the cooperative.

Usually when the activities done in their village, only the man will take part in the programmes carried out by the cooperative, whereas the women folk just past it through their husband or male relative, meaning to say, the knowledge and informations needed, will not reach them directly 100%.

## **MANAGEMENT AND RESEARCH IN AGRICULTURE ACTIVITIES**

Most Government Agencies in my country manages and monitor the agricultural activities with different functions such as : -

1. My organisation RISDA (Rubber Industry Smallholders Development Authority) Is responsible in development, replanting and production of rubber owned by smallholders the research of rubber is done by rubber Institute Malaysia (RRIM).
2. As for FELDA (Federal Development Authority), is responsible in the development of settlers who majority works on planting oil palm. (Palm Oil Research Institute Of Malaysia) PORIM is responsible in this research and promote the multi uses of palm products.
3. The (Federal Land Consolidation rehabilitation Authority) plant crops where suitable on land, either it is rubber, oil palm orchards or others.
4. The Agriculture Department (DA) helps the individual small group farmers in planting other crops like fruit trees, vegetables, flowers and other cash crops. MARDI (Malaysian Agriculture And Research Development Institute).
5. FAMA (Federal Agriculture Marketing Authority) is responsible in planning and programming marketing strategies in agriculture products.
6. (Farmers Organisation authority) monitors the development activities done by farmer's agriculture cooperatives.

### **EXTENTION ACTIVITIES AND TRAINING ON FARM ECUCATION**

For the farmers needs, most of the government agencies are doing extension services. At times the farmers are sent to training centres or let them visit projects so as to gain more knowledge and experience.

The Agriculture Institute are responsible in conducting training extensions in farming and agricultural technologies. The Malay Agriculture College is upgraded to The Agriculture University of Malaysia in 1973. Therefore formers will gain more modern technologies and on the whole would lead a more better living, market prospects and more skillful.

## **CHAPTER III : WOMEN'S INVOLVEMENT IN CO-OPERATIVE IN MALAYSIA**

### **1. CURRENT SITUATION OF MALAYSIA CO-OPERATIVE MOVEMENT**

The co-operative movement has been acknowledged as the third most important sector in the country's economy through its ability to mobilise resources of members and upgrade their socio-economic status. The recognition of co-operatives as part of the national development effort provides opportunities for the growth of the movement involving more than 4 million members and more so far the 1.2 million women members.

The involvement of co-operative in the vibrant economic growth may be seen in the way they diversified into almost all fields of businesses. Besides the popular thrift and loan societies, the trend is now shifting rapidly towards activities which are more multi-purpose in nature such as consumer, housing, transport, land and property development, industrial production, banking and insurance

### **2. WOMEN INVOLVEMENT IN CO-OPERATIVES**

#### **2.1. Overall Participation**

Currently women form more than 30% of the total co-operative membership throughout the country.

As can be seen in Table 1, out of 3,957,232 members in 3,473 co-operatives, 1,211,013 are women.

For the state of Sabah in East Malaysia, women form 28.78% (31,098 individuals) of the total membership (108,045 individuals).

Participation of women in Sarawak's co-operatives is more encouraging. Out of 131,740 members, 77,381 are women. This is actually 58.74% of the total membership.

## 2.2. Exclusively Women Co-operatives

Table 2 shows the membership, share capital and assets in the women only co-operatives. As shown in the table, there is an increase in the number of women's co-operative from 33 in 1992 to 45 in 1994. In term of membership the number has rose by 1,739 individuals in 1994 compared to 11,872 in 1992.

The increase in capital and assets are also notable. In 1994, women co-operators hold RM2,834,466 shares; an increase of RM477,540 from 1992. Total assets of the 45 women co-operatives stand at RM11,681,273 in 1994. In 1992, it was only RM7,827,097.

## 2.3. Women In Factory Co-operatives

Of late, women working in factories has been given special attention by ANGKASA. Since industrialization, women in Malaysia have had the opportunity to earn their own income and participate in the economic development of the country. This changes however create some negative impact of the cultural and social norm of the nation.

