

BOOK 2. APPENDICES

**THE FINAL REPORT
OF THE SEMINAR ON FISHERIES COOPERATIVES**

**"FISHERMEN'S LEADERSHIP AND PARTICIPATION IN THE FISHERIES
COOPERATIVE MOVEMENT IN INDONESIA"**

SPONSORED BY :

OFFICIAL DEVELOPMENT AID (ODA)
OF THE GOVERNMENT OF JAPAN

AND

DEPARTMENT OF COOPERATIVE
REPUBLIC OF INDONESIA

Held on November 20 - 27, 1989
In Cipayung, West Java, Indonesia

CONDUCTED BY :

NATIONAL FEDERATION OF INDONESIAN FISHERMEN'S
COOPERATIVE SOCIETIES

&

INTERNATIONAL COOPERATIVE ALLIANCE
FISHERIES COMMITTEE



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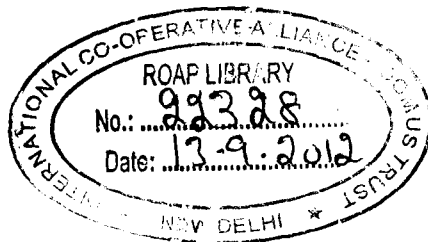
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APPENDIX 1. SUMMARY OUT LINE OF THE FINAL REPORT

**REPORT ON THE ICA FISHERIES COMMITTEE
ODA SEMINAR ON FISHERIES COOPERATIVES
HELD IN INDONESIA 20 — 28 NOVEMBER, 1989**

- PERIOD** : 20 – 28 November, 1989, devided into:
Part I : 20 – 25 November, 1989 in site Seminar.
Part II : 26 – 28 November, 1989 Field Visits.
- VENUES** : Part I : Wisma Jaya Raya, Cipayung, Bogor, West Java, Indonesia.
Part II : Field visits in West Java.
- PARTICIPANTS** : 39 Chairmen, directors, and managers of Fisheries Cooperatives of national, secondary, and primary levels of 17 provinces. The qualifications were further that they are active fishermen/women who are members of Fisheries Cooperatives or who otherwise are actively involved in fishery development activities.
- PURPOSE** : To help develop human resources, i.e the leaders of Fisheries Cooperatives in Indonesia in order to contribute to strengthening of the organization of Fisheries Cooperatives and vitalize their business activities.
- T H E M E** : Leadership and participation in the Fisheries Cooperative Movement in Indonesia that will help increase incomes and improve the standard of living of members of Primary Fisheries Cooperatives.
- OBJECTIVES** : Participants would during the seminar prepare list of issues of vital importance for the successful development of fisheries cooperatives in Indonesia, which will require Government initiative and infrastructural support. These requirements will be presented as a formal resolution to the Government of Indonesia by IKPI. Besides, the seminar would provide valuable and extensive information on how similar seminars can be held in the future. It was also envisaged that participants after the seminar would be well aware of the problems encountering fisheries cooperatives and how they may be solved.
- ORGANIZERS** : * Induk Koperasi Perikanan Indonesia (National Federation of Indonesian Fishermen's Cooperative Societies) as host and coordinator; for this purpose a Steering Committee was set up.
* The Department of Cooperatives, Government of Indonesia.
* ICA Fisheries Committee;
* Official Development Aid (ODA), Government of Japan.
- RESOURCE PERSON:** The resource persons were drawn from expertises from Japan, Korea and Indonesia.
- METHODOLOGY** : The Seminar was held in two separate parts as follows :
- 1) In-house - Seminar, 20 - 25 November, 1989, with topic presentations, guided group discussions on the topics by the facilitators ad designated by the Seminar Steering Committee. Three case studies from Indonesia, Japan and Korea respectively together with verbally presented cases were thoroughly discussed and concluded upon. Finally, the seminar in four groups prepared the recomendations to the Departments of Cooperatives and Agriculture as well as prepared the long term and short term objectives and an appropriate action plan for the development of the fisheries cooperatives in Indonesia.
 - 2) Study Visits : 2 days
Study visits following the in-house-seminar were arranged to the following organizations and places (in West Java) :
 - "MINA KENCANA", Synthetic rubber Fishing Floats Factory, Tangerang;

- "MINASARANA TIRTARAHARJA", Fishing Net Factory, Bekasi.
- "KUD MINA SUMITRA", Fisheries Village Unit Cooperative, Indramayu, and
- "PT. ARTERIA DAYA MULIA", Fishing Net Factory, Cirebon.

The participants and the resource persons were exposed to the conditions, operations and activities of primary fisheries cooperatives, manufacturing units of nets and other fishing equipment owned either by IKPI alone or on a joint venture basis between IKPI and private enterprises.

Brief summary reports of those field visit exposures were prepared in groups by the participants and added to the seminar material.

- DOCUMENTATION** :
- 1) *Background and Topic Papers* :
Each resource person prepared the text in English well in advance of the Seminar and in accordance with the guidance given by IKPI and/or the ICA Fisheries Committee. The texts were thereafter translated into the Indonesian language. IKPI and the ICA Fisheries Committee reproduced all the texts as well as topic papers.
 - 2) *Workshop Documentation and Reporting*
The sessions of the Seminar and field visits were extensively documented for the purpose of records, evaluation and further improvements of the organization of similar workshops elsewhere in the future.
 - 3) *Final Report*.
A Final report including the recommendations of the Seminar participants together with well defined short and long term objectives and guidelines for further development of the Fisheries Cooperatives and related Industries in Indonesia was also prepared.

- LANGUAGES** :
- The Indonesian language (Bahasa Indonesia) was used as the main media of communication. English/Indonesian interpreters helped the Resource Persons from Japan and S. Korea in communicating their presentations as well as views expressed during extensive discussion sessions and group works.

PROGRAMME & TIME SCHEDULES :

The detailed programme was worked out in line with the agreements reached during the meeting held on 29 - 30 June, 1989 in Jakarta between IKPI and the Assistant Secretary to the ICA Fisheries Committee. Based on those efforts IKPI prepared a time schedule which was agreed to by the ICA Fisheries Committee.

- FINANCING** :
- The final budget for the Seminar was drawn up by IKPI in consultation with the ICA Fisheries Committee, and the Official Development Aid from the Ministry of Agriculture, Forestry and Fisheries of the Government of Japan. The finally approved budget amounted to US \$. 25,000.00.

APPENDIX 2. PROGRAM OF ICA FISHERIES COMMITTEE'S ODA SEMINAR ON FISHERIES COOPERATIVE NOVEMBER 20TH - 27TH, 1989, IN INDONESIA

DATE	TIME	PROGRAM
1989 November 20 (Mon.)	07:30 - 08:30	Breakfast
	08:30 - 10:30	Registration of participants
	10:30 - 11:30	Opening Ceremony <ul style="list-style-type: none"> - Address Chairman of O.C. of Seminar by Mr. Wibisono Wiyono Secretary of I.K.P.I. - Welcome address by Mr. Eddiwan President of I.K.P.I. - Address by Mr. Atshusi Ioki Fisheries Attache to the Embassy of Japan - Address by Mr. Jirozaemon Saito Chairman ICA Fisheries Committee - Address by Mr. Imam Soekarsono Secretary General of the Indonesian Cooperative Council - Address and Inauguration of the Seminar by Mr. J.B. Ismartono, Secretary Directorate Cooperative
	11:30 - 13:00	Lunch
	13:00 - 13:30	Briefing on workshop methodology by Mr. Rabbul Bahari
	13:30 - 15:00	Presentation of Topic No. 1 on "Developing The Member's Participation In The Framework To Increase The Income of The Fisheries Cooperative Members". by Mr. J.K. Lumunon Moderator : Mr. Iman Soetrisno
	15:00 - 15:15	Tea break
	15:15 - 17:00	Discussion on Topic No. 1 Moderator : Mr. Iman Soetrisno Interpreter : Mr. Chairul Djamhari
	17:00 - 19:00	Free
	19:00 - 20:00	Dinner

DATE	TIME	PROGRAM
21 (Tue.)	07:30 - 09:00	Breakfast
	09:00 - 10:30	Presentation of Topic No. 2 on "Indonesian Fisheries Cooperative Development". by Mr. Rabbul Bahari Moderator : Mr. Riyanto Chadiri
	10:30 - 10:45	Tea break
	10:45 - 12:30	Discussion on Topic No. 2 Moderator : Mr. Riyanto Chadiri Interpreter : Mr. Markam
	12:30 - 13:30	Lunch
	13:30 - 16:00	Presentation of Topic No. 3 on "Introduction on Fisheries Cooperatives in Republic of Korea". by Mr. Chung Hae Sung Moderator : Mr. Muhammad Eidman Interpreter : Mr. Markam
	16:00 - 17:30	Discussion on Topic No. 3 Moderator : Mr. Muhammad Eidman Interpreter : Mr. Markam
	17:30 - 19:00	Free
	19:00 - 20:00	Dinner
22 (Wed.)	07:30 - 09:00	Breakfast
	09:00 - 11:30	Presentation of Topic No. 4 on "Present State Of Japanese Government Support To Fisheries Cooperatives" by Mr. Toru Okubo Moderator : Mr. Eddiwan Interpreter : Mr. Chairul Djamhari
	11:30 - 13:00	Lunch
	13:00 - 14:30	Discussion on Topic No. 4 Moderator : Mr. Eddiwan Interpreter : Mr. Chairul Djamhari
	14:30 - 14:45	Tea break
	14:45 - 16:30	Presentation of Topic No. 5 on "Fisheries cooperatives management problems" (1) Case study of Indonesia by Mr. Iman Soetrisno Moderator : Mr. Eddiwan
	16:30 - 19:00	Free
	19:00 - 20:00	Dinner
23 (Thu.)	07:30 - 09:00	Breakfast
	09:00 - 11:30	Presentation of Topic No. 5 on "Fisheries cooperatives management problems"

DATE	TIME	PROGRAM
		(2) Case study of Japan by Mr. Toru Okubo Moderator : Mr. Eddiwan Interpreter : Mr. Chairul Djamhari
	11:30 - 13:00	Lunch
	13:00 - 15:30	Presentation of Topic No. 5 on "Fisheries cooperatives management problems"
		(3) Case study of Korea by Mr. Chung Hae Sung Moderator : Mr. Eddiwan Interpreter : Mr. Markam
	15:30 - 15:45	Tea break
	15:45 - 18:00	Discussion on Topic No. 5 including case studies (1), (2) and (3) Moderator : Mr. Eddiwan Interpreter : Mr. Markam
	18:00 - 19:00	Free
	19:00 - 20:00	Dinner
24 (Fri.)	07:30 - 09:00	Breakfast
	09:00 - 12:00	Comprehensive discussions on "What are the things which are most re- quired for fisheries cooperative move- ment in Indonesia?". - Preparation of the result of Com- prehensive discussions by the par- ticipants Moderator : Mr. Rabbul Bahari Interpreter : Mr. Markam
	12:00 - 13:30	Lunch
	13:30 - 15:00	Comprehensive discussions - Cotinued -
	15:00 - 15:30	Tea break
	15:30 - 17:00	1. Presentation of the results of comprehen- sive discussions by Mr. Rabbul Bahari Interpreter : Mr. Markam 2. Suggestions and Impressions from Resource Persons by Resource persons from Korea, Japan and Indonesia. Interpreter : Mr. Chairul Djamhari
	17:00 - 19:00	Free
	19:00 - 20:00	Dinner

DATE	TIME	PROGRAM
25 (Sat.)	07:30 — 09:30	Breakfast
	09:30 — 11:00	Closing ceremony
		Closing address by Mr. Eddiwan President of I.K.P.I.
		Closing address by Mr. Toru Okubo Secretary General of ICA Fisheries Committee
		Granting of certificates to the participants by Mr. Toru Okubo Secretary General of ICA Fisheries Committee
	11:00 — 11:30	Explanation about study visits schedule by Mr. Wibisono Wiyono
	11:30 — 13:00	Lunch
	3:00 — 17:00	Refreshing to Safari Garden
	19:00 — 20:00	Dinner
26 (Sun.)	06:00 — 08:00	Breakfast
	08:00 — 09:30	Leave Seminar site for study visits Details of the places to be visited are as follows :
	09:30 — 11:30	1) Tangerang (Synthetic rubber fishing floats factory) "Mina Kencana"
	2:30 — 14:30	2) Bekasi (Fishing Net Factory) PT. "Minasarana Tirtaraharja" Lunch
	14:30 — 19:00	3) Leave Bekasi to go to Cirebon stay over night in Cirebon Dinner

DATE	TIME	PROGRAM
27 (Mon.)	06:00 - 08:00	Breakfast
	08:00 - 09:00	Leave Cirebon to go to Indramayu
	09:00 - 12:00	At KUD Mina (Fisheries Village Unit Cooperative) "Mina Sumitra"
	12:00 - 13:30	Back to Cirebon
	13:30 - 15:00	At PT. Arteria Daya Mulia, Cirebon Lunch
	15:00 - 21:00	Leave Cirebon to go to Jakarta. Stay over night in Jakarta Dinner
28 (Thu.)	07:00 - 08:00	Breakfast
	08:00	Participants back home

Appendix 3. List Of Participants, Resource Persons, Moderators, Interpreters, Observers and Staff Organizing Committee Of The Seminar On Fisheries Cooperatives

1. List Of Participants

No.	Name	Position	Office address
1.	Shamsir Masri	Chairman	KUD Mina Karya Desa Secanggih, Kec. Secanggih North Sumatera.
2.	Khaidir	Manager	KUD Mina Padang Jl. Muara 51 Padang, West Sumatera
3.	Harun Nansi	Manager	KUD Mina Usaha Karya Jl. Pasar Ikan Pelantar II, Bintan Selatan, Tanj. Pinang Barat, R i a u
4.	M. Lazir A.R.	Chairman	KUD Serba Usaha Kecamatan Belinyu, Kabupaten Bangka, South Sumatera.
5.	Sukmana Adras	Vice Chairman	KUD Bina Mina Ds. Muara Garcing Emas, Kec. Labuan Marinai Kab. Lampung Tengah Lampung
6.	Prayudi	Manager	Koperik Mina Jaya Jl. Dermaga No. 5 Muara Angke, North Jakarta
7.	Bauzad Azydar	Secretary	Koperik Mina Jaya Jl. Dermaga No. 5 Muara Angke, North Jakarta.
8.	Mansur Idris	Treasurer	KUD Misaya Mina Jl. Segara No. 1 Eretan Wetan, West Java
9.	Edi Rohaedi	Secretary	KUD Mina Waluya Desa Mertasinga Cirebon Utara, West Java
10.	R a t a m	Manager	KUD Mina Singaperbang- sa, Kp. Muara, Ds. Ciparage Jaya, Kec. Tempuran, Karawang, West Java
11.	Nara Edi Sofyan	Manager	KUD Mina Karya Bakti Rt.10/II, Dusun Kertamukti, Desa Jayamukti, Kec. Bla- nakan Kabupaten Subang, West Java

No.	N a m e	Position	Office address
12.	Tarman Waridin	Vice Chairman	KUD Karya Mina Jl. Blanak No. 10 Kodya Tegal, Central Java
13.	Abu Sudjanggih S	Chairman	KUD Mina Misoyo Sari Jl. Pantai Tanjung Sari. Kab. Pemalang Central Java
14.	Kaharto	Employee	KUD Mino Soyo Jl. Wonokerto Kulon Kec. Wiroseso, Kab. Peka- longan , Central Java
15.	Rasdjo Wibowo	Secretary	KUD Makaryo Mino Jl. W.R. Supratman Kodya Pekalongan, Central Java.
16.	R. Soepriyanto	Manager	KUD Ngupoyo Mino Jl. Yos Sudarso Utara Batang, Kab. Batang, Central Java
17.	Akhsin Syafii	Manager	KUD Mino Utomo Desa Purworejo Kec. Bo- nang Demak Central Java.
18.	Mohammad Asari	Vice Chairman	KUD Eko Karyo Mino Jl. Jobokuto, Jepara Tengah, Kab. Jepara Central Java
19.	Supeno	Treasurer	KUD Saroni Mino Jl. Hang Tuah No. 79 Bajomulyo Juana Kabupaten Pati, Central Java
20.	Sudiyono	Secretary	KUD Mino Saroyo Jl. Bakung Rt.02/VI Sida- kaya, Kab. Cilacap, Central Java.
21.	Mulyono	Manager	KUD. Misoyo Mardi Mino Jl. Pondok Al Anwar, Sarang, Kabupaten Rem- bang Central Java
22.	H.T. Wiyono	Chairman	KUD Mina Tani Desa Brondong Kec. Lamongan, East Java
23.	Suparni	Secretary	KUD Mina Tani Sempurna Desa Perigi, Kec. Watuli- mo, Trenggalek, East Java.

No.	Name	Position	Office address
24.	Heri Basuki	Manager	KUD Mina Jaya Dukuh Tambakrejo Kec. Sumbermanjing Malang, East Java
25.	Matrawi	Secretary	KUD Mina Bhakti Samudra Desa Karangagung Kec. Palang, Tuban, East Java
26.	H. Busro'i Mun'im	Chairman	KUD Mina Cendana Desa Pesanggrahan Kecamatan Kwanyar, Bangkalan, East Java
27.	M. Yasa k	Chairman	KUD Sumber Semi Desa Bluto, Sumenep East Java
28.	Abdul Karim Qohar	Chairman	KUD Mina Sumber Samodra Desa Mlaten, Kec. Nguling, Pasuruan East Java.
29.	Muhammad Imron Syukur	Chairman	KUD. Mina Dwi Samodra Tanggulangin Sidoarjo, East Java
30.	Syamsun Munir	Vice Chairman	Kop. Perikanan Mina Surya Kotamadya Surabaya, East Java
31.	Abdul Kadir Jailani	Secretary	KUD Mina Karya Dusun Ketapang, Desa Pengambengan, Kec. Negara, Kab. Jemberana, B a l i
32.	H. M a h i r	Chairman	KUD Mina Bahtera Hidup Desa Tanjung Luar Kec. Keruak, Kab. Lombok Timur West Nusa Tenggara
33.	M. A r s y a d	Chairman	KSU Perikanan Sepakat, Karota, Kupang, East Nusa Tenggara.
34.	D. Tupamahu	Chairman	KUD Mina Karya Hative Kecil A m b o n M a l u k u
35.	M u c h t a r B.	Secretary	KUD. Mina Bontobahari Kab. Maros South Sulawesi
36.	Eddy Waworuntu	Manager	KUD Mina Bunga Laut Kab, Minahasa North Sulawesi
37.	Armansyah	Secretary	KUD Semboja Tengah K u t a i, East Kalimantan

No.	Name	Position	Office address
38.	Abdul Malik	Chairman	KUD Mina Usaha Singkawang, West Kalimantan
39.	Rafiin Djamaludin	Manager	Puskud Mina Bahari Jl. Sultan Muhammad No. 26 Pasar ikan Atas,

2. List Of Resource Persons.

No.	Name	Position	Office Address
1.	J.K. Lumunon	Vice Secretary General of Indonesian Cooperatives Council (I.C.C.)	Jl. Letjen S. Parman No. 10. Kav.80, West Jakarta.
2.	Rabbul Bahari	Chairman of IKPI	Jl. Ir. H. Juanda No. 2. Central Jakarta 10120.
3.	Iman Soetrisno	Chairman Puskud Mina Lestari, East Java	Jl. Jend. Ahmad Yani No. 256, Surabaya, East Java.
4.	Tohru Okubo	General Manager Co-operative Members Activity on Guidance & Promotion Department ZENGYOREN	Co-op Bldg. 7f 1-1-12 Uchikanda Chiyoda-ku Tokyo, Japan.
5.	Chung Hae-Sung	Manager Research Department N.F.F.C. Republic of Korea	88. Kyungwun-dong, Chongro-ku, Seoul 110-310, Republik of Korea.

3. List Of Moderators

No.	Name	Position	Office Address
1.	Eddiwan	President IKPI	Jl. Ir. H. Juanda 2. Central Jakarta 10120.
2.	Rabbul Bahari	Chairman of IKPI	Jl. Ir. H. Juanda 2. Central Jakarta 10120.
3.	Iman Soetrisno	Chairman Puskud Mina Lestari, East Java.	Jl. Jend. Ahmad Yani No. 256, Surabaya, East Java.
4.	Riyanto Chadiri	Chairman Puskud Mina Baruna, Central Java.	Jl. Abdurachman Saleh No.77 Semarang Central Java.
5.	Muhammad Eidman	Staff of Faculty of Fisheries, IPB Bogor.	Jl. Rasamala, Dramaga Bogor, West Java.

4. List Of Interpreters

No.	Name	Position	Office Address
1.	Ahmad Markam	Director Foreign Relation and Business Development, I.C.C.	Jl. Letjen S. Parman No. 10. Kav.80, West Jakarta.
2.	Choirul Djamhari	Staff of Research and Development For Cooperatives.	Jl. H.R. Rasuna Said Kav. 3-5, South Jakarta.

5. List Of Observers From ICA Fisheries Committee

No.	Name	Position	Office Address
1.	Jirozaemon Saito	Chairman ICA Fisheries Committee.	7th floor, Co-op Bld 1-1-12 Uchikanda Chiyoda-ku Tokyo 101
2.	Tohru Okubo	Secretary General of ICA Fisheries Committee	Co-op Bldg.7f 1-1-12 Uchikanda Chiyoda-ku Tokyo, Japan.
3.	Masaaki Sato	Secretary Of ICA Fisheries Committee.	Co-op Bldg.7f 1-1-12 Uchikanda Chiyoda-ku Tokyo, Japan.
4.	Naoki Yamazaki	Credit Federation of Fisheries Cooperative Association in Shizuoka Prefecture	9-18 Otemachi Shizuoka- chi, Japan
5.	Yukari Murakami	Secretary ICA Fisheries Committee	Co-op Bldg 7f 1-1-12 Uchikanda Chiyoda-ku Tokyo, Japan.
6.	Sten Herge Dahl	Cooperative Development Adviser Development Coordination Unit Regional Office for Asia	Bonow House 43 Friends Colony (E) New Delhi 110065 India.



6. List Of Staff Organizing Committee.

No.	Name	Position	Office Address
1.	Wibisono Wiyono	Chairman of Organizing Committee.	Jl. Ir. H. Juanda 2 Central Jakarta
2.	Ayon Prasetyawan	Secretary of organizing Committee.	Jl. Ir. H. Juanda 2 Central Jakarta
3.	Sukri Dukat	Treasurer	Jl. Ir. H. Juanda 2 Central Jakarta
4.	Choiril Muchtar Meilany	Master of Ceremony, Accomodation & Transportation	Jl. Ir. H. Juanda 2 Central Jakarta

No.	Name	Position	Office Address
5.	Amir Syam	Seminar Matters	Jl. Ir. H. Juanda 2 Central Jakarta
6.	Soediro S. Hariadi	Accommodation & decoration	Jl. Ir. H. Juanda 2 Central Jakarta
7.	Doddy Supriadiyat	Seminar Matters	Jl. Pelindung Hewan No.42 Bandung 42043 West Java
8.	Lukito Hardadi	Seminar Matters	Jl. Ir. H. Juanda 2, Central Jakarta
9.	Dwi Haryanto	Transportation & decoration	Jl. Ir. H. Juanda 2, Central Jakarta
10.	Mohammad Noor	Seminar Matters	Jl. Ir. H. Juanda 2, Central Jakarta
11.	Rojak	Driver	Jl. Ir. H. Juanda 2, Central Jakarta
12.	Alwani	Driver	Jl. Ir. H. Juanda 2, Central Jakarta
13.	Syarifudin	Driver	Jl. Ir. H. Juanda 2, Central Jakarta
14.	Salim	Driver	Jl. Ir. H. Juanda 2, Central Jakarta

PHOTOS OF PARTICIPANTS, RESOURCE PERSON, MODERATORS, INTERPRETERS,
OBSERVERS FROM JAPAN AND ORGANIZING COMMITTEE
OF ODA SEMINAR

1. PHOTOS OF PARTICIPANTS OF ODA SEMINAR

<p>1</p>  <p>SAMSIR MASRI NORTH SUMATERA</p>	<p>2</p>  <p>KHAIDIR WEST SUMATERA</p>	<p>3</p>  <p>HARUN NANSI R I A U</p>
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<p>4</p>  <p>M. LAZIR AR. SOUTH SUMATERA</p>	<p>2</p>  <p>SUKMANA ADRAS LAMPUNG</p>	<p>3</p>  <p>PRAYUDI JAKARTA</p>
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<p>7</p>  <p>BAUZAD AZYDAR JAKARTA</p>	<p>8</p>  <p>MANSUR IDRIS WEST JAVA</p>	<p>9</p>  <p>EDI ROHAEDI WEST JAVA</p>
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10



M. RATAM
WEST JAVA

11



NARA EDI SOFYAN
WEST JAVA

12



TARMAN WARIDIN
CENTRAL JAVA

13



ABU SUJANGGI S.
CENTRAL JAVA

14



KAHARTO
CENTRAL JAVA

15



RASDJO WIBOWO
CENTRAL JAVA

16



R.SOEPRIYANTO
CENTRAL JAVA

17



AKHSIN SYAFII
CENTRAL JAVA

18



MOHAMMAD ASARI
CENTRAL JAVA

19



SUPENO
CENTRAL JAVA

20



SUDIYONO
CENTRAL JAVA

21



MULYONO
CENTRAL JKVA

22



H.T. WIYONO
EAST JAVA

23



SUPARNI
EAST JAVA

24



HERI BASUKI
EAST JAVA

25



MATRAWI
EAST JAVA

26



H.. BUSRO'I MUN'IM
EAST JAVA

27



M. YASAK
EAST JAVA

28



ABD KARIM QOHAR

EAST JAVA

29



M. IMRON SYUKUR

EAST JAVA

30



SYAMSUN MUNIR

EAST JAVA

31



ABD KADIR JAE LANI

B A L I

32



H. MAHIR

WEST NUSATENGGARA

33



M. ARSYAD

EAST NUSATENGGARA

34



D. TUPAMAHU

MALUKU

35



MUCHTAR B.




SOUTH SULAWESI

36






EDDY WAWORUNTU

NORT SULAWESI




<p>37</p>  <p>M. ARMANSYAH EAST KALIMANTAN</p>	<p>38</p>  <p>ABDUL MALIK WEST KALIMANTAN</p>	<p>39</p>  <p>RAFIIN DJAMALUDIN WEST KALIMANTAN</p>
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2. RESOURCE PERSONS

<p>1</p>  <p>J.K. LUMUNON Vice Secretary General of Indonesian Coop. Council</p>	<p>2</p>  <p>RABBUL BAHARI Chairman of IKPI</p>	<p>3</p>  <p>IMAN SOETRISNO Chairman of Puskud Mina Lestari, East Java</p>
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<p>4</p>  <p>TOHRU OKUBO Manager of ZENGROYEN J A P A N</p>	<p>5</p>  <p>CHUNG HAE-SUNG Manager Research Department of NFFC, Korea</p>
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3. MODERATORS

<p>1</p>  <p>EDDIWAN President IKPI</p>	<p>2</p>  <p>RABBUL BAHARI Chairman of IKPI</p>	<p>3</p>  <p>RIYANTO CHADIRI Chairman of Puskud Mina Baruna, Central Java</p>
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<p>4</p>  <p>IMAN SOETRISNO Chairman of Puskud Mina Lestari, East Java</p>	<p>5</p>  <p>MUHAMMAD EIDMAN Staff of Faculty of Fisheries, IPB, Bogor</p>
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4. INTERPRETERS






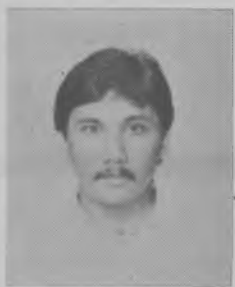



<p>1</p>  <p>AHMAD MARKAM Foreign Relation Business Development, I.C.C.</p>	<p>2</p>  <p>CHOIRUL DJAMHARI Departmen of Cooperation</p>
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5. OBSERVERS FROM ICA FISHERIES COMMITTEE



<p>1</p>  <p>JIROZAEMON SAITO Chairman ICA Fisheries Committee</p>	<p>2</p>  <p>TOHRU OKUBO Secretary General of ICA Fisheries Committee</p>	<p>3</p>  <p>MASA AKI SATO Secretary of ICA Fisheries Committee</p>
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<p>4</p>  <p>NAOKI YAMAZAKI Credit Federation of Fisheries Cooperative Association in Shizuoka</p>	<p>5</p>  <p>YUKARI MURAKAMI Staff of ICA Fisheries Committee</p>	<p>6</p>  <p>STEN H. DAHL Secr. of ICA Fisheries Sub-Committee for Asia</p>
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6. STAFF OF ORGANIZING COMMITTEE

<p>1</p>  <p>WIBISONO WIYONO Secretary of IKPI</p>	<p>2</p>  <p>AYON PRASETYAWAN Staff of IKPI</p>	<p>3</p>  <p>SUKRI DUKAT Chief Office of IKPI</p>
<p>4</p>  <p>CHORIL MUCHTAR MEILANY Staff of IKPI</p>	<p>5</p>  <p>AMIR SYAM Staff of IKPI</p>	<p>6</p>  <p>SOEDIRO S. HARIADI Staff of IKPI</p>
<p>7</p>  <p>DODDY SUPRIADIYAT Staff of Puskud Mina LAKSANA MUKTI, BANDUNG</p>	<p>8</p>  <p>LUKITO HARDADI Staff of IKPI</p>	<p>9</p>  <p>DWI HARYANTO Employee of IKPI</p>

<p>10</p>  <p>MOHAMMAD NOOR Employee of IKPI</p>	<p>11</p>  <p>R O J A K D r i v e r</p>	<p>12</p> <p>ALWANI D r i v e r</p>
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<p>13</p>  <p>SYARIFUDDIN D r i v e r</p>	<p>14</p>  <p>S A L I M D r i v e r</p>
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Appendix 4. **OPENING ADDRESSES.**

**CHAIRMAN OF THE ORGANIZING COMMITTEE
OF THE 'ODA' SEMINAR ON FISHERIES COOPERATIVE
IN CIPAYUNG, NOVEMBER 20TH, 1989**

Greeting to :

- Mr. Ismartono in this occasion is representing the Director General of Cooperative Promotion, Department of Cooperative
- Mr. Jirozaemon Saito, chairman of ICA Fisheries Committee.
- Mr. Iman Sukarsono, representing chairman of DEKOPIN (The Indonesian Cooperative Council)
- Mr. Ioki, Fisheries Attache to the Embassy of Japan.
- The participants of the Seminar and audiences representing National Federation of Cooperatives.

Assalaamu'alaikum Wr. Wb.

Allow me as a chairman of the organizing committee of the Seminar to convey my report as follows :

In this seminar we are inviting members of the Board, Board of Audits and Manager representing KUDs Mina/Fishery Cooperatives from 18 provinces with the specification as follows:

- a) 27 participants from Java Island i.e. DKI, West Java, Central Java and East Java.
- b) 15 participants from outside Java i.e. North Sumatera, West Sumatera, Riau, South Sumatera, Lampung, West Kalimantan, South Kalimantan, North Sulawesi, East Nusa Tenggara, West Nusa Tenggara, Bali and Maluku.

As to the lecturers they are :

1. Mr. Rabbul Bahari, Vice Chairman of IKPI
2. Mr. J.K. Lumunon, Vice Secretary General of DEKOPIN
3. Mr. Iman Soetrisno, Chairman of Puskud Mina Lestari (Provincial Federation of Fishery Cooperatives) of East Java
4. Mr. Tohru Okubo, Secretary General of ICA Fisheries Committee.
5. Mr. Chung Hae-Sung, Manager Research Department N.F.F.C of the Republic of Korea.

Whereas the moderators we invited are :

- Mr. Muhammad Eidman, Lecturer to the Faculty of fisheries of Bogor Agricultural University.
- Mr. Riyanto Chadiri, Chairman of Puskud Mina Baruna of Central Java and also Mr. Ed-diwani, Mr. Rabbul Bahari and Mr. Iman Sutrisno.

This seminar will be conducted into two programs :

The first program shall be discussion/presentation of papers which will be held on November 20th - 25th, 1989.

The second program shall be study visit to the industries of fishing gears/equipments viz :

1. Fishing Floats Factory "Mina Kencana" as a business unit of IKPI in Tangerang, West Java.
 2. Fishing Net Factory P.T. Minasarana Tirtaraharja in Bekasi.
 3. KUD Mina Sumitra (Primary level Fishery Cooperative) in Indramayu
 4. Fishing Net Factory P.T. Arteria Daya Mulia in Cirebon.
- Which are scheduled on November 26th to 27th, 1989.

Lastly as an Indonesian proverb :

"There is no ivory that not showing a crack". Please accept my apologies if there are some feelings of dissatisfaction in organizing this seminar and I also extend my thanks to the management of Wisma Jaya Raya who have prepared facilities in supporting the implementation of this seminar.

That is all of my report.

Wassalaamu'alaikum Wr. Wb.

Cipayung, November 20th, 1989
Organizing Committee

- Signed -

Wibisono Wiyono
Chairman

**PRESIDENT IKPI IN THE ODA SEMINAR ON FISHERIES COOPERATIVES
NOVEMBER 20TH, 1989 IN CIPAYUNG, BOGOR**

Greeting to :

Mr. Ismantoro, in this occasion representing the Director General For Institutional Promotion of Cooperatives.

Mr. Imam Sukarsono, in this occasion representing President of DEKOPIN (Indonesian Cooperative Council)

Mr. Atshusi Ioki, Fisheries Attache to the Embassy of Japan in this occasion representing His Excellency the Ambassador of Japan.

The representatives of National Federations of Cooperative and extend welcome to :

Mr. Jirozaemon Saito, Chairman of ICA Fisheries Committee with the groups.

Mr. Chung Hae-sung, from South Korea who will submit the paper.

Participants of the Seminar representing 42 KUDs Mina from 18 provinces.

Assalamu'alaikum Wr. Wb.,

First of all praise and thanks be to God Almighty that we this morning are able to gather here in the Opening Ceremony of the Seminar on Fisheries Cooperatives.

On behalf of IKPI I express my gratitude to ICA Fisheries Committee assisted by Official Development Aid (ODA) by whom IKPI was requested to be a host and to be an organizer of this important issue i.e. Seminar on Fisheries Cooperatives to be held since today until November 27th, 1989.

Audiences.

This Seminar is for the second time held in this year, wherein IKPI as a main organizer. As to the first Seminar was held in KUD Mina Tani in Brondong, East Java on the occasion of the 42th Cooperatives Day on 12th July, 1989. This opportunity is an implementation of IKPI's Working Program year 1989, where the educational field for the members of which in this time is aimed to the primary level Coops (KUD Mina/Fisheries Coops) as one of the main activities in guiding fishery Cooperative organizations.

In the development era where a considerable number of our fishermen i.e. more than one million most of them still gained low income, need more special attention and handling their problems.

The structure of the country of Indonesia which formed an archipelago consisting of 13,667 islands and the territorial waters covered 2/3 parts of them, with its potential about 6,7 million tons fish and only about 30% could be exploited.

The national production, the amount and export value of fish and other water resources are encouraging increase. On the other side the fishery cooperative/KUD Mina as a main form of fishermen is lacking good guidance so its development and its growth is very slow. This is one of the reason why are the producer fishermen lacking obtain the opportunities assistances and supports as they expected.

We have to look constantly for a path promoting them to obtain reasonable share from the national development's produce, in order that the equal shares of the increase of living can be also felt by them.

We convince that it can be implemented through cooperative.

We hope that this Seminar will give a fresh thinking for all of us.

As to the theme of the Seminar "Fishermen's Leadership and Participation in Fisheries Cooperative Movement in Indonesia" is indeed exact, because this theme is very basical in forming strong Fishery Cooperative/KUD Mina, and especially we hope this Seminar will produce a good resolution, because :

- Participants of the Seminar are representing KUD Mina which had complied with the requirement settled by IKPI among others the age of participants, their degree of education and their period of service in the fishery Cooperative movement.
- The objective of this Seminar is to expand knowledge of the participants proved by the fact of the presentation of the lecturers coming from our own fishery cooperative movement as well as from abroad such as Japan and Korea.
- The participants can increase their knowledges and experiences through exchange of information among participants represented KUD's Mina from 18 provinces which have been regarded as potential in fisheries field especially in the development of fisheries cooperatives.

Audiences

After the discussion of this Seminar finished, at the end of the Seminar we are planning to make a two days study visit. The objects we are planning to visit are 3 fishing gears factories owned by cooperatives, by joint enterprise between cooperatives and private enterprise and by a pure private enterprise and also we are planning to visit to one of KUDs Mina in West Java, which lately showed encouraging in its development. By this study visit we hope that we will increase knowledges and open our awareness and understanding the needs of establishing basic industries managed by cooperatives to support fisheries business and in increasing the production.

In this occasion I express my deeply gratitude to ODA, government of Japan and to the government of Indonesia in this case Department of Cooperatives on their participation in sponsoring this Seminar.

To the participants we hope that during the Seminar we could care our health condition considering that this Seminar will be taking place for a long time and will be very tiring, so that the advantageous feedback for us could be well implemented.

Lastly we request to Mr. Ismartono who representing the Director General of Cooperative Institute Officially to open this Seminar.

Wassalamu'alaikum Wr. Wb..

Cipayung, 20 th November 1989

National Federation Of Indonesian
Fishermen's Cooperative Societies
Board Of Directors

- Signed -

E D D I W A N
President

FISHERIES ATTACHE OF EMBASSY OF JAPAN

**"EXCHANGE OF EXPERTISE IN FISHERIES WILL EXPAND
THE COOPERATIVE AND FRIENDLY RELATIONSHIP
BETWEEN INDONESIA AND JAPAN"**

I deem it is privilege and a matter of great pleasure to have been called upon inaugurate the ODA Seminar, International Cooperation Alliance Fisheries Committee Lecture Course for Leader of Fisheries Cooperatives sponsored by the National Federation of Fishermen's Cooperatives limited, with the cooperation of the Office of the International Cooperative Alliance and the Department of Cooperative, Government of Indonesia. I am also glad to note that an active support has also been provided by ZENGYOREN, an established fisheries cooperative organization of Japan, in organizing this Seminar.

Cooperative movement has been an important element that helped greatly the process of modernization and development of the fishery, agriculture and forestry sectors in Japan. Japan, as well as Korea, has had a most fruitful experience of cooperative movement, which greatly contributed to the modernization of the fisheries sector, resulting in highercatch and aquaculture as well as its processing and efficient marketing.

Fishing has also been an important source of providing a wholesome and nutritious diet for human being. The potential of this food source is not yet adequately exploited in Indonesia. While food diversity is hopefully progressing, the sea and the oceans around Indonesia which is the world largest archipelagic country, and the rivers and the lakes remain fairly unexploited, which could help meet the ever-growing need for providing nutritious food.

The Government of Japan has been aware of the importance of the sustainable development of fisheries in Indonesia, and has always taken interest in the development efforts being made by Indonesia in this sector. From time to time the government of Japan has been contributing to such effort by way of official development assistance to Indonesia.

Now, two project type technical cooperation projects are going on in Seram, coastal aquaculture project, and in Bali, mariculture research and development project.

Jakarta fishing port was established by Japanese project type loan.

Besides above mentioned cooperation, various governmental as well as non-governmental bodies in Japan and joint venture company between Japan and Indonesia in Indonesia, have also been organizing programs in fisheries from time to time, in which many persons from Indonesia have been also participating.

I am glad that ZENGYOREN from Japan has extended its cooperation in holding this Seminar, which aims at developing leadership in the field of fisheries cooperatives in Indonesia. The Seminar will provide an invaluable opportunity to the experts and active workers in the fisheries cooperative movement to know about the experience of Japan in the field of fisheries cooperative development.

I hope that participants in the Seminar will have a must useful exchange of views to their mutual benefit. I am also confident that the Seminar will also pave way for exchange of expertise in the field of fishery and thereby further expand the cooperative friendly relationship among Indonesia, Korea and Japan.

I have great pleasure in inaugurating the Seminar and I wish it great succes.