In 1995, Malaysia has 33 registered factory co-operatives with total membership of 22,899 (see Table 3). 42.3% (9,676) are women. These women can be mobilised and trained to take care of themselves. At the movement, ANGKASA through it's Task Force for Development of Women Co-operators (JPPW)

division in encouraging industrial workers co-operatives to set up day care centre for their members' children.

#### 2.4. **Women In School Co-operatives**

Another sector which are becoming equally important in the co-operative movement is the schools. Co-operative societies among school children was introduced mainly with the aim of inculcating thrift and fostering unity and self-help. The movement gets full backing of the Ministry Of Education. When first introduced in 1968, there were only 9 pilot co-operatives. At present, the number has exceed 1,000 co-operatives with total membership of almost 1 million individual. Share capital stands at RM4.5 million with business tumover of more than RM40 million. 50% of the school co-operatives members are female.

Table 4 shows the statistics of School Co-operatives which are now affiliates of ANGKASA.

#### 2.5. **Women As Decision-Makers**

Through the effort of JPPW, women co-operators are now slowly being accepted to sit on the board of many co-operative societies. In the case of ANGKASA for instance, a total of 13 women now sit on 8 State Liason Committee, positions which formerly monopolised by men.

Measures are now being taken by the committee to improve participation of women as decision-makers in the mix co-operative

(Please see Table 5 for details).



### 3. **PROBLEMS AND CONSTRAINTS REGARDING WOMEN INVOLVEMENT IN CO-OPERATIVES**

#### 3.1. **Attitude**

Women are generally shy and reserve. They are mostly comfortable with the 'back seat' rather than taking the lead.

#### 3.2. **Financial**

Women, especially those who are not working, have very limited cash to be invested in the co-operative. Those employed or have a career tend to spend their income more on household and personal needs.

#### 3.3. **Leadership**

Good women leaders are hard to find. Those with calibre are normally overburdened with so many responsibilities. They are expected to be everywhere, in every association and to help solving all problems related to community development, sometimes even in the political arena.

#### 3.4. **Information Data**

Up to-date information on women in every aspect is scarce. There is no centralised data collection centre which can be referred to. Existing data which are sometime out-dated are kept scattered in various agencies, particularly in the government department.

#### 3.5. **Co-ordination**

There are too many agencies involve in the development of women in the country. Their functions sometimes overlap. This cause delay in action /

**Table 1 : CO-OPERATIVES IN MALAYSIA (1994)**

State	No. of Coop	Total Membership	No. of Women Members	Women Members in Percentage
West Malaysia	2,610	3,717,447	1,102,534	42.17%
Sabah	396	108,045	31,098	28.78%
Sarawak	467	131,740	77,381	58.74%
<b>TOTAL</b>	<b>3,473</b>	<b>3,957,232</b>	<b>1,211,013</b>	<b>30.60%</b>

Source : Co-operative Development Department (JPK)

**Table 2 : STATISTICS OF WOMEN ONLY CO-OPERATIVE (1992 - 1994)**

Year	No. of Coop	Members	Shares (RM)	Assets (RM)
1992	33	11,872	2,356,926	7,827,097
1993	46	15,220	2,607,358	9,114,857
1994	45	13,611	2,834,466	11,681,273

Source : Co-operative Development Department (JPK)

**Table 3 : INDUSTRIAL CO-OPERATIVES IN MALAYSIA (1995)**

Year	No. of Coop	Total Membership	No. of Women Members	Women Members in Percentage
1995	33	22,899	9,676	42.3%

Source : JPPW ANG KASA

**Table 4 : SCHOOL CO-OPERATIVES IN MALAYSIA (1995)**  
(Affiliates of ANGKASA only)

State	No. of School Coop	Total Membership	No. of Women Members
Pertis	14	15,188	9,112
Kedah	26	27,994	16,796
Penang	19	14,919	8,951
Perak	38	38,586	23,151
Selangor	27	45,232	27,139
Federal Territory	27	40,000	24,000
N. Sembilan	15	21,933	13,159
Malacca	26	18,271	10,962
Johore	69	95,237	57,142
Pahang	16	20,323	12,193
Terengganu	43	41,369	24,821
Kelantan	36	59,860	35,916
Sabah	1	700	420
Sarawak	1	1,000	600
<b>TOTAL</b>	<b>358</b>	<b>440,612</b>	<b>264,362</b>

Source : ANGKASA

**Table 5 : ANGKASA'S STATE LIASON COMMITTEE WITH WOMEN MEMBERS  
(1995 - 1996)**

State	Total Committee Members		Men		Women		Percentage of Women Members	
	1995	1996	1995	1996	1995	1996	1995	1996
Perlis	9	11	8	9	1	2	11.1	18.2
Kedah	11	11	10	10	1	1	9.1	9.1
Penang	12	11	12	10	0	1	0	9.1
Perak	11	11	10	10	1	1	9.1	9.1
Selangor	11	11	10	11	1	0	9.1	0
Federal Territory	10	11	10	11	0	0	0	0
N.Sembilan	10	11	7	7	3	4	30	36.4
Malacca	11	11	10	10	1	1	9.1	9.1
Johore	10	11	10	9	0	2	0	18.2
Pahang (3)	30	34	30	34	0	0	0	0
Terengganu	10	11	10	10	0	1	0	9.1
Kelantan	11	11	10	10	1	1	9.1	9.1
Sabah	0	11	0	8	0	3	0	27.3
Sarawak	0	11	0	9	0	2	0	18.2
<b>TOTAL</b>	<b>146</b>	<b>177</b>	<b>137</b>	<b>158</b>	<b>9</b>	<b>19</b>	<b>6.2</b>	<b>10.7</b>

Source : ANGKASA

#### **CHAPTER IV : INFORMATION ABOUT SELANGOR DISTRICT RUBBER SMALLHOLDERS COOPERATIVE**

RISDA was set up by Government to achieve the mission of the New Economic Policy with objectives as below : -

1. To Guide rubber smallholders to replant uneconomic rubber trees with new and better clones, such as timber-latex clones which can produce more volume of latex and give more timber later.
2. To do an extension work in the transfer of new technologies to rubber smallholders so that they can increase their rubber production as well as increase their family income.
3. Planning for Human Development Programmes to help rubber smallholders and their family in order to make sure that they will have better standard of living with healthy and wealthy lifestyle.
4. To identify and develop potential entrepreneurs through their participation in cooperative programmes.

In order to make sure that The Cooperative give more benefit and services to members, RISDA has given direct offer to all District Smallholders Cooperative to do most of the contract work such as production and supply of rubber seedlings, supply agriculture input, marketing of rubber and ect.

To promote involvement of women in cooperative activities, RISDA has set the standard policy that 30% of The rubber Smallholders Cooperative activities must involve and give benefit to women members.

For this purpose, Women RISDA Agriculture Assistant was appointed totally responsible in this programme to make sure the achievement of 30% participation of women.

Beside getting involve in ruber plantation and rubber production, women also involve in other small-scale industries such as food processing, making handycraft, tailoring and ect which can give extra income.

And for women members, The Cooperative help them in promoting and marketing their small-scale industry products as well as helping in financial problem.

District Rubber Smallholder Cooperative (SSC) were proposes by RISDA in 1979. Most of the cooperatives were registered in 1981. As at Dicember 31, 1994, 63 district cooperatives and 1 National rubber Smallholders Cooperative (NARSCO) were registered.

From total smallholders about 500,000 43.7% has sbecome members of the 64 cooperatives. The share capital about RM 13.5 million, eith everage of RM 64 / member Total amount of assets about RM 11.7 milions.

As Selangor District RISDA Officer, I am incharge of the development of about 15,000 smallholders in the district. About 35.8% of the smallholders has registered as members of Selangor District Rubber Smallholders Cooperative (SDRSC).

The activities of this cooperative are normally related in the needs of the members, especially in development and management of rubber plantation, production and marketing.

The main activities are divided as listed below:

1. Preparation and supply rubber seedlings for smallholders to replant their old and uneconomic rubber trees.
2. supply agriculture inputs such as fertilizers, chemicals, pesticides, insecticides, farming tools and ect.
3. Marketing rubber and other products produced by members.
4. Provide transportation services related to replanting and marketing rubber and other products.
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6. In the case of labour shortage, The Cooperative help to bring workers of rubber tapers from outside.
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Some of the members still do not understand what is the function of The Cooperative and what benefit they can get. They still do not understand what is their right and what is their responsibility as a member of the cooperative.