Cipayung, 20 th November 1989

Embassy Of Japan

- Signed -

Atsushi Ioki
Fisheries Attache

**CHAIRMAN OF ICA FISHERIES COMMITTEE
ON THE ODA SEMINAR ON FISHERIES COOPERATIVE
in Cipayung, Bogor, 20 November, 1989
Venue : Wisma Jaya Raya, Bogor, Indonesia**

Distinguished guests, our colleagues, ladies and gentlemen !

This is the 2nd time for me to visit our very close and friendly country Indonesia. Let me, first of all, say how I feel so happy to be here with all of you.

My visit this time to this lovely country Indonesia is to share with you the experiences and knowledge on various subjects of fisheries cooperatives through taking part in this ODA Workshop.

The purpose of the Workshop is to develop human resources, namely, leaders of fishermen and fisheries cooperatives in Indonesia, in order to help develop and strengthen the organizations of fisheries cooperatives and vitalize their business activities.

Taking this opportunity, I would like to thank IKPI for its tremendous efforts for hosting this Workshop.

Without your hosting efforts, organizing of this workshop would not have been possible.

I would like to also express my thanks to all of you participants who have come all the way from various places to take part in this Workshop despite your busy schedule as leaders of fisheries cooperatives.

At the same time, I would like to thank you 5 excellent lecturers for taking your precious time and coming to this workshop.

Further, we are honoured by the presence of :

- (1) Mr. Atshusi Ioki,
- (2) Mr. J.B. Ismartono,
- (3) Mr. Iman Soekarsono,

I would like to extend my cordial thanks to each distinguished guest from the bottom of my heart.

This Workshop in the Indonesia is one of the so-called ODA Seminar that the ICA Fisheries Committee organizes by using the funds of ODA namely, Official Development Aid, contributed to the ICA Fisheries Committee from the Government of Japan.

This contribution from the Government of Japan to the ICA Fisheries Committee started from the fiscal year 1987.

By using this ODA budget, we have organized seminars on fisheries cooperatives in two countries each fiscal year in accordance with the ICA Fisheries Committee's lecture course project for leaders of fisheries cooperative since fiscal year 1987.

The ODA Workshop in Indonesia we start from today is the 5th seminar. We will having another workshop next month in the Philippines in which I believe recommendations and opinions which you will produce during this workshop in Indonesia will be used as reference materials.

Let me take this opportunity thank the government of Japan for her understanding of the necessity of development of fisheries and fishermen's organizations in developing countries and deciding on appropriating part of its ODA budget to ICA in response to the request of our committee.

It is my believe, as chairman of the ICA Fisheries Committee, that producing of foods necessary for the population should be made a basic policy in each country of the world.

There may be exceptional cases where certain exports of surplus production is unavoidable and import becomes necessary to cover shortage of supply in domestic production.

In most developing countries, food production does not keep pace with rapid growth of the population.

Under the circumstances, the general condition is that foods are not sufficient to their needs.

Accordingly, it is a matter of vital importance that they increase their domestic food production.

In the sea worldwide, the regime of 200-mile zones has firmly taken roots almost everywhere.

Thus, development of fisheries has become a fairly important issue in developing countries surrounded by sea in order to produce fish protein needed for the population.

For developing fisheries, I think there are some prerequisite conditions, one of which is to develop and strengthen fishermen's organizations such as fishermen's cooperatives.

As we have already amply demonstrated in Japan, for example, fishermen's organization have played really an important role in the development of fisheries and improvement of fishermen's standard of living so far.

The late Dr. A. F. Laidlaw described in his book "Cooperatives in the year 2000" very much to the point matter as follows

"Clearly, as long as it depends on the rich countries for food, the Third World will be poor. In the other words, in the long view, only the Third World can feed the Third World".

Further he mentioned in the same book -

"In Summary, there are good reasons for predicting that, from a global of view, the most valuable contribution of cooperatives to mankind by the year 2000 will be in food and the conquest of world hunger."

These words of the late Dr. Laidlaw do not leave us without being deeply moved and encourage for our common cause for cooperative movement.

Furthermore, I recollect ICA's 29th Congress held in Stockholm, Sweden in July 1988, of which main theme was "Cooperatives and Basic Values".

Mr. Marcus, president of the ICA, proposed major basic values of cooperatives in his key report submitted to the Congress.

They are -

- (1) Member Participation,
 - (2) Democracy,
 - (3) Honesty, Trust and Openness
- and
- (4) Caring for others.

I hope that we will be able to realize these through our joint efforts.

I believe that the Workshop from today will add a significance to this cause.

Lastly, let me wish that this workshop will meet the expectations of all participants and be able to serve, even if a little, for the development of fishermen's cooperatives in Indonesia.

Now, ladies and gentlemen, may I pray for every success of this ODA Workshop in Indonesia and further prosperity and happiness of fishing sector of this country.

Thank you very much for your kind attention.

Cipayung, 20 th November 1989

ICA Fisheries Committee

- Signed -

Jirozaemon Saito
Chairman

**PRESIDENT OF THE INDONESIAN COOPERATIVE COUNCIL
AT THE OPENING CEREMONY OF SEMINAR ON FISHERY COOPERATIVES
IKPI - ICA FISHERIES COMMITTEE - ODA
Cipayung, November 20th, 1989**

To start with I would like to praise God Almighty that only with His blessing, all of us, from Mr. IOKI who represented the Ambassador of Japan, Mr. Jirozaemon Saito representing the ICA Fisheries Committee, Mr. Ismartono representing the Director General for Co-operative Institutional Development of the Department of Cooperatives, Mr. Eddiwan an old stager in the Cooperative Movement, the Chairman of IKPI and all cooperators present here today, are in good health and can attend this meeting.

In fact for a long time now, since the start of the New Order, the government has carried out cooperative development. Since the start of the new order the Government has clung to the principle of the implementation of the development based on economic democracy. To implement the economic democracy is the will of the new order.

The origin of economic democracy is found in the decree of the People's Representative Assembly no XXXIII year 1966, which was the first year of the new order. Through the passage of time, from the start of the new order up to now, there have been many trials and tribulations that coloured our development endeavours so that sometimes we have to move forward through all sorts of crises and pragmatism. We had to choose among difficult alternatives, heavy decisions must be made for the sake of the more important national interest. In the meantime, Economic Democracy in many cases is not commensurate with expectations and cooperatives are often neglected and left behind in its implementation.

The political will actually is not relaxed. Lately a great momentum turned up, the political of the government and the people became more solid. The claim of the people to realise a democracy economy became a more unified national consensus.

This is one of the results of development so far. All of us became aware about the meaning of democracy. The national development has given birth to commitments towards Economic Democracy, towards cooperatives. This momentum came about due to the maturity of awareness as well as due to the role of the government itself. The government made this happen. The government has again and again elucidated the importance of Economic Democracy that will finally make all parties be aware of the mutual benefit to accept Economic Democracy.

The result and benefit of the national development can also be felt in the increasing capability of the government to finance the implementation of economic democracy. This means that there is an ability to carry out restructuring and reallocating the funds and forces leading towards the realisation of an economic system that we wish to have. It is not difficult for us to feel the positive inclination prevailing at the present moment of the government towards the ideals contained in the article 33 or the 1945 Constitution.

Please allow me to put forward just two of things of the Presidential Speech of the 16th August 1989, that contained full of messages. First, the Head of State invited all the population of Indonesia to give a historic colour to our national development. In other words we were reminded by the Head of State to carry out a national development with a view to history.

Secondly, the Head of State has stressed that Cooperatives are the pillar of the national economy. This was purposefully stressed. It is a national development with a historical outlook that will lead us to always take into consideration the basic values of our endeavours. In my opinion the basic value is a life where there is a sovereignty of the people with an operative mechanism operating through political and economic democracy.

This is the ideal situation. The historical outlook can also be seen in another dimension which is the dimension of the fighting spirit of our forefathers who were aware of the importance of the outlook on the unity of our archipelago that can not be separated from the Indonesian marine outlook. From the starting point of the "marine outlook" we build our future. The "marine outlook" is reflected in these modern times as a long and heavy struggle to gain recognition of our state in the form of an archipelago.

For the Indonesian people this has been transformed into a victory in the form of the 200 miles of Exclusive Economic Zone. With this marine outlook we should not say that we have 13,000 islands separated by the sea. What we should say is that we have 13,000 islands united by the sea. Approximately two third of our country is the sea. It is therefore appropriate if we make a cultural reorientation. We should see the sea as a productive ground, we should see the sea as our future, we should place the sea and matters about the sea as

an alternative strategy and a priority in the development of the future. Our seas contain riches that can be made into a pillar of the national development. Therefore we are called upon being able to develop our marine potentials as best as we can. One of the important missions is to utilize the sea as much as possible and establish an equal distribution of fish.

The historical outlook also calls us to be aware of the natural potentials of the nation that has been known and looked after by our ancestors as an agrarian nation i.e. the agrarian potentials. One of the efforts in this field concerns also fishery.

Fish is not only to be found in the sea but also in the rivers, in the lakes, in the ponds etc. The ever increasing call upon us is that the existing fish and the cultivated fish to be found in those places are to be managed for the welfare of the people in an equitable manner. In a development system based on economic democracy, there is no other choice but for cooperatives to answer this challenge by improving its ability to play a strong role within the national economic system.

This means that cooperatives must be able to play a definite role in the national business circle by establishing the bases of the foundations of cooperatives. The deregulation packets issued by the government must be handled by cooperatives in this spirit. In the national economic system and in the national business world these packets must not be carried away towards the wrong directions. The Deregulation packets that destroys the people's interest must be wrong as seen from its substance and its orientation. The packets must be synchronized with the cooperative mechanism. At present people talk about the existence of conglomerates in Indonesia.

A little while ago I pleased the people's attention towards the existence of an economic polarisation. I said that the economic polarisation sooner or later will result into a social polarisation. When a social polarisation takes place then the people will be divided into social economic groups. Then they will question in the meaning of development itself. Therefore the tendency towards conglomeration and polarisation must be avoided. People also talk about Indonesia business ethics. I would like to express my personal opinion that the Indonesia business ethics must be built on the items of economic democracy. Economic Democracy interacting with political democracy as I said before, is our basic value, as the axiom or as the paradigm of Indonesia. Therefore business ethics must be born from our own basic values.

The efforts started by the Fishery Cooperatives is tested by these challenges. The Indonesian Cooperative Council looks at the steps taken by the National Federation Of Indonesian Fishermen's Cooperative Societies (IKPI) in collaboration with the Fisheries Committee of ICA in conducting this seminar, through this point of view. We do hope that this seminar can reach the success as put forward by the Chairman of IKPI just now, i.e. to make break through that can enhance more stable and definite development of the Fishery Cooperatives. Thank you.

The Indonesian Cooperative Council

– Signed –

Prof. Dr. Sri Edi Swasono

President

**DIRECTOR GENERAL FOR COOPERATIVES INSTITUTIONAL PROMOTION
on The Opening Ceremony of Seminar on
Fisheries Cooperatives**

**In Cipayung, Bogor
November 20, 1989.**

Greeting to

His excellency Ambassador of Japan,
Chairman of ICA Fisheries Committee,
President of Indonesian Cooperative Council,
The Board of Director of IKPI, participants and
ladies and gentlemen.

In the National Development process, Indonesia now is in the first year of the 5th Development Plan, which is very important periode to forge and preparing to reach "the take off" on the next of the 6th Development Plan. By doing so all of the National potency including cooperative movements, have to work hard wit out surrender to preparing itself by satisfaction.

To commemorate "the take off" in the National Development period, all the cooperative movement is not been excepted for IKPI be prosecuted to be able to get a forces and preparing it in order to in the time could go in such "the take off" period with the situation, resolute, strong and selfhelp. To reach those situation, there are no any other choise for the cooperative movement to endeavour continuously in increasing and resolute its quality, either in organization objective, or management, business, capital and cooperatives finance.

The selfhelp of cooperative is very important and conceptual term, to be need to be able to follow process of development and not so been left behind by growth acceleration of other economic appliers.

One of the effort push development of the cooperatives in general and Village Unit Cooperatives (Primary Cooperatives) which have fisheries activities as fas as could increase more proper fishermen's welfare, therefore this seminar on Fisheries Cooperative is conducted by IKPI collaboration with ICA Fisheries Committee.

So, let us prise to the God Almighty with the blessing to all of us as far as we could attend the opening ceremony of this seminar which are in good health.

Ladies and Gentlemen,

In the present, there are more of 7,900 KUD manage various business sector such as farming, livestock, plantations, fisheries, home handicrafts, services, village electric power, credit etc. From those total amount, until the end of the 4th Development Plan there are 715 which have been managed fisheries business either inland fisheries or marine fisheries which is amount of about 6330,000 members.

In the framework to develop the cooperatives become an economic institution strong and selfhelp for the people, and those growth which are really been rooted in themselves capability, the promotion/guidance and developing to the cooperatives in the 4th development Plan give the priority for realization of 2,000 from those total amount for instance amount of 102 KUDs manage fisheries business.

And those KUD with own itself capability, which is wished to become locomotif and mover to KUD or other cooperatives so that be able to take off together with other economic applier in the next of the 6th Development Plan.

Basically, the selfhelp of KUD is focused on open and rational management growth in order to be able to get its function. KUDs are developed with three main functions are as follows : First to give credits services to member, Second to distributing production facilities and to fulfil basic need and the Third to conduct marketing activities.

By seeing its growth in the present and by supporting facilities of the Government, therefore KUDs have some opportunities to grow to be selfhelps. But it had to be really aware that the growth of internal capability is very important to determine succesful of the cooperatives.

If right now we are looking at the unsmooth growth and development of KUDs Mina (Primary Fisheries Cooperatives) that is mean there are KUDs Mina had developed and there are KUDs Mina had not been develop yet, it proves that internal factors fust very important to determine its cooperative's successful.

Therefore, I welcome this Seminar on Fisheries Cooperatives and in connection with the case of cooperative's internal factors, therefore this Seminar is very appropriate and relevan. Because of be aware that the framework to develop the organization and the managements of KUDs Mina/Fisheries Cooperatives still face many obstacles such as low in leadership and fishermen members participation to develop their cooperatives.

The Business activities of KUDs Mina/Fisheries Cooperatives is general business with the potencies of all the village societies. By doing so, the cooperatives face so many various community such as traditional fisheries enterpreneur, fishing vessel crews, and input suppliers, processor and traders. Each of them have also differences self interest and often become obstacles in guidance and member's developments, either in quantity or quality in turn of it will very influence its growth of the cooperative management capabilities. The members of cooperatives as an owner have also as cooperatives customers, very important to determine their cooperatives development and successful.

Increasing and developing the cooperatives human resources have to become main objective, either skill improvement of managers or increasing member's quantities. Because basically the goals of the cooperatives must be reached through member's participations it self which is based upon awareness and supported by determined capability it self through the organization managed efficiently and effectively and the successful of its membership objective also solve problems of the organization, the management and own finance/capital which is still faced by IKPI and its members untill now on. Therefore it is needed active guidance and education continuesly.

In order to reach those above objectives, it must be accompanied with the programmes in business sector which the useful could be felt by its members directly as motivation to increase the members active in participation.

Ladies and Gentlemen,

In the present it is feel very strong and spread widely the support of Government in the framework to grow up the cooperatives especially KUD, either through create the fine climate for the growth of fisheries cooperatives including business opportunities or efforts to increase the organization and management ability and to supply capital facility.

Eventhough, it must be kept in mind that if the cooperatives would grow up and develop nowadays, must be able to face the environment obstacles, the opened national economy live because the opening economy at one aspect will give a widely opportunities for every economy applier. In other hand facing every economy applier for the hard competition.

Therefore, internal ability of cooperatives must really strong and health with the rational attitude as economy institution building has to be growed and develop in the circle cooperatives movement. All kind of cooperatives have to managed with proffesional management, rational and opened through the rational economy consideration.

Thus, all my speech, I hope this Seminar of Fisheries Cooperatives could go on fluently and produce the formulations for developing management capability of KUD in order to increase the economy of the fishermen and their family.

In according to the request for the Board of Directors, I would like to say *Bismillahir rahmanir rahiem* and this Seminar on fisheries cooperatives was opened. May God always give the guidance and physically & mentally strength to complete the task to development the cooperatives.

Thank you very much.

Assalamu'alaikum warahmatullahi wabarakatuhu

Directorate General for
Cooperatives Institutional Promotion

-signed-

S U L A R S O

Director General

APPENDIX 5. The Methods of the Seminar on Fisheries Cooperative IKPI - ICA Fisheries Committee - ODA in Cipayung 20 - 27 November, 1989

- 1) The Seminar will be carried out through :
 - a. Presentation of the manuscripts and the discussion for four days.
 - b. Discussion among groups for a day.
 - c. Study visits for two days.

- 2) Presentation of manuscripts will be presented by :
 1. Mr. J.K. Lumunon, Vice Secretary General of the Indonesian Cooperative Council;
 2. Mr. Rabbul Bahari, Chairman of IKPI;
 3. Mr. Tohru Okubo, Manager of Member Cooperative Activities peomotion Departement, Zengyoren, Japan;
 4. Mr. Mr. Chung Hae-Sung, Manager of Research Departmen, National Federation of Fisheries Cooperative (NFFC), Korea.

- 3) Furthermore, will be presented the case studies by :
 1. Mr. Imam Soetrisno, Chairman of Provincial Federation of Fisheries Cooperative (Puskud Mina), East Java;
 2. Mr. Tohru okubo;
 3. Mr. Chung Hae-Sung.

- 4) After presenting the manuscripts, will take part in discussion among the participants. Every participant will be hoped in active taking part and participating in each discussion.
- 5) The Presentation of manuscripts will be persented by resources persons from Japan and Korea in Japanese and will be translated to English and Indonesian. For the questions and suggestion from the participants will be in Indonesian and will be translated to English and than to Japanese.
- 6) After presenting the manuscripts and discussion, we will take part in discussion within each group itself which devided into four groups consist of the cases as follows :
 - 1st. The Member Participation;
 - 2nd. Leadership in the Organization and the Management;
 - 3rd. The Business Sector;
 - 4th. The Guidance Sector.

- 7) The result of the discussion among groups will be as an formulation/recomendation of the seminar.
- 8) After carried out all of the discussion, we are going to study visits to get information about the business activities of the IKPI and the successful of the one of the Primary of Fisheries Cooperatives.

The purposes of the study visits is for a comparison for the participants. The study visit will be carried out to the Synthetic Rubber Fishing Floats Factory, in Tangerang; Fishing Net Factory, in Bekasi, and in Cirebon, and to the Primary Fisheries Cooperative (KUD Mina) "Mina Sumitra". in Indramayu, West Java, from 26th November to 27th November 1989.
- 9) We hope that all of the participants could use the seminar throughout.
- 10) Because of this seminar will be going for long time and need minds forces, we do hope to the participants in order to take care the health.

Thank you.

Jakarta, November, 1989.

APPENDIX 6. Topic Papers.

DEVELOPING THE MEMBER'S PARTICIPATION IN THE FRAMEWORK TO INCREASE THE INCOME OF FISHERIES COOPERATIVE MEMBERS *)

by
J.K. LUMONON

1. Historical Background

Mentioning about fisheries, our thoughts roamed back again to the seas and the struggling spirits of our ancestors who were conscious about and had a deep insight of our archipelago, which is not separated from the Indonesian seas. This deep insight about the seas is the acknowledgement of the existence of the Indonesian state & archipelago which stretches through a 200 miles region/Exclusive Economic Zone or EEZ.

Thus with this insight, 13,667 Indonesian islands, big and small are not anymore separated by the seas as has often been said by people, however, these seas have united this archipelago so that the Indonesian National Jurisdiction has become 7.9 million square kilometres. Due to many islands, the Indonesian Coast Line Length becomes 1.5 times the length of the equator where 1,456,600 fishermen families live scattered. Operating the Indonesian seas with a surface area of 5.4 million km² (against 1.9 million km² land if all the islands within the archipelago were united) from the aspect of marine product, especially operating marine fisheries business in coastal regions by the fishermen from both continents and both oceans mentioned.

According to statistical data the animal fish-catch in 1987 was 2,670,000 tons with a motor vessel/sailing vessel Productivity of 6.34 (1987) and fishermen vessel productivity of 1.39 (1987) (1). The Statistical data also showed that from Bruto Domestic Product the amount is Rp 96,489.3 billion (1986) fisheries business field contribution was only Rp 1,778.6 billion or 1.84 % (2) enjoyed by more or less 7,283,000 persons (1,456,600 households) of the fishermen or Rp 244,212 equivalent to US \$ 135.67 per capita (which means below the poverty line of US \$ 175.-). Here is not yet calculated that the fishermen productivity is only 1.39 with an annual increase of 0.3 % as compared to motor boat/sailing boat productivity of 6.34 with an annual increase of 3.7 %. It is clear that the life of the fishermen is still backwards and efforts should be made for their improvement. It can further be described that from 1,456,600 fishermen, only the 220,000 persons (1987 or 15.01 %) had become members of the cooperative. There were in 1987, 726 KUD Mina/Fisheries cooperative with the activities among other :

- a. Make business in fisheries equipment such as vessel machinery, fish catching gears, materials etc., and consumption goods such as rice, sugar, coffee etc.
- b. Provide Credit funds for the fishermen.
- c. Market the fish products through auction and other means.
- d. Develop motorization
- e. Develop fishermen welfare through social funds, insurance against accidents, water treatment, house repair, health education and,
- f. Providing new employment opportunity.

Although many efforts had been done the facts show that the fishermen income is still very low and that the fisheries cooperatives need to enhance the living standard of the fishermen and to increase their income.

With such a background the fisheries cooperative was identified as peoples economic organization which can increase the income of the fishermen and enhance the welfare of their families to the national as well as international level.

*) Artical at the seminar on Fisheries Cooperative "Fishermen's Leadership and Participation in Fisheries Cooperative Movement in Indonesia, Cipayung, Bogor, 20th - 27th November 1989. (ODA - ICA - IKPI).

(1) 1988 IKPI annual members meeting report.

(2) 1986 Statistics Center Bureau.

2. The Fisheries Cooperatives as a way out

People become members of the cooperative if they realize that they can solve their problems easier if they act jointly. With this realization by uniting their potential, they can accumulate strength to solve their problems with other words, they can be more effective and efficient, if they do things jointly based on members participation and doing business activities such as credit supply and marketing.

However there are also people who become members of the cooperative to overcome their difficulties. With other words, they expect the help to other people to solve their problems. There are also a group of people who establish the cooperative with the hope to get aid from the government.

Such an attitude is strengthened if the board or manager who are doing their daily business were appointed by the government, so that they feel that the cooperative is the property of the government and they wait only for the government initiative.

Such non-participating attitude will be more dominant if the products such as fishing vessels were directly received from the government so that they can require credit without joint decision based on need and ability joint responsibility becomes vague.

This second group of people generally feel disappointed and were not loyal because they depended on other people and thus were not successful in increasing their income and their standard of living.

Similar to the individuals, the primary cooperatives united themselves into secondary cooperative to unite their limited ability to become a grater strength which is more effective and efficient. This principal of solidarity is also issued in the framework of establishing a secondary level all based on participation of all parties concerned.

However, participation only is not sufficient in overcoming the problems. This attitude should be accompanied by professional handling.

3. The Problems Faced

From the above description, it is found that some fundamental problems faced by the cooperatives including the fisheries cooperatives which should be overcome are among others :

- a. Lack of consciousness among the members causing lack of participation in cooperative inactivities, because they don't know their tasks obligation and responsibility.
- b. Lack of solidarity feeling among the members so that they don't have a sense of belonging to protect the cooperative and are not committed in increasing the efficiency and effecting of the cooperative.
- c. Lack of self respect (dignity, self-reliance and the belief in one's own ability and quality) among the members since they are not being developed and don't have innovations to utilize the environment.
- d. Lack of opportunity to make decisions since they are made not in accordance with the need and ability of the members (for instance ; government program, selecting the Board of Directors and the Bord of Supervisors).
- e. Lack of integrity with the business between cooperative organizational levels based on the members need which leads to lack of participation by the members.
- f. Lack of responsibility by the members due to deep interference from the supervisors.
- g. Lack of effective organization so that the members meeting also become less effective.
- h. Lack of effective cooperative management due to an attitude which is not compact.

- i. Lack of sense of belonging (for example: no distribution of the business result remainder) due to outside capital and the services are not oriented to the need of the members, so that the function of the cooperative does not increase the income and welfare of the members.

4. Conclusion and suggestions

From the problems identified above, it can be concluded that the fisheries cooperative function to increase the income and welfare of the fishermen can be developed through:

- a. Increase of the participation of the members accompanied by
- b. Increased of the members professionalism and the cooperative management of the Board and the managers.
- c. Increase service for the members.

Operational participation of the members, professionalism and services can be described as follows :

- 1) Since the cooperative has been introduced to the people through information, people start showing their interest to become members and candidate members were given preliminary education of simple method and from as to give the basic principles of the cooperative and elementary understanding concerning cooperative techniques as well as the right and obligation of the members. The pre-membership education is to arouse the consciousness that if they enter the cooperative is not to look other peoples help, but together with other people who are having the same fate, from their limited individual ability to organize joint strength which is far bigger such as joint capital to be utilized to serve the need that they face together. With mental consciousness as a capital, the participation can be seen during the meeting and in joint activities, to accumulate joint-capital and to participate in business activities.
- 2) The participating spirit given before they become a member will be developed into productive participation through the establishment of member groups. These groups were given training concerning discussion techniques so that they can function :
 - As information dissemination facilities and education from above or outside so that members will obtain information concerning the operation of the cooperative, so that sense of belonging will be maintained and education will be provided as input from outside or the supervisor.
 - As educational facilities to increase knowledge and skill in the framework to increase individual productivity.
 - As discussion facilities/decision makers democratically in the framework to make the planning and programming from the members by the members and for the members among others through utilizing the environmental potential (planning from below). Through the member groups, potential around the members could be dug up and utilized to increase the welfare and income of the members. Through decision by the members and planning from the members, self responsibility could be maintained.
- 3) Business integrity between organizational; levels which have been maintained by the National Federation of Indonesian Fishermen's Cooperative Societies (NFIFCS or IKPI) can be increased through planning from below, starting from members groups and the primary cooperative based on the subsidiary principles which are always oriented to the need of the members and not to the profit of the enterprise (members oriented or service oriented versus profit oriented).
- 4) The cooperative as an enterprise should indeed be managed efficiently with the objective to utilize available resources by a professional management while suppress-

ing the cost as minimum as possible and obtain a result as maximum as possible. However the professional management should not give priority to institutional efficiency or profit oriented efficiency but to members oriented efficiency or service oriented efficiency, so that the interest of the members can be fulfilled and increase of income and welfare can be achieved for the members.

- 5) In the framework of giving service for the interest of the members, the fisheries cooperative management should know the aspiration of the members through group discussion and member meeting and make business activities out of the environmental.

a. Marketing Guidance

The problems faced in marketing the caught by the fishermen, should be overcome through increasing the quality of the fish. Through guidance and education provided by the supervising agency and by the secondary/National Federation Cooperative, fish processing should be increased, selecting and grading should be done by experts and the packing should attract the consumers. Through professional guidance the cooperatives fish product can be sold in the supermarkets which are appearing like mushroom in the cities. For this purpose competitive business cooperation can be arranged between the secondary/ National Federation Cooperatives and the supermarkets management. Business cooperation can also be made with the market cooperatives ('Koppas') and the market cooperative centre ('Puskoppas'), that has dry fish distributors as members and other daily needs in the market Koppas have been active in almost all the big cities. In connection with the capital needed for the marketing development cooperation with the cooperative Bank can be maintained as long as the Bank can be convinced of the business feasibility through serious professional management and marketing guidance.

b. To Develop The People's Economy In The Fishermen Environment

Since the income of the fishermen is very low, the government should develop the people's economy in the environment of the fishermen covering two aspects which are : Providing capital in the framework of catching/processing and marketing of marine/land fish product through :

- Increaseing the quality
- Consolidating the business volume (quantity)
- Continuity.

So that the market is guaranteed with a reasonable price.

c. With The Extention of The Indonesian Exclusive Economic Zone (EEZ)

Into the deep seas and not be limited to the scope of fishermen boats which can only sail in coastal waters within 10 - 15 miles distance. In deep seas the catch will increase.

Based in the subsidiary principles and solidarity between cooperative levels and among the cooperatives domestically and nationally, the subsidiary principles and International solidarity is also valid through Cooperation in Asian and international regions in the framework of solidarity maintained by the International Cooperative Alliance.

In view of the geographical position of the Indonesian archipelago South of Japan, Taiwan and the Korean peninsula, it is possible that the fishing vessels of those 3 (three) countries have entered Indonesian seas since the all years long tropical climate conditions. Those countries could also become fish marketing regions for Indonesia.

Also the USA which received fish supply from New Found Land/Ice Land

can also get fish supply from Indonesia although in the cooperation with the marketing agents in New Found Land/Ice Land.

Thus there is possibility to develop the marine economy through cooperation of the National Federation of Indonesian Fishermen's Cooperative Societies with the National Federation Fisheries Cooperative in Korea, Taiwan, Japan and New Found Land/Ice Land in the form of joint venture as well as cooperation in catching, processing and marketing between cooperatives in Indonesian seas.

In the framework to implement the ICA Development Program and the United Nations Organization program in the years 1968 -1969 to aid the cooperatives of the developing Countries (COPAC), it would be recommendable if the advanced fisheries cooperatives. Especially concerning Indonesia it is not merely aid but cooperation between equal partners to gain mutual benefit.

d. To Develop Marine Fish And Inland Fish Marketing

The marketing of the Tuna fish as present is done mostly as fresh fish, and it can be developed through marketing as soft dry fish which can be obtained in the supermarkets in Indonesian cities. Marketing abroad could also be promoted among others to the supermarkets of the cooperatives in Singapore.

The marketing of fresh Tuna Fish started to develop for the need of Tuna Fish catching in Indonesian waters.

e. Increasing The Income Through Family Business

Participation of the fishermen family members can increase the income of the fishermen and their families. For this matter the wives of the fishermen are organized in 'self reliance' groups to be given skill training, to become productive or to do something as to earn an extra income. Among others they can develop the skill to make handicraft products such as rottan and bamboo basket or other goods, to make toys, to bake cakes, etc. Higher skill is to process dry fish which can be sold at the market cooperative members shops ('Koppas') or at the supermarkets after being graded and sorted out and attractively wrapped under the guidance of high skilled persons.

f. Government Policy In Making The Government's Program Successfully

In utilizing the cooperatives as a facility to make the Government's program succesfully, the cooperative should not loose its character by abandoning the cooperative principle which is from the people, by the people and for the people.

In connection with this, there are three items which should get special attention which are :

- 1) Service for the people (non-members) should generally be maintained in such a way, so that they will be influenced to become members through educational activities, so that the number of members will regularly increase in the sense of conscious members who understand elementary cooperative techniques.
- 2) As for the Government program to be carried out efficiently in the sense of fishermen participation, the members meeting should agree to support the Government program and to make it become the fishermen cooperative members program, so that the responsibility becomes clear.
- 3) Considering that, the members meeting responsibility is cooperative participation in the Government program implementation result should be share with the government.

5. Conclusion

Considering that the Indonesian fishermen income is still very low which is not proper among the developing nations or amidst the more developed nations special attention should be given to their income and welfare. This special attention should be from the Government of Indonesia through the Peoples Economic Development Policy for the fishermen.

Further recommendation is directed to the International Cooperative Alliance (ICA) in the framework to implement the ICA Cooperative Development Program which is more progressive through technical and capital aid or Joint Venture between the Indonesian Fisheries Cooperative and the Foreign Fisheries Cooperatives as partners in progress.

INDONESIA FISHERY COOPERATIVE DEVELOPMENT
by
RABBUL BAHARI

I. Introduction

In fishery development all available fishery potential in the form of natural resource, human resources, technology and capital have to be integratedly utilized to reach the objective of development.

In the sea fishery development, up to the present, the human factor active in the field of fisheries for a great part consists of fishermen who are still using simple fishing gears and technology which are usually called as small-scale fishery business. The number of fishermen until the end of the IVth five years development plan (Pelita IV) in the year 1987 were about 1.456.000 persons, in which approximately 88% of that number are still doing small scale fisheries business using non powered boats or with outboard engines. While approximately 12% are doing intermediate scale fisheries business using powered boat. Although the fisheries business are generally still small and intermediate scale in size of which the productivity is still low, but the production of these type of fisheries forms approximately 90% of the national fisheries production which in the year 1987 amounting to approximately 2.029.000 tons. As to market their products, the fishermen as producers do not have a "bargaining position" since in general their products are still controlled by the Traders, middlemen, and the usurers. Under the condition where the fisheries business of the fishermen is still traditional, their catch is still limited to coastal fishing and their productivity is also still low, thus limiting their income to a still vbery low level. According to the 1987 data, the productivity rate of each fishermen is approximately 1,39 tons annually.

Due to their low income their economic conditions are generally also still very low when compared with the farmers or other groups of society.

One of the objettives the National Development in general, specifically in the sub sector of fisheries is to increase fisheries production, fishermen income and prosperity. Many efforts had been made by the government to reach that objective, however, many structural socio-economic problems of the fishermen have not yet been solved which makes development very slow. One of the efforts to increase the business and income of the fishermen is to motivate them through the development of an economic organization based on mutual help (gotong royong) i.e. the Cooperative organization.

To evercome difficulties, limitations and boundage faced by the fishermen in maintaining and developing their business, they have actually for a long time performed mutual help and self support and they have established the cooperative as their economic organization.

In the framework to know their struggle and their efforts to overcome their economic problems through the cooperatives since before the Independence up to the present and for further development, the outline will be described in the following chapters.

II. Fishery Cooperatives Development History

1. During the Dutch colonial government fisheries business was still at a traditional stage, in a weak position and was facing many difficulties. The fishermen efforts to maintain their business and to liberate themselves from boundage and dependency on traders, middle men and usurers had started since 1912 by fishermen in the residencies of Pekalongan, Cirebon, and Semarang with the establishment of fishermen societies operating cooperatively.

These societies were established in the following sequence. – "Misoyo Mino" in Tegal in 1912 the form of a Foundation. – "Saya Sari" in Sawo Jajar, Brebes, in 1916 in the form of association. – "Ngupoyo Mino" in Batang, in 1916. – "Miyoso Sari" in Tanjung Sari, Pemalang in 1919. – "Mino Soyo", in Wonokerto, Pekalongan, in 1919. – "Saya Sumitra" in Indramayu, in 1919. – "Misaya Mina" in Eretan, Indramayu in 1927 in the form of the first Sea Fishery Cooperative. – "Ngupaya Mina", in Dadap, Indramayu, in 1930 in the

form of a cooperative. – "Mino Sroyo", in Bandengan, Kendal in 1932 in the form of a foundation. – "Misoyo Ulam" in Semarang in 1933 in the form of a foundation. – "Pabelah Bumi Putera" in Gebang Ilir, Cirebon, in 1933 in the form of a cooperative.

Efforts of the organizations/societies of the fishermen at the first stage was to establish a purchase and sales center of the fishermen products through auction by those societies to facilitate the fishermen to sell their products.

With the establishment of an auction center, the fishermen were able to develop their business by providing credit facilities for the need of fish catching.

To auction their fish, a cost of 5% of the bruto income was used for administration cost and auction workers fee and the remainders become reserve funds for credit and other business for the interest of the members. Among others, funds for accidents in the sea, purchase of fishing equipments, vessels making, processing etc. Thus the auction cost was not collected as tax or market retribution but was more as a contribution of the fishermen to fulfil their needs through organization.

That was the cooperative development at that time as a fishermen organization with a simple and orderly system to overcome the fishermen's social economic problems which was developed by the "Instituut voor de Zee Vesserij".

2. In the second World War during the Japanese Occupation (1942- 1945) all fishermen societies and the other new forms were to become fishery cooperatives called "Gyoo-Gyoo Kumiai" of which the main task was to collect and conserve the fish for the need of the Army. Since the economic condition of that time was very bad, it was also difficult to implement services for the interest of the members.
3. After the proclamation of the independence of the RI on August 17, 1945, the government started to make order jointly with the sea fishery cooperatives movement by consolidating and rehabilitating their organization of which its development was as follows.
 - 3.1. On April 11, 1947, the first Sea Fishery Cooperator Congress was held attended by representatives of the Central Sea Fishery Cooperatives, Residential level in Java, in which established a National level secondary cooperative namely GPKPI (Gabungan Pusat Koperasi Perikanan Indonesia) or Federation of Central Indonesian Fishery Cooperatives so that the organizational structure consisted of 3 levels, which were :
 - 3.1.1. Primary Sea Fishery Cooperatives.
 - 3.1.2. Central Sea Fishery Cooperatives.
 - 3.1.3. National Federation of the Central Sea Fishery Cooperatives (GPKPI).
 - 3.2. In the GPKPI members meeting in Semarang in 1951, the GPKPI organization structure was simplified to become 2 levels, and the Central Sea Fishery Cooperatives were dissolved so that the organization structure becomes as follows.
 - 3.2.1. The Primary Sea Fishery Cooperatives.
 - 3.2.2. The National Federation of Indonesian Fishery Cooperatives (GKPI).

In the Provincial level was also established the GKPI Representatives.
 - 3.3. With the issuance of the government regulations No. 60 year 1959, which decided that the cooperative organizational structure had to consist of 4 levels, thus in the year 1961 organizational structure was by stages adapted, with the establishment of 3 levels consisting of :
 - 3.3.1. Primary Sea Fishery Cooperatives (KPL).
 - 3.3.2. Provincial Federation of Sea Fishery cooperative (KPPL).
 - 3.3.3. National Federation of Indonesian Fishery Cooperative Societies (GKPI).
 - 3.4. In the Indonesian Sea Fishery Cooperatives Conference held in November 1962 in Cipanas, the Sea Fishery cooperative organization was made into 4 levels in accordance with the stipulation of the Government Regulations No 60 year 1959, as

follows :

- 3.4.1. Primary Sea Fishery Cooperatives (KPL).
- 3.4.2. Central of Sea Fishery Cooperatives (PKPL).
- 3.4.3. Provincial Federation of Sea Fishery Cooperative (GKPL).
- 3.4.4. National Federation of Indonesia Fishermen's Cooperative Societies (IKPI).
- 3.5. With the issuance of Law No. 12 year 1967 concerning Cooperative Principles, the organizational structure was changed back into 3 levels which were :
 - 3.5.1. Primary Sea Fishery Cooperatives (KPL).
 - 3.5.2. Provincial Federation of Sea Fishery Cooperatives (GKPI).
 - 3.5.3. National Federation of Indonesian Fishermen's Cooperative Societies (IKPI).
- 3.6. Further with the issuance of the Presidential Instruction No. 2 year 1978 concerning the establishment of the Village Unit Cooperatives (KUD) while considering the specific characteristics of the fishermen at the coastal village, thus the organizational structure was adapted to the above mentioned instruction and became as follows:
 - 3.6.1. KUD Mina (Fishery Village Unit Cooperatives).
 - 3.6.2. Puskud Mina (Central of KUDs Mina), Provincial Secondary Level.
 - 3.6.3. IKPI (National Secondary Level).

With the above described development thus to obtain a solid organization structure, the cooperative had undergone six times changes within a period of 40 years. Although the organizational structure had undergone changes, the objective and principal business of the Sea Fishery Cooperatives especially in the primary level which formed an organizational basis did not undergo any changes which was to provide services for the need of the fishermen to develop their fishery business in their effort to increase their incomes and their welfare.

III. The Present Organizational Condition and Fishery Cooperatives Business

1. Organizational development and the business of Fishery Cooperatives/KUDs Mina as the fishermen economic organization until nowadays is still slow, since there are still problems and constraints of the fishermen which are structurally still weak and can't be overcome yet.

Although the development of the cooperative is still slow, however, with the confidence in the cooperative principles such as self reliance, self help, based on collective endeavour and mutual help (gotong-royong), the cooperative can still maintain its existence up to now and even has experienced development in quantity during period of Pelita IV. If in the beginning of Pelita IV in the year 1983 the number of the Fishery Cooperatives was 636, then at the beginning of Pelita V in the year 1988 the member of cooperatives increased to 726. Detailed data concerning the number of the Fishery Cooperatives can be viewed at Annex I. Viewed from the quality in general the development of the cooperative is still very low, due to the weaknesses in the fields of management, leadership, skill, members participation capital, entrepreneurship, etc.

To reach the productivity and efficiency in the organization, the organizational structure was made into 3 levels from bottom-up, which are the KUD Mina (Primary cooperative), the Puskud Mina (Provincial level, Secondary cooperative), and the (IKPI) National Federation of Fishermen's Cooperative Societies. the three organizational levels formed as a Unity, closely interrelated and mutually supporting which can not be separated into different compartments standing individually.

2. The Fishery Cooperatives/KUD Mina function as a service center of various fishermen economic activities, in coastal villages based on facilities and services needed for fisheries business of their members. Ideally, the activities and business of KUD Mina can be detailed as follows :

- 2.1. Supplying production equipments such as fishing geras (nets, sail cloth, engines, spareparts, fuel, ice, salt, etc).
- 2.2. Supplying provisions for fish catch (rice, cooking oil, coffee, sugar, cigarettes, etc).
- 2.3. Supplying daily needs for the fishermen household.
- 2.4. Extending Credit for fisheries business investment and exploitation, since sea fishery business represent insentif capital business.
- 2.5. Carrying out fish auction at landing sites.
- 2.6. Arranging fishermen savings.
- 2.7. Marketing the fish products in preserved or in fresh condition.
- 2.8. Making available chilling rooms or cold storage.
- 2.9. Establishing fish processing plants.
- 2.10. Making available transport facilities.
- 2.11. Supplying Packing material.
- 2.12. Providing workshop for the maintenance of vessels.
- 2.13. Preparing funds for sea accidents, drought, and Fishermen insurance.
- 2.14. Arranging fish catch licences for the fishermen.
- 2.15. Providing guidance and training for the fishermen.

From all the activities needed KUD Mina will not be able to implement them simultaneously within a short time. Implementation should be based on real ability of the KUD Mina either in the field of management, material and finance, or skill of the leaders and operational staff.

For the implementation of the above-mentioned activities, a big amount of funds are needed for investment, the greatest part of which should be supplied through aid and credit from the government, since the KUD itself will not be able to do so.

3. Based on the above mentioned KUD activities, to reach high efficiency and productivity in the organization of the Fishery cooperatives, the 1985 IKPI annual members meeting had decided a mutually supporting vertical task division such as follows :

3.1. KUD Mina function :

- Supply of fishing gears and provisions for fish catch, fishermen household need, with KUD Kiosks.
- Credit and savings for fishermen.
- Local processing and marketing.
- Fish sales site management.
- Guidance to the members.

3.2. Puskud Mina Function :

- Supply of fishing gears & materials on regional level.
- Fish marketing in the region, inter-island and export.
- Fish processing industrial facilities.
- Regional planing.
- Guindance to KUD and fishermen/fish farmers.
- Coordinating the management of fish auctions by KUD Mina.

3.3. IKPI Fuction :

- Fishery Industries.
- Fishery Equipment Industries.
- Supply of fishing gears & materials on National level.
- marketing and export of fisheries products.
- National Planning.
- Developing fishing technics and fish culture.
- Representing fishery cooperatives movement.
- Guidance to Puskud Mina, KUD Mina, fishermen and fish farmers.

To be able to implement the above mentioned activities, there should be an internal guidance of the organization of which the vertical pattern has been decided by 1985 IKPI members meeting of which the pattern can be viewed in Annex 2.

Although the function and pattern have been decided as mentioned above, its implementation is still very slow due to so many problems are still faced during its implementation.

4. The condition and various problems of the Fishery Coopetive which at present are still faced can be generally described as follows :

4.1. *The Organizational field*

Consolidation to realize the Fisheries Cooperative Organization as a unity of the KUD Mina - Puskud Mina - IKPI cannot be actually implemented. Each organizational level is still going along individually and has not yet been integrated as an interrelated, mutually supporting organizational unit. The members participation toward the cooperative is generally still very minimum.

4.2. *The Business field :*

- Business orientation is still limited to business provided or obtained from another party.
- Fishery Cooperative Business is generally still small-scale and has not yet developed based on self support since the fishermen business is still in the small scale level of low productivity. To develop it needs big investment funds which is difficult to obtain.
- The main function of the fisheries cooperative in the form of service activities for basic needs of the fishermen can not yet be implemented.
- Even simple savings/loan business needed by the members can not yet be implemented.
- Fish auction which is very strategic for the Fisheries Cooperatives in a big part of the region still cannot be managed by the fisheries cooperatives.

4.3. *Cooperative Management.*

The condition of the Fishery Cooperative management is generally not yet based on efficient and professional management, due to still facing difficulties in the staffing of skilled personnel willing to work for the cooperative with full of problems.

4.4. *Capital :*

- Capital accumulation originating from savings, which reflects the cooperative basic principle/self support is still slow and minimum.
- Capital originating from government aid or Bank during Pelita IV can be said as not to be existent, since the fishermen cooperative is considered not sufficiently feasible, full of risks and is not to become a priority program.

4.5 Cooperative Cadres

To acquire able leaders/Board of Directors and managers willing to work for the Fishery Cooperatives is still very difficult, since they are still rare, those who come from the cooperative itself or from outside the cooperative.

4.6. Guidance

- There is no clear and consistent guidance system and pattern specifically for the development of the Fishery Cooperatives from the supervisor.
- The vertical internal guidance from the secondary cooperative to the primary cooperative can still not be implemented according to already decided programs.
- The educational program to increase knowledge and skill to support the organizational and the business development of the Fishery cooperatives can not yet be implemented during Pelita IV.

With such a condition and problems faced by the Fishery Cooperatives at present as described above the efforts to improve the Fishery cooperatives as an economic organizational unit to become selfsupport still needs to be increased with hard work by the Fishery Cooperatives Leaders and their Board of Directors.

5. Although the condition and the various problems faced by Fishery Cooperatives present generally still shows many weaknesses in organization and business, there are also several more advanced cooperatives and can increase their business services and activities.

Among others, a conspicuous cooperative is the KUD Makaryo Mino in Pekalongan, KUD Misoyo Sari in Pematang, KUD Saya Sumitra in Indramayu. Besides those, there are also KUD Mina and Puskud Mina which have been able to develop the export of their members products.

To give a picture concerning some Fishery Cooperatives which have been able to export the fishermen's production in the years 1987 and 1988, the following data can be presented.

5.1. 5 KUDs Mina in Riau Province had exported to Singapore and Malaysia amounting to 685.4 tons of fresh fish with a value of US\$ 310,966.-

5.2. Puskud Mina Lestari in East Java had exported fresh fish to Singapore everyday by plane since 1987, such as follows :/

Year	Amount	Value
1987	536,782 kgs	Rp 2,657,565,900,00
1988	1,291,719 kgs	Rp 7,814,899,950,00

- 5.3. Puskud Mina Baruna Central Java in the possession of a cold storage in cooperation with PT Sekar Abadi had since 1987 been able to export shrimps to Japan such as follows :

Year	Amount	Value
1987	536,782 kgs	US\$ 7,709,008.00
1988	903,945 kgs	US\$ 8,877,137,50

With the above picture of the export showed that the Fisheries Cooperatives were able to make activities which needed selection of sorts and qualities of the commodity and in handling them with high skill and strong desire

IV. The Mina KUD/Fisherles Cooperative Role In Fisheries Development

1. By knowing the history, development and the problems of the fishermen and their cooperatives that had been established up to now, and to increase the role and participation of the fishermen/fish farmers in development, guidance and business development activities need to be carried out through the KUD Mina/Cooperative Organization functioning in accordance with the objective of the fishermen efforts to increase their welfare.

The cooperative functions, according to the law on Basic Regulation for Cooperative in Indonesia, Act 12 year 1967 are as follows :

- 1.1. To unite, motivate, guide, develop, the potential and creativity of the people increasing production and to reach a just income and equal prosperity
 - 1.2. To increase the standard of living and the intelligence of the people.
 - 1.3. To maintain the development of economic democracy.
 - 1.4. As a guidance tool to strengthen the Indonesian economic position and be united in managing the people's economy
2. As a basic to develop the small scale fisheries business and their cooperatives a development policy has been made in the agricultural sector within the general pattern of PELITA V such as follows :

"Agricultural development in a board sense needs continuously to be developed with the objective to increase production and extend the variety of the agricultural products to fulfil the need of food, domestic industry, extend export, increase income and the living standard of the farmers, cattle-breeder and fishermen, extend employment opportunities and business possibilities, support rural development and intensity transmigration activities. Parallel to those above needs also to be increased the exploitation and supervision of the Exclusive Economic Zone for the purpose of development including fisheries".

Specifically for the fisheries sub-sector has been made the following policy :

"Increasing of fish production, to fulfil the need for food and nutrition, increasing the export through fish culture in the coastal areas in fresh as well as in brackish waters, fish catch in coastal waters as well as in offshore and the exploitation of the Exclusive Economic Zone. For this purpose it is necessary to develop the right application of technology through education and training, to prepare the facilities and infrastructure, marketing ability and the participation of private companies. Special attention should be given to the protection and development of the small scale fisheries in the framework to increase the income and living standar of the fishermen and develop the coastal villages. In the effort of this development the cooperative role and private participation should be Increased".

Further, it has also been a policy in the general pattern of PELITA V to develop the cooperative as follows :

"In the framework to implement economic democracy, the cooperative has to be developed, the ability and skill of the members should be increased in the National Economic Life. The cooperatives should be extended so that they can grow and develop as a movement within the society itself".

The cooperatives in the field of production, consumption, marketing and services need to be pushed up, developed and increased to make them self reliance and able to become the main pillar in the peoples economic life. The right guidance of the cooperatives need to be intensified so that the cooperative can grow and develop healthily and the productive result can be enjoyed by the members.

The KUD needs to be continuously developed as to become strong and healthy so that its role can become important in strengthening the social economy in the rural areas.

Based on the policy of the National Development mentioned above, it has become an obligation for the people and the Government to implement National Development.

The fishermen were not only considered as development objects but also as development subjects are obliged to participate in the implementation of development. The KUD Mina/Fisheries Cooperatives as an institution of the fishermen/fish farmers are obliged to develop their role and welfare based on the policy and general pattern of the development decided, which has become National Commitment.

3. Based on the KUD Mina/Fishery Cooperatives condition at present, and the National Development General Pattern, the policy to consolidate the KUD Mina/Fishery Cooperatives development basic structure in PELITA V as decided in The 39th IKPI Annual Members Meeting in the year 1989 to become the guidelines in setting up the annual work programmes for each horizontal and vertical level of the fishery cooperatives organization. The KUD Mina/Fishery Cooperatives development policy is based on the following principles :
 - 3.1. The main development is directed to strengthening and consolidating the organization of the cooperative business to increase self reliance and ability with the purpose to increase the income and the welfare of the fishermen.

ve self reliance ability does not mean other peoples
firm of guidance and development efforts and activities
self in accordance with the cooperative principles such
as a reflection of the basic principle which is belief in

n being is the main strength in development and is
of development, the human quality as a basic human
based by utilizing technology, so that each activity in
development is directed to increase the quality of the

and policy of the Fishery Cooperatives development in
at, thus activities needed to be implemented by the
ement is to stabilize the organization and increase its
principal activities are among others :

ization and management to make the cooperative or-
effective among others :

rganizational structure vertically between KUD Mina -
Pj.

onal management and increasing the managerial skill
chnical skill of the Board of Directors, the Board of Su-
Cooperative Executive Staff.

icipation and the number of members actually by en-
tion and communication system.

tly the basic principles of the cooperative.

plementing the work program adopting them to real

ion and training for the cooperative, Board of Direc-
nbers.

to enhance the skill and the productivity of the
e members business with activities such as :

supply and distribution of the productivity of the
e members business with activities such as :

rogram of motorization/modernization to increase the
catching.

nsification, extensification, diversification of fish catching
iness productivity.

xport of fish products to increase the added value of
uction.

ulation of own capital of the cooperative, either initial
y savings, or special savings, savings for investment
pport programmes for increasing cooperative busi-

velop supporting industries and facilities for fish catch

cooperation with the state owned and private com-

of fisheries with the purpose of mutual benefit and
out sacrificing the basic principles of the coopera-

o implement basic activities for consolidating the or-
easing the cooperative business mentioned above,

atives can play a more important role and participa-
elopment.

V. The Role OF Guidance In The Fishery Cooperatives Dev

1. Guidance can be meant a management of developing
a person, group of society of organization e.t.c.

Guidance can become an important problem for develo
development, since generally the developing countri
simple conditions, while development efforts need to
to be able to utilize more advance science and technol

In implementing National Development by the Indone
one of the Government' task is guidance to the people
participate in the National Development.

2. Due to the importance of the guidance role in develop
obligation for cooperative development in general, an
cooperative, it has been arranged in various legal r
others :

- 2.1 In Law No. 12 year 1967 concerning Basic Regula
37, is mentioned the following :

"The Government is obliged to provide guidance
facilities for the cooperatives and to make them
1945 constitution and its classification".

- 2.2 In Law No. 9 of the year 1985, concerning fisher
the following :

"The government stimulate, activite, promote an
and the fish farmers especially through the fis
farmers cooperatives".

- 2.3 In chapter IV concerning the general pattern of F
following :

"A correct guidance to the cooperative must be in
tive can grow and develop healthily and its produ
members".

- 2.4. In the Presidential Instruction No. 4 year 1984 c
among others is written :

"To instruct the 12 Ministers, the Governor of the
BULOG and the Governors/National Provincial
solidation, guidance and technical development
become efficient and effective organizations thro
Republic of Indonesia. In the annex of the Pres
detailed the purpose, objective, scope, basic p
cost and guidance of the KUDs".

With the above mentioned certainties it is clea
guidance for cooperative development has a stro
very important activities.

3. How about the guidance towards the Development o
tives ?

As explained above in the development matters, the
tives is a cooperaive of fishermen who are still living
either in their economic matters or their knowledges
with other societies.

In a weak position with structural limitations of the fish
have been made for organizational development ba
help, we are convinced that they can not run as exp
pervision guidance.

The development of business productivity of small scal
through motorization/modernization and big capital f
additional investment for its development. Additional i

the cooperatives themselves due to their low income.

In the development of the fishery cooperatives, information, guidance, support and education have always been given by the Government only with different methods and systems depending on condition, priority, Government policy, according to each periodical change.

Until 1959, guidance towards the Fishery Cooperatives was done by the Sea Fishery Agency, the organization as well as technical aspects of fisheries. Since 1960 up to the present, organizational guidance has been performed by the Cooperative Agency, Directorate Generals of Cooperative, Department of Cooperative. With the issuance of the Presidential Instruction No. 1 of the year 1978 and Presidential Instruction No. 4 year 1984. The guidance was carried out by each agency/Department related with cooperative business activities and various Joint Decrees have been made amongst Departements and amongst Directorate Generals to implement the guidance more intensively.

The implementation of the Joint Decrees can not be carried out efficiently and effectively for the KUD Mina/Fishery Cooperatives since they were not considered as a main priority, so that up to the present, it is felt that the guidance by the Fishery Cooperatives movement was not done well.

The implementation of guidance concerning material facilities and aid for the cooperative members, occurred only incidentally, depending on the role and conditions of the local areas. An effective National Guidance pattern/system which is intensive and continuous such as for the other KUDs in the agricultural business field can not yet be implemented in the Fishery Cooperatives.

In developing the fishery cooperatives it is very important to develop its business productivity while small scale fish catch should be increased through motorization/modernization needing big capital for additional investment. This additional investment can not be provided by the fishermen themselves due to their very low income.

4. Based on the fishermen/fish farmers condition with the cooperatives at present, as to support their development efforts based on self support it should be supported by a clear guidance system/pattern by the Government which is continuous and consistent.

As in the other agricultural sub sectors a credit system/pattern has been established as Government guidance activities, thus there should be a credit/pattern which is more suitable with the condition and the need with the small scale fisheries business which is a supervisory credit system through the cooperatives.

VI. Conclusion

1. The Indonesian Fishery Cooperatives established by the fishermen since three quarters of a century ago had undergone periodical changes, experienced ups and downs and has faced many structural difficulties and weaknesses, which until nowadays still exist although it has not yet reached the expected objective.
2. Although the cooperatives had undergone various changes in organization structure and form, but its main business and purpose to increase the fishermen income and welfare does not undergo any change whatever.
3. To develop the fisheries organization business, and organization structure as to increase service activities for the fishermen/fish farmers, efficiency and productivity should be enhanced as well as the technical skill and managerial skill of the Board, the Staff and the cooperative members.
4. Members participation is a basic support for cooperative survival and development so that it needs to be actively increased through an efficient and consistent communication and information system.

5. To increase the KUD Mina/Fishery Cooperative role in the National Development there should be a consistent and continuous guidance pattern from the Government with the purpose to consolidate and increase cooperative self support so that it can become the economic activities service centre at the coastal villages which is efficient and effective.
6. To increase the fisheries business, the KUD Mina/Fishery Cooperatives should be motorized and modernized through intensification, extensification, and diversification as to increase productivity which leads to higher income and welfare.
7. To develop the fishery cooperative business mentioned above there should be Government guidance and aid for investment funds, arranged through a credit system/pattern which is suitable to the conditions and ability of the Fishermen.

Cipayung, November 21, 1989.

**The Number Of KUD Mina/Fishery Cooperative
In Each Province For The Year 1988**

No.	PROVINCE	IKPI	PUSKUD MINA	KUD MINA	1) PRIMARY S.F.C.	2) F.B. KUD	TOTAL
1.	ACEH	-	1	64	-	3	68
2.	NORTH SUMATERA	-	1	22	38	16	77
3.	WEST SUMATERA	-	1	1	20	-	22
4.	R I A U	-	-	12	8	11	31
5.	J A M B I	-	-	-	10	-	10
6.	SOUTH SUMATERA	-	-	2	6	15	23
7.	BENGKULU	-	-	3	5	-	8
8.	LAMPUNG	-	-	3	3	3	9
9.	DKI JAKARTA	1	-	-	1	1	3
10.	WEST JAVA	-	1	68	6	-	75
11.	CENTRAL JAVA	-	1	23	-	-	24
12.	YOGYAKARTA	-	-	-	-	-	-
13.	EAST JAVA	-	1	52	12	7	72
14.	B A L I	-	1	5	-	11	17
15.	WEST KALIMANTAN	-	1	7	10	9	27
16.	CENTRAL KALIMANTAN	-	-	-	6	-	6
17.	SOUTH KALIMANTAN	-	-	-	10	5	15
18.	EAST KALIMANTAN	-	-	3	5	19	27
19.	NORTH SULAWESI	-	-	-	17	-	17
20.	CENTRAL SULAWESI	-	-	1	6	4	11
21.	SOUTH SULAWESI	-	-	40	26	-	66
22.	SOUTH-EAST SULAWESI	-	-	8	25	8	41
23.	WEST NUSA TENGGARA	-	1	15	-	-	16
24.	EAST NUSA TENGGARA	-	-	4	7	21	32
25.	M A L U K U	-	1	11	6	1	19
26.	IRIAN JAYA	-	-	1	6	-	7
27.	EAST TIMOR	-	-	-	-	-	-
T O T A L		1	10	345	236	134	726

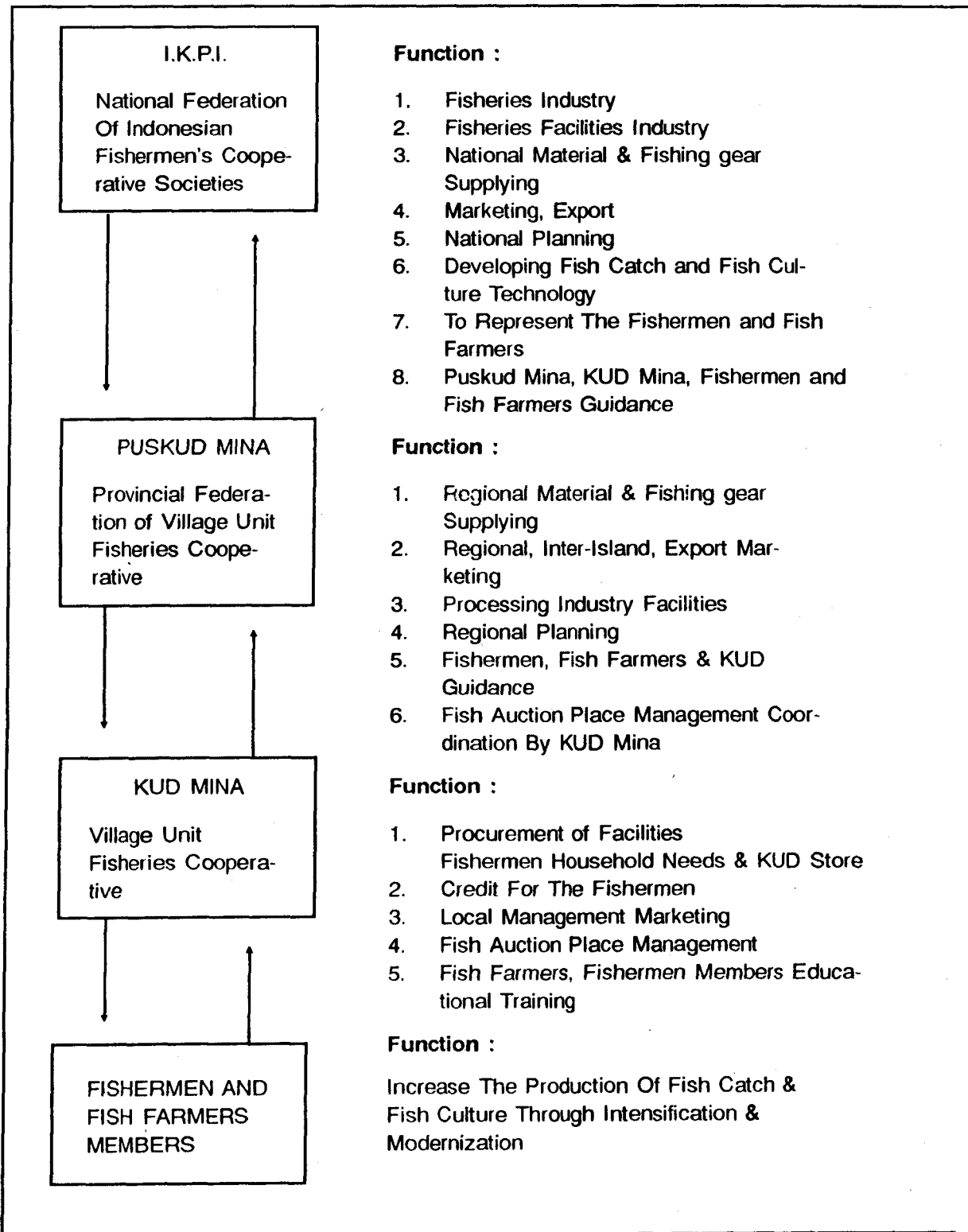
Source : IKPI Data And Cooperative Department Data Processing, 1986.

Note : 1) Sea Fisheries Cooperative (Primary Level)
2) Fisheries Business Of KUD (Primary Level)

VERTICAL GUIDANCE OF I.K.P.I, PUSKUD MINA, KUD MINA, FISHERMEN MEMBER

ORGANIZATIONAL LEVEL	GUIDANCE	
	ORGANIZATION	BUSINESS
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">I.K.P.I.</div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px; margin: 5px 0;"> ↑ ↓ </div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">PUSKUD MINA</div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px; margin: 5px 0;"> ↑ ↓ </div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">KUD MINA</div> <div style="display: flex; justify-content: center; align-items: center; gap: 10px; margin: 5px 0;"> ↑ ↓ </div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">FISHERMEN & FISH FARMERS AS MEMBERS</div>	<ul style="list-style-type: none"> • GUIDANCE } Periodically { MANAGEMENT } PUSKUD • SUPERVISION } { ADMINISTRATION } MINA • MONITORING } { FINANCE } • EVALUATING } • SELF-FINANCING CAPITAL BY PUSKUD MINA (Periodically). • EDUCATIONAL AND TRAINING. 	<ul style="list-style-type: none"> • GUIDANCE } FOR PLANNING, IMPLEMENTATION • SUPERVISION } MANAGEMENT : • MONITORING } - BUSINESS UNITS IKPI • EVALUATING } - BUSINESS PUSKUD MINA • CONSULTATION } • COORDINATOR OF PUSKUD MINA'S PLANNINGS • SUPPORTING CAPITAL ASSISTANCE FOR BUSINESS OF PUSKUD MINA, KUD MINA AND FISHERMEN.
	<ul style="list-style-type: none"> • GUIDANCE } Periodically { MANAGEMENT } KUD • SUPERVISION } { ADMINISTRATION } MINA • MONITORING } { FINANCE } • EVALUATION } • SELF FINANCING CAPITAL ACCUMULATION-BY KUD MINA (Periodically). • EDUCATION, TRAINING, • PERIODICAL REPORT TO I.K.P.I., • PUTTING IN ORDER KUD MINA MANAGEMENT AND ADMINISTRATION, 	<ul style="list-style-type: none"> • GUIDANCE } MANAGEMENT, BUSINESS OF • SUPERVISION } KUD MINA AND FISHERMEN • MONITORING } • EVALUATION } • CONSULTATION } • SELECTION,, KUD MINA BUSINESS CLASSIFICATION • KUD MINA BUSINESS PLANNINGS COORDINATION
	<ul style="list-style-type: none"> • GUIDANCE } Periodically { FISHERMEN • EXTENTION } { FISH FARMER • INCREASE THE NUMBER OF MEMBERS, • SELF FINANCING CAPITAL ACCUMULATION MEMBERS-FISHERMEN AND FISH FARMERS. • PREPARE PERSONNEL FOR EDUCATION AND TRAINING 	<ul style="list-style-type: none"> • GUIDANCE } BUSINESS OF FISHERMEN • EXTENTION } AND FISH FARMERS • EVALUATION } • FISHERMEN PROJECTS SELECTION. • ARRANGE THE PLANS OF FACILITIES, CAPITAL OF FISHERMEN AND FISH FARMERS MEMBERS. • SELECTION, MONITORING THE REPAYMENT OF FISHERMEN CREDIT
	<ul style="list-style-type: none"> • SELF FINANCING CAPITAL ACCUMULATION FOR KUD MINA (BASIC SAVINGS,, COMPULSORY SAVINGS,, E.T.C.). 	

A UNITY OF FISH FARMERS, FISHERMEN COOPERATIVE ORGANIZATION



INTRODUCTION ON FISHERIES COOPERATIVES IN REPUBLIC OF KOREA

by
CHUNG HAE SUNG

I. Greetings

My name is Chung, He-sung working for the National Federation of Fisheries Cooperatives, Republic of Korea with the position of Manager of Research Department. It is my great pleasure to have opportunity to introduce the fisheries cooperatives in Republik of Korea to all distinguished cooperators attending at this important workshop.

II. Outline of Fisheries Industries in Korea

As Korean Peninsula is surrounded by sea on three sides, and warm current and cold current are crossing in the East Sea Korea has the geographically sufficient condition an inhabitable environment for growth of many species of fish and advantages to develop fisheries industries.

In spite of these favorable condition to create an abundant fisheries resources, fisheries industries in the past had lagged behind other industries due to the poor fishing gear and backward fishing techniques. A watershed for Korea's fisheries industries was marked in 1962 when the first Five-Year Plan for Economic Development was launched by government and the development of fisheries industries has been promoted under the category of the plan. In keeping with the growth in national economy the fisheries industries has also made a remarkable growth during the past 27 years.

During the period the fishing fleet has been largely expanded and the fishing techniques have been greatly innovated with the fishing materials modernized. These physical improvement and the accelerated fishing efforts by the skilled crews have combined to push up the landing of fisheries products year after year, while expanding the fishing grounds and fish species subject to the fishing operation.

The fishing fleet has grown in its number, tonnage and motorization. In 1962 when the first fisheries development plan was launched the fishing fleet remained as low as 45,504 vessels with 162,000 G/T. In 1988 they expanded to 99,024 vessels with 948,000 G/T and the motorization of fishing vessels has also made of good progress and 4,349 motorized vessels in 1962 had multiplied to 78,424 vessels in 1988.

Spurred by this favorable situation surrounding the Korea's fisheries industries the landing of fisheries products has been on the rise every year. 470 thousand tons landed in 1962 hopped to 3,209 thousand tons in 1988 and this represent as much as 7 times increase over the past 27 years while the exports of fisheries products has shown an impressive progress. The exports in 1962 remained at 12 million US\$ and 27 years later it ballooned to 2,047 million US\$.

...fishing methods using in Korea; Large Gill Net, Trawl, Offshore Sea, Large Staw Net, Coastal Long Line, Trawl, Large Gill Net net, Large Purse Seine, Trawl, Otter Trawl, Coastal Aquacul-

...products caught by above fishing Large shrimp in East Sea. ...nia, Blue crab, croaker in West Sea and File fish, Mackerel, ...o Shell, Oyster, Seaweed in South Sea.

...velop fisheries industries Korea has emerged as the world's Korea's landing of fisheries products ranks 7th in the world's fisheries products ranks 4 th in the world's exports in fisheries s remarkable growth in the fisheries industries is most at- government's policy and fishermen's strong will. But the integrated business activities peculiar to Korea have also course of developing the country's fisheries industries.

...vement in Korea.

...n's organization in the Korea's modern history can be traced fishery Law was promulgated and in accordance with the Law e-Hansan-Gajo Net Setting Cooperative and Kouje-Hansan established in the southern part of Korea in July of the same e merged into a single cooperative named Kouje Fisheries whwide fishermen's organization emerged when the Korea as set up on April 1, 1944 and it was later reorganized into y Association on January 3, 1949, which comprised 9 provin- s cooperatives. In 1952 a more comprehensive fishermen's ery Association was formed and it consisted of 88 regional hing type fisheries cooperatives.

...however, it became necessary to reform the traditional or this reason, the Fisheries Cooperative Law was enacted 0, 1962. In accordance with the Law, the National Federation e form of modern fishermen's cooperative organization was ne year.

...operative movement is to enhance the social and economic eries manufactures who have organized the cooperative or- the fisheries productivity it is also purpose to raise the rring about the nations's balanced growth of national

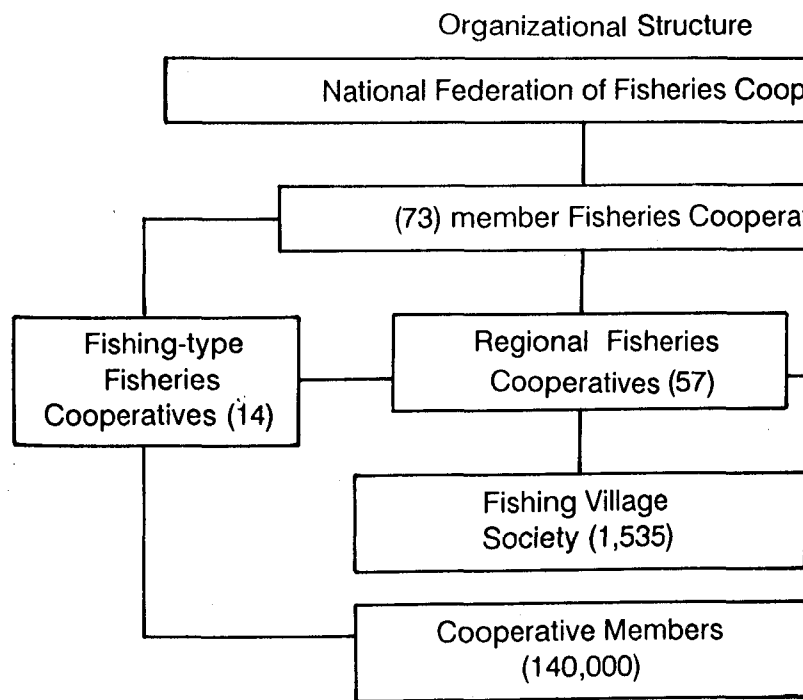
The basic goal of fisheries cooperatives is to encourage cooperation, and to provide the credit required for these ac protect the fishermen's right and interests, and to build the improving the fisheries marketing and their income.

3. Organization

The Korea's fisheries cooperatives are composed of the fishing type fisheries cooperatives, fisheries manufacture Federation of Fisheries Cooperatives. The regional fisheries the fishermen residing in their operational area based on ac country and the fishing type fisheries cooperatives consist o gaging in specific fisheries industries in the operational area While the fisheries manufacture's cooperatives are organize in the fisheries manufacturing industry and the Federation is ganization having fore-mentioned fisheries cooperatives as it

At the time of founding the fisheries cooperatives in 1962 cooperatives, 11 fishing type fisheries cooperatives and 2 f tives, totalling 99 fisheries cooperatives. But, the number of largely reduced through the merging process and curre regional fisheries cooperatives, 14 fishing type fisherie manufacture's cooperatives and the national Federation of F

The regional fisheries cooperatives have the fishing village organizations in the fishing village level. Number of the fishing the in of 1988.



IV. Major Business Activities for Fishermen and Member

1. Guidance Activities

The guidance activities have been regarded as a back- ment and played a key role in promoting the cooperative mo- developing the fishing communities. The fishermen's united essential to protect their right and interest placed under the u- conditions, and to successfully carry out the cooperative b- capitalistic economy. The strengthened fishermen's cooper- economic activity have been taken as the nucleus for reali- and objectives, and the vitality for this purpose stems from th-

a. Saemaul Project

The Saemaul Movement was first launched by the government's initiative in 1972 and its primary objective is to develop the rural-fishing communities, economically and spiritually, which then lagged behind the urban area in the course of economic development. Accordingly, the Movement has been calling for mobilization of all resources available for the development of rural-fishing communities. In line with the government's policy the fisheries cooperatives of all level have participated in this Movement from its outset and have been implementing the Saemaul projects whose basic objectives has been placed to improve the fishermen's income. The projects in primarily aimed to construct the fisheries infrastructures in the fishing communities and to enhance the spiritual enlightenment required for promotion of the self-help, cooperation and diligence.

In carrying out the Saemul project in 1988 the fisheries cooperatives of all level placed their emphases on the construction of fishing infrastructures, creation of fisheries resources and side-line jobs in the fishing communities which would contribute to the improved fishermen's income. In the year a total of 190 sub-projects were implemented at the investment of 3,264 million Won (or 4,8 million US\$).

b. Managerial Consultant Service.

In the efforts to make a balanced development among the member fisheries cooperatives the Federation provided the managerial consultant service to its member fisheries cooperatives. In 1988 the Federation provided 15 member cooperatives showing a poor achievements in their management with the intensive consultant service and based on this service it presented the medium long term plan for development of these cooperatives. In addition, the Federation strongly urged its member fisheries coopeatives to mount the campaign for the increased members subscription and this resulted in another 7,289 million Won (or 10,8 million US\$) in the members subscription. Especially the Federation supplied the member fostering fund to its member fisheries cooperatives for improving their management every year.

For fostering of fishing villages society the Federation has classified 1535 fishing village societies into specific sorts (welfare, self-management, self-reliance), lay emphasis on rearing the societies whose incomes are relatively lower, the societies of isolated islets and remote places, and propel sistership relation between the concerned fishing type fisheries cooperatives and the fishing village society to promote the balanced development in the cooperative organization of all level.

c. Guidance on Production

The Federation has endeavoured to improve the inhabiting environments for fishes by cultivating the fish farm deteriorated by farming seaseed, sealaver, oyster, etc for a long period, refloating fishing nets,ropes etc.,sunk at the sea bottom, also tried to expatriate the strafish which is the most harmful enemy in the fisheries products from May to August of each year; fixing the special eradication spell of stamping out starfish.

As part of efforts to improve the productivity as well as fishermen's income the Federation issued technical manual to supply its member fisheries cooperatives and fishing village societies with them. In an attempt to root out the illegal fishing practices the Federation exerted its every efforts during the year. It conducted the education program for this purpose with participants totalling 35,000 and issued 10,000 copies of poster to placed them in the fishing ports and local fish whole sale marketing centers across the country.

d. Education and Training

The Federation has conducted the education and training program since its inception and this has been regarded as the corner stone of the cooperative movement. The provision of education and training program has had two fold objectives : firstly, to improve the capability of executive and employees working for the Federation and its member fisheries cooperatives and secondly, to provide the fishing community leaders with the opportunity to understand the ideals of fisheries cooperative movement, thereby propagating it among the

fishermen.

As part of the efforts to step up the education and training activities the Federation set up the Education and Training Center of its own on November 1, 1977 and since that time the education and training program provisioned by the Center has been largely accelerated. The Center has placed its emphases in the on-the-job training program and its curriculum has been composed of the fisheries cooperative law, theory of cooperative, accounting in the fisheries cooperatives, deposits, exchange, legal claim process, economic business and cooperative insurance. In order to meet another educational need which has not been available at the Center the Federation has commissioned the education program to other educational institutes for the employees working for the Federation and member fisheries cooperatives.

In 1988 a total of 1,508 employees and executives working for the fisheries cooperatives of all level participated in the education and training program provisioned by the Center and 110,482 fishermen took part in the on-the-job education program on the government's fisheries policy and activities of the fisheries cooperatives movement. In addition, the Federation provisioned the education program for spiritual enlightenment and fisheries technical innovation for 706 fishing community leaders. In an attempt to cultivate the would-be fishermen the Federation awarded the scholarships to 164 students attending the fisheries schools of all level.

e. Survey and Research

The survey and research works has been mostly conducted by Federation and the objective is to supply the data essentially used for development of fisheries industries and for further promotion of fisheries cooperative movement.

Major survey and research works carried out in 1988 included the survey on member, income of fishing household, Korea's fishing gears and their use, annual statistic on fisheries cooperative, fisheries management, organization and activities of youths and women in fishing village, consumption trend of fisheries products, fisheries marketing and fishing fund requirement.

Besides these, the Federation issued the monthly statistics and many other survey and research publications.

f. Public Relation

The public relation activities conducted by the Federation are purposed to propagate the government's fisheries policy, the ideal of cooperative movement and the activities undertaken by it. In carrying out this public relation activities the mass media was widely used. In 1988 120 programs were carried on T.V. and 297 programs were aired through the radio networks. In particular the Federation was actively engaged in the campaign for increased consumption of fisheries products and made 22 publicity programs carried on T.V, newspaper and magazine, while holding 5 cooking education, trial platings using sealaver, seaweed, sardine, red sheel and mackerel.

The Federation installed the video producing equipment and turned out 328 video tapes containing the pictures on advanced fishing techniques, successful example in Saemaul project and foodization of fisheries products and supplied them to member fisheries cooperatives. In the supply of publication in 1988 the Federation issued 480,000 copies of the New Fishermen, monthly organ and purchased 632,000 copies of the Fisheries Newspaper, 73,000 copies of the Agriculture and Fisheries Newspaper, both fisheries newspaper 22,000 copies of the Modern Ocean, monthly fishing magazine, to supply them to the member fisheries cooperatives and fishermen.

g. Guidance on Safe Fishing Operation

Korea is surrounded by the sea on three sides and at the same time borders on the fishing grounds of North Korea, China, Japan and Soviet Union and for this reason the Federation has been assigned to ensure the safe fishing operation on the sea. The fishing boats engaging in the fishing operation on the East and West sea area as well as the East China

sea area have been instructed to make a fishing operation in group and the Federation has provisioned the education program for fishing crews throughout the year to ensure the safe fishing operation and to prevent them from violating the border and being kidnapped. The curriculum of education program has covered such wide area as the administrative regulations related to the entry into and departure from the fishing port, basic theory related to the safe engine operation and navigation, reporting method in the event of incident, and operation of wireless sets.

The Federation has operated 46 fisheries wireless stations to provide the crucial information, and these stations are located in coastal area and major cities throughout the country.

The fisheries wireless stations with the control center in the Federation are widely located across the country.

Eight stations are situated in the Federation's branch offices and 18 stations are operated in the major fishing ports, and the remained 19 mini-stations are operated in the small-size fishing ports and the remote islands. The fisheries wireless service provided exclusively by the Federation has covered a wide range of area and it include the information related to the safe fishing operation, marketing of the fisheries products in the landing area and administrative communication among the fisheries cooperatives. The wireless communication is made between the fishing boats engaging in the fishing operation on the sea and the stations located in the coastal area, among the fishing boats and among the stations. The basic role of these wireless stations is to provide the fishing boats with the regular information on the weather forecast for their safety, on the fishing grounds for making the boats accessible to the fish school and on the fish price at the local fish wholesale marketing center. In addition the stations have been engaged in the emergency rescue operation for the fishing boats in trouble in collaboration with the marine police, or navy.