Usually when the activities done in their village, only the man will take part in the programmes carried out by the cooperative, whereas the women folk just pass it through their husband or male relative, meaning to say, the knowledge and informations needed, will not reach them directly 100%.



In RISDA we have smallholder women organization where activities like processing, packaging and marketing on small scale industries on food and products of handycraft. The smallholder cooperative built a promotion centre for this small scale industries especially for the women's activities. Indirectly the cooperative has support the women activities here and hope that with the facilities given to the small scale industries will create more entrepreneurship among the women. RISDA's strategy is to ensure that the women participation fetches at least 30% in all RISDA's socio-economic activities. RISDA aims to create women smallholders a community that captivates both in knowledge and skill.

The main problem of the cooperatives movement in my country is that there are less comitment and support from members of the cooperatives. However, to overcome these problems, the smallholder cooperative has wisely conduct motivation programmes and seminars in which members are given knowledge about cooperative where the objective of this course is to make them realise the importance of cooperative spirit for the benefit and the concept of profit sharing in all aspects. Therefore, being active and very concern to upgrade the ability and capability of my organisation. I wish to join this training programme where I hope to gain various knowledge and share our experience with other participants from various countries. My main objective is to obtain more knowledge and experience from this programme in my career by seeking the women activities in other country and to accumulate ideas on their life style culture and nature. With the new experience I may be able to help adapt the qualities of good will and hoped to be on a more dynamic, and aggressive involment activities for my organisation.