For the safe fishing operation the fishing boats the report of their location to the stations twice everyday and the communication between the captain and ship owner is arranged by the station if necessary. Furthermore the stations have provide the free-repairing service for the wireless sets installed the inside the fishing boats and free-inspection service on behalf of government and the number of wireless sets and electronic equipment benefited from this free service reached 4,984 sets and 2,609 sets respectively this year.

2. Purchase Business

The Federation has run purchase business to timely supply the qualified equipment and materials for the operation at low price for the purpose of reducing the fisheries management costs and this business is roughly classified into the fisheries cooperative's own business and government-commissioned business.

The fisheries cooperative's own business has been to make the joint purchase of tax-exempt fishing oil, fishing nets, rope and daily necessities, and supplied them to the fishermen. To ensure the smooth supply of these materials the Federation and member fisheries cooperatives have operated 33 oil tankers, 85 oil distribution centers and 42 chain stores. The government-commissioned business has been to supply the equipments and materials required for the improvement in engines, fishing gears and fishing boat building under government policy.

As part of efforts to efficiently manage the purchase business the Federation has improve purchasing methods with priority placed on fishermen's conveniences and in particular, the Federation has expanded the supply of daily necessities for fishermen's living on the remote and isolated islands and improved the management of chain store for supplying fishing materials to fishing boats. Thus, the purchase business has made a crucial role in reducing the production costs, thereby improving the fishermen's income and revenue of fisheries industries.

3. Fisheries Marketing Business

The Federation has been in the fisheries marketing business to ensure the fishermen's sale price on fair terms and to upgrade the marketability of fisheries products. For this purpose the Federation has modernized the various marketing facilities of fisheries products and improved the business operation. The business is composed of marketing and sale,

operation of cold storage plants, price stabilization and supply to armed forces. In fact, this business has been regarded as the most important one among the economic business managed by fisheries cooperatives.

a. Marketing and sale

The Federation has 10 fish wholesale marketing centers in both landing and consuming areas to achieve afore-mentioned objectives and of 10 centers one center is located in the landing area and 9 centers are situated in the major consuming cities. Thus the Federation has been deeply involved in the fisheries marketing in this country. In 1988 these Federation-run fish wholesale marketing centers provisioned the wholesale of 157,419 M/T. In particular the Federation has the 6 retail outlets attached to the inland fish wholesale marketing centers under the operations and this is aimed to cut down on the marketing stages and to protect the consumers.

In the year one local fish wholesale marketing center and 169 local fish wholesale marketing centers managed by the fisheries cooperatives provisioned the wholesaling of 1,751 thousand M/T of fisheries products and this was 73 % of total fisheries products landed by the coastal and offshore fishing industry.

As a result this sweeping involvement in the fisheries at the local, inland and retail level has made a significant contribution to the smooth marketing of fisheries products.

In addition the Federation has operated the marketing information centers and this operations is to provide the price information to the major landing areas and consumers in use of fisheries wireless stations, TTY and Facsimile. This information is provided to the fishing boats engaging in the fishing operation at the sea and the Federation has operated the automatic-answer telephone system to supply the daily price information of fisheries products to the consumers.

b. Operation of Cold Storage Plants

The Federation has operated 10 cold storage plants attached to the local and inland fish wholesale marketing centers and this operation is designed to upgrade the marketability of fisheries products. In 1988 these plants turned out 31,851 M/T of ice and refrigerated 97,463 thousand C/S of fisheries products with 114 thousand C/S of fisheries products frozen in the plants. As a result the operations of these cold storage plants has made an important contribution to the improved marketability and smooth marketing in the fisheries products.

c. Price Stabilization

Price stabilization business is primarily designed to raise, or at least stabilize the fishermen's sale price by coordinating the shipment of fisheries products throughout the year and the business has been largely financed by the government.

The Federation and member fisheries cooperatives purchased together 36,394 M/T of fisheries products showing the severe price fluctuation such as yellow corvenia, hairtail, mackerel, sealaver, mustard, squid for the price stabilizing purpose and also purchased 131,171 M/T of fisheries products to the fisheries processing industry, canneries and cold storage industry. In addition the fisheries cooperatives of national and local level purchased 37,784 M/T of fisheries products to supply them to the Fisheries industry. Thus, this sort of purchase business has made a valuable contribution to the improved fishermen's sale price and at the same time to the stable supply to processing, export and cold storage industries. Also the Federation and member fisheries cooperatives released the stocked fisheries products at the high demand seasons and this resulted in the cushioned price fluctuation throughout the year, thereby protecting the producers as well as consumers.

d. Supply to Armed Forces

Under the exclusive contract with the military authority the Federation has the fisheries products to the armed forces through 4 supply offices and 6 member fisheries cooperatives engaged in this business and in 1988 the supply amounted to 30,911 M/T. This supply busi-

ness has contributed to the improved meal service in the armed forces and at the same time to the price stabilization in the fisheries products.

4. Foreign Trade Business

The Federation has been engaged in the foreign trade business since 1976 and this business is aimed to ensure the fishermen's sale price on fair terms by directly shipping out the fisheries products to the overseas markets and the business has been operated on the basis of the cooperative export system. The system means that the fisheries cooperative of all level participated in exporting the fisheries products caught by the members of fisheries cooperatives.

In other words the fisheries cooperative organization of all level share the responsibilities in the course of producing shipping the fisheries products to the overseas markets. The fishing village societies, sub-fisheries cooperative organizations at the fishing village level take the responsibility of catching, or picking up the fisheries products and the regional fisheries cooperatives bear the responsibility of collecting and storing them. On the other hand the Federation has the responsibility of negotiating with the foreign buyer, receiving the L/C and making the shipment of fisheries products.

In 1988 the exports of fisheries products made by the Federation in cooperation with member fisheries cooperatives amounted to 42,872 thousand US\$ and major species of fisheries products shipped out by the Federation are composed of the lugworms with 8,179 thousand US\$, live and chilly fishes with 20,178 thousand US\$, frozen and processing fisheries products with 4,869 thousand US\$, Sea mustard and pickled products with 2,831 thousand US\$ and other fisheries products with 6,815 thousand US\$.

More than 20 items of fisheries products have been shipped to Japan, Southeast Asian countries, North and South America and Europe. Efforts have been made to diversify the exportable items and also expand the exporting areas, thus playing a leading role in exporting the fisheries products landed by the coastal and offshore fisheries industries.

5. Credit and Banking Business

The credit and banking business has been regarded as one of the most efficient means to carry out the objective to enhance the fishermen's social and economic status laid down in Article 1, the Fisheries Cooperative Law and this view came from the fact that the rampant private money lender has accelerated the backwardness in the fishing communities which have no way to find the credit service.

Therefore, the most urgent task of the credit and banking business is to provide the fishermen with the enough fund required for the production and marketing activity on favorable terms. For this purpose the Federation has been long engaged in this business to make the smooth supply of fund required for the fishermen's production and marketing of fisheries products. This business is composed of banking, foreign exchange, foreign loan and mutual banking service.

a. Banking

The Federation has started the banking service in 1968 and currently operated 37 banking branches in the major cities to collect the funds from the urban areas and to supply them to the fishermen. In 1988 the Federation raised 1,068,000 million Won (or 1,594 million US\$), up 9.6 % from the year earlier. The raised fund broke down into 446,600 million Won (or 666.5 million US\$) generated by the Federation and 556,100 million Won (or 830 million US\$) borrowed from such outside sources as the central bank, government and international banks and 65,300 million Won (or 97.5 million US\$) came from other sources. In the operation of the raised fund, 809,400 million Won (or 1,208.1 million US\$), or 75.8 % of the fund was spent to the loan purpose and 27,900 million Won (or 41.6 million US\$) to support the other business managed by the Federation, 144,500 million Won (or 215.6 million US\$) to the payment reserve and cash, and 86,200 million Won (126.7 million US\$) for other purpose.

In this year 321,000 million Won (or 479.1 million US\$) under the category of loan purpose went to the fishermen for the fishing operation in coastal and offshore sea and this loan accounted for 59,7 % total required fund for fishing operation. In addition, the Federation supplied the deep-sea fisheries industries with 63,000 million Won (or 94,1 million US\$) in loan, up 5,3% from the previous year. In particular the Federation has paid efforts to rehabilitate the fishermen's damage caused by typhoon or disasters instantly by financing them in the system which is designed for the victims of disasters, by extending the date of repayment and by reducing the interest rate, encouraging the disastrous fishermen.

b. Foreign Exchange

The Federation started the foreign exchange service in 1979 to provide the service to the industries, or companies engaging in the import and export of fisheries products and other commodities and its service scope has since grown year after year. In 1988 total service scope amounted to 156,133 thousand US\$ which was classified into 95,465 thousand US\$ for negotiation, 49,897 thousand US\$ for opening L/C and 10,771 thousand US\$ for other service.

c. Foreign Loan

The Federation has introduced the foreign loan to meet ever growing demand for the fisheries fund and loan source have been the Japanese government, ABD and IBRD. 30 million US\$ had been provided by the Japanese government to be used for development of coastal and offshore fisheries industry and this fund had made a significant contribution to the further development of fisheries industries in this country. Besides this, the ABD had supplied the fund of 13,300 thousand US\$ under the agreement concluded on October 10, 1972 and this fund had been used for the development of coastal and offshore fisheries industry as well as deep-sea fisheries industry. In addition the Federation had borrowed the fund from the IBRD and the borrowed fund of 3,061 thousand US\$ had been used for construction of local fish wholesale marketing center located in Yeosu city and for building storage facilities for salted shrimps and developing the sea laver culturing.

d. Mutual Banking

The mutual banking is purposed to operate the fund, although small in amount raised by the economically weak members to supply the credit at the village level and it is currently making a significant contribution to the fund supply for the small-scale fishing operation in the fishing communities.

6. Cooperative Insurance

The Federation in collaboration with the member fisheries cooperatives has managed the cooperative insurance business to make up for the fishermen's losses and damages inflicted by the accidents, or disasters. The cooperative insurance covers the fishing boats, fishing gear, medical treatment, fire, life, savings, retirement and education. In 1988 the insured amount stood at 1,229,500 million Won (or 1,836 million US\$), up 13 % over the previous year and the insurance premium paid by policy holder reached 25,400 million Won (or 32 million US\$).

In particular, with the fund raised in the operation of the cooperative insurance business the Federation has provided the fishermen's children with the scholarships and also extended the loan for school expenses and side-line business in the fishing communities.

V. Government's Assistance to the Fisheries Cooperative Movement

1. Introduction

The government's assistance to the cooperative movement was regarded as the evil at the height of the non-interference economy system in the 18th century.

Today, however, the government's assistance is taken as the natural thing because of the necessity of its in promoting the cooperative movement in the earlier time and this trend is conspicuous in the developing countries.

When the World War II came to an end in 1945 Korea was liberated from the Japanese colonial rule and became an independent country. This resulted in total devastation of this

country's economy and eventually led to the economic stagnation in 1950s. In an attempt to rehabilitate Korea's economy in the aftermath of the Korean war the Five Year Plan for Economic Development under the government's initiative in 1962 was firstly launched and in the course of developing the economic the Korea's fisheries cooperative have actively participated in the government's efforts. This has accompanied the considerable assistances from the government which have in turn brought about the government's interference in the fisheries cooperative movement. The participation in the government's efforts to develop the Korea's economic has been regarded as natural course in the light of the important role played by the fisheries cooperatives in Korea's economy.

2. Legal Background

The Constitution explicitly provides the legal basis for the government's assistance to the fisheries cooperative movement. Paragraph 1 and 2, article 123 of the Constitution stipulated that the government shall work out the necessary plan for development in both rural and fishing communities on the basis of farmers and fishermen's self-help and shall ensure the balanced development in the communities across the country, thus securing the basic right of the farmers and fishermen. Further, the Constitution in the Paragraph 5 of the same Article laid down that the government shall foster the farmers and fishermen's self-help organization. The Article inserted in the Constitution are clearly designed to bring about the balanced economic development in both urban and rural-fishing communities in Korea by promoting the cooperative movement.

3. Enactment of Fisheries Cooperative Law

Based on the spirit of the Constitution, the fisheries cooperative law was enacted and promulgated to increase the fisheries productivity and to promote the fisheries cooperative movement, and it has played the key role in enhancing the fishermen's social and economic status. The fisheries cooperative law has been amended for many times depending on the changing social and economic situation, on the expansion of the business in the fisheries cooperatives as well as institutional change.

4. Limitation of Exercising Authority on Approval for Establishment of Fisheries Cooperative

The fisheries cooperative has been newly established through such common procedures as promoter's initiation, inaugural general meeting, approval from government agency, subscription payment and registration for the establishment. Accordingly, after the inaugural meeting the promoters shall, without delay, submit a written application to the Administrator of National Fisheries Administration to obtain approval for establishment of the cooperative and the application for the newly established cooperative shall be approved by the Administrator, so long as it does not conflict with one of following items.

- o In case that the establishment procedures, contents of articles of association and working program are found to violate the law and ordinance.
- o In case that the management of cooperative is found to be difficult in the light of business volume.
- o In case that the business objective is found to be unattainable due to the lack of managerial capability.

Furthermore, the Administrator shall inform applicants of his decision on approval, or non-approval within sixty days from the date of receipt of the application, if he does not approve, he shall state the reasons.

If notification on either approval, or non-approval is not made within the period indicated above, the application shall be deemed as having been approved upon the expiration of the period. In this case the applicants may ask the Administrator to issue the licence of approval.

5. Government's Collaboration

In accordance with fisheries cooperative law, the government has the obligation providing the active collaboration to the service and business being undertaken by the fisheries cooperatives. The fisheries cooperatives have the priority in making use of the facilities

owned by the government and public organizations. In addition the government may provide the fisheries cooperatives with the subsidy required for carrying out the service and business activities within availability of national budget.

The service and business activities carried out by the fisheries cooperatives enjoy the privilege of exemption, reduction from the tax and public imposition and exclusive from the disadvantages laid down in the insurance law, storage business law, foreign trade law, etc. for encouraging the active service and business.

The Chairman and President of National Federation of Fisheries Cooperatives may present the government with his opinion with regard to the development of the fisheries cooperatives. The Administrator of National Fisheries Administration supervises the fisheries cooperatives and in case that the service and business activities are carried out in violation of the relevant laws and ordinances he may order the correction and also conduct the inspection, if deems necessary.

6. Tax Incentive

The fisheries cooperative law stipulated that the business carried out and properties owned by the fisheries cooperatives were exempted from the taxation. As the fisheries cooperatives have consolidated their foundation for self-reliance owing to the positive tax incentive step by step from 1982. Based on the government's policy, currently 10 - 15 % of corporation tax, 20 - 25 % less the general business enterprise are lived on earning made by the fisheries cooperatives, and property tax and acquisition tax for the property acquired by the fisheries cooperatives are lived at the half level of the general business enterprise. Until 1981 the fisheries cooperatives were exempted from the corporation tax, acquisition tax and property tax.

In addition the government has providing the tax incentive to the fishing oil which accounted for the most important in the management of the coastal and offshore fisheries industries, the construction of fishing boats, fishermen's income with an eventual purpose of bringing about the balanced development in the nation and the oil supplied by fisheries cooperative for use of generating the electricity in the isolated islands.

7. Government's Assistance in Fund Raising

The government has provided the fisheries cooperatives with the institutional assistance designed to make a smooth operation of fund managed by them. In an efforts to help the fisheries cooperatives consolidate foundation of self-reliance in fund operation, the government has given financial assistance to them by such means as loan of government's fund on favorable terms, providing guarantee for foreign loan and provision of borrowing fund from central bank and national agricultural cooperative federation.

At the time of founding the fisheries cooperatives totally depended on government for raising business operation fund. As the fisheries cooperative's self fund scope has been expanded by actively conducting such campaign as the increased subscription, accumulation of business surplus and expanded banking business, the dependence on government for raising operation fund has been gradually reduced year after year.

8. Privileges provided to Business of Fisheries Cooperatives

Various service and business activities for the good of fishermen have been carried out by the fisheries cooperatives in order to achieve their founding objective of enhancing the fishermen's social and economic status. As these various service and business activities have been in stiff competition with private industries, the fisheries cooperatives organized by the economically weak fishermen have been place under the favorable conditions. In order to correct this adverse situation, the government has been providing the fisheries cooperatives with the subsidy and legal assistance by eliminating article of relevant law affecting adverse influence on the fisheries cooperatives.

Followings are brief explanation of government's assistance in various service and business carried out by the fisheries cooperatives ;

a. Guidance activity

- o Subsidy of about 50 % of operation expenses for the operation of fisheries wireless station located across the country to ensure the safe fishing operation.

- b. Economic business
 - o Tax-exemption for fishing oil supplied by fisheries cooperatives.
 - o Reduction of value added tax on equipment for fishing boats building.
 - o Compensation for losses of fisheries cooperatives caused by the government's buffer stock business and government commissioned purchase business.
 - o Permission of exclusive supply of fisheries products to armed forces under contract between the Federation and military authority.
 - o Licence of foreign trade business.
- c. Credit and banking business
 - o Loan of government's fund to fisheries cooperatives through the Federation on low interest and long period.
 - o Licence of banking business in urban area to absorb the idle fund.
 - o Compensation for difference of interest rate arising from operating the Federation's self fund for the government's purpose.
 - o Guarantee for payment of foreign loan.
- d. Cooperative insurance
 - o In case of cooperative insurance for fishing crews, the government has been subsidizing 15-35 % of insurance fee for the good of them.

9. Government's Buffer Stock Business

The government's buffer stock business has been regarded as one of the most positive measure to stabilize the price of the fisheries products. This business is purposed to cushion the price fluctuation of the fisheries products throughout the year and has been carried out by the fisheries cooperatives at the request of government. In peak fishing season the fisheries cooperatives purchased the mass landed fisheries products and stored at the refrigerated facilities or warehouse managed by them, and in the peak demand season they released the stocked products to the local markets, thereby stabilizing the fish price for consumers.

The fisheries products having the high demand has been subject to this business and they have been sea laver, the salted sea mustard, dried anchovy, dried squid, frozen squid and Alaska pollack. In managing this business the selection of items, purchase and sale price have been subject to the government's full control. Since 1971 this business has been steady and the business scope in 1988 stood at 4,203 M/T in quantity.

10. Amendment of Fisheries Cooperative Law

The government revised the Fisheries Cooperative Law on December 31, 1988 in response to the course of promoting the further democratization in the field of political, social and economic in Korea.

The objective of amendment was aimed at satisfying the member's desires for democracy in the fisheries cooperative movement and relaxing to government's supervision on fisheries cooperatives, thereby promoting self-determination in management and business of fisheries cooperatives, and ensuring the sound development of fisheries cooperatives. Major contents revised in the Fisheries Cooperative Law are as follows ;

- o In the National Federation of Fisheries Cooperatives, the chairman & president and auditors are elected in the general meeting composed of all chiefs of member fisheries cooperatives, and executive vice-president and vice-presidents are appointed by the chairman & president with consents of general meeting. In the chairman & president was appointed by the President of Nation and auditors were appointed by Minister of Agriculture, Forestry and Fisheries, and other executives were appointed by chairman & president.
- o In the fisheries cooperatives, the chief, directors, auditors are elected by directly members of fisheries cooperatives. In the past chief was appointed by the chairman & president of the Federation and other executives were elected by members or representatives of fisheries cooperatives.

- o Tenure of the chairman & president, executive vice-president, vice-president of the Federation and chief, directors of the fisheries cooperatives is extended to 4 years from 3 years. Also the tenure of auditors of the Federation and fisheries cooperatives is extended to 3 years from 2 years.
- o The range of business undertaken by fisheries cooperatives including the Federation is expanded to manage the guarantee of payment business and the discount bill business and the fisheries cooperatives can invest their spare fund in purchasing the valuable securities, thus expanding the sources of fisheries fund.

excluding the business for government's purpose are only reported to the Administrator of the National Fisheries Administration. In the past all business plan and budget should be approved by the Administrator.

The government's assistance to fisheries cooperative movement by category has been explained in the above. As shown above, the various financial and institutional privilege by government has play an crucial role in creating the foundation of self-reliance and in promoting the fisheries cooperative movement in Korea.

But excessive governmental interference in the fisheries cooperative movement may have hampered the fisheries cooperative's self-reliance. Accordingly the government's intervention in the fisheries cooperatives shall be reduced. In other words, the government's interference in the fisheries cooperatives shall be geared to foster their capability required for the self-reliance. Otherwise, the government might be placed under criticism for hampering the fisheries movement in Korea. Today, the Korea's fisheries cooperatives including the Federation are slowly fleeing from the government excessive protection policy.

VI. International Cooperation

1. Collaboration with ICA

The Federation was duly admitted to the International Cooperative Alliance (ICA), a competent international organization in the field of cooperative movement, on March 1, 1979 and since that time the Federational has actively participated in the international meetings of all level, seminars and workshops sponsored by the ICA. In particular, the chairman & president of the Federation was elected vice-chairman of the fisheries committee at ICA fisheries committee meeting held in Stockholm, Sweden on July 5, 1988.

As part of efforts to strengthen the ties with the world's cooperative movement and to help the friendly nation promote the fisheries cooperative movement the Federation ICA Regional Office for Asia jointly organized the regional seminar on organization and development of the fisheries cooperatives for two weeks in March in 1981 and 14 participants from India, Thailand, Malayasia, Nepal, Fiji and Sri Lanka took part in the seminar. In 1982 the Federation organized the study tour program for the Indonesian participants to the Korea's fisheries cooperative movement for two weeks in september and 12 Indonesian government officials in charge of fisheries administration joined the program. In addition the federation held the study tour program for the Malaysian participants sent by the FAO for two weeks in April in 1985 and Malaysian government officials participated. The federation conducted the study tour program for the Malaysian participants composed of 22 government officials and fishermen for 11 days in May and the participants toured the Korea's coastal areas, observing the Fisheries facilities and fisheries cooperatives. In June the Thailand cooperative leaders visited the Federation to be vriefed on the Korea's fisheries cooperative movement as well as the Korea's fisheries industires. In November, 1986 Burmese study group from Burmese government visited our Federation.

In addition to these many other countries' government officials and fisheries cooperators came to our Federation to exchange their views on development of fisheries cooperative movement.

Thus the Federation has provided every possible assistances to the developing countries' efforts to organize and promote their fisheries cooperatives, and this explicitly coincides with the cooperative basic role daid down in the ICA rule.

2. Collaboration with Japanese Fisheries Association

In accordance with the Korea-Japan Civil Fisheries Pact an agreement on safe and orderly fishing operation for the Korean and Japanese fishing boats was concluded between the

Federation and the Japanese fisheries Association on December 17, 1965. In pursuance of this agreement the Federation set up the Secretariat of Fisheries Committee and has operated it since January 1966. The primary function of this secretariat is to provide the guidance to the fishermen engaging in the applicable sea area and also to settle the matters involving to the violation of the Pact.

In 1988 the Federation conducted the education program for guidance purpose and supplied many sort of publications urging the fishermen to observe the guide line under the Civil Fisheries Pact in the applicable sea area. In addition the Federation held three meeting of various level with the Japanese Fisheries Association to discuss the matters involving the accidents of two countries' fishing boats in the applicable sea area. As a result 12 accidents inflicted by both Korean and Japanese fishing boats were satisfactorily settled through the mutual consultations and 6 accidents are remained unsettled.

3. Collaboration with National Federation of Fisheries Cooperative Associations (ZENGYOREN).

At the bilateral level the Federation has consolidated the collaboration with the Japanese counterpart, the National Federation of Fisheries Cooperative Associations. Both Federation have had the annual presidential meeting to exchange their opinion on the further promotion of the fisheries cooperative movement and at the same time on development of fisheries industry in two countries.

Especially, in March, 1989 both Federation jointly organized the 1st symposium on life experiences between two countries' women residing at the fishing village in Pusan, Korea in accordance with the agreement of presidential meeting in 1988. 25 women from Korea and 15 women from Japan were participated in the symposium and they exchange life experiences in the fishing villages through the dialogue on women's activities in the fisheries cooperatives each country. This symposium was contributed to mutual understanding on other's life environment and strengthening the tie of friendship among women in two countries.

VII. Problem facing the Fisheries Cooperatives

Since 1970 fisheries cooperative movement in Korea has made a considerable progress in both organization and service and business activities. As of the end of the 1988 total service and business scope carried out by the Federation stood at 2,532.2 billion Won (or 3.7 billion US\$).

In spite of the successful implementation of service and business activities for fishermen there are several problem to overcome for the development of the fisheries cooperative movement in Korea.

1. The Expanded supply of Fishing Operation Fund

Almost all of the fisheries banking service has been provided by the fisheries cooperatives. The source of fund for the Federation and member fisheries cooperatives has been deposits, borrowings, and self-fund. This combined has been supplied for the use of the fisheries production facilities, fisheries infrastructure and fishing operation fund. However, the fund supplied for the fishing operation has not been able to keep up with rising production costs. In 1988 alone total fund scope required for fishing operation was estimated at 722.2 billion Won (or 1.1 billion US\$) and available fund by fisheries cooperatives accounted for about 53% over the total fund requirement.

Demand for the fishing operation fund, the backbone of the fisheries fund, has been on the rise and it is necessary to expand the supply of fund on the favorable terms which is available by the fisheries cooperatives. In the light of its importance the supply of the fishing operation fund will be smoothly made by raising the required fund from such sources as the self-fund, government fund and the bank of Korea fund.

As one of the means to make smooth of the fishing operation fund the Federation and member fisheries cooperatives have been enhancing the capability of the credit and banking function to attract more deposit and at the same time, they strongly urged the government to

expand the government's financial fund. In addition, to increase the deposits the Federation continuously improve on-line system for banking business by enlarging and developing the computerization on office works and strengthen the education program and campaign to let the fishermen understand the necessities of self-raised fund required for the fisheries sector.

2. The Improvement of Fisheries Marketing Structure

The fisheries marketing of fisheries products in Korea can be classified into two category for the landing area and consuming area. There go through about 5-6 marketing stages from the landing area to consuming area. The margin is added at every marketing stages and price gap between producer's and consumer's accounts for 35-45 percent.

In an attempt to ensure the producer's sale price and stabilize the consumer's price by reducing marketing stages, the Federation has constructed the inland fish wholesale marketing centers in major inland consuming cities and has encouraged the fishermen's direct shipment to consuming area and the cooperative's collection and shipment activities.

In addition the federation and member fisheries cooperative have placed their priorities on improved fisheries marketing and followings are the major points of priorities.

- o Expansion and modernization in the local fish wholesale marketing centers managed by the Federation and member fisheries cooperatives.
- o Establishment of order in the fisheries marketing in the consuming areas.
- o Modernization in the retailing facilities.
- o Development of the processed fisheries products.
- o Promotion of wider application in grading and trading unit of fisheries products.

3. Conservation of Fisheries Resources

Since the 1970's Korea's fisheries production has been considerably increased owing to the expansion of fishing boats and development of fishing techniques, while development of production methods resulted in overcatching the fisheries resources. The coastal fishing grounds and aquaculturing sea areas have been severely damaged by the establishment of the industrial complexes located in the coastal areas and the reclamation project for creation of the arable land in the coastal areas. In addition, the fisheries resources in the coastal and offshore fishing grounds have been dwindled by the illegal fishing practices and overcatching the fisheries resources. Besides these, the deep-sea fisheries industries has been suffered from the declaration of the 200 mile economic zone by the world's coastal countries. These adverse factors have combined to bring about the serious managerial difficulties in the fisheries industries and fisheries cooperatives in Korea.

In the face of dwindling fisheries resources in the coastal and offshore fishing grounds caused by the excessive catching, sea water pollution and illegal fishing practices the government and fisheries cooperatives have placed their foremost fisheries policy on the project for creation and management of fisheries resources and the project is comprised of such sub-projects as the creation of spawning-growing shelters for the fisheries animals and artificial hatching-stocking, protection and management of fisheries resources in the fishing grounds.

For this purpose the government and fisheries cooperatives plunged the concrete fish shelter into the sea areas and newly set up a seed breeding center, while improving the facilities and equipment at the existing centers. In 1988 these centers successfully bred and stocked two billions of cod frys, and released 7.35 million of salmon frys into the sea area. Besides these, the government and fisheries cooperatives designated 74 fisheries resources preservation sea areas suitable for spawning and growing of fish and shell fish, and at the same time propelled the campaign for the prevention of illegal fishing practices in the coastal fishing grounds.

VIII. Epilogue

Founded as the fishermen's self-help cooperative organization on April 1, 1962 fisheries cooperative in Korea have been building the welfare fishing communities by implementing the various service and business purposed to enhance the fishermen's social and economic status, and to improve the fisheries productivity. In response to the summon in the new era

to creating the advanced fatherland we are exerting our every possible efforts to devote our whole service and business function for increasing fishermen's income and protecting their rights and interests. With our experinces gained through coping with the trials and tribulations over the past 27 years we will continuously spur our efforts in promoting the cooperative movement for the fishermen.

Before closing my lecture, I have to express my sincere appreciation for the painstaking efforts extended by staff of ICA fisheries committee as well as hosting cooperative organization for holding of this important workshop.

Thank you very much for kind attention

**JAPANESE GOVERNMENT SUPPORT TO FISHING INDUSTRY
AND FISHERIES COOPERATIVES**

**BY
TOHRU OKUBO**

I. TRENDS OF THE SUPPLY AND DEMAND OF FISHERY PRODUCTS

1. Supply and Demand Balance of Fishery Products

(1) Trends in 1987

Seeing the supply and demand of fishery products in 1987 in terms of the round weight equivalent, the total supply increased by 1 % from the previous year to 15.06 million metric tons due to drastic increase in imports in spite of slight decrease in domestic production.

The total demand increased 4% from the previous year to 14.60 million metric tons due to increase in domestic consumption and exports. Supply for food included in the domestic consumption increased by 3% from the previous year to 8.75 million metric tons due to the increased inclination toward health of consumers and the fall of consumer prices.

The daily supply of animal protein per capita by fishery products in 1987 was 18.5 g, which represented 42% of all, continuing to exceed intake by meat or by milk and eggs and thus making fishery products the largest source of supply of animal protein for the people.

(2) Supply and demand of fishery products in recent years

The supply and demand of fishery products steadily increased during the 1965-74 period with the increase of the people's disposable income and the development of long distance fishery and aquaculture.

From the beginning of the 1975-84 period, the demand for food use stagnated due to slowdown in the increase of disposable income and the rise of consumer prices resulting from the start of the area of 200 mile zones. As for supply, the domestic production decreased for such reasons as the hefty loss of Northern Pacific fishing grounds and imports remarkably increased.

From the latter term of the 1975-84 period, demand for food use began to increase again due to such factors recognition of the nutritional superiority of fish and stabilization of their prices. As for supply, imports greatly increased, while the domestic production remained on the same level.

Supply and Demand of Fishery Products

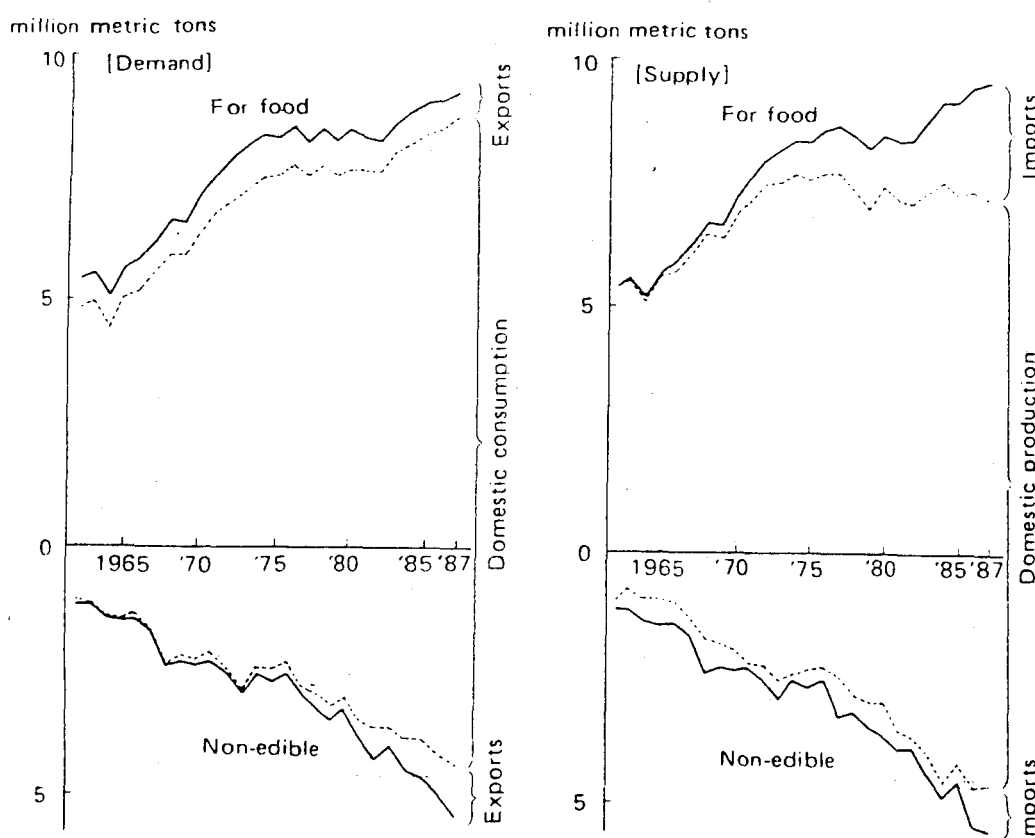
(Unit: thousand metric tons)

		1980	1984	1985	1986	1987 provisional report	Increase/decrease (%)		
							'85/'84	'86/'85	'87/'86
Total supply		12,114	14,010	13,721	14,887	15,061	Δ 2.1	8.5	1.2
Supply	Domestic production	10,425	12,055	11,464	11,959	11,800	Δ 4.9	4.3	Δ 1.3
	For food	7,421	7,500	7,268	7,305	7,183	Δ 3.1	0.5	Δ 1.7
	Non-edible	3,004	4,555	4,196	4,654	4,617	Δ 7.9	10.9	Δ 0.8
	Imports	1,689	1,955	2,257	2,928	3,261	15.4	29.7	11.4
	For food	1,027	1,666	1,880	2,155	2,361	12.8	14.6	9.6
	Non-edible	662	289	377	773	900	30.4	105.0	16.4
Total demand		11,757	13,339	13,620	14,015	14,603	2.1	2.9	4.2
Demand	Domestic consumption	10,734	12,035	12,263	12,617	13,049	1.9	2.9	3.4
	For food	7,666	8,214	8,416	8,513	8,746	2.5	1.2	2.7
	Non-edible	3,068	3,821	3,847	4,104	4,303	0.7	6.7	4.8
	Exports	1,023	1,304	1,357	1,398	1,554	4.1	3.0	11.2
	For food	817	660	601	579	506	Δ 8.9	Δ 3.7	Δ 12.6
	Non-edible	206	644	756	819	1,048	17.4	8.3	28.0
Volume in stock		357	671	101	872	458			

Source: "Food Balance Sheets," Ministry of Agriculture, Forestry and Fisheries.

Note: Numerals are in terms of the round weight equivalent.

Trends of Supply and Demand of Fishery Products



Source: "Food Balance Sheets," Ministry of Agriculture, Forestry and Fisheries.

2. Demand of Fishery Products

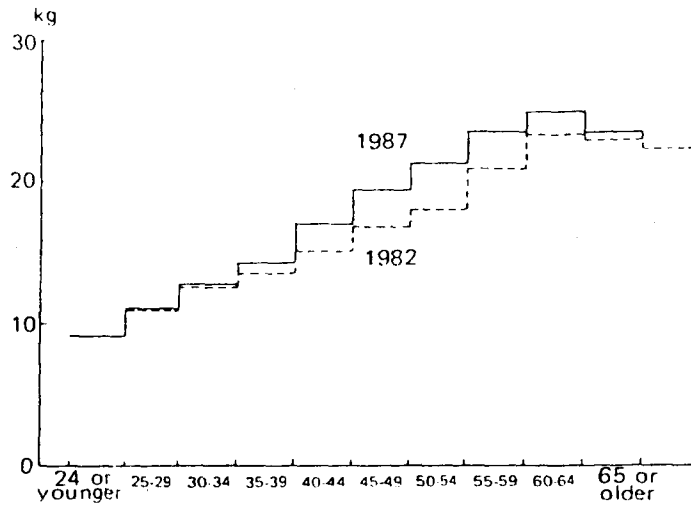
(1) Household consumption

The real expenditure for fishery products in the household consumption in 1987 increased for the first time in three years. Particularly, it increased greatly from the second half of 1987 and the increase in expenditure for fresh fish and shellfish was remarkable. This increase in fishery products consumption is believed to be attributable to the inclination toward health of consumers and the fall of consumer prices.

The per-capita purchases of fishery products in 1987, separately by the age groups of household heads, show that, with the exception of the age group of 65 years or over, the purchases increased with the advance of age groups. Compared with age groups five years lower five years before, purchases increased in all age groups; thus, it is supposed that, in the same family, consumption of fishery products increases with the rise of the age of the household head.

Consumption of fishery products shows great differences by localities even at the present time when the distribution system is developed. As far as the seats of prefectural government's are concerned, the consumption in Aomori City where it is largest is more than three times as much as in Naha City where it is smallest. Also, locality difference of consumption by fish is large; for instance, tuna consumption is larger in Eastern Japan, while sea bream consumption is larger in Western Japan.

Trends of Annual Per-capita Purchases of Fishery Products Separately by Age Groups of Household Heads

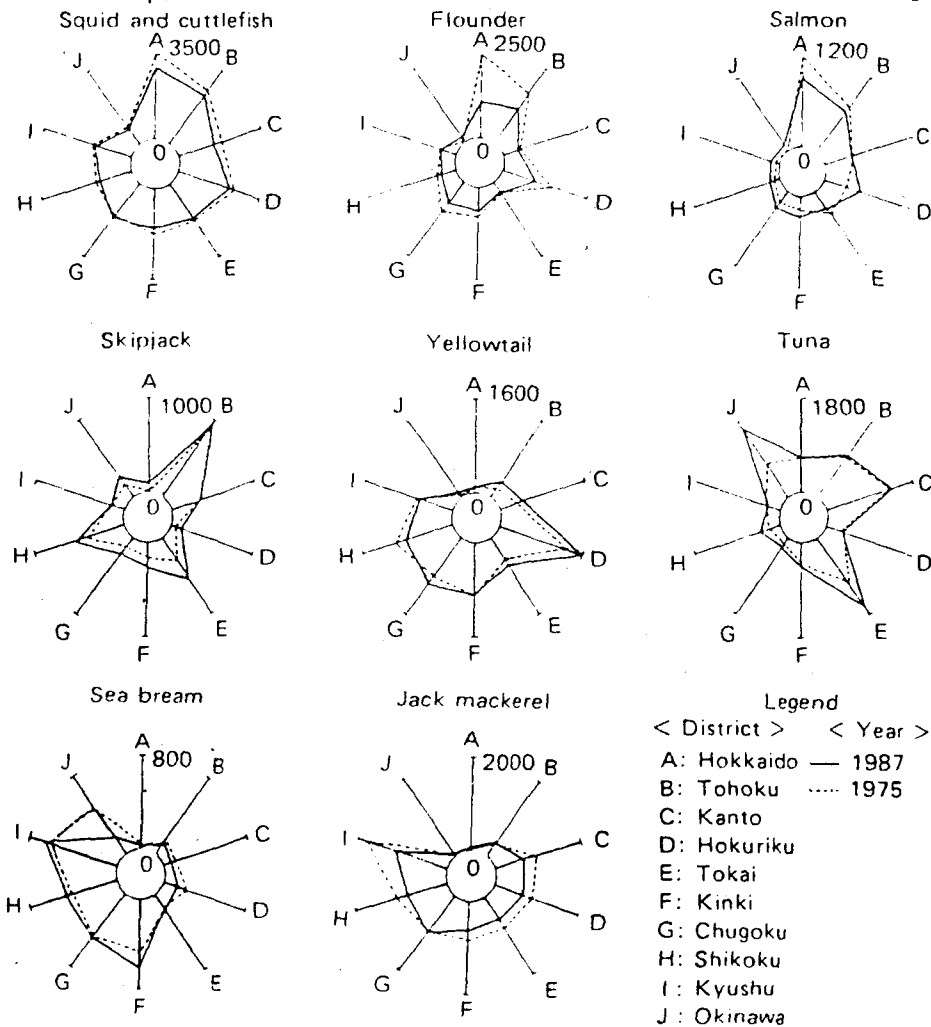


Age groups of household heads in 1987

Source: "Annual Report on the Family Income and Expenditure Survey," Management and Coordination Agency.

- Notes: 1) Age groups in 1982 are each slid upward by one group from those in 1987.
 2) Each quantity is the total of fresh, salted and dried fish and shellfish.

Annual Per-capita Purchases of Main Fish and Shellfish, by Districts (Unit: gram)



Source: "Annual Report on the Family Income and Expenditure Survey," Management and Coordination Agency.

(2) Consumption of eating out

Opportunities to eat out have increased in recent years for such reasons as the increase of leisure time, the gourmet tendency of the people and their preference for simplicity, and the expenditure for eating out in household expenditure is increasing yearly.

Furthermore, in the estimates of the Foodservice Industry Survey and Research Center, the market scale of the food service industry is steadily expanding and, in fact, it exceeded 21 trillion yen in 1987. Market scale is yearly expanding also for sushi shops, Japanese food restaurants and other branches of the industry where fishery products represent a large proportion of food material costs. So, the use of fishery products by the food service industry must have already reached a considerable scale.

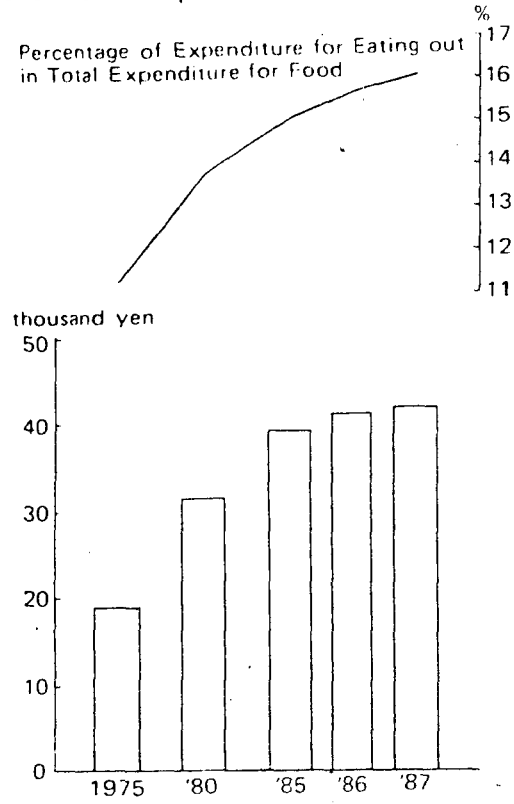
Besides, restaurants dealing in live fish and shellfish are increasing because of consumers' preference for fresh and genuine foods.

(3) Nutritional characteristics of fishery products

The people's level of intake of nutrition is, on the average, generally satisfactory now but diseases of adult people and obesity due to the unbalanced intake of nutrition or the excessive intake of calories tend to increase. Thus, it is important for each individual to have balanced meals based on the nutritional characteristics of respective foods.

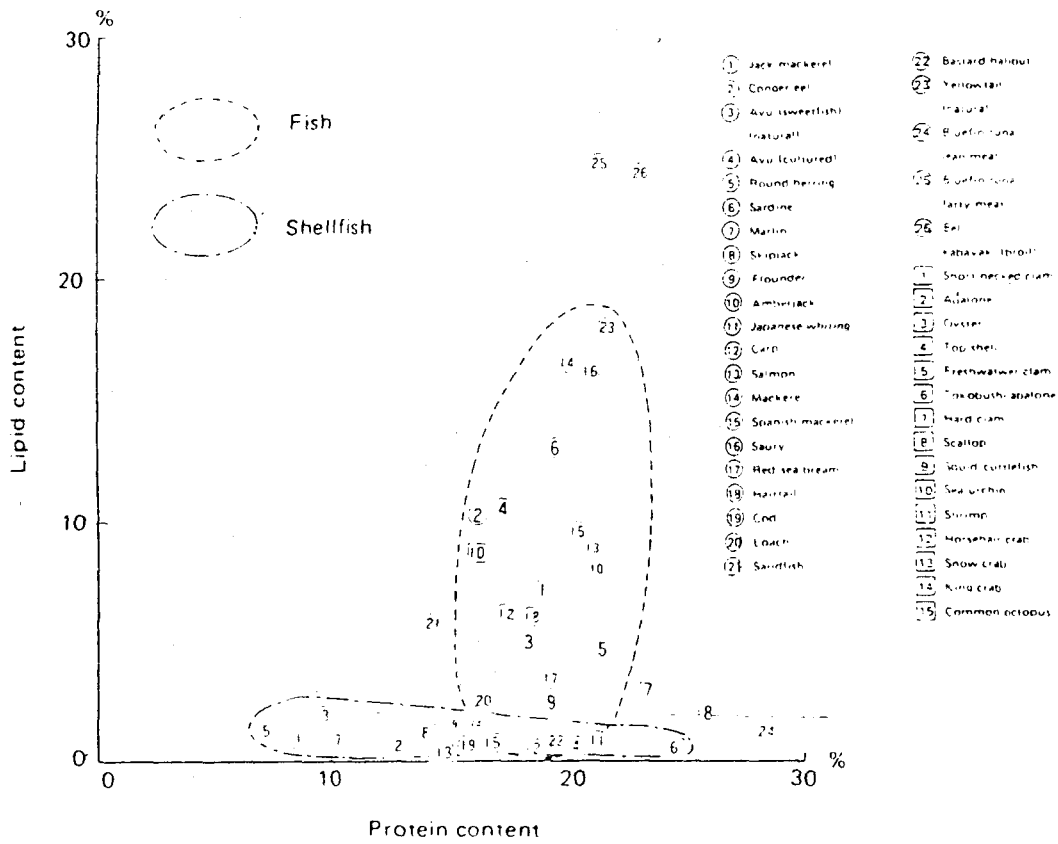
The general nutritional characteristics of fishery products include 1 large content of protein, 2 ease of digestion and absorption, 3 low lipid content and low caloric value, 4 large content of polyunsaturated fatty acids in lipid and 5 abundance in calcium, trace elements (iron, zinc, etc.) and vitamins.

Trends of Annual Per-capita Expenditure for Eating out in Household Consumption



Source: "Annual Report on the Family Income and Expenditure Survey," Management and Coordination Agency.

Protein and Lipid Contents by Fish and Shellfish (Edible Parts, Raw)



Source: "Standard Tables of Food Composition in Japan 4th Revised Edition," Science and Technology Agency.

3. Domestic Production

(1) Fishery production

Fishery production (including seaweeds) in 1987 decreased by 2% from the previous year to 12.46 million metric tons because of decreased production of mackerel and cultured seaweeds in spite increased production of squid and jack mackerel. The value of fishery production decreased by 4% to 2,600.6 billion yen because of the decreased value of production of tuna and cods in spite of the increased value of production of salmon and squid.

The Japanese fishery production has maintained the order of 12 million metric tons every year since 1984 when the production is the all-time high of 12.82 million metric tons but the value of the fishery production has tended to decrease since 1985 due to the decreases production of high-priced fishes as an effect of the tightened restriction on overseas fishing grounds and the aggravated resource availability, and the price fall of some fishes caused by overproduction.

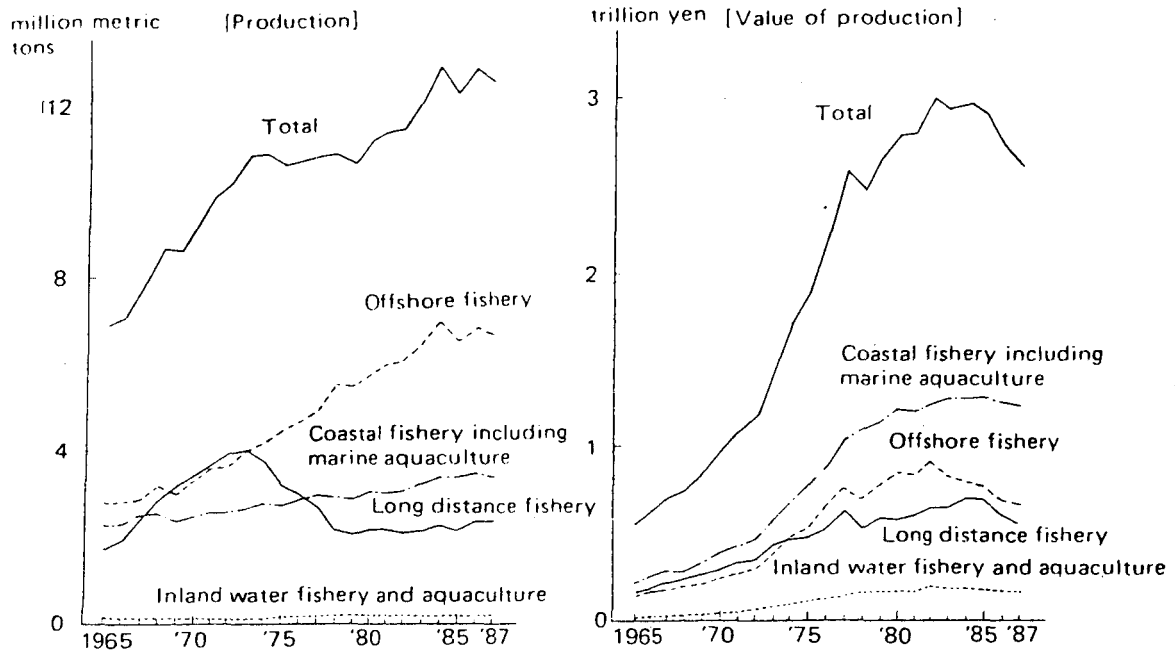
The details of production and value of production by types of fishery in 1987 are: 2.34 million metric tons (+0.4% from the previous year) and 540.2 billion yen (-9.3%) for long distance fishery; 6.63 million metric tons (-2.3%) and 656.1 billion yen (-3.5%) for off-shore fishery; 3.29 million metric tons (-3.6%) and 1,221.1 billion yen (-2.1%) for coastal fishery including marine aquaculture; and 0.2 million metric tons (-1.0%) and 170.3 billion yen (-2.4%) for inland water fishery and aquaculture.

(2) Fishery processed products production

The status of fishery processed product in 1987 shows that production of frozen increased but many items such as salted/dried products, canned products, oils and fats/feeds and fertilizers and fish paste products decreased.

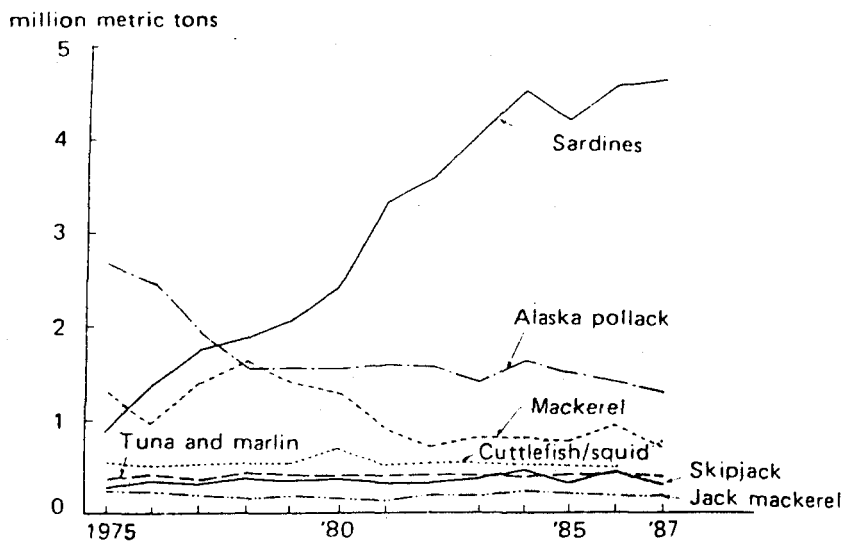
Meanwhile, latest trends include the development of new methods to use or process sardines, etc., the development of retortable pouced foods and frozen foods used after being defrozen and heated by a micro-wave oven according to consumer needs, and the intensifying moves of technical development aimed to use the components of aquatic life, with its many characteristic, as foods and pharmaceuticals.

Trends of Production and Value of Production by Types of Fishery



Source: "Annual Statistics of Fishery and Aquaculture Production,"
Ministry of Agriculture, Forestry and Fisheries.

Trends of Marine Fishery Production by Main Fish



Source: "Annual Statistics of Fishery and Aquaculture Production,"
Ministry of Agriculture, Forestry and Fisheries.

4. Trade of Fishery Products

(1) Imports

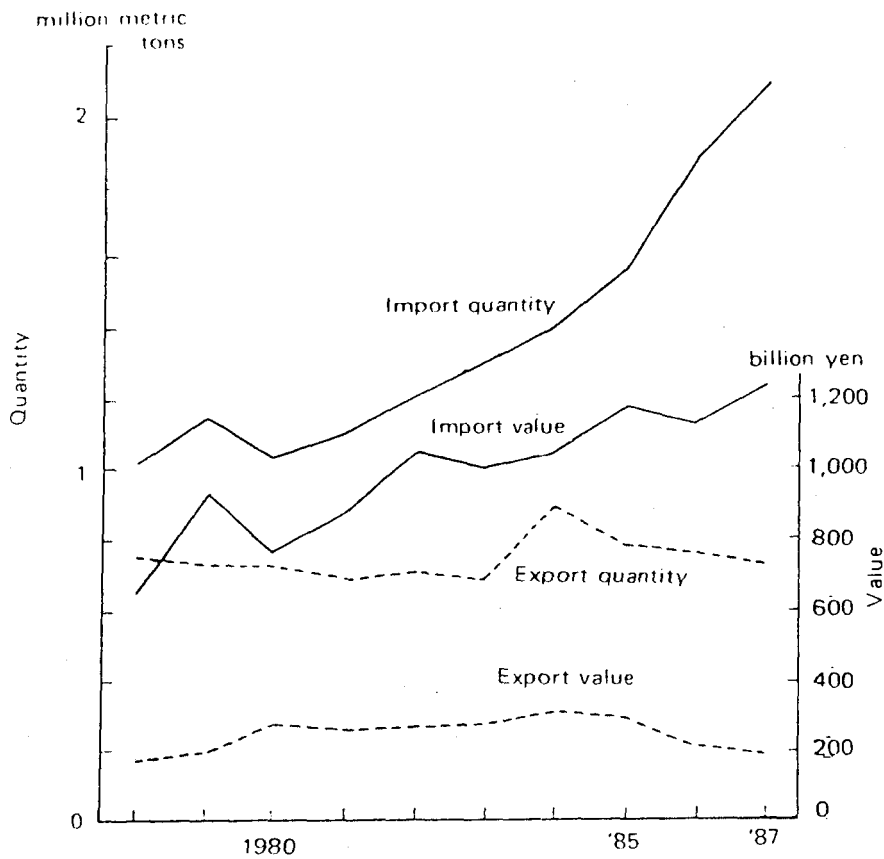
The imports of the fishery products in 1987 recorded the highest in history, increasing in quantity (weight of products) by 11% to 2.08 million metric tons and in value by 8% to 1,233.5 billion yen, compared with the previous year. The proportion of the import of fishery products to the total import of Japan also increased to 5.7% in value. Separately by items, imports of shrimp, tuna and marlin, crabs and cods increased remarkably. Imports from the U.S.A., the Republic of Korea, Taiwan and China which ranked high among the exporters of fishery products to Japan increased greatly.

The imports continued to increase in 1988, increasing in quantity by 16% to 2.41 million metric tons and in value by 14% to 1,405.3 billion yen.

As basic factors for the increase of Japanese import of fishery products in recent years from the viewpoint of supply and demand, one may mention 1 the fact that the demand for medium- and high- grade fishes has increased with the increase of national income, 2 the fact that the supply of strongly demanded fishes by domestic production has stagnated or decreased due to the aggravation of resource availability and the establishment of the 200-mile zone setup and 3 the fact that foreign countries have expanded production designed for export to Japan with the object of promoting their own fisheries or obtaining foreign currencies.

Furthermore, it is considered that the higher value of yen and the lower value of dollar in the exchange rate from September 1985 made the exporting nations more anxious than ever to export to Japan due to the rise of export-to-Japan prices on the dollar basis while, in Japan, due to the fall of import prices on the yen basis, demand of imported fishery products increased and consequently the increase of imports was spurred. Also, the imports of fresh high-grade fish by air transport have increased due to the fall of freight rates on the yen basis and due, also, to the latest gourmet tendency of Japanese consumers.

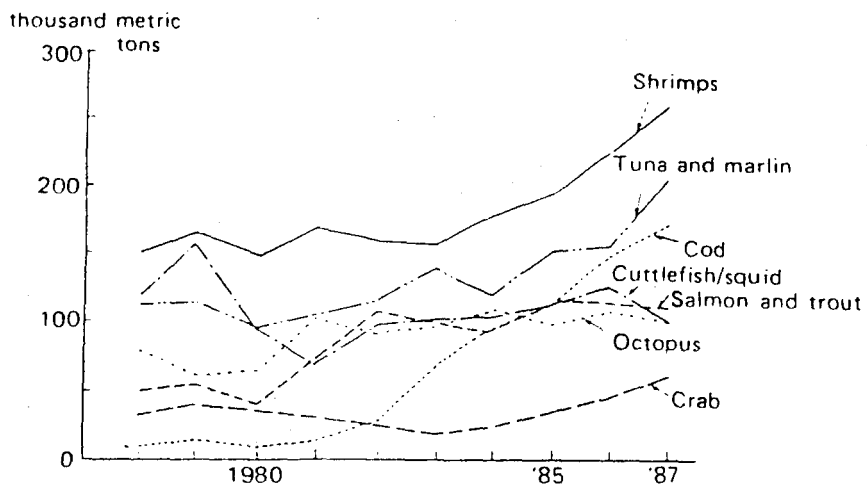
Trends of Trade of Fishery Products



Source: Reproduced from "Japan Trade Statistics," Ministry of Finance.

Note: Quantity in weight of products.

Imports of Fishery Products by Items



Source: Reproduced from "Japan Trade Statistics," Ministry of Finance.

(2) Exports

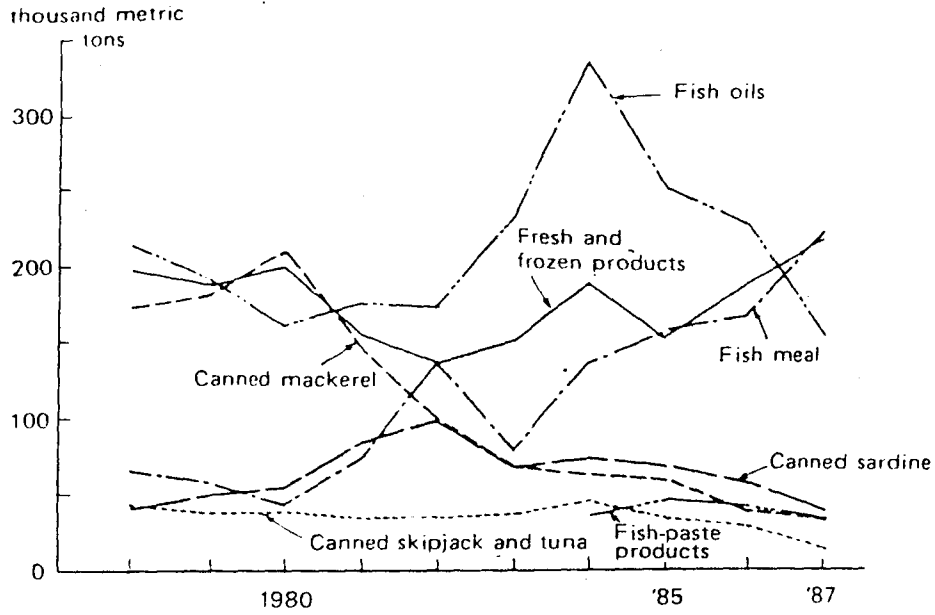
The exports of fishery products have tended to decrease after a peak in 1984. In 1987, it decreased in quantity by 4% to 730,000 metric tons and in value by 16% to 183.7 billion yen from the previous year, thus falling short of 200 billion yen for the first time in eight years since 1979. In the trade of fishery products, in which exports once exceeded imports, imports exceeded exports in value in 1971 and the gap gradually widened and, in 1987, the value of exports was only about 1/7 of that of imports.

In 1988, the exports of canned products, fish paste products, etc. continued to decrease but the exports of skipjack whose catches were very large and fish oils of which the overseas demand had recovered, greatly increased. So, the exports of fishery products as a whole increased in quantity by 35% to 980,000 metric tons and in value by 1% to 185.3 billion yen.

(3) World fisheries and trade of fishery products

The world's fishery production has tended to increase for several years due to the sudden increase of pelagic fishes and, in 1986, it increased by 6% from the previous year to 94.93 million metric tons. World trade of fishery products (excluding seaweeds) has also increased since 1985 and, in 1986, it increased in quantity (weight of products, average for exports and imports) by 7% to 14.06 million metric tons and in value by 31% to 23.3 billion dollars, compared with the previous year. In recent years, the rate of increase of trade volume in terms of their round weight equivalent is higher than that of fishery production and the proportion of the quantity turned from production to trade increased from 29% in 1977 to 36% in 1986.

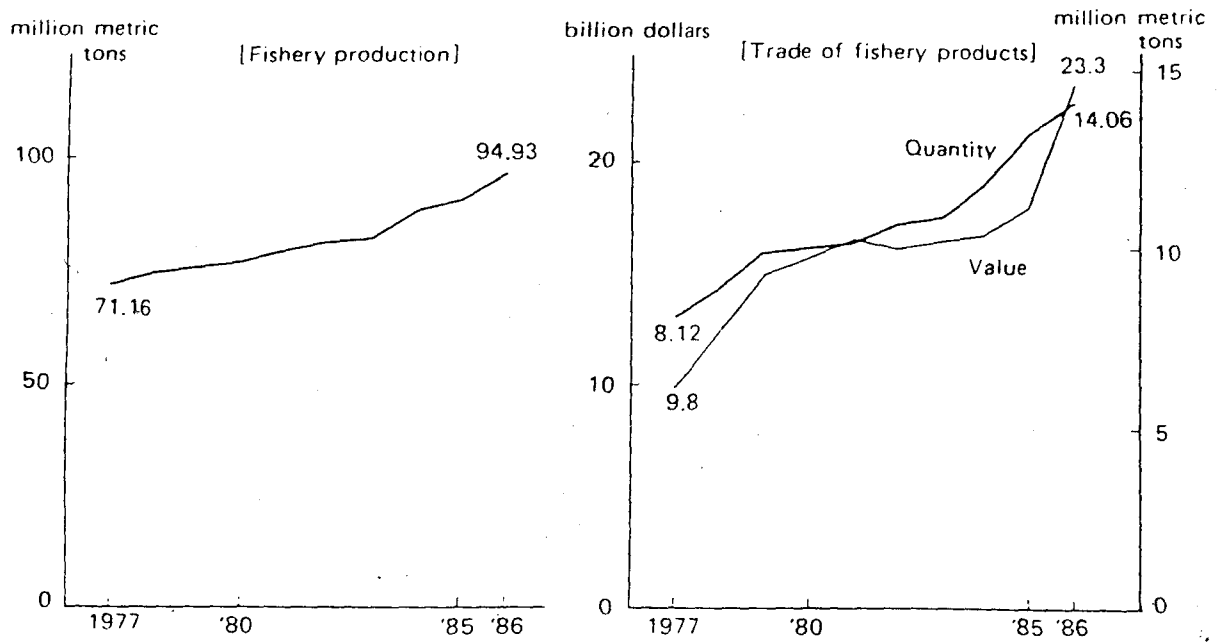
Exports of Fishery Products by Items



Source: Reproduced from "Japan Trade Statistics," Ministry of Finance.

Note: Before 1983, there was no statistic division for fish-paste products.

Trends of World Fishery Production and Trade of Fishery Products



Source: "Yearbook of Fishery Statistics - Catches and Landings" and "Yearbook of Fishery Statistics - Commodities," FAO

5. Marketing and Prices of Fishery Products

(1) Marketing

In marketing of fishery products, proportion of marketing not passed through wholesale market in consuming areas has recently become greater with the increase of frozen fishery products and imported fishery products and the development of outside wholesalers, supermarkets and food service industry.

The marketing of live fish has recently rapidly developed, because live fish have begun to be consumed nationwide as a food material of the food service industry and an object of retail at supermarkets reflecting consumers' growing preference for fresh and genuine food and the development of transporting and keep-alive technologies. The producer side is preparing for live fish marketing by, say, providing necessary water tanks on fishing boats and at fishery cooperative associations and producing area markets in response to the increased demand for live fish in consuming areas.

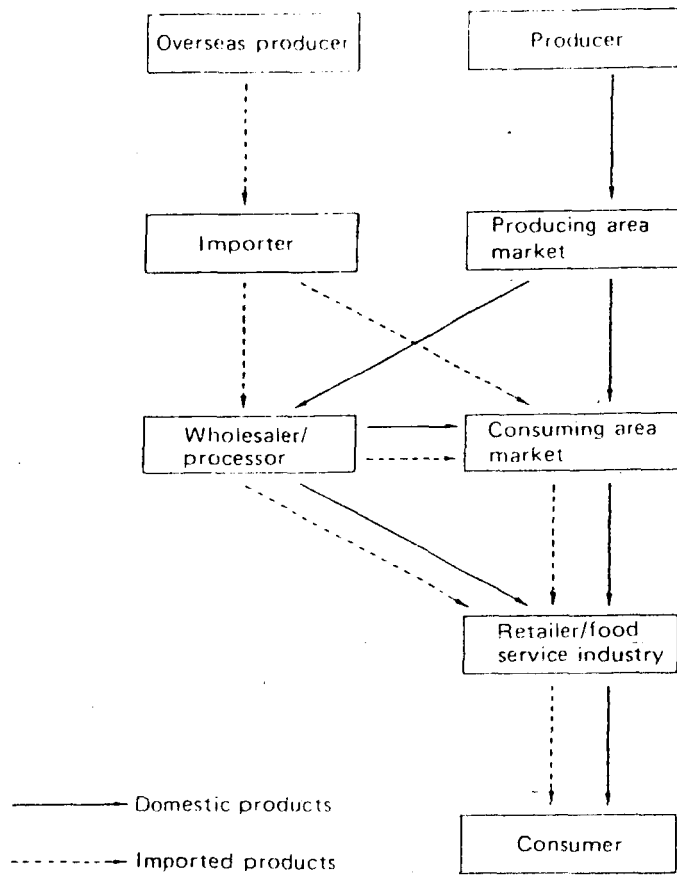
(2) Prices

The price index of fishery products in producing area in 1987 (1985 = 100) decreased by 3.4% to 94.6 in which index for fresh fish, was 98.5 almost as much as in the previous year, but for frozen fish decreased by 13.8% to 84.0 compared with the previous year. The great fall of the price index for frozen fish is attributable to the fact that the prices of tuna and squid, which were key items, had slumped.

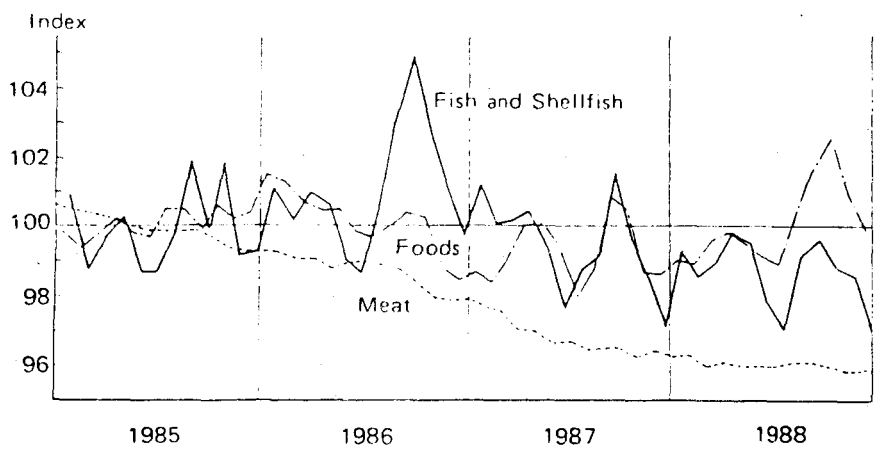
The consumer price index for fish and shellfish (1985 = 100) were recently relatively stabilized and it decreased by 1.6% from the previous year to 99.6. This was the first fall from the previous year since 1958.

The prices of fishery products have, as a whole, been basically downward in recent years but all fishes do not follow the same trend; instead, trends are diverse by the supply/demand situation of respective fishes.

Main Marketing Routes of Fishery Products



Trends of Consumer Price Index (1985 = 100)



Source: "Annual Report on the Consumer Price Index,"
 Management and Coordination Agency.

II. TRENDS OF ECONOMY OF FISHERY AND THE CHANGE OF PRODUCTION STRUCTURE

1. Trends of Fishery-Engaging Entities

The number of fishery engaging entities decreased yearly. In 1987, it decreased by 1.9% from the previous year to 195,000.

The number of coastal fishery engaging entities, constituting 95% of the whole, decreased by 1.9% to 185,000. The number of medium size fishery engaging entities decreased by 2.7% to slightly less than 10,000, while the number of large scale fishery engaging entities slightly increased from the previous year to 205.

Classifying the private fishery-engaging entities, which constituted 95% of the whole, by the extent of dependence on fishery, that is, those doing fishery operations exclusively and on the side business basis, the proportion of the exclusive operation entities was 31%. The proportion of the Class 1 side-business-basis operation (the dependence on fishery business greater than that on other business) entities was 40%. The proportion of the Class 2 side-business-basis operation (the dependence on fishery business smaller than that on other business) entities was 29%. The tendency in recent years has been that the proportion of the exclusive operation entities remains unchanged, the proportion of Class 1 side-business-basis operation entities somewhat increases and the proportion of Class 2 side-business-basis operation entities is on the decrease.

2. Trends of Economy in Fishery Business

(1) Trends of the prices of materials for fishery production

The wholesale price index (1985 = 100) of heavy fuel oil A commonly used as fuel for fishery slowly lowered after the peak of 112.6 in 1982 and slumped to 71.5 in 1986 and 55.5 in 1987 due to the crash of crude oil prices and the higher value of yen. The prices of the other materials for fishery production remained almost unchanged in 1987.

The quantity of fuels sold to fishery and aquaculture industry decreased after the second oil crisis due to the spread of a sense of saving energy among fishermen and the decreased number of fishing boats resulting from fishery industry reorganization but about four million kl of heavy fuel oil A were sold to the industry during fiscal 1987 and thus the sale remained almost unchanged in the past three years.

Trends of the Number of Fishery-Engaging Entities

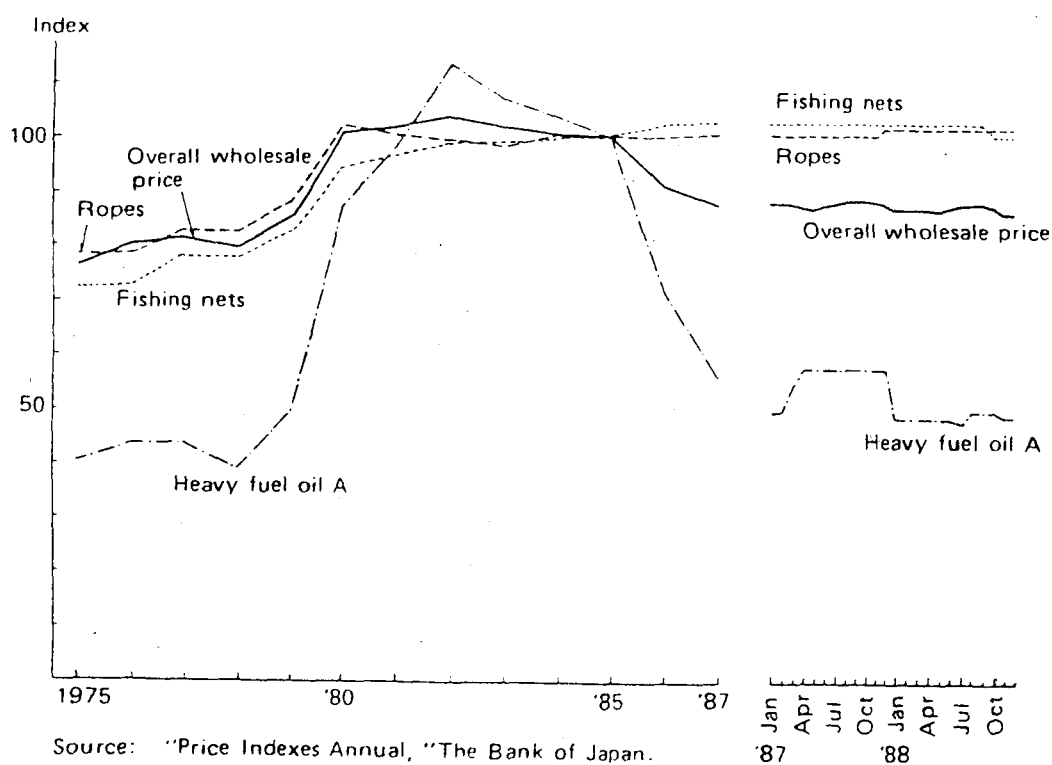
(Unit: 1,000 entities)

	1980	1984	1985	1986	1987	Increase or decrease (%)		
						'85/'84	'86/'85	'87/'86
Total	216.4 (100.0)	205.9 (100.0)	202.8 (100.0)	199.2 (100.0)	195.4 (100.0)	Δ 1.5	Δ 1.8	Δ 1.9
Coastal fishery engaging entities	204.8 (94.6)	194.9 (94.6)	192.1 (94.7)	188.7 (94.8)	185.2 (94.8)	Δ 1.4	Δ 1.7	Δ 1.9
Not using fishing boats	8.5 (3.9)	7.9 (3.8)	7.7 (3.8)	7.8 (3.9)	7.4 (3.8)	Δ 2.6	1.3	Δ 5.4
Unpowered boats	1.4 (0.6)	1.2 (0.6)	0.9 (0.4)	0.8 (0.4)	0.7 (0.3)	Δ 22.6	Δ 15.0	Δ 10.0
Powered boats	137.5 (63.5)	133.5 (64.8)	132.6 (65.4)	130.8 (65.6)	129.1 (66.1)	Δ 0.7	Δ 1.4	Δ 1.3
Set net/beach seine	8.5 (3.9)	8.1 (3.9)	8.0 (4.0)	8.0 (4.1)	7.9 (4.0)	Δ 0.8	Δ 0.5	Δ 1.6
Marine aquaculture	49.0 (22.7)	44.2 (21.5)	42.8 (21.1)	41.4 (20.8)	40.2 (20.6)	Δ 3.1	Δ 3.3	Δ 2.9
Medium size fishery engaging entities	11.4 (5.3)	10.9 (5.3)	10.6 (5.2)	10.3 (5.1)	10.0 (5.1)	Δ 2.9	Δ 2.8	Δ 2.7
Large-scale fishery engaging entities	0.2 (0.1)	0.2 (0.1)	0.2 (0.1)	0.2 (0.1)	0.2 (0.1)	Δ 1.0	0.0	1.0

Source: "Annual Report on Dynamic Statistics of Fisheries," Ministry of Agriculture, Forestry and Fisheries.

- Notes: 1) Coastal fishery engaging entities refer to those engaged in fishery not using fishing boats, using unpowered boats, using powered boats of less than aggregate total 10 tons in gross tonnage, by set nets or beach-seines and by marine aquaculture; medium size fishery engaging entities refer to those in use of powered fishing boats of aggregate total 10 tons or more but less than 1,000 tons in gross tonnage; and large-scale fishery engaging entities refer to those in use of powered fishing boats of aggregate total 1,000 tons or more in gross tonnage.
- 2) Numerals in parentheses represent the percentage of the components.

Trends of the Wholesale Price Index of Materials for Fishery Production (1985=100)



Source: "Price Indexes Annual," The Bank of Japan.

(2) Economy in coastal fishery

In coastal fishing boat operation in 1987, the fishery revenue was at the previous year's level but the fishery expenditure decreased by 0.9% from the previous year. Thus, the fishery income increased by 0.9% to 2.3 million yen. In recent years, the fishery revenue and the fishery expenditure have remained almost unchanged but the fuel cost included in the fishery expenditure has tended to decrease.

In marine aquaculture operation in fiscal 1987, the fishery revenue increased by 6% from the previous year to 14.55 million yen while the fishery expenditure increased by 3% to 10.19 million yen because wages for employees, depreciation, etc. increased the seed and fuel costs decreased. As the result, the fishery income increased by 12% to 4.36 million yen.

3) Fishery household income

Fishery household income in 1987 increased by 7% to 5.67 million yen. Fishery household income of the fishing boat operation increased by 7% to 5.24 million yen while that of aquaculture increased by 6% to 7.11 million yen.

The proportion of household dependency in income on fishery decreased by 1 point from the previous year to 49%. Dependency on fishery has tended to decrease in recent years, because non-fishery incomes, such as wage incomes, have increased though fishery income remained almost unchanged. The fishery household income per capita was 83% and 94% compared with the farmer and general worker households, rising above the levels in the previous year, respectively.

Trends of Economy in Coastal Fishing Boat Fishery

(Unit: thousand yen)

	1980	1984	1985	1986	1987	Increase or decrease (%)		
						'85/'84	'86/'85	'87/'86
Fishery revenue	4,696	4,782	4,711	4,736	4,734	Δ 1.5	0.5	Δ 0.0
Fishery expenditure	2,259 (100.0)	2,490 (100.0)	2,493 (100.0)	2,457 (100.0)	2,436 (100.0)	0.1	Δ 1.5	Δ 0.9
Employee wages	396 (17.5)	372 (14.9)	351 (14.1)	375 (15.3)	375 (15.4)	Δ 5.5	6.7	0.1
Fuel cost	472 (20.9)	506 (20.3)	489 (19.6)	387 (15.7)	336 (13.8)	Δ 3.3	Δ 21.0	Δ 13.1
Cost of fishing boat and gear	342 (15.2)	346 (13.9)	369 (14.8)	376 (15.3)	367 (15.1)	6.4	1.9	Δ 2.3
Sales commission	230 (10.2)	234 (9.4)	230 (9.2)	233 (9.5)	240 (9.8)	Δ 1.6	1.1	2.9
Depreciation	508 (22.5)	688 (27.6)	718 (28.8)	745 (30.3)	758 (31.1)	4.3	3.9	1.7
Others	310 (13.7)	344 (13.8)	336 (13.5)	342 (13.9)	360 (14.8)	Δ 2.2	1.7	5.4
Fishery income	2,437	2,292	2,218	2,279	2,298	Δ 3.3	2.8	0.9

Source: "Fishery Economy Survey Report (Fishery Households)," Ministry of Agriculture, Forestry and Fisheries.

- Notes: 1) Numerical values are weighted averages for powered boats of a gross tonnage less than 10 tons.
2) Numerals in parentheses represent the percentage against the total fishery expenditure.