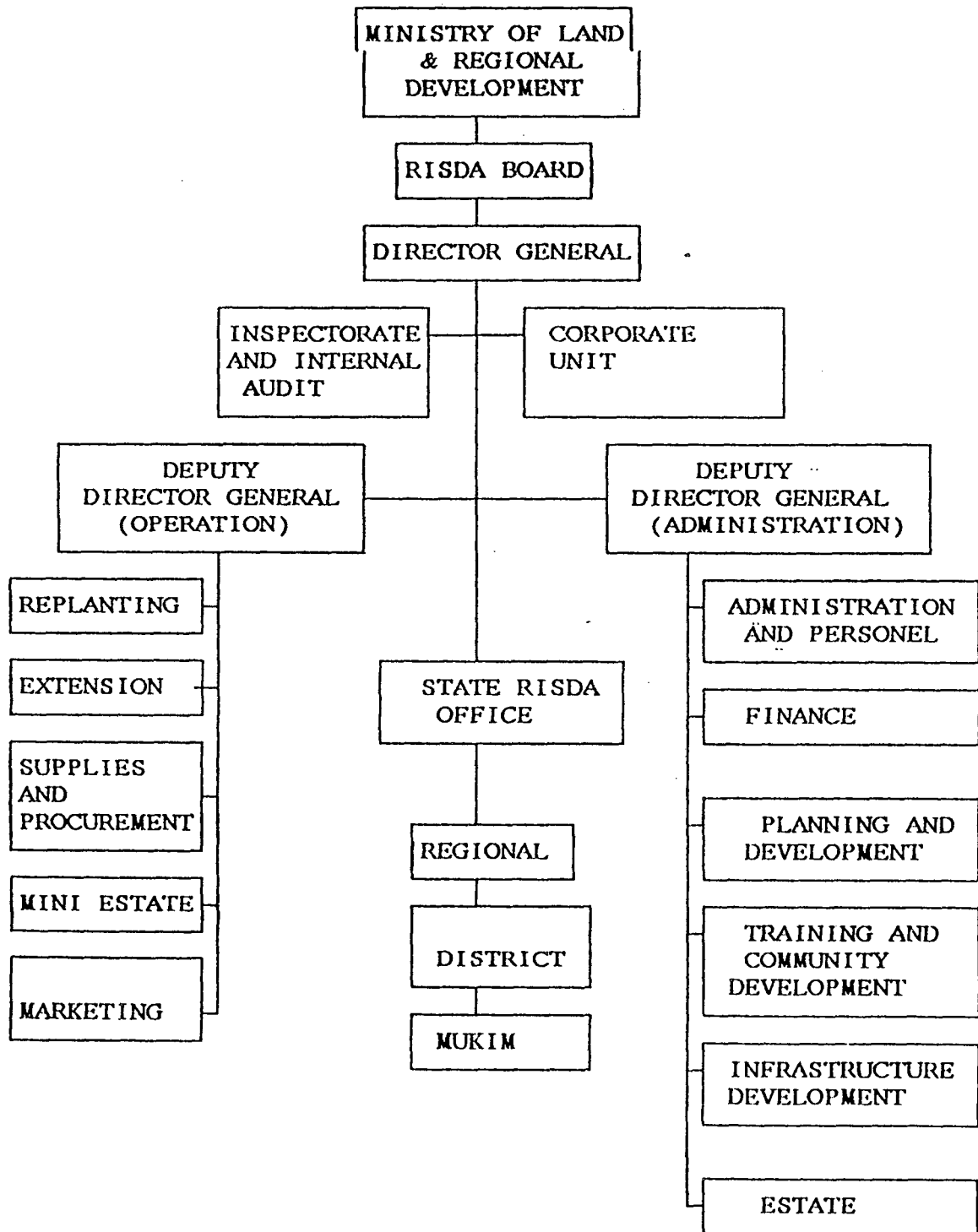
## CHAPTER V

I am Doriah Shafik bt Datuk Hj. Ahmad, and you may call me Dori in brief. I am an Extension Officer in my organisation, RISDA where I am in the state of Selangor, which is a very popular state because my capital city is the famous Kuala Lumpur, internationally well known in the world.

In Selangor I am an executive, responsible on various job specs like, accessing the rubber fund after being processed and approved, this is important to the smallholders as RISDA's promise to smallholders are to aid them in the development, replanting and production of rubber owned by them.

I am also responsible in the extension work by setting up campaigns and contribute a teamwork to the women's organisation to support them in their various activities namely, setting up of small scale food and handicraft industries, promote their market activities, give moral support and I have to make myself a very dedicated and play an important role and be a good facilitator to the womens' committee so that hopefully their small scale industries will create more entrepreneurship among the women. I am also responsible to give the womens' committee and smallholders the best knowledge and skill that will make RISDA Malaysia proud not only in our country but to other Asian and foreign countries.

# Organizational Structure



**MY EXPECTATION FROM THIS COURSE :-**

Hopefully will gain me vast knowledge from Japan, well known for their hardworking and skillful people. I expect to be more active and hope to conduct more campaigns on planning programmes and management of women smallholders activities, so that the smallholders womens' members in Selangor will also gain better knowledge, skills and become more aggressive, efficient and effective in their daily responsibilities not only in their home, but also for their organization, in my country, Malaysia.

With the knowledge I acquire from Japan will not benefit me solely, but for my people mainly the women members of RISDA Selangor. I will definitely promote what I have knowledge and experience from this course, and definitely the 'Look East' campaign from my government will be a success for me as being selected to represent my organization RISDA Selangor to IDACA Japan.

To know, to venture and to learn more will meet with the most success, and I hope other departments, agricultural especially, will share my experience and knowledge.

**STATISTICAL CHART 'A' (WLTC)**

01	Total National Population	21.66 million
	- Male Population	11.08 million
	- Female Population	10.58 million
02	Total Land Area (sq. km)	329,758 sq.km
03	National Per Capita Income	Not Available
04	Literacy Rate / Average	98.1
	- Among Male	Not Available
	- Among Female	- do -
05	Total Number of Co-operatives (all types, all levels).	3847 million
06	Total Cooperative Membership (all types, all levels).	4.38 million
07	Total Number of Agricultural Cooperatives (all levels).	470
08	Total Membership of Agricultural Cooperatives (all levels).	938,062
09	Population Engaged in Agriculture - Female engaged in Agriculture	1.5177
10	Total Number of Women's Coops (all levels - Exclusively of women)	53
11	Total Membership of these Coops	16,052 people
12	Main types of Cooperatives in which women-in-development / (Please list them below).	
Any other relevant information relating to women-in-development / Cooperative development.		