Trends of the Incomes of Fishery Households, Farmer Households and General Workers' households

(Unit: thousand yen)

		1980	1984	1985	1986	1987	Increase or decrease (%)		
							'85/'84	'86/'85	'87/'86
Per household	Fishery household (A)	4,821	5,275	5,310	5,302	5,667	0.7	Δ 0.2	6.9
	Farmer household (B)	5,603	6,760	6,926	7,009	7,173	2.5	1.2	2.3
	General worker's household (C)	4,196	5,088	5,338	5,435	5,527	4.9	1.8	1.7
	(A)/(B) (%)	86.0	78.0	76.7	75.6	79.0			
	(A)/(C) (%)	114.9	103.7	99.5	97.5	102.5			
Per capita	Fishery household (D)	1,088	1,250	1,267	1,271	1,382	1.4	0.3	8.7
	Farmer household (E)	1,273	1,551	1,596	1,619	1,661	2.9	1.4	2.6
	General worker's household (F)	1,096	1,343	1,408	1,438	1,466	4.9	2.1	2.0
	(D)/(E) (%)	85.5	80.6	79.4	78.5	83.2			
	(D)/(F) (%)	99.3	93.1	90.0	88.4	94.3			

Source: "Fishery Economy Survey Report (Fishery Households)" and "Report of Farm Household Economy Survey," Ministry of Agriculture, Forestry and Fisheries, and "Annual Report on the Family Income and Expenditure Survey," Management and Coordination Agency.

- Notes: 1) Numerals of the fishery household are the weighted average of the fishing boat fishery household (calendar year), the small set net fishery household (calendar year) and marine aquaculture household (fiscal year).
2) Fiscal year is used for the farm household.

(4) Economy in medium size fishery

a. Trends in 1987

Profitability

Trends of the fishery revenue and expenditure per entity show that the fishery revenue tends to decrease in a long term. In 1987, it decreased by 1.2% from the previous year. The fishery expenditure has somewhat decreased due to the recent slump of fuel oil prices. In 1987, it decreased by 3.3% from the previous year. Fishery profit has turned into the black since 1985 and it was 3.9 million yen in 1987, thus exceeding 1.37 million yen in the previous year. The profitability has basically recovered during the recent three years but remains to be low.

To increase fishery revenues in the future, it is necessary to seek to supply 'high-added-value fishery products meeting consumers' needs by efforts including the improvement of freshness of catches. As for fishery expenditure, it must be cut back as much as possible by efforts including drastic rationalization.

Financial condition

The financial condition of medium size fishery engaging entities shows that debts have accumulated through a long period of depression and the entities are suffering from fragile operation depending on debts for the most part of their total liabilities and net worth.

Their financial composition must be improved in order to maintain and stabilize medium size fishery operation in the future. At this time when profitability is basically recovering due to the fall of fuel oil prices, it is, indeed, important to dispose of accumulated debts and build up equity capital.

Trends of the Balance of Medium Size Fishery Operation

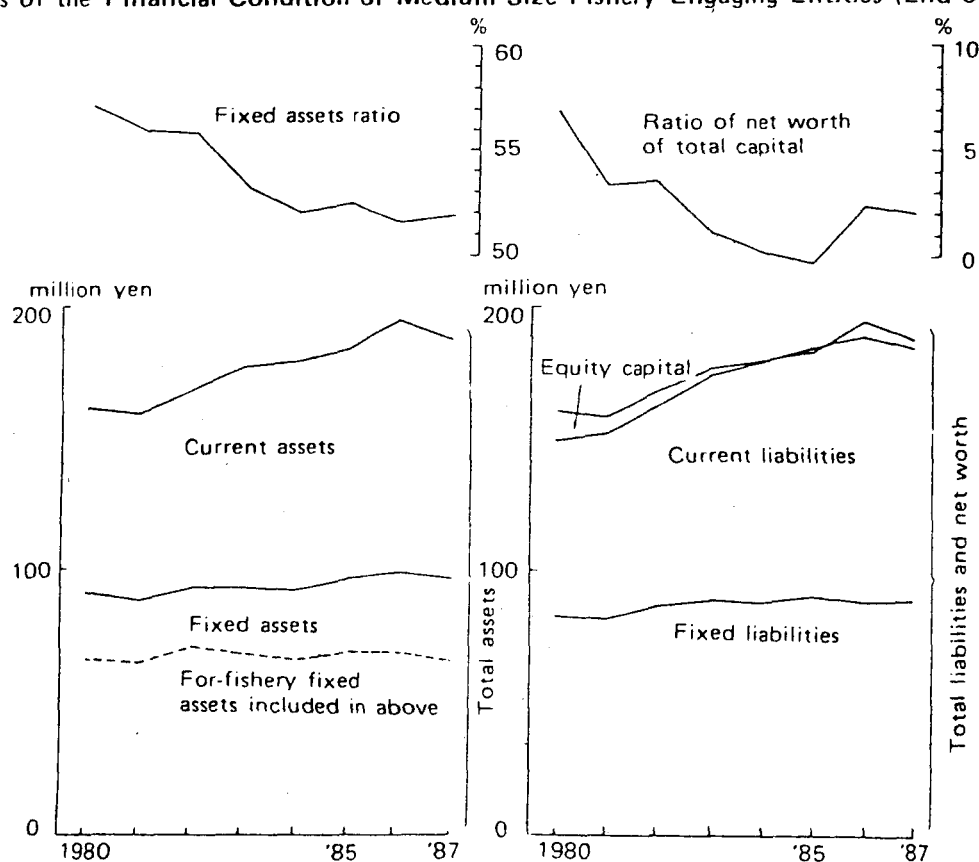
(Unit: million yen)

	1980	1984	1985	1986	1987	Increase or decrease (%)		
						'85/'84	'86/'85	'87/'86
Fishery revenue	134.2	133.3	134.6	132.6	131.0	1.0	Δ 1.5	Δ 1.2
Fishery expenditure	135.9 (100.0)	133.1 (100.0)	132.3 (100.0)	129.5 (100.0)	125.2 (100.0)	Δ 0.6	Δ 2.1	Δ 3.3
Employee wages	47.4 (34.9)	47.3 (35.5)	47.1 (35.6)	48.2 (37.2)	47.5 (38.0)	Δ 0.3	2.3	Δ 1.3
Fuel cost	28.2 (20.7)	26.0 (19.6)	24.8 (18.7)	19.7 (15.2)	14.2 (11.4)	Δ 4.8	Δ 20.4	Δ 27.9
Cost of fishing boats and gear	13.5 (9.9)	12.8 (9.6)	13.6 (10.3)	13.4 (10.3)	14.1 (11.3)	6.4	Δ 1.7	5.4
Sales commission	5.9 (4.3)	5.6 (4.2)	5.6 (4.2)	5.6 (4.3)	5.7 (4.5)	0.2	Δ 0.3	1.5
Depreciation	15.0 (11.0)	14.8 (11.2)	15.0 (11.3)	16.1 (12.4)	16.1 (12.9)	1.0	7.2	0.4
Others	26.1 (19.2)	26.5 (19.9)	26.2 (19.8)	26.6 (20.5)	27.5 (22.0)	Δ 1.2	1.4	3.6
Estimated family wages	1.5	1.6	1.6	1.7	1.9	Δ 3.7	8.9	10.2
Fishery profit	Δ 3.2	Δ 1.4	0.7	1.4	3.9	-	104.2	184.0

Source: "Fishery Economy Survey Report (Enterprises)," Ministry of Agriculture, Forestry and Fisheries.

- Notes: 1) Numerical values represent the average of a single operation entity using powered boats of a total gross tonnage of 10 tons or more (excluding companies of a capital of 100 million yen or more).
 2) Fishery profit = Fishery revenue - (Fishery expenditure + Estimated family wages).
 3) Numerals in parentheses represent the percentage against the total fishery expenditure.

Trends of the Financial Condition of Medium Size Fishery Engaging Entities (End of Term)



Source: "Fishery Economy Survey Report (Enterprises)," Ministry of Agriculture, Forestry and Fisheries.

b. Operation structure of designated fishery, etc.

The operation revenue and expenditure of individual entities operating designated fishery, etc. (excluding fishery companies of a capital of 100 million yen or more) show that the fishing rough profit gets larger but the fishing gross profit rate gets lower as classes of entities are high. Yet, the proportion of administrative costs in the gross sales is small according as classes are high. So, in the classes of 50 tons or more in which most of the designated fishery, etc. engaging entities are included, business profits and sales business profit rates increase proportionately as classes are high.

In the future, it is desirable to expand operation scale and diversify operation in order to maintain and stabilize operation under the rigorous conditions surrounding the fishery industry.

(5) Economy in large-scale fishery

The fishery activities of fishery companies of a capital of 100 million yen or more (large-scale fishery companies) consisted mainly of mother ship type trawl fishery, mother ship type salmon fishery, large trawl fishery in Northern Pacific Ocean operated in foreign 200-mile fishery zones. So, these activities have been profoundly affected by the tightening of fishery regulation initiated by the countries with these coasts since about 1975 and many companies have since reduced or rationalized their fishing branches. The sales and sales profits in their fishing branches in 1987 decreased from the previous year due to drastic curtailment on allocation of fish in U.S. waters.

These companies are now expanding their commercial activities, such as the purchase and sale of mainly fishery products rather than fishery activities.

**Operation Revenue/Expenditure of Designated Fishery, Etc.
Egaging Entities, by Classes (Per-Entity Average)**

(Unit: million yen)

	Total	10 ~ 30 tons	30 ~ 50 tons	50 ~ 100 tons	100 ~ 200 tons	200 ~ 500 tons	500 ~ 1,000 tons	1,000 tons or more
Gross sales	328.7	49.5	68.0	111.4	232.2	437.7	867.7	1,977.1
Fishing sales	375.2	49.1	67.5	110.4	299.9	433.9	858.3	1,907.4
Sales of gross sales	329.5	37.3	54.2	92.6	196.7	376.9	751.6	1,730.1
Fishing cost	323.8	37.1	53.9	92.2	194.8	374.5	740.9	1,679.6
Sales total profit	53.2	12.2	13.9	18.8	35.5	60.7	116.0	247.1
Fishing rough profit	51.3	12.0	13.6	18.2	35.0	59.4	117.4	227.9
Administrative costs	46.8	11.3	12.1	17.9	32.3	51.6	96.6	218.5
Business profit	6.4	0.9	1.8	0.9	3.2	9.1	19.5	28.6
Fishing rough profit rate (%)	13.7	24.4	20.1	16.5	15.2	13.7	13.7	11.9
Sales business profit rate (%)	1.7	1.8	2.6	0.8	1.4	2.1	2.2	1.4
Percentage of administrative costs against gross sales (%)	12.2	22.8	17.7	16.1	13.9	11.8	11.1	11.1
Fishing boats used	Number	2.3	1.0	1.0	1.2	1.9	3.8	8.7
	Tonnage	306	18	43	72	146	333	1,750

Source: Fisheries Agency.

- Note:
- 1) Sales total profit = gross sales - cost of gross sales.
 - 2) Fishing rough profit = fishing sales - fishing cost.
 - 3) Business profit = sales total profit - administrative costs
 - 4) Fishing rough profit rate = fishing rough profit ÷ fishing sales.
 - 5) Sales business profit rate = business profit ÷ gross sales.

3. Number of Fishermen and Working Conditions and Work Environments

(1) Number of fishermen

The number of fishermen in 1987 decreased by 2.7% from the previous year to 411,000. This rate of decrease is the highest in recent years. Also, the aging of fishermen is in progress.

The number of fishermen engaged in coastal fishery decreased by 1.4% from the previous year to 326,000 as they changed job or closed business due to not only the depression of fishery operation but also aging.

In view of the characteristics of fishery work and the young people's changed consciousness of occupation, securing new fishermen may be increasingly difficult in the future. So, fishery must be made attractive as a job by efforts including the improvement of working conditions.

(2) Working conditions and work environments

The annual mean wage per employee in medium size fisheries in 1987 increased by 2.0% from the previous year to 3,960,000 yen. But compared with the mean wage of male employees in manufacturing industries, the wage for employment in the medium size fisheries has decreased relatively as its increase was small from 1983, reflecting the depression of fishery operation.

Shipwrecks involving fishing boats in the seas around Japan had recently gradually decreased but in 1987, the number of shipwrecked fishing boats doubled the level of the previous year to 1,647 due to Typhoon No. 12 and major cyclones. The rate of occurrence of accidents of seamen on fishing boats has continued to be high, compared with that of other industries.

Trends of the Number of Fishermen

(Unit: 1,000 persons)

		1980	1984	1985	1986	1987	Increase or decrease (%)		
							'85/'84	'86/'85	'87/'86
Total		457.4 (100.0)	439.5 (100.0)	431.9 (100.0)	422.6 (100.0)	411.0 (100.0)	Δ 1.7	Δ 2.2	Δ 2.7
Coastal, off-shore or long distance fishery	Fishermen engaged in coastal fishery	353.4 (77.3)	340.4 (77.5)	336.6 (77.9)	330.6 (78.2)	325.8 (79.3)	Δ 1.1	Δ 1.8	Δ 1.4
	Fishermen engaged in offshore or long distance fishery	104.0 (22.7)	99.1 (22.5)	95.3 (22.1)	92.0 (21.8)	85.2 (20.7)	Δ 3.8	Δ 3.5	Δ 7.4
Self- operating or employed	Self-operating only	305.7 (66.9)	288.4 (65.6)	285.8 (66.2)	280.5 (66.4)	276.3 (67.2)	Δ 0.9	Δ 1.9	Δ 1.5
	Self-operating and employed	25.7 (5.6)	25.7 (5.8)	23.5 (5.4)	23.7 (5.6)	22.7 (5.5)	Δ 8.6	0.9	Δ 4.0
	Employed only	126.0 (27.5)	125.4 (28.5)	122.6 (28.4)	118.4 (28.0)	112.0 (27.3)	Δ 2.2	Δ 3.4	Δ 5.3

Source: "Annual Report on Dynamic Statistics of Fisheries," Ministry of Agriculture, Forestry and Fisheries.

Notes: 1) Fishermen engaged in coastal fishery refer to those engaged in fisheries without using fishing boats, in use of unpowered boats, in use of powered boats less than 10 tons, with set nets and beach seines or in marine aquaculture, and fishermen in offshore or long distance fisheries refer to those other than foregoing.

2) Numerals in parentheses represent the percentage of the components.

Wages in Medium Size Fisheries and Wages in Manufacturing Industries

(Unit: thousand yen)

		1975	1980	1984	1985	1986	1987	Increase or decrease (%)		
								'85/'84	'86/'85	'87/'86
Average for medium size fishery (A)		2,375	3,410	3,843	3,862	3,886	3,962	0.5	0.6	2.0
Manufacturing industries	5 ~ 29 employees on average (B)	1,793	2,708	3,273	3,289	3,427	3,429	0.5	4.2	0.1
	30 or more employees on average (C)	2,327	3,549	4,279	4,406	4,480	4,574	3.0	1.7	2.1
(A)/(B)	(%)	132.5	125.9	117.4	117.4	113.4	115.5			
(A)/(C)	(%)	102.1	96.1	89.8	87.7	86.7	86.6			

Source: "Fishery Economy Survey Report (Enterprises)," Ministry of Agriculture, Forestry and Fisheries, and "Monthly Comprehensive Report of Labor Statistics Survey," Ministry of Labor.

Notes: 1) Medium size fishery average was obtained by dividing wages (including the food expense on board and, welfare expense, etc.) in the medium size fishery by the number of employees in the season.
2) Wages in the manufacturing industries were obtained by multiplying the average monthly allowance in cash of male worker by 12.
3) The increase or decrease percentage is the result of simple comparison of wages in the respective years with each other and is not the same with those published by the Ministry of Labor.

4. Fisheries Cooperative Associations and Fishery Finances

(1) Fisheries cooperative associations

The total number of district fisheries cooperative associations and designated-business fisheries cooperative associations at the end of fiscal 1987 decreased by eight from the previous year to 3,326. They were comprised of 2,148 coastal district associations, 908 inland water district associations and 270 designated-business associations.

The economic activities of fisheries cooperative associations such as credits, purchases and sales, developed steadily in the period from 1965 to 1980. But, thereafter, these activities were of little growth or in a trend of reduction, reflecting the change of fishery environments.

(2) Fishery finances

The total outstanding balance of loans provided by all banking institutions, as of the end of fiscal 1987 increased by 9.9% over the previous fiscal year, while the outstanding balance of fishery loans decreased by 0.2%, marking decrease for four years successively. As the result, the percentage of the outstanding balance of fishery loans against the total outstanding balance of loans by all banking institutions decreased from the previous financial year to 0.43.

The outstanding balance of main fishery-related institution funds has decreased in recent years but it seems that the liabilities of medium size fishery engaging entities have accumulated and become fixed through the long period of operation depression.

Number of Fisheries Cooperative Associations (as of End of Fiscal 1987)

	Number of associations	Number of associations by type of business							Not performing any of the foregoing	Details not known	
		Credits	Purchases	Sales	Ice-making, freezing and refrigerating	Self-operating fishery	Guidance and use	Mutual aid			
Total	3,326 (100)	1,936 (58)	1,986 (60)	1,885 (57)	931 (28)	471 (14)	2,967 (89)	1,535 (46)	209 (6)	36 (1)	
District fisheries cooperative associations	Coastal	2,148 (100)	1,785 (83)	1,811 (84)	1,738 (81)	902 (42)	381 (18)	2,065 (96)	1,490 (69)	28 (1)	2 (0)
	Inland waters	908 (100)	19 (2)	51 (6)	60 (7)	7 (1)	63 (7)	682 (75)	3 (0)	159 (18)	23 (3)
Designated business fisheries cooperative associations	270 (100)	132 (49)	124 (46)	87 (32)	22 (8)	27 (10)	220 (81)	42 (16)	22 (8)	11 (4)	

Source: "Annual Report of Fisheries Cooperative Associations," Fisheries Agency.

Notes: Numerals in parentheses represent the percentage of the associations performing the applicable business.

Trends of Fishery Loan Balance

(Unit: 100 million yen)

	End of fiscal 1980	1984	1985	1986	1987	Increase or decrease (%)			
						'85/'84	'86/'85	'87/'86	
Total outstanding balance of loans by all banking institutions (A)	3,544,272	5,149,104	5,562,672	6,028,958	6,623,811	8.0	8.4	9.9	
Outstanding balance of fishery loans by all banking institutions (B)	28,018	30,019	28,926	28,204	28,157	Δ 3.6	Δ 2.5	Δ 0.2	
Classification of loans by the type of financial institutions (%)	Government related financial institutions	16.9	17.4	17.2	16.4	16.8	/	/	/
	Fishery cooperative-related financial institutions	56.2	52.8	52.9	52.5	51.5			
	Commercial banking institutions	26.9	29.8	29.9	31.1	31.7			
	(B)/(A) (%)	0.79	0.58	0.52	0.47	0.43			

Source: "Annual Report of Economic Statistics," Bank of Japan, "Business Statistics," Agriculture, Forestry and Fishery Finance Cooperation, "Annual Report of Business Statistics," Okinawa Development Finance Corporation, and Data of the Central Cooperative Bank for Agriculture and Forestry.

III. CHANGE OF ENVIRONMENT OF FISHERIES AND RESPONSE OF JAPAN'S FISHERIES

1. Trends of Fishery Resources and Promotion of Fisheries in Waters Around Japan

(1) Trends of fishery resources

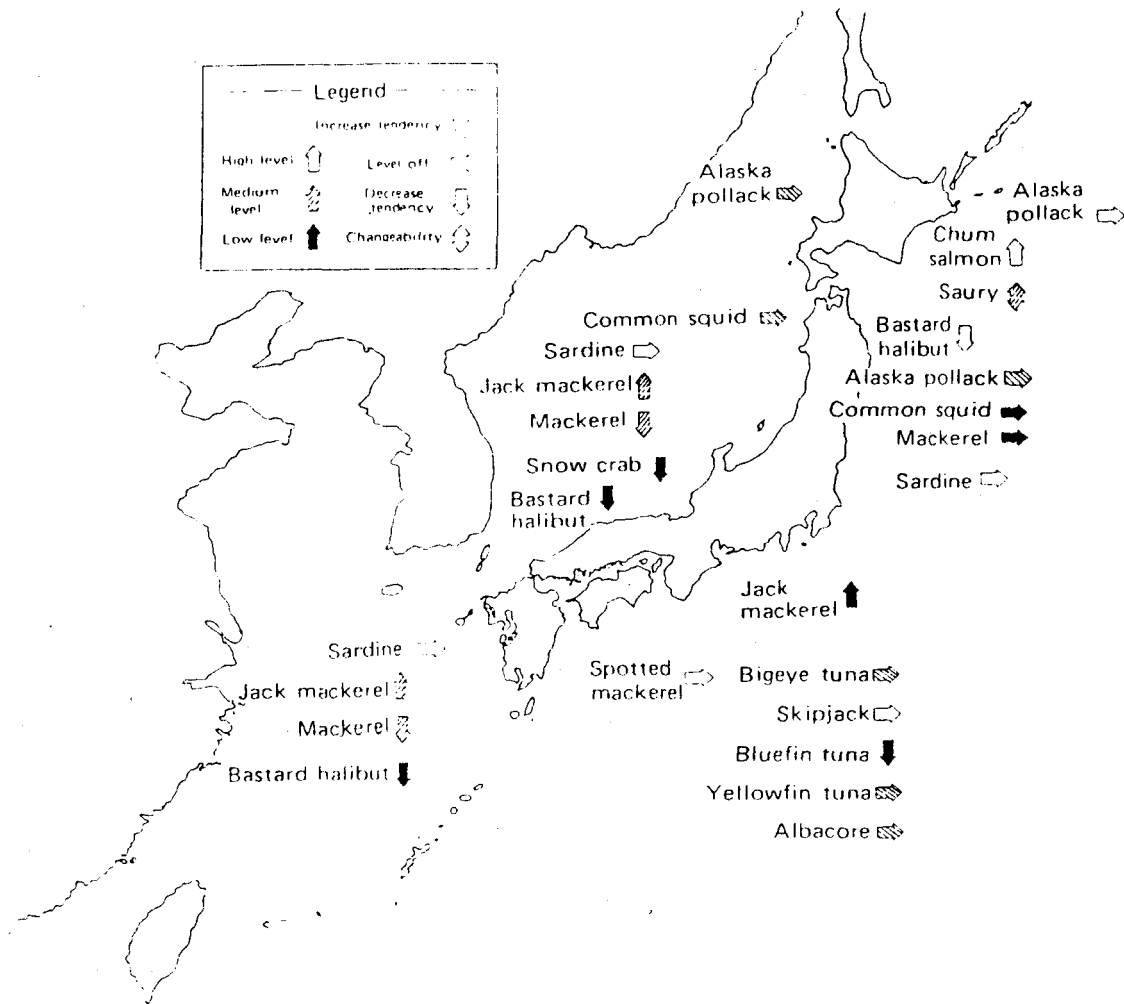
In waters around Japan, resources of some fishes such as sardine, Japanese chum salmon and the red sea bream and kuruma prawn of the Inland Sea of Seto are at a high level but on the whole, resources of many fishes remain at a medium or low level, or tend to decrease. It is, therefore, important to continue to recover and multiply resources.

(2) Promotion of SHIGENKANRIGATAGYOGYO (fisheries controlled for resource management)

The excess of fishing efforts and the decrease of fishery resources are found in the seas surrounding Japan. But attempts are presently being made at various places mainly for coastal fishery to actively propagate resources including the liberation of seedings, initiate resource protecting measures, such as the establishment of closed seasons and areas for fishing and the restriction of fishing gears and methods, and achieve revenue increases, cost curtailment and the balancing of profits through the introduction of pool computation and collaboration by spontaneous mutual arrangements. In the future, it will be necessary for offshore fishery to try to recover resources jointly with coastal fishery which shares same resources with it.

To promote SHIGENKANRIGATAGYOGYO, it is basically important not only to properly implement legal systems including limitation of the number of fishing boats and regulation of fishing areas and periods but also to effect the control according to consensus formed through spontaneous consultation among fishermen concerned in order to ensure its effectiveness. The State and the local governments must actively assist these efforts in the future, too, so that the control may succeed.

Trends of Main Fishery Resources



(3) Promotion of sea farming

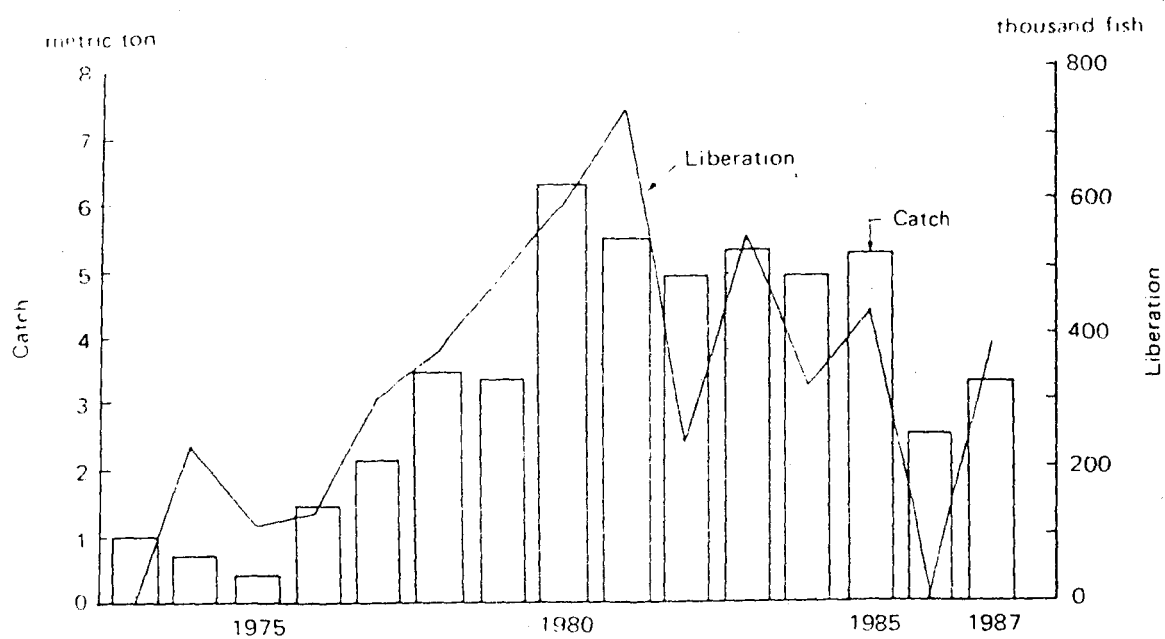
a. Sea farming

Development of technology for production and liberation of seedings is being made for about 80 species of fish and shellfish. Of these, mass production of seedings at a level of more than 10 million individuals is impracticable for about 10 species. With respect, especially, to kuruma prawn, swimming crab and abalone, which have long histories of technical development, sea farming is becoming locally settled as some local fisheries cooperative associations now make seeding production and liberation. To further the effect of liberation in the future, it is necessary to establish the technology of seeding production and liberation more than ever and suppress the catching of small fry after liberation.

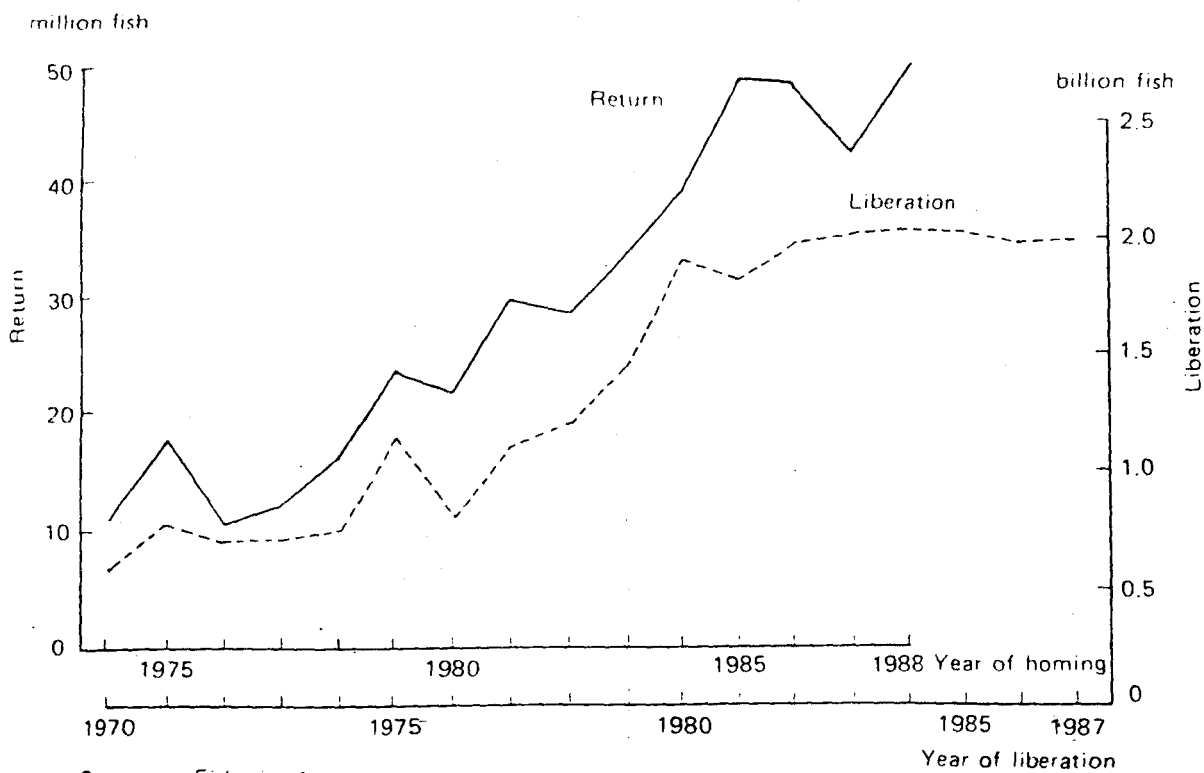
b. Propagation of salmon

Most of the salmon that come to Japan were artificially hatched and liberated. Most are chum salmon and their number has increased in recent years with the increase of liberated salmon and the improvement of their homing rate. It increased from 15 millions in the first half of the 1975-84 period to about 50 millions from 1985. In the future, it is necessary to increase the quantity of homing at low-level producing areas and develop technology in order to increase the resources of cherry salmon and red salmon.

Example of Kuruma Prawn Liberation Effect (K. Area, Kyoto Prefecture)



Trends of Liberation and Return of Chum Salmon



Source: Fisheries Agency.

Note: The number of salmon that returned in the homing year of 1988 is a provisional report.

c. Aquaculture

The aquaculture industry developed due to the demand for high-grade fish and the progress of aquaculture technology and, in 1987, produced 1,230,000 metric tons or 10% of the total fishery production. In terms of value, this production represented 600.2 billion yen or 23% of the value of the total fishery production. Regarding marine aquaculture, yellowtails and red sea breams continue to account for 90% of the production but the aquaculture of silver salmon and bastard halibuts has remarkably increased in recent years and striped jack is becoming a new object of aquaculture. In the future, it will be necessary to produce according to plans in keeping with the trends of supply and demand, diversify fish species, improve aquaculture administration and locate aquaculture grounds offshore.

d. Formation and improvement of fishing grounds

Efforts being made to improve productivity in the waters surrounding Japan include the installation of fish reefs and submerged banks or breakwaters, the formation of tidelands, the removal of sediments from the sea bottom and the digging of water routes. They also include the attempts to form or expand fishing grounds through the gathering and stay of fish, help reproduction by the protection of breeding of fish and recover the utility of fishing grounds.

e. Technical development

To expedite the hitherto underdeveloped breeding of fish species intended for propagation or aquaculture, technologies are being developed with a view, mainly, to gynogenesis by biotechnological operation on fish chromosomes and the formation of sterile triploids by this operation. At present, the mass production of many fish species including rainbow trout, cherry salmon, sweetfish and bastard halibut by gynogenesis and triploid techniques is becoming possible.

Furthermore, the Marinoforum 21, an industry-academy-government foundation formed to develop technologies necessary for the promotion of sea farming, is proceeding with tests and research to develop durable floating fish reefs, etc. for the gathering of migratory fishes in offshore waters.

(4) Improvement and development of fishing ports and villages

Fishing ports play important roles as bases for fishery production activities such as the landing of catches, the preparations for fishing operations and the anchorage or mooring of fishing boats, etc., as bases of distribution and processing to supply fishery products to the people and as central facilities in fishing villages where the fishermen live. The number of fishing ports designated under the Fishing Port Law as of the end of 1988 is 2,948.

The functions required of fishing ports have become diversified in recent years and it is desired to improve facilities related to seeding production, fish preserving and indoor work.

Fishing villages are, from their locations, generally congested, involving various problems for prevention of disasters, and are belated in the level of development of the living and environmental facilities and public facilities as compared with the urban areas and agricultural villages. So, it is necessary to improve their living environments by expanding these facilities.

(5) Trends of sport fishing and other marine recreations

Diverse marine recreations including sport fishing, sea bathing, yachting and diving have developed in recent years due to the growing demand for recreations with increase of leisure time, improvement of income levels and inclination toward health.

In the future, to increase the incomes of fishery households and activate fishing village life, fishing villages must cope with the growing demand for marine recreations basically at their own initiative and by taking advantage of their local characteristics, while maintaining harmony between fishery and marine recreations. Meanwhile, it is necessary for the side enjoying marine recreations to consult with the fishery side to make rules for the orderly use of the sea area which, to the fishermen, is the place of productive activities, and cooperate with them for behaving more properly and morally.

(6) Promotion of "marinovation" concept

This concept is aimed to increase and stabilize offshore and realize sea farming and fine living environments in fishery areas by introducing high technologies into the branch of fisheries with the understanding of the general public about the importance of the culture of the sea and environment protection.

Plans taking advantage of local characteristics have been formed to propel the concept. Kushiro City in Hokkaido, for example, has decided an "Oyashio (kurile current) Frontier Plan.

To realize the concept, prefectures decide the basics for executing projects and, accordingly, various measures will be implemented comprehensively and systematically. During fiscal 1988, basic plans were formed in 40 districts throughout the country.

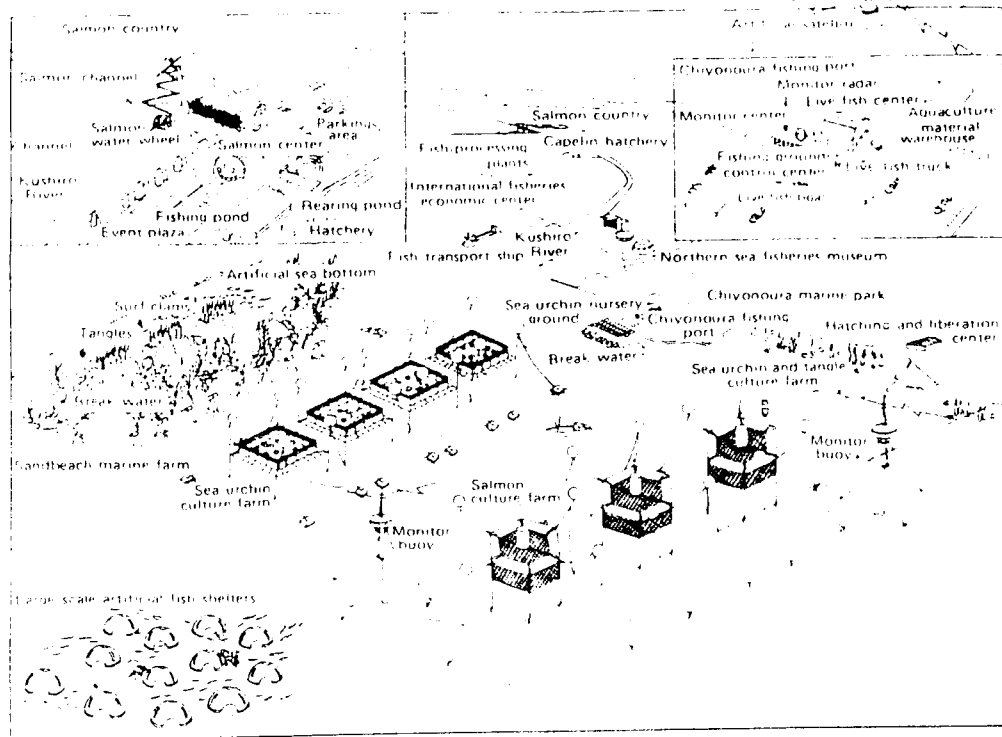
(7) Trends of foreign fishing boats

Soviet, ROK (Republic of Korea), Taiwan and Chinese fishing boats operate in the waters around Japan.

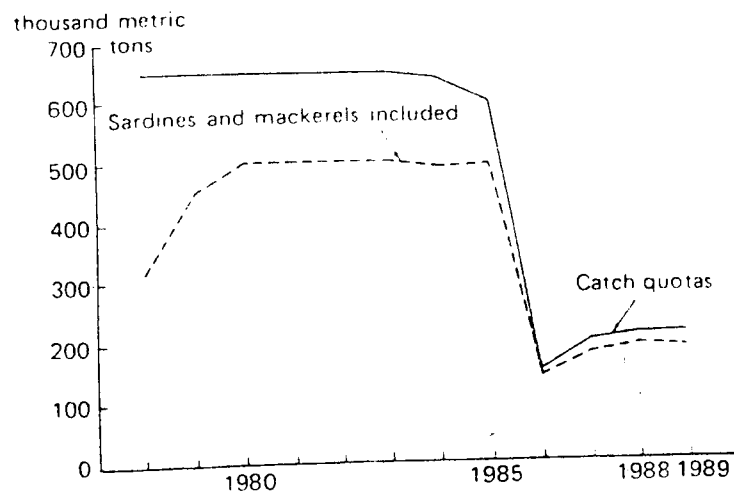
The Soviet fishing boats operate in accordance with agreement of fisheries between Japan and Soviet and with permits under the Law of provisional measures relating to the fishing zone. The catch quotas for Soviet fishing boats was 200,000 metric tons in 1987 and 210,000 tons in 1988 and 1989.

The operation of ROK fishing boats had been conducted under an agreement of fisheries between Japan and ROK and the selfrestrictions for waters off Hokkaido but, since January 1988, the self-restrictions of ROK trawler operation in waters around Hokkaido have been renewed to tighten. And, ROK trawl net fishery, squid angling fishery and conger eel basket net fishery in waters around Western Japan have been placed under the new self- restrictions.

Kushiro Marinovation Concept (Assumed)



Trends of Catch Quotas for Soviet Union



Source: Fisheries Agency

2. Trends of International Environments and Response of Long Distance Fishery

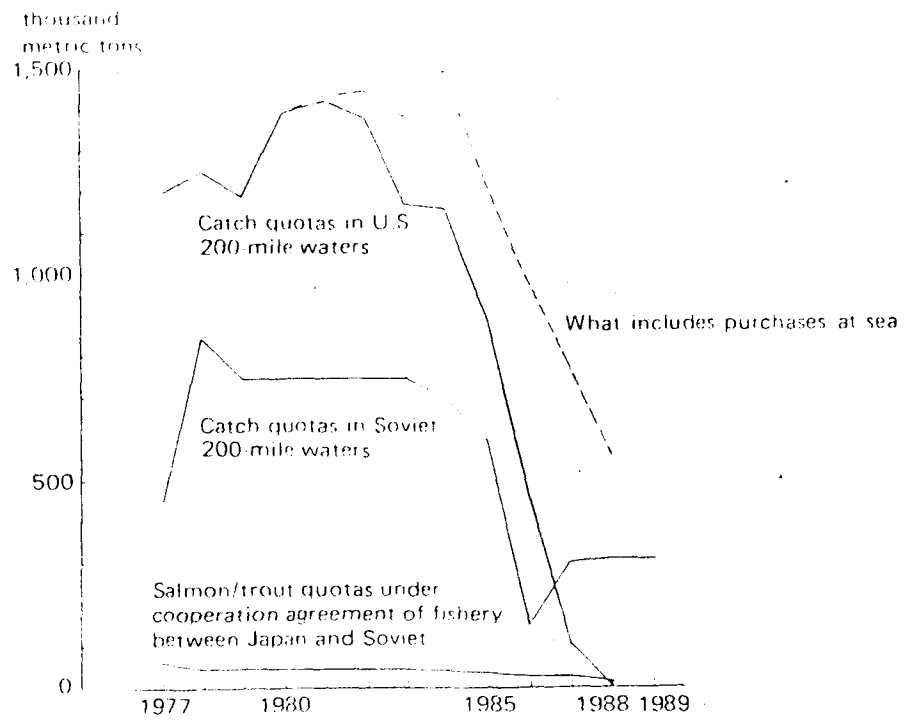
(1) Trends of fishery negotiations

Most countries other than China and the Republic of Korea maintain 200-mile fishery zones and Japan has sought to secure its overseas fishing grounds by fishery agreements concluded with the U.S.A., the Soviet Union and many other countries. But the coastal countries have recently begun to regard fishery resources in their 200-mile zones as something to serve the development of their own fishery industry and moved to tighten their fishery control by, for example, raising access fees and cutting catch quotas for foreign operators. In 1988, Japanese catch quotas from the United States became zero. Regarding fishery operations in open seas not belonging to a 200-mile zone of any country, restriction on salmon fisheries has been tightened according to the principle of mother riverism and, in addition, there are intensifying moves to control trawling in the open sea of Bering and drift-net fishery in the Northern Pacific.

(2) Response of long distance fishery

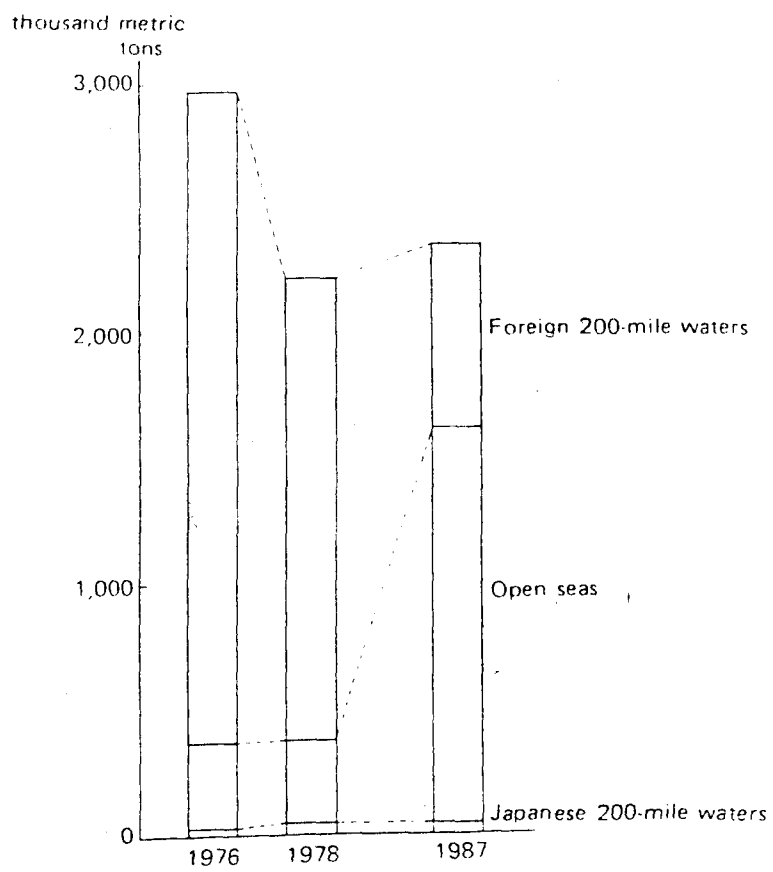
Japan has conducted tenacious fishery negotiations with other countries for more than 10 years since 1977 when the era of 200-mile zone started, seeking to secure its fishery grounds, but as far as the amount of catches is concerned, the Japanese long distance fishery operation has already shifted its stress from foreign 200-mile zones to open seas. In foreign 200-mile zones, the operation of Japanese fishing boats has been maintained as much as possible by not only operating there under government-to-government or private industry agreements but also incorporating the forms of buying at sea and ship charter by the opposite party.

Trends of Catch Quotas to Japanese Fishing Boats



Source: Fisheries Agency

Trends of Long Distance Fishery Catches by Types of Waters



Source: Fisheries Agency

(3) International fishery cooperation

With the growing world demand for fishery products which are increasingly appreciated in view of their merit as healthful food as well as the increase of population, the concern of countries in the development and utilization of fishery resources in their 200-mile waters is becoming more and more strong. Under these circumstances, Japan, as an economic power and the world's largest fishery nation, has long extended broad financial and technical cooperation to other countries on government or private basis to help develop their fishery industry.

The conduct of this international fishery cooperation will turn international environments favorable for the Japanese fishery industry.

Main Instances of Government-Basis International Fishery Cooperation (Fiscal 1987)



	Number of cases of cooperation	Details
● Grant aid	16	Construction of fishing ports, training ships for fishery, research equipment and materials for propagation, etc.
○ Project-type technical cooperation	7	Aquaculture, fisheries training, fish processing, etc.
△ Development survey	3	Survey on fishery resources, distribution systems, etc.

IV. FUTURE DIRECTION OF JAPANESE FISHERIES

It is said that we are now in the age of eating our fill and different foods are competing keenly. Particularly, the demand of consumers for the lowcost and stabilized supply of fishery products of superior quality and a large variety is becoming increasingly strong. To meet these expectations, Japanese fisheries must actively maintain itself and develop as an industry, responding suitably to the change of circumstances. And in the future, it will have to tackle the following tasks actively:

Appropriate use of fishery resources and promotion of sea farming

The aggravation of resources of ground fishes and other medium/high-grade fishes such as demersal fishes, which consumers greatly need, is considerably in progress in the seas around Japan and this is a major cause of depression of related fisheries. In many places throughout the country SHIGENKANRIGATAGYOGYO is engaged in lately. Such tendency must be developed and all fisheries must attach primary importance to the maintenance of resources.

It is necessary for the sea farming not only to establish a technology by which to improve the survivability of seedings after liberation but also to establish a technology to mass-produce superior seedings at low costs. Furthermore, fishermen themselves must improve methods of seeding liberation and manage liberation grounds.

The aquaculture industry must increase the fish species for aquaculture and improve culture management by taking advantage of seeding production technology and locate culture grounds offshore by developing new technologies.

Improvement of added value of catches and reduction of fishery operation costs

Future fishery operation requires the planning of sales strategy in keeping up with the change of consumer needs. Specifically, it is important to improve the added value of catches by catching only large fish with nets of enlarged meshes, the upkeep of freshness, processing and the increased consumption of fishes caught in large quantities and to expand sales to ensure production costs and cut back on distribution expenses.

To further low-cost fishery operation, individual fishery operators must try to cut their costs as much as they can and, at the same time, it will be absolutely necessary for the entire fishery industry to do everything to ease undue intra-industrial competition: namely, the race to build unnecessary fishing boats and excessive catch competition.

Regularization of sea utilization and maintenance of fishing village vitality

Seas, especially coastal waters, have long been used by fishery densely and with detailed regulation and are, indeed, important as places for the spawning and growth of useful fishes as a source of animal protein for the Japanese. The disorderly expansion of marine recreations and new ocean development may well be extremely injurious to the sound development of fishery with respects to the utilization of fishing grounds and fishery resources. So, the appropriate regulation is necessary.

Then, it necessary to maintain livelihood and ensure fishermen's incomes equalling those of workers in the other industries in order to ensure young people in the employment of the fishery industry and maintain the vitality of fishing villages. To this end, basically fishery incomes must be increased by developing the industry itself and it is also necessary to respond actively to the increased demand for marine recreations as side job opportunities or opportunities to increase the demand for local fishery products.

Securing of overseas fishing grounds and contribution to international society

Japan must ensure its fishery operation while fulfilling its international obligations including the conduct of resource surveys and the assurance of orderly operation by Japanese fishing boats so that open sea resources may be controlled properly and utilized fairly by countries concerned.

Japan, with its improved economic status in the international society, is now required to increase furthermore its assistance to developing countries. Meanwhile, the enough supply of the world demand for fishery products is expected to become difficult in the long term; it is, therefore, absolutely necessary to contribute to the fishery industry worldwide by actively stepping up international fishery cooperation.

V. Japanese Government Support to Fishing Industry and Fisheries Cooperatives

1. Support from Legal Aspects

Fisheries Law and Fisheries Cooperative Association Law are the basic laws which rule fishing industry and fisheries cooperatives in Japan. Accordingly, major objectives and contents of these two laws are briefly outlined hereunder to clarify in what aspects legal support to Fisheries Cooperatives is provided for.

(1) Fisheries Law

Fisheries Law is the law which provides for fundamental legal framework for production of fisheries, namely use of fishing ground (such as which fishing ground may be used, who can use it, what kind of fishing gear may be allowed and what kind of fishes may be caught).

Fishes are *res nalius*. This *res nalius* principle is applied to fishes: those who catches first can own them. If it is left free, it may well lead to fisheries disputes.

In order to prevent this from happening and secure reasonable use of fishing ground, a system of fishing right is provided. The fishing right is largely divided into the following three.

- Common fishing right
- Demarcated fishing right for aquaculture of nori (laver, a species of seaweed) and oyster etc.
- Set net fishing right which is permitted to large set net set in position in waters of over 27 meters in depth.

Exclusive ownership of specified demarcated fishing right, which is part of the common fishing right and demarcated fishing right, is permitted only to Fisheries Cooperatives. Fishing right is applied to only relatively immobile fishing methods. While in the case of mobile fishing methods chasing after fishes, fishing permit system is applied.

As regards relatively large scale fisheries such as of skipjack and tuna, there are regulations of fishery control for each type of fishery. Based upon such regulations, the government determines number of fishing vessels to be licenced after hearing the opinion of the Central Fishery Coordination and Adjustment Commission.

Fishery licence controlled by the government is known as designated fishery licence. Most of all important offshore and far seas fisheries are governed by this licence system.

The Fisheries Law of Japan is complex, elaborate and systematic. Marked characteristics of this Law is that it provides for limited entry system that is much more comprehensive than those of other countries.

(2) Fisheries Cooperative Association Law

This law was established with a view to contributing to improving socio-economic status of fishermen and fish processors (members of fisheries cooperatives and fish processors cooperatives). For this purpose it provides for provisions that should help them carry out their economic activities under cooperatives by joining efforts and increase productivity of fisheries.

The business of fisheries cooperatives is not meant for profitmaking on the part of cooperatives but rather it is undertaken for the benefit of fishermen (members). Different from general companies in which any kind of businesses may be undertaken as long as they are within the framework of their business purposes, kinds of Fisheries Cooperative businesses which may be engaged in are limited by the Fisheries Cooperative Association Law. This is the characteristic feature which makes cooperatives different from general companies.

Fisheries cooperatives have their own articles of association in which organization, business, membership, management, establishment and dissolution etc. are provided for in detail based upon this law.

The basic idea and backbone of this law are derived from the Cooperative Principles adopted at the ICA Congress.

Members (i.e., fishermen) of fisheries cooperatives have various rights supported by the Fisheries Cooperative Association Law.

They include ;

- Decision making right at the time of general meeting;
- Voting right;
- Eligibility of candidacy and right to be elected as director or representative;
- Right to request convening of general meeting;
- Right to request re-election of directors;
- Right to use the services of fisheries cooperatives;
- Right to receive dividend out of retained earnings, and so forth.

Conversely, members have the following obligations to the fisheries cooperatives;

- Obligation to cooperate with maintaining of order within the cooperative;
- Obligation to pay his (her) membership share capital;
- Obligation of ex-members who retired within the fiscal year to pay his (her) duty apportioned against the loss of the cooperative;
- Obligation to pay surcharges, and so forth.

Regular inspection of fisheries cooperatives business and their account by responsible administrative authorities is an example of direct government support to fisheries cooperatives. This is done regularly based upon Article 123 of Fisheries Cooperative Association Law which in essence reads as follows.

(Article 123) :

The administrative authorities must inspect the business or account of fisheries cooperatives regularly once a year by checking account books and other relevant documents.

Prefectural governments are obliged under this provision to implement this once a year. Fifty per cent of the expenses required for this inspection are subsidized by the government in accordance with Article 123-2.

The objective of the inspection is to diagnose soundness of management of the cooperative and to provide necessary guidance and advices as appropriate by checking if there are any illegalities and/or failures in business administration and accounting.

(3) Other relevant laws

There are other laws relevant to fisheries as follows.

- Fisheries Resource Conservation Act
- Coastal Fisheries Promotion Act
- Coastal Fishing Ground Development Act
- Special Act for Fisheries Re-construction and Development
- Fishery Production Coordination Cooperative Act
- Wholesale Market Act
- Fisheries Cooperative Amalgamation Promotion Act
- Small and Medium Scale Fisheries Loan Guarantee Act
- Agriculture, Forestry and Fisheries Credit Fund Act
- Fisheries Modernization Promotion Fund Act
- Agriculture, Forestry and Fisheries Central Cooperative Bank Act
- Agriculture, Forestry and Fisheries Finance Cooperation Act
- Fishing Vessel Act
- Ships Act
- Ships Safety Act
- Ships Crew Act
- Seamen's Act
- Fishing Port Act
- Public Waters Reclamation Act
- On the Sea Traffic Safety Act
- Anti-Pollution Basic Act
- Water Quality Degradation Prevention Act
- Act for Prevention of Oceanic Pollution and Disasters on the Sea
- Oil Pollution Damage Compensation Act
- Fisheries Accident Compensation Act
- Fishing Vessel Damage Compensation Act
- Insurance Act for Remuneration of Fishing Vessel Crews and so forth.

2. Support from Taxation Aspects

In order to secure strengthening of self-capital and achieving of modernization of small and medium scale fishing management units as well as fisheries cooperatives, the following tax preferential treatment measures are taken.

(1) Measure for individual fishermen

The following measures are taken to benefit individual fishermen from taxation point of view.

Namely, they are:

- Various items credited against income tax, namely tax exemption measures such as;
 - * Basic deduction from the assessable income
 - * Tax exemption for wife/husband
 - * Tax exemption for dependents
 - * Deduction of 100,000 Yen/year from income for taxation (This much is regarded as kind of clerical expenses.)

- Reduction of tax payment by application of;
 - * Family members tax reduction system for those who are engaged full time in fisheries (350,000 Yen/person/year can be deducted)
 - * Business operator remuneration tax reduction system (This system is to regard family fishing business as one unit and apply tax reduction (= lowering) measures as it is done in ordinary companies.)
- Applying special average taxation method with which to reduce payable taxes which must be otherwise paid by progressive scale system of taxation

This refers to application of this special measure to income of individual fishermen's fisheries and aquaculture businesses such as, for example, from catches by capture fisheries and collection of laver (a kind of seaweed), aquaculture of yellowtail, oyster, eel, scallop and pearl.

This is because their income is regarded as fluctuation income since their catches and harvest are highly liable to suffer from changes in natural phenomena.

For example, suppose that the average income per year of fisherman A for the past three year was 900,000 Yen. However, his income from fishing this year was good, bringing him as much as 1,400,000 yen, 500,000 Yen higher than that of average income of past three years.

Now, according to the progressive scale system of taxation, income tax progressively increases as the income increases, for example, as follows.

Income/year in Yen	Percentage of tax on income
Less than 1,000,000	10 %
1,000,001 ~ 2,000,000	15 %
2,000,001 ~ 3,000,000	20 %
7,000,001 ~ 8,000,000	50 %
Over 8,000,001	55 %

The benefit of this special average taxation method is as follows.

If he pays his income tax normally, then he must pay 210,000 Yen (1,400,000 Yen x 0.5 = 210,000 Yen).

But if he uses this method, he only needs to pay 140,000 Yen. The reason is that the difference between 1,400,000 Yen and 900,000 Yen is 500,000 Yen. This special average taxation method allows to apply income taxation method as follows.

	Difference = 500,000 Yen
	This special measure allows to add one fifth of this difference i.e., 100,000 Yen, in addition to the average income of the past three years as basic figure for income tax assessment. Thus, his income tax this year is calculated on the basis of 10 % rate, same as before and apply this rate to total income.
	900,000 + 100,000 = 1,000,000 = 10 %
	1,400,000 x 10 % = 140,000 Yen

900,000 Yen =	1,400,000 Yen
Average income of past 3 years	Income of this year

Similarly, in local taxes, the following tax abating measures are taken.

- Family members tax reduction measures for those who are engaged full time in fisheries concerning inhabitant (= resident) tax and business tax.
- Business operator remuneration tax reduction measures concerning inhabitant tax
(This measure is to regard family fishing business as one unit and apply tax reduction (= lowering) measures as it is done in ordinary companies.)
- Business owner tax reduction measure concerning business tax

(2) Measures for juridical person (fishing companies)

Reduced rate of corporate tax is applied to small and medium scale juridical person (= fishing companies) whose capital is less than 100 million Yen (704,000 U.S. \$).

In addition to this, the following measures are taken.

- Allowance for extra appropriation to doubtful accounts
- Inclusion of entertainment expenses into loss account in case of juridical person of 50 million Yen (352,000 U.S.\$) or less in its capital
In local tax also, the following tax reducing measures are taken for juridical person (fishing companies).
- Application of reduced rate of business tax
- Reduction of equalized tax burden of inhabitant (= resident) tax of juridical person

(3) Measure for fisheries cooperatives etc.

Corporate tax rate on special juridical person like fisheries cooperatives etc. is specifically set at lower percentages compared to ordinary companies (see the table on next page). In addition to this, the following measures are taken for the benefit of fisheries cooperatives.

- Inclusion of fisheries cooperative business patronage dividend into loss account
- Inclusion of retained income into loss account

(4) Other measures for modernization etc. of small and medium scale fisheries

In addition to the above mentioned measures, special measures are taken to help modernize and rationalize businesses of small and medium scale fisheries.

They are as follows;

- Allowing of special depreciation on machinery etc. of small and medium scale fisheries operators/proprietors,
- Allowing of extra depreciation on fishing vessel of small and medium scale fisheries operators and proprietors,
- Special tax reduction concerning subsidies etc. associated with change of occupation, cessation of business etc.,
- Special tax reduction on fisheries compensation/indemnity against government/administrative authorities' taking of properties for public use,
- Tax exemption of alcohol drinks and goods loaded on board ships going to foreign ports etc,
- Exemption of import tariff (customs duty) and petroleum tax concerning marine diesel oil for primary industry use, and so forth.

Comparison of corporate tax rate between ordinary companies and cooperatives in Japan

Classification				Tax rate in %		
				~ '88	FY '89	FY '90 ~
Ordinary companies	Over 100 million Yen in capital	Dividend and profit from investment to securities (from net profit)		32	35	37.5
		Other than above (from net profit)		42	40	
	Those companies with less than 100 100 million Yen or nothing in capital	Less than 8 million Yen/year in net profit	Dividend and profit from investment to securities (from net profit)	24	26	28.0
			Other than above (from net profit)	30	29	
		Over 8 million Yen/year in net profit	Dividend and profit from investment to securities (from net profit)	32	35	37.5
			Other than above (from net profit)	42	40	
Cooperative etc.	Dividend and profit from investment to securities (from net profit)		22	25	27.0	
	Other than above (from net profit)		27	27		

3. Support from Budgetary Aspects

(1) Budget of fisheries of the government of Japan

The total budget of fisheries of the government of Japan in FY 1989 (April, 1989 - March, 1990) is 332,916 million Yen (= 2,345 million U.S.\$) (see table V-1).

It shows that out of the total budget, 69 % is that of "public budget" and the rest 31 % is "non-public budget".

The "public budget" refers to what is known as infrastructural development budget. As much as 186,813 million Yen (= 1,315 million U.S.\$), or 81 % of the total public budget is used for development of fishing port. Whereas, the "non-public budget" means the budget of software nature. Of this, 59,871 million Yen (= 421 million U.S.\$) or 58 % is the budget for fisheries promotion.

Accordingly, put it fairly simply, major budget of fisheries of the government of Japan is made up of these two important categories of budget.

Incidentally, the combined total budget of these two categories constitutes 74 % (246,684 million Yen = 1,737 million U.S.\$) of the grand total budget for fisheries in FY 1989.

Table V-2 shows the same budget classified by objective of budget items.

Namely, the government budget for fisheries consists largely of the following objectives.

1. Development of infrastructure for fisheries production (such as fishing port etc.)
2. Active promotion of fisheries development in the 200 mile fishery zone of Japan
3. Improvement of fisheries business management
4. Development of fishery resources, securing of fishing ground in foreign waters
5. Promotion of marketing, processing and consumption of fishery products and securing of reasonable prices of fish
6. Other (compensation to accidents in fisheries etc.)

Of these categories, development of infrastructure for fisheries production corresponds to the public budget in Table V-1.

It consists of construction/improvement of fishing port, development of coastal areas for fishery purposes, development of coastal fishing ground and road construction in fishing port areas.

The budget category No.2 in Table V-2, namely, active promotion of fisheries development in the 200 mile fishery zone of Japan, includes coastal fisheries structure improvement program and promotion of farming fisheries in order of budget scale.

The coastal fisheries

The coastal fisheries structure improvement program is a program which provides subsidies to such programs as follows.

- construction of community center in fishing villages
- construction of fish handling facility
- construction of cold storage, fish processing factory and warehouse and so forth.

The promotion of farming fisheries includes such programs as follows.

- development of fish farming technologies to be undertaken by Japan Sea Farming Association on consignment basis
- development of national fish farming center facilities
- support to improvement of prefectural fish farming centers by providing subsidies, and so forth.

Improvement of fisheries business management which is No. 3 category in Table V-2 constitutes major support programs of the government to fisheries cooperative sector. Simply put it, support from financial aspect through subsidies and grant is the crux of the matter of this program. Improvement of business is fairly important in fisheries cooperatives and therefore, explanations on financial support system is

given separately later in section V-3-(2).

The 4th category, namely, development of fishery resources, securing of fishing ground in foreign waters, includes such programs as follows.

- survey for fishery resource development
- international cooperation in the field of fisheries
- research and development of bioplastics and so forth.

Of these, the last one, namely research and development of bioplastics, is actually done by selected universities etc. on consignment basis from the government. This is the research for developing "decomposable plastic fishing net" by applying newest microbiological technologies. The necessity of this research came from the recent marine debris problem (such as caused by discarded fishing net etc.)

The research aims at developing new plastic material which will decompose by microbiological process if it is left in the sea over certain period of time.

Table V-3 shows details of the budget No. 5 category of Table V- 2. namely, promotion of marketing, processing and consumption of fishery products and securing of reasonable prices of fish.

Major programs of this are as follows (see Table V-3).

- Development of central marketing/distribution facilities
- Providing interest subsidies to fish processing facilities improvement funds appropriation to this funds is limited up to 7,500 million Yen (= 52.8 million U.S.\$)
- Providing of interest subsidies to fish processing business management improvement funds appropriation to this funds is limited up to 14,000 million Yen (= 98.6 million U.S.\$)
- Research on material fish for processing (for production of kneaded products) with a view to finding additional possible sources of stable supply of material fish
- Subsidy to increase funds of fishery products inventory adjustment program

This subsidy is aimed at creating larger funds to help proceed fishery products inventory adjustment program smoothly which is designed to help stabilize prices of certain species of fish. Actually, the work is done by Zengyoren and other 4 cooperative organizations designated by the government. This subsidy goes to the Fish Price Stabilization Fund (FPSF), an organization established on government support. Interest as well as storage charges are subsidised from the funds of FPSF.

Incidentally, since fish price is a key to management of fisheries economy some explanations on FPSF are given later.

Other programs under the heading of promotion of marketing, processing and consumption include the following programs.

- Enlightening of consumers by dissemination of information such as by mass media for increase of fishery products consumption
- Establishment of highly fresh fishery products distribution system and so forth.

Category No. 6 of table 2. namely, other budget, includes such programs as follows.

- Subsidy to part of premium of fisheries mutual insurance based upon the Fisheries Accident Compensation Act
- Subsidy to the expenses required for works of fisheries mutual insurance program of the government based upon the Fisheries Accident Compensation Act
- Subsidy to cover shortage of funds required for operating of fisheries mutual insurance business to fisheries mutual insurance organizations based upon the fisheries Accident Compensation Act
- Subsidy to part of the premium of fishing vessel owner liability insurance based upon the Fishing Vessel Damage Compensation Act
- Subsidy to the expenses required for operating of re-insurance of the government based upon the Fishing Vessel Damage Compensation Act
- Implementation of fisheries patrol/surveillance

- Conservation of fishing ground environment
- Promotion of various experiment and studies, and so forth.

It may be of interest to note that, for example, the budget item of conservation of fishing ground environment covers such programs as follows.

- Subsidy to part of the premium of aquaculture insurance to help relieve the damages by red tide to cultured products
- Investigations on the degree of pollution in fish and shellfishes due to mercury and PCB contamination etc.
- Investigations on the causes of paralytic shellfish poison
- Subsidy to relieve damages to fishermen due to oil pollution of unknown sources, and so forth.

Incidentally, damage by red tide of *Chattonella* in Table V-2 refers to the extensive outbreak of red tide of this phytoplankton in eastern Seto Inland Sea areas in 1987, which resulted in death of as many as 1,900,000 yellowtail under culture. The total damage caused by this red tide amounted to as much as 2,700 million Yen (= 19 million U.S.\$)

Tabel V - 1 Total Budgeted of fisheries of the government of Japan in FY 1989

Budget Item of expenses		Remarks	Budget	
			1,000 Yen	1,000 US\$
I P U B L I C	1. Coastal development		100,889	186,913,000
	2. Fishing port development		25,194,000	177,462
	3. Development of coastal fishing ground		3,379,000	23,801
	4. Road construction in fishing port areas		521,000	3,670
	5. Reconstruction of damage fishing port from disasters			
	6. Other expenses related to damaged fishing port from disasters		2,000	14
	Sub-total (= 1 ~ 6)			230,232,000
II N O N P U B L I C	1. Fishery Agency			
	(1) General administration	* Councils, * International fisheries relations, - Management and improvement of fishing vessels	5,605,504	39,484
	(2) Facilities & equipment	* Improvement of necessary facilities and equipment of Fishery Agency	1,875,427	13,210
	(3) Building of fisheries	* Building of fisheries research vessel of Agency	1,159,225	8,165
	(4) Fisheries research, patrol and surveillance	* Fisheries research, * Patrol and surveillance, - Forecase for fishing & sea condition for coastal and offshore fisheries, * Implementation of fisheries agreement etc., Research on fishery resources, * Development of new fishing ground	14,445,781	101,753
	(5) Promotion of fisheries	* Administrative guidance for fisheries promotion, - Implementation of compensation system for fisheries disasters and damage to fishing vessels etc., - Administrative guidance on and studies for development of fishing industry, * Fisheries extension, - Realization of orderly fishery products distribution - Coastal fisheries structure improvement, * Promotion of fisheries, * Conservation of fishing ground environment, * International cooperation for development of fisheries, * Local fishing industry development, * Improvement of fisheries business management, * Promotion of aquaculture, * Creation of coastal fishing improvement fund	59,871,806	421,726
	(6) Fisheries research institutes	* Operation of fisheries research laboratories, research institute of aquaculture and fisheries engineering research institute	6,013,731	42,360
	(7) Pearl Inspection center	* Operation of pearl inspection center	88,498	623
	(8) College of fisheries	* Operation of College of Fisheries (at Shimonoseki)	1,851,608	13,043
	(9) Hokkaido salmon hatchery	* Operation of Hokkaido Salmon Hatchery	1,309,943	9,227
	(10) Guidance on and supervising of fishing port development	* Guidance on and supervising of fishing port development	19,141	135
(11) MAFF proper	* Special facilities development	27,068	191	
Sub-total of Fishery Agency (= (1) ~ (11))			92,267,732	649,917

Budget Item of expenses	Remarks	Budget	
		1,000 Yen	1,000 US\$
2. International cooperation for economic development	* On the budget of Ministry of Foreign Affairs	10,200,000	71,847
3. Research and development support to prefectures	* On special budget on the account of Research Council of MAFF	151,005	1,064
4. Donation	* Contribution to the Trust Fund of UNDP and to ICA (International Cooperative Alliance) from MAFF	64,967	458
TOTAL (1 ~ 4)		102,683,704	723,286
grand total		332,915,704	2,344,999

N.B. Exchange rate = 142 Yen/US\$

Table V - 2 Japanese Government's Budget for Fisheries in FY 1989 by Category of Objectives

Unit : Million Yen
Million US\$

Category of objective (program)	Budget		Major Budget Items	Budget	
	Yen	US\$		Yen	US\$
1. Development of Infrastructure for fisheries production	230,232	1,621			
2. Active promotion of fisheries development in the 200 mile fishery zone of Japan					
1. Promotion of new technology development	1,189	8.3	(1) R & D (= research and development) on wider utilization of under developed fishery resources	110	0.7
			(2) R & D on new technologies including;	158	1.1
			* cooling water management system for preserving the quality of catches of bonito and tunas	25	0.1
			* ships bottom fouling material removal device	10	0.0
2. Coastal fisheries structure improvement	6,345	44.6			
3. Promotion of farming fisheries	4,572	32.1	(1) Feeding type farming fisheries Development	66	0.4
			(2) Improvement of culture facilities	185	1.3
4. Salmon propagation	3,114	21.9	(1) Securing of high rate of return of salmon in Honshu island facing the Sea of Japan	12	0.0
			(2) Development of salmon propagation facilities	446	3.1
			(3) Salmon propagation efficiency improvement	120	0.8
5. Aquaculture development	383	2.6	Investigations on aquaculture problems	42	0.2
6. Promotion of inland fisheries	848	5.9	(1) The 2nd inland fisheries promotion program	760	5.3
			(2) Countermeasures about non-indigenous species	11	0.0
7. Development of offshore fishing ground	353	2.4	Basic studies on overall offshore fishing ground development measures	147	1.0
8. Resource conservation oriented fishery	693	4.8	Promotion of resource enhancement and management	430	3.0
9. Coordination on the use of fishing ground	866	6.0	(1) Anti-pouching program	16	0.1
			(2) Recreational fishing boat safety securing program	40	0.2
10. Fishery resource conservation	112	0.7			
11. Promotion for fisheries extension	1,336	9.4			

Category of objective (program)	Budget		Major Budget Items	Budget	
	Yen	US\$		Yen	US\$
12. Employment structure improvement in fisheries sector	252	1.7			
3. Improvement of fisheries business management					
1. Promotion of reorganizaion of fishery production structure (RFPS)	5,273	37.1	(1) Resource rehabilitation (RR) program under RFPS (2) of the RFPS funds, those for appropriation of; * loans for fishermen cooperating with RR program	1,000 A.F.L. 5,000	7.0 A.F.L. 35.2
2. Strengthening of fisheries management (FBM)	129	0.9	(1) Consulting on FMB (2) Loans under FBM scheme	107 A.F.L. 10,000	0.7 A.F.L. 70.4
3. Agriculture Forestry and Fisheries Corporation Fund				A.F.L. 84,800	A.F.L. 597.1
4. Fishery Modernization Fund	3,243	22.8		A.F.L. 125,000	A.F.L. 880.2
5. Fund for Rehabilitation stabilization of management	3,106	21.8	(1) Management Reconstruction Fund (2) Fisheries Business Management Stabilization Fund (3) Management Stabilization Fund associated with International Restrictions on Fishing	A.F.L. 30,000 A.F.L. 32,000 A.F.L. 13,000	A.F.L. 211.2 A.F.L. 225.3 A.F.L. 91.5
6. Small and Medium Scale Fisheries Loan Guarantee System	4,360	30.7			
7. Support to Fisheries Cooperatives	929	6.5			
4. Development of fishery resources, securing of fishing ground in foreign waters					
1. Building of high-technology equipped research vessel	1,157	8.1	The size of this vessel will be 2,500 G.T.. The total building cost is 5,960 million Yen (= 41.9 million US\$). This will be paid for in 3 years from 1989 to 1991.		
2. Development of marine fisheries resources	4,675	33.5	Of the works of JAMARC* exploratory survey for new fishing ground for trawl fishery in the East China Sea	63	0.4
3. Implementation of fisheries resource survey required for fisheries negotiations with foreign countries	2,509	17.6	(1) Fisheries resource survey on the high seas of the Bering Sea (2) Survey on marine debris (3) Fact finding survey on incidental catches in bottom long line fishing in northern Pacific (4) Catching survey of Cetaceans (whales) (5) International forum for discussing whaling problems	221 56 51 530 21 34	1.5 0.3 0.3 3.7 0.1 0.2
	164				

Category of objective (program)	Budget		Major Budget Items	Budget	
	Yen	US\$		Yen	US\$
4. Promotion of international cooperation on fisheries	15,153	106.7	(1) Preliminary survey for development of fishing (2) Cooperation for development of fisheries within 200 mile zone of foreign country (Chile)	13	0.0
5. Securing of fishing access to foreign waters	164	1.1	(1) Securing of fishing access to northern Pacific waters etc. (2) Assistance to Joint venture with Soviet Union	25	0.1
5. Promotion of marketing, processing and consumption of fishery products and securing of reasonable prices of fish					
1. Marketing and processing of fishery products	2,122	14.9	(1) Development of central marketing/distribution facilities. Of which, * School meal facilities improvement (2) Improvement of Marketing and distribution (3) Development of freshness maintenance facilities for live fish etc.	1,438	10.1
2. Fish price stabilization	1,706	12.0	Addition of funds to increase fishery products inventory adjustment fund	1,463	10.3
3. Promotion of fishery products consumption	340	2.3	(1) Enlightening of consumers (2) Studies on possible use of certain materials contained in fishery products good for human health	146	1.0
6. Other					
1. Fisheries Accident Compensation System & Fishing Vessel Damage Compensation System	15,103	106.5	(1) Fisheries accident compensation system (2) Fishing vessel damage Compensation system	7,692	56.0
2. Fisheries patrol and surveillance	5,460	38.4			
3. Conservation of fishing ground environment	1,273	8.9	Of the budget for red tide countermeasures, the budget for development of; * prevention of damage by Chattonella	148	1.0
4. Fish disease	367	2.5	Fish disease prevention and quarantine development	140	0.9
5. Local Improvement	1,325	9.3			
6. Retired fishing vessel	114	0.8	Re-cycling use of retired FRP fishing vessel for non - fishing purposes	11	0.0
7. Fisheries research	6,016	42.3			

N.B. F.A.L. : Appropriation for Loans
JAMARC : Japan Marine Resource Research Center

Item	Name of budget	Budget in FY 1989 *		Remarks
		1,000 Yen	1,000 US\$	
	* Processed fishery products market development program	24,037	169	* Development of demand for processed fishery products etc. * Improvement of marketing channels
	* Fishery product extracts development program	64,805	456	* Studies on possible use of extracts from fishery products for producing new products good for human health
	* New product consumption promotion program	8,885	63	* Promotion of consumption of Antarctic krill
Other		16,509	116	* Survey in connection with the Central Marketing and Distribution Facilities Program
Total		4,183,244	29,459	

N.B. : 142 Yen/US\$

(2) Measures to Support Management of Business in Fisheries and Fisheries Cooperatives

a. Banking and Finance System in Japan

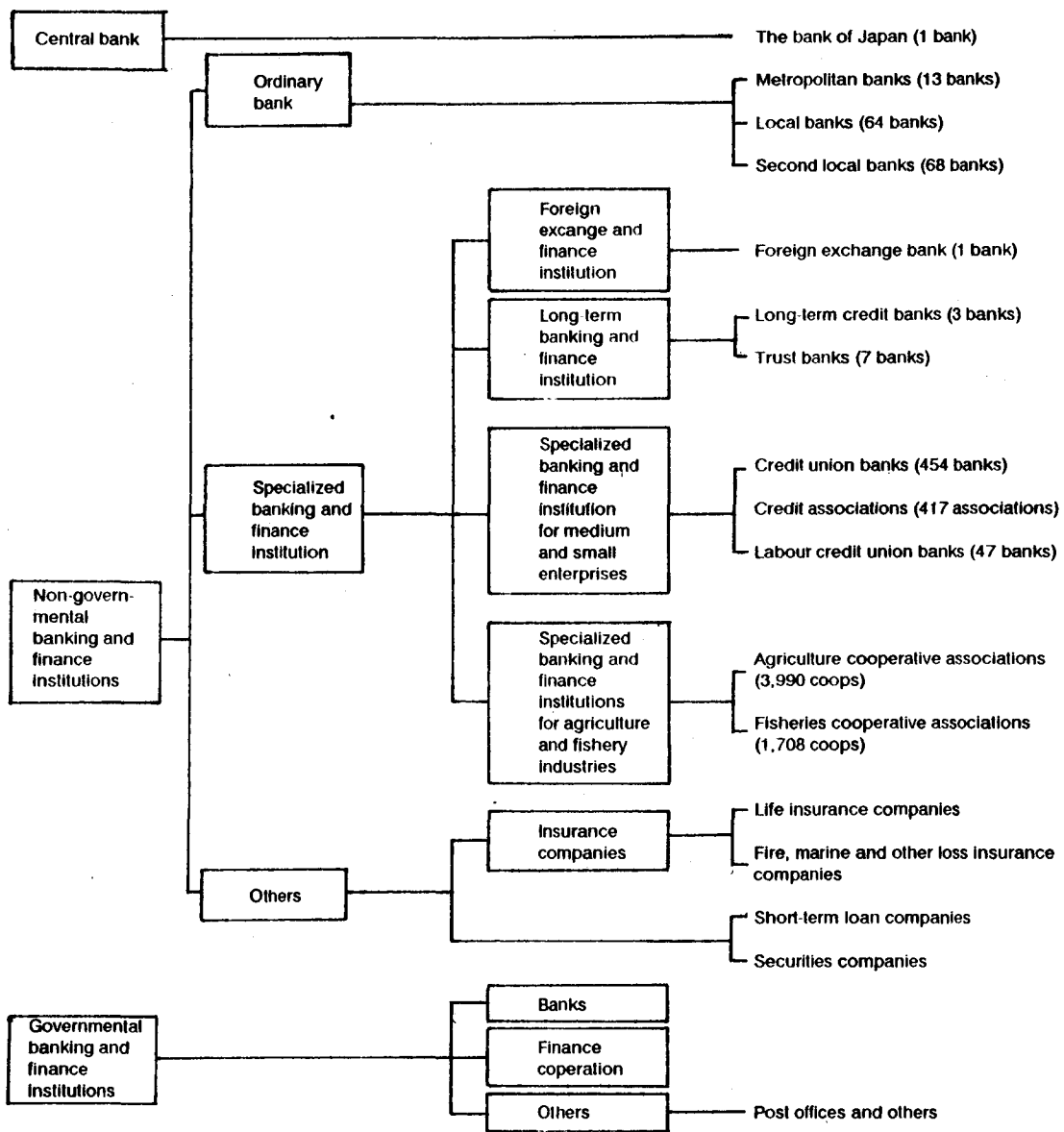
The Japanese banking and finance system generally comprises the central bank, the governmental and non-governmental banking and the finance institutions. The Bank of Japan acts as only one central bank to issue currencies administers exchange control and executes monetary and financial policies. As for non-governmental banking and finance institutions, there are : Metropolitan banks (13 banks as of June 1989) which provide full banking services primarily to big business enterprises with their nation-wide network; local banks (64 banks) having their head offices in local cities to provide a comprehensive banking and finance services mainly to local communities and businesses; the second local banks (65 banks) and mutual banks (3) which are specialized in providing banking and finance services to small and medium size companies; credit union banks (454 banks) and credit associations (417 associations); agriculture cooperative associations (3,990 cooperatives) and fisheries cooperative associations (1,708 cooperatives) serving as specialized banking and financing institutions for agriculture and fishery industries; labour credit union banks (47 banks) as financial cooperative organization of labour unions and others.

In addition, there are such non-governmental financial institutions as securities companies, life insurance companies and fire, marine and other loss insurance companies as well as short term loan companies facilitating banking and finance institutions to supply long and short term funds smoothly.

In order to support the above mentioned banking and finance activities in the private sector, there are various governmental finance institutions. A major portion of their activities is financed with such resources as procured through the individual saving deposit accounts with the national network of post offices (23,859 post offices).

At the end of March 1988, the total outstanding amount of savings of individuals was 366,000 billion Yen of which the outstanding amounts of depositors of agriculture cooperative associations and fisheries cooperative associations respectively accounted for 12.1% and 0.5%.

Current Banking and Finance Institutions in Japan



b. Current Finance Situations in Fisheries Sector

(1) Finance system for fisheries

Finance for fisheries is currently provided generally from : (1) cooperative banking institutions : (2) governmental banking institutions; and (3) commercial banks and other financial institutions. In addition, there are also such finances facilitated by interbusiness credits, wholesalers and private individuals.

The Finance of cooperative banking institutions will be described later in detail. The finance of governmental banking institutions is procured from the governmental funds through the channel of : a. The Japan Development Bank; and b. The Agriculture and Fisheries Finance Corporation. The finance of the Japan Development Bank is provided to big enterprises, which has not amounted to a substantially large figure. On the other hand the Agriculture and Fisheries Finance Corporation performs such an important role in finance to fisheries from coastal fisheries to medium and small scale fisheries that it provides low rate interest long-term loans for building of fishing vessels, construction of fishing ports and facilities of common utilization, and others. The above mentioned (3) namely commercial banks and other financial institutions means metropolitan banks, local banks, credit union banks and others. Metropolitan bank generally provide their finances to big enterprises and, in the meantime, local banks, credit union banks and other financial institutions extend their finances to medium and small scale fisheries who are actually in competition with the cooperative banking institutions.

(2) Present state of fisheries finances

At the end of the fiscal year 1987, fisheries finance of all banking institutions of Japan amounted to ¥2,815.7 billion which was 1.7% lower than that of previous year. Still this percentage was 0.8% below annual rate of previous year's decrease compared to a year before. The share of fisheries finance to the total outstanding finances of all banking institutions, however, remained at 0.43%. The share of the fisheries finance by institution was: cooperative banking institutions 51.5%; commercial banks and other financial institutions 16.8%. As compare with the previous year, the share of commercial banks and government owned financing institution increased 0.6% an 0.4%, respectively, while that of cooperative financing institutions decreased 1.0%.

**Current Position of Fisheries Finances
(Outstanding loan balances by institution)**

	Loan balance (in billion yen) at the end of fiscal year			Increase from previous year		Share to the total at the end of fiscal year (%)		
	1985	1986	1987	1986	1987	1985	1986	1987
Commercial banking institutions (1)	8,656	8,762	8,932	1.2	1.9	29.9	31.1	31.7
Cooperative banking institutions (2)	15,297	14,815	14,508	Δ 3.2	Δ 2.1	52.8	52.5	51.5
Central Cooperative Bank for Agriculture, Forestry and Fisheries	4,940	4,655	4,596	Δ 5.8	1.3	17.1	16.5	16.3
Credit federation of F.C.A.	8,281	7,974	7,729	Δ 3.7	Δ 1.3	28.6	28.3	27.4
Fisheries cooperative associations (F.C.A.)	2,076	2,186	2,183	5.3	Δ 0.1	7.2	7.8	7.8
Governmental banking institutions (3)	4,973	4,627	4,717	Δ 7.0	1.9	17.2	16.4	16.8
of which Agricultural & Fisheries Finance Corporation	4,742	4,405	4,519	Δ 7.1	2.6	16.4	15.6	16.0
Total (A) = (1) + (2) + (3)	28,926	28,204	28,157	Δ 2.5	Δ 1.7	100.0	100.0	100.0
Total finance of all banking institutions (B)	5,562,672	6,028,958	6,623,811	8.3	9.8	-	-	-
(A)/(B) = (%)	0.52	0.47	0.43	-	-	-	-	-

C. Thrift and Credit Activities of Fisheries Cooperatives

(1) Governing Laws

Fisheris Cooperative Association Law. Article 11.

1-1 Extending of loans needed for the business and livelihood of the members.

1-2 Accepting savings or time installment deposits of the members.

1-12 Supplementary businesses related to the above provisions.

5 Representing the Central Cooperative Bank for Agriculture, Forestry and Fisheries as an agency.

6 Domestic exchange dealing.

(2) Cooperative finance and its functions

(a) What is the cooperative finance

Fisheries cooperatives accept savings from members, and provide funds needed for the fishing businesses and livelihood of members. The activities of cooperative finance are based on the money which are collected from among the members.

They are used for finance services for the benefit of the members.

(b) Functions of cooperative finance

Fishermen need funds to maintain their fishing businesses and livelihoods in the society of capitalistic economic system.

It is the function of cooperative finance to provide fishermen with loans for their business. The source of these money comes from the savings of the members.

(3) Necessity of cooperative thrift and credit activities

Any financial institution accepts deposits from fishermen and extends loan to them. However, a commercial bank always shows a positive attitude to call for savings of fishermen, whereas it may often assume a conservative attitude toward loans for fishermen in need of funds. Commercial banks generally invest money raised in the fishing communities to other industries in different or urban areas, and in often cases fishermen may be unable to borrow necessary funds from them.

The thrift and credit department of fisheries cooperative ensures as much funds as possible to provide member fishermen with money necessary for businesses, livelihood and their community development.

(4) Characteristic features cooperative financing

The characteristic features of cooperative financing are as follows.

(a) Mutual financing

Cooperative financing is the system of mutual financing among the members where the cooperative plays a leading role in providing credit facilities to the members or getting savings from them

(b) Non-profit

Every cooperative business aims at serving members but it does not do so for profit-making. It does not mean serving for members with loss. It is rather meant to improve and intensify the credit business structure and expand the scope of business for the benefit of the members.

(c) Cooperative business is not limited only to members

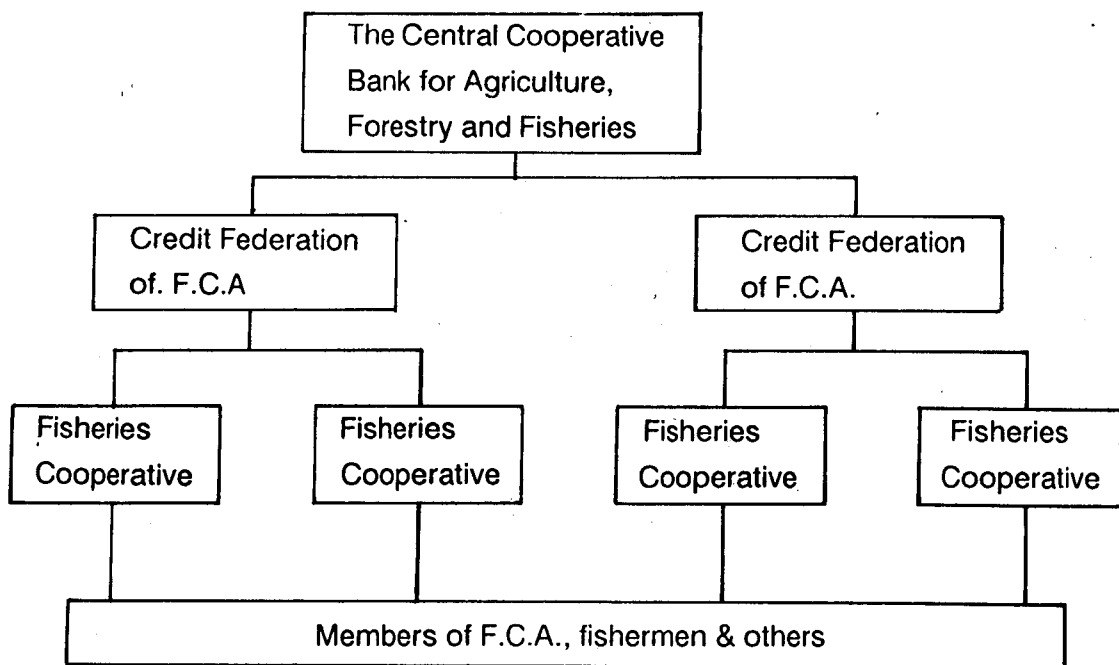
The credit business of cooperatives is available to non-members as well. The cooperative finance can be used by other businesses other than credit. Also it can be used by general citizens and other fishery related industries to a certain extent.

(d) Cooperative financing through cooperative information and guidance

Fishing industry is liable to be influenced by changes in climate, resources and market situations. It is also geographically affected by local socio-economic conditions.

Accordingly, it is rather difficult for primary cooperatives to run, mutual financing business for the members in local limited areas.

The cooperative finance comprises three tier system, namely primary fisheries cooperatives associations, prefectural level federation or Shyngyoren and the Central Cooperative Bank for Agriculture, Forestry and Fisheries as the national apex financing organization. Fisheries cooperative associations are organized at each of municipalities (or smaller fishing communities) with membership of fishermen and others. They are a kind of multipurpose and multifunctional cooperatives which provide such services as thrift and credit facilities, marketing and supply activities, etc. Credit federation of F.C.A are established at the prefectural level with membership of cooperative associations, federation of F.C.A (prefectural federation of F.C.A. for economic business such as marketing and supply, etc.) and others to specialize in extending thrift and credit facilities. The Central Cooperative Bank for Agriculture, Forestry and Fisheries is nationally organized with membership of all cooperative institutions in agriculture, forestry and fisheries, and it acts as a sole central institution for cooperative finance in Japan.



The three tier system is based on the following requirements:

(i) Control of financial fluctuations in short and long term requirements for funds

The credit federation of F.C.A. regulates the local financial position among cooperative associations, prefectural credit federations, does so at the prefectural level and the Central Cooperative Bank for Agriculture, Forestry and Fisheries at the national level.

(ii) The exercise supplementary functions

Fisheries cooperative associations cannot necessarily always meet the members' loan requirements because of its credit limit allowed to each member to ensure the equity and proper operation of cooperative finance though the situation differs from one association to another. Prefectural credit federation of F.C.A. will supply lendable funds appropriately to member cooperatives as an upper financial institution, but also extends its credit directly to the members of primary cooperative societies when necessary.

The Central Cooperative Bank for Agriculture, Forestry and Fisheries may also facilitate credit extension in case where a credit federation is unable to manage the loan requirement with its own facilities.

(iii) To invest surplus (savings) funds through upper institution so as to attempt to increase the efficiency in the money operations.

(5) Relations between credit business and marketing business

Most fisheries cooperative associations in Japan are engaged in marketing activities which support substantially their thrift and credit activities. The fisheries cooperative associations sell fishes caught, consigned by fishermen at the market and receive payments, which are ultimately transferred to saving accounts of fishermen concerned. If fishermen borrow money from the cooperative for ship building, purchase of fishing gear or other necessities, it appropriates the afore-mentioned payment receipts or a part thereof for loan repayment. It is usual practice that fishermen will deposit certain percentage of the payment receipts for the fish sold as a loan repayment fund. Even when fishes are landed at a port other than their home port and sold out at the market there, payment receipts will mostly be transferred to the cooperative of the home port. Such money transfers to fishermen's saving accounts, which so often happen substantially contribute to the development of savings and also to collection of loan facilities. Most fisheries cooperative association in Japan carry out marketing

(6) Present situations of credit business of cooperative banking institutions

At the end of fiscal year 1988, the total outstanding balance of saving of fisheries cooperative associations of the nation was about ¥1,921.7 billion with an annual increase of 4.9% which was lower than that of last year.

On the other hand, the outstanding loan balance financed by cooperatives was 1967.4 billion at the end of 1988 which was 3.5% lower than that of previous year. This reflected slackness of fishing business and poor result in capital investment. Thus, the savings-loans ratio became 50%.

Fisheries cooperative associations deposited ¥1,661.7 billion, approximately 86% of the total saving amount of ¥1,921.7 billion to the prefectural credit federations and to the Central Cooperative Bank for Agriculture, Forestry and Fisheries. On the other hand, the fisheries cooperative associations procured ¥594.3 billion, equivalent to about 60% of the cooperatives' total loan balance of ¥967.4 billion from them at the end of the fiscal year 1988. This indicates that redeposit and refinance method are used.

(7) Savings

The national savings campaign of fisheries cooperatives has been carried out since 1978 in order to achieve an early savings target balance of ¥2,000 billion by the end of the fiscal year 1989.

Such savings campaigns are currently undertaken at the prefectural level and at the same time, such campaigns are formulated and actively promoted at the national level.

Women's groups of fisheries cooperatives, which have been established throughout the country, contribute a great deal to enhancement of the savings campaigns.

Protection system for savings

(a) The national Fishery Cooperative Credit Activities Mutual Support Scheme (The Fund)

- In order to maintain sound fisheries cooperative credit business operations, reserve funds for contingency payment need to be kept by the cooperative. Also in order to prevent managerial disorder of the cooperatives, smooth supply of money to reinstate the financial conditions of the cooperatives are required. By these measures, it is expected that the credit business of cooperatives be further improved.
- Mutual aid reserves: 1/10,000 of average balance for the initial five years and its 0.4/10,000 subsequently.
- Amount of the Fund:- approximately 2,000 million.

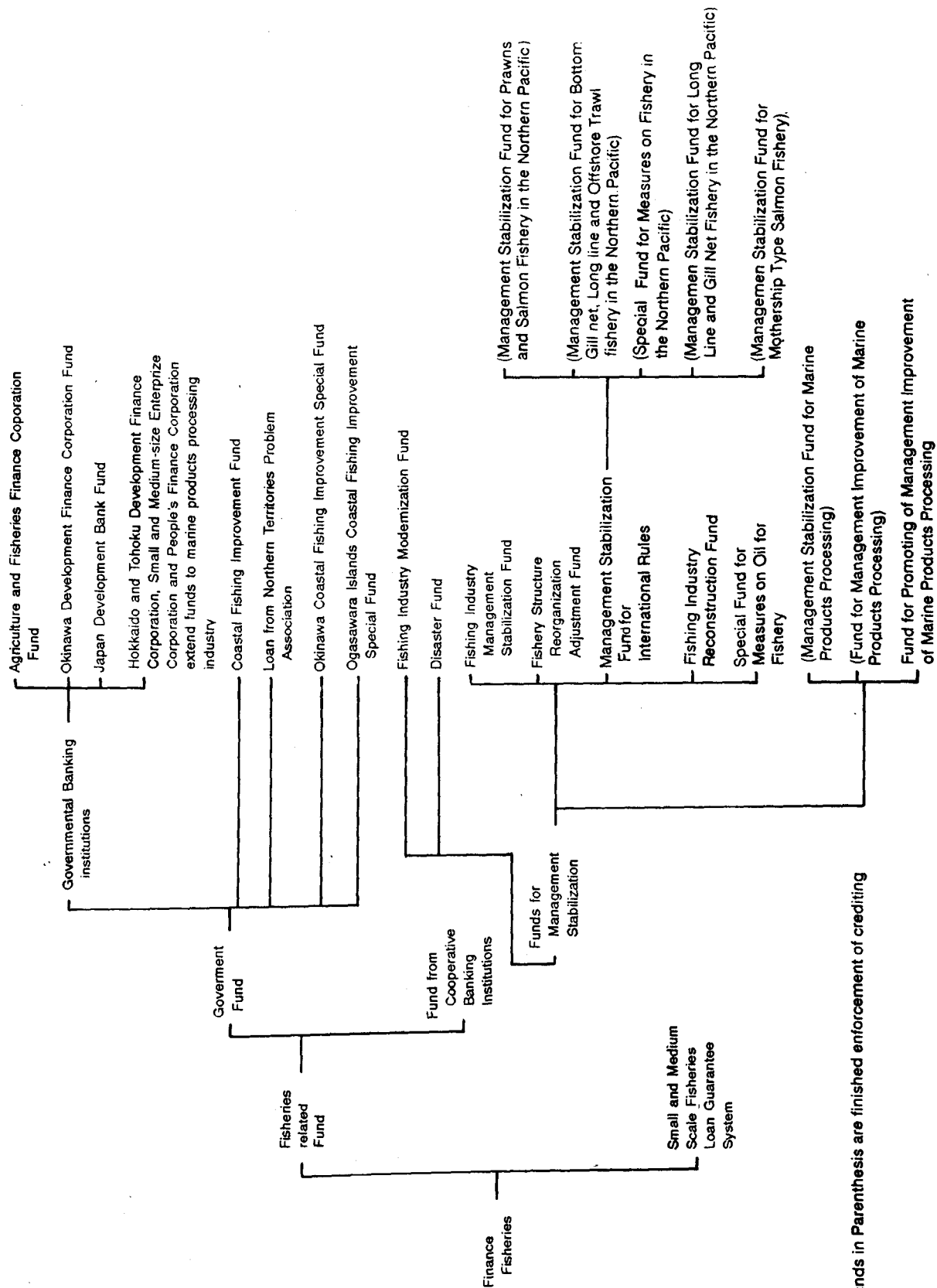
(b) The Agriculture and Fisheries Cooperatives Savings Insurance Scheme (The Organization)

- In case of bankruptcy or economic failure in the cooperative business, indemnity for loss of savings will be made to each depositor within the limit of ¥10 million.

- Insurance premium: - 1.2/10,000 of savings amount.
- Liability reserve:- ¥30.7 billions. (As of the end of March, 1986)

(8) Loans

The government supported loans of which source of funds being procured by cooperative banking institutions had increased until 1983, in response to increased demands of fishing industry modernization, emergency loans and others. Since 1983, however, those loans have been on a downward trend. The long term loan ratio has been on the decrease from 53% in 1970, 57% in 1975 and 63% in 1980 to 64% in 1984. In 1988 the ratio showed further decrease to 61%. This trend is attributable to the waning investor interest in plants and equipment which resulted from the business slowdown of specific types of fisheries. Because of this, the outstanding amount of loans has been on the decrease year after year.



Note: Funds in Parenthesis are finished enforcement of crediting

Reference

Interest Rates (As of 1 Nov, 1989)

1. Deposit interest rates:-

Type of Deposits	Interest Rate
Current deposit	—
Time Deposit with term of:	
3 months	2.32%
6 months	3.57
1 year	4.32
2 years	4.57

Interest Rates (As of 1 Nov, 1989)

2. Borrowing interest rates:-

Type of Rate by Type of Loans	Interest Rate
National discount rate	3.75%
Long-term prime rate	6.20
Short-term prime rate	5.75
Rates of government supported loans	
Fishing industry modernization fund;	
for fishing vessel of	
less than 20 G/T	4.50
20 G/T or more	5.30
Fishing industry management	
reconstruction fund	2.00
Fishing industry management	
stabilization fund	
Coastal fishery	4.35
Distant-water fishery	5.55

Small and Medium Scale Fisheries Loan Guarantee System

[1] Structure & Organization of the System

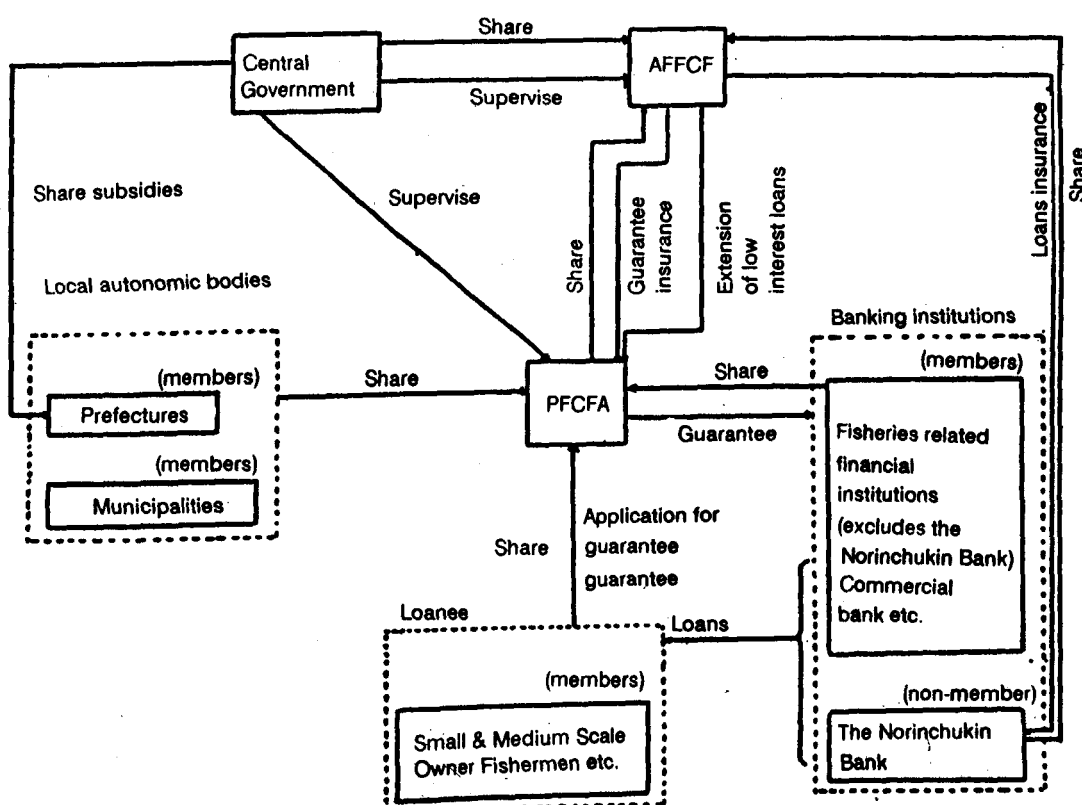
(1) Inception

The system was established in 1952 based on small and medium scale fisheries loan guarantee act.

(2) Objective

In order to facilitate smooth financing for small and medium scale owner fishermen necessary funds, the Prefectural Fishery Credit Fund Association (PFCFA) guarantees the liability of loans which have been extended to small and medium scale owner fishermen etc., from various banking institutions. The Central Fund for Fishery Credit (CFFC) insures payment of PFCFA's liability guarantees in turn. In other words, the CFFC is a reinsurance organization.

(3) Organization



[2] Prefectural Credit Fund Association (PFCFA)

(1) Membership

The members are small and medium scale owner fishermen etc., local autonomic bodies and various banking institutions.

(2) Functions

To guarantee the member's (small and medium scale owner fishermen and other's) liability of loans which are extended from the banking institutions to the members. The loans include those from the 1) Fisheries Modernization Fund and also necessary money for 2) business operations and file.

(3) Premium (As of the end of June, 1989)

Fisheries Modernization Fund	0.32 - 0.70%
Emergency Loan Fund	0.54 - 0.94%
Emergency loans fund for clearing off.... liabilities	0.80 - 1.03%

(4) Ceiling amount of guarantee for individual

Fisheries Modernization Fund ...	50 times the amount of shares
Emergency Loans Fund	50 times the amount of shares
Ordinary loans	50 times the amount of shares

(National average)

(5) Total amount of loans PFCFA can guarantee to the members

Fisheries Modernization Fund ...	30 times the amount of the fund
Ordinary loans	Ditto (National average)

[3] Agriculture, Forestry & Fisheries Credit Foundation (AFFCF)

(1) Functions

To insure the liability guarantee on the part of PFCFA regarding the loans from the Fisheries Modernization Fund scheme etc.

(2) The amount insured

Emergency Loans Fund	80% of the insured value
Other Loans	70% of the insured value

(3) Premium (As of the end of June 1989)

Fisheries Modernization Fund	5 - 10 years	0.26%
Emergency Loans Fund	Ditto	0.68%
Emergency Loans Fund for clearing off liabilities	Ditto	0.99%

4. Role of Zengyoren (National Federation of Fisheries Cooperative Associations)

Zengyoren is a national level organization established by prefectural level members which consist of prefectural federations of fisheries cooperatives and prefectural credit federations of fisheries cooperatives (see the figure on next page).

The role of Zengyoren is to represent the interest of member organizations and fishermen members and bring the demand of members to the government calling for appropriate policies.

In addition to this, Zengyoren has the following functions.

- Providing of educational and training courses to the officers and staff of member organizations as well as primary fisheries cooperatives;
- Making various information available to member organizations such as on government policy trends, changes in market situations, world news on fisheries matters, progress and development of other industries etc, credit news and so forth.
- Supplying of fuel oil and other materials for fishing such as engines, fishing net etc.;
- Marketing of fishery products of the members etc..

When necessary, Zengyoren sends its mission to support government negotiations on fisheries with foreign countries.

- * Improvement of illegal fishing policing system,
Positive application and improvement of relevant laws and regulations and Application of stricter government sanctions in order to effectively prevent poaching
- * Securing of positive application of relevant laws and regulations and amending thereof as appropriate and Making best use of fisheries coordinating committee for ensuring order in sport fishing practices
- * Making comprehensive review of existing systems surrounding fisheries and initiate works for betterment thereof and start deliberations, without delay, upon appropriate changes which may be necessary for supporting fisheries cooperatives and/or fishermen's resource management initiatives

(4) Promotion of Fishing Ground Development

- * Promotion of Coastal and Offshore Fishing Ground Development on the basis of appropriate development plan in an effective way by using farming fisheries and aquaculture as part of its methods.
In doing so, the Coastal Fisheries Ground Development Program must be effectively deployed as major framework of the plan.
- * Rehabilitation of fishing ground conditions by implementing coastal fisheries ground development program, fishing port improvement program and new coastal fisheries structure reform program in a concerted way

(5) Promotion of Farming Fisheries and Aquaculture

- * Making further efforts in development of stronger and healthier aquaculture/stocking fry and juvenile production technologies and fry juvenile releasing technologies so as to promote farming fisheries with a view to making it an essential part required for development to Japan's fisheries
- * Carrying out surveys to find suitable fry/juvenile releasing sites
- * Positive application of such regulations as; regulations on fish stock nursery zone protection and fisheries coordination regulations
- * Making comprehensive reviews on these regulations and revise them as appropriate for establishment of better resource conservation, utilization and management mechanism concerning released stocks
- * Implementation of the following policies and measures for development of aquaculture;
 - introducing of effective fish disease prevention and quarantine system such as by systematizing network of qualified fish disease prevention and quarantine inspectors
 - optimization of use of fishing ground
 - strengthening of product quality control
 - systematization of planned production system
 - development of offshore aquaculture technology

2. Promotion of Fish Consumption, Marketing, Processing and Measures to Secure Reasonable Prices of Fish.

Major emphasis is placed on the following items.

- * Taking following measures in the light of market competition between domestic fishery products and imported fishery products and livestock products plus changes in consumption patterns (due to for example diversification of needs of

consumers) and marketing structure.

- increase of added value of domestic fishery products
 - stabilization of fishery product prices
 - improvement of marketing and distribution system
- * Securing of competitive power of domestic fishery products in the market
 - * Securing of order in import of fishery products

In more concrete terms, the following items are included.

(1) Securing of Order in Import of Fishery Products

- * Maintaining of existing import quota system and its items for the purpose of securing balance between demand and supply
- * Implementation of effective measures as follows in order to secure order in due consideration of possible effect of imported fishery products;
 - application of import quota as appropriate
 - control of import (including tariff measures) in close association with changes of production control measures by use of fisheries coordination system
 - having talks between government and private sectors for securing of demand and supply balance
 - having meetings and talks with major fishery products exporting countries

(2) Strengthening of Production Control Measures and Fish Price Securing Measures

- * Improvement of existing system of production control, and development of planned production system under government initiatives
- * Development of a new fish price stabilization system

(3) Fish Consumption Increase Measures

- * Implementation of substantial fish consumption campaign and its related activities
- * Using of fishery products as international cooperation assistance materials
- * Promoting of measures to create increased demand for fishery products in foreign countries

(4) Improvement of Fish Marketing and Distribution System

- * Increased assistance to establishment of fisheries cooperative information network system covering information encompassing production to consumption
- * Support to improvement of fisheries cooperatives' collective (=joint) marketing system
- * Support to introducing of fishery product quality guarantee system
- * Further improvement of freshness retaining system and live fish transport/distribution system

(5) Application of Fishes to Development of New Products and Improvement of Added Value.

- * Development of possible uses for producing medicine and industrial product etc. other than foods.

- * Promotion of technologies for new product development with which to change under-exploited resources to food materials
- * Improvement of research and development facilities for producing of added value products by product freshness management and processing technologies, and Government administration support thereupon
- * Improvement of necessary facilities as appropriate

3. Stronger Support to Management of Fisheries Business

Major emphasis is placed on the following items.

- * Implementation of following measures for securing stable business management of fisheries,
 - rectification of imbalance between the state of stocks (resources) and fishing efforts,
 - strengthening of management structure by cost reduction and increase in added value of the products
 - increasing of support to institutional finance and insurance on fisheries both of which being support pillars of management
 - promotion of planned fishery business operations

In more concrete terms, the following items are included.

(1) Promotion of Reorganization of Fishery Production Structure

- * Promotion of reorganization of fishery production structure by following measures with a view to rectifying imbalance between state of stocks and fishing efforts and to providing bases for reconstruction of fisheries management
 - overall review of current fisheries production structure
 - re-adjustment of fishing licences on a comprehensive and schedule manner
- * Implementation of appropriate measures to help unemployed fishing vessel crews affected by reduction of fishing fleet
- * Securing of labour forces required for managing of fish processing industry

(2) Reduction of Cost

- * Improvement of research and development structure for production technologies centered on energy saving and cost saving studies in order to realize cost reduction of management of fisheries business
- * Strengthening of administrative guidance designed to help curb overinvestment and take in appropriate technologies

(3) Stronger Support to Institutional Finance and Fisheries Insurance System Development

- * Further development of institutional fishery finance system for securing stability of management of fisheries
- * Securing smooth flow of loans by substantiating the work of small and medium scale fisheries loan guarantee fund system
- * Improvement of fisheries insurance system and securing of 100 % subscription to this system

(4) Promotion of Planned and Scheduled Fisheries Business Development

- * Promotion of planned and scheduled coastal fisheries business development program in order to improve management structure of coastal fisheries and vitalize fishing communities.
- * Improvement of extension services by having stronger and close ties with fisheries extension workers

4. Realization of Active and Viable Fishing Communities.

Major emphasis is placed on the following items.

- * Realization of dynamic and attractive fishing communities
- * Improvement of settlement conditions including;
 - development of basic production structure and environment for life
 - creation of employment opportunities
- * Securing of interest of fishing sector as against advances by other industries to coastal "water front" area development
- * Improvement of welfare measures for fishermen

In more concrete terms, the following items are included.

- (1) Improvement of fisheries production basis and environment for life
 - * Promotion of fishing port construction and development
 - * Securing of scheduled development of environment conditions in fishing communities in order to establish happy communities both in terms of economy and culture
- (2) Coordination of Interest between Fishery and Other Industries concerning Development of Coastal Areas
 - * Coordination of interest between fisheries development and conservation of natural environment in the event of development of coastal areas
 - * Especially, establishment of a system that obliges parties concerned to get fisheries cooperatives etc. necessarily involved in preliminary meetings/consultations etc..
 - * Inclusion of justifiable/reliable assessment of such development to fisheries when environmental assessment is made in connection with development in coastal areas
- (3) Securing of Orderly Development of Marine Recreational Businesses.
 - * The government is requested to present its ideal image or picture before the population on "how marine recreation should be".
 - * Positive application of relevant laws and improvement thereof for development of marine recreational businesses
 - * Institutionalization of administrative guidance system concerning development of marine recreational works
- (4) Improvement of Safety Measures concerning Work in Fishing Industry and Betterment of Welfare
 - * Strengthening of countermeasures to prevent marine disasters and labour accident, for example, by;
 - improvement of communication system,
 - improvement of safety measures, and
 - promotion of labour accident insurance
 - * Strengthening of welfare measures such as, for example, improvement of medical care system, fishermen's pension scheme etc.

(5) Promotion of Youth Groups of Fisheries Cooperatives as well as Women's Groups of Fisheries Cooperatives

- * Stronger support to development of organizations of youth groups and women's groups of fisheries cooperatives, In providing such support, both of these two groups of fisheries cooperatives need to be looked upon as central promoters of revitalization of fishing communities
- * Rendering necessary support to secure successors of fishing profession

(6) Support to Appropriate Socio-Economic Development Measures in Fishing Communities

- * Rendering of positive support to;
 - fishing communities for their fish processing and marketing development programs wherein fisheries cooperatives play a central role as a promoter,
 - activities of experience exchange gatherings with people of cities and other urbanized areas

5. Institutionalization of Fisheries Cooperatives for Stronger Management Structures

Major emphasis is placed on the following item.

- * Implementation of necessary measures to help overcome weak management structure of fisheries cooperatives

In more concrete terms, the following items are included.

(1) Promotion of Amalgamation of Fisheries Cooperatives and Business Merger etc.

- * Strengthening of administrative support to amalgamation as well as business merger of fisheries cooperatives in order to help establish stronger management basis of fisheries cooperatives and secure better functions which could meet needs of the members
- * Take necessary administrative steps to support the above objective

(2) Building Up of Stronger Financial Basis of Fisheries Cooperatives

- * Expanding the scope of "Fisheries Cooperative Credit Business Improvement Program" and take necessary measures to substantiate realization of stronger financial as well as management bases of fisheries cooperatives
- * Making deliberations on possible measures for drastic improvement of management of fisheries cooperatives by seeing the development of the above measure

(3) Review/Amendment of Fisheries Cooperative Association Law and Overall Review of Japan's Legal and Other System concerning Fisheries

- * Making necessary amendments to Fisheries Cooperative Association Law, without delay, with special emphasis attached to amendment of provisions related to credit business of fisheries cooperatives and/or prefectural credit federations of fisheries cooperatives in order to substantially strengthen organizational, managerial as well as functional aspects of fisheries cooperatives so as to be able to respond to rapid changes of time such as seen in the recent development of liberalization of financial market and approval of competitive bank interest rate in Japan
- * Making overall review of Japan's legal and other systems concerning fisheries

(4) Improvement of Systematization of Training and Education Programs as well as Information Service Activities in Fisheries Cooperatives

- * Giving support to human resource development programs of fisheries cooperative organizations
- * Providing assistance to institutionalization of training and education system necessary for the above
- * Improvement of information service system in fisheries cooperative sector

Reference Information
Fish Price Stabilization Fund

1. Objective

The objective of the Fund is to help stabilize prices of fish both in landing and consumption areas and thereby contribute to stabilizing of management of fishing business as well as consumption of fishery products by the people.

In order to achieve this objective, the Fund grants subsidies and makes loans available to fishermen's cooperative organizations engaged in cooperative marketing so as to ease the burden of their storage operations.

2. Background

After the oil crisis of 1973, fishery enterprises have suffered financial difficulties because of unprecedented sharp rise in the prices of fuel oil, fishing equipment and materials. Seeing this difficulties, the government started its financial assistance program to fishermen's cooperative organizations in 1975. It was aimed at financially assisting them so that those cooperative organizations doing marketing business for the benefit of the members should be able to process, store and sell fishes at reasonable prices at appropriate time which they have purchased when the prices were cheap. In order to facilitate it, "Fish Price Stabilization Fund" was established jointly by the government and the industry in December, 1976. The government has since then contributed to increasing of FPSF's funds and provided subsidies to operation of its work.

Further, from 1984 onward, the government has started providing subsidies to "The Pilot Project for Promotion of Institutional Use Fishery Products Distribution System Development" in order to facilitate increasing of fishery products consumption.

In more concrete terms, that part of the expenses required by the pilot project executing bodies is subsidized by the government to them via FPSF. By so doing, it is intended to help establish a system of stable supply of fishery products to institutional catering sector such as school meal etc..

3. Business

(1) Subsidy

FPSF uses the government funds to assist operation of cooperative marketing business of fishermen's organizations which comply with the requirement of the government's cooperative fish price stabilization program for which 50 % of their expenses are subsidized.

(2) Loan

FPSF extends loans to fishermen's organizations in order to ensure continuance of the program if it has suffered loss. The money for this loans is subsidized by the government.

(3) Reimbursement of loss

FPSF uses the reserve funds built by fishermen's organizations to reimburse loss that may arise in the program.

(4) Implementation of "The Pilot Project for Promotion of Institutional Use Fishery Products Distribution System Development"

Efforts will be made to help establish a new processing material fish stable supply system for fish processors etc.. It is designed to secure all the year round stable

supply of material fish for eating out institutions/facilities such as for school meal catering etc.. It is expected that potential demand for fish in eating out institutions/facilities would be further developed through implementation of this pilot project.

(5) Other

Other activities incidental to the preceding three are carried out by FPSF.

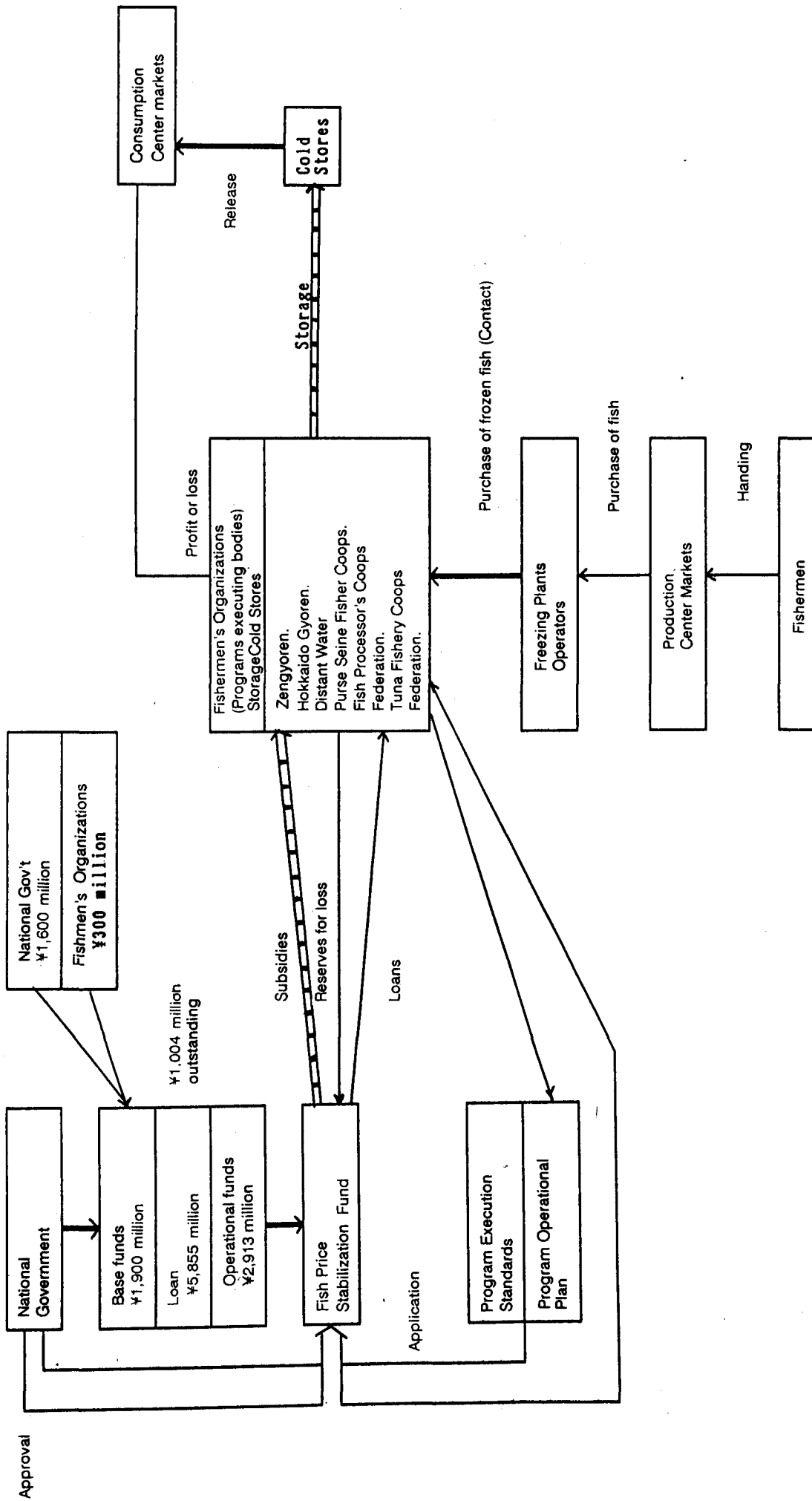
4. Outline of fish price stabilization program

- (1) Program executing bodies (fishermen's organizations) shall in advance obtain approval of the director of the Fishery Agency on program execution standards (general policy, minimum purchase and sale) and model purchase contract via Fish Price Stabilization Fund.
- (2) Freezing plant operators shall purchase the object fish, based on purchase contract, at the price higher than the minimum purchase price when the market price is lower than the latter.
- (3) Program executing bodies shall purchase the frozen fish thus obtained by the freezing plant operators.
- (4) Program executing bodies shall store and release them as appropriate with a view to stabilizing consumer fish prices.
- (5) FPSF subsidizes to the program executing bodies 50 % of the purchase price interest, storage cost, etc.. In case any loss occurs as a result of the release (selling), interest free loans are extended to cover up to 80 % of the loss.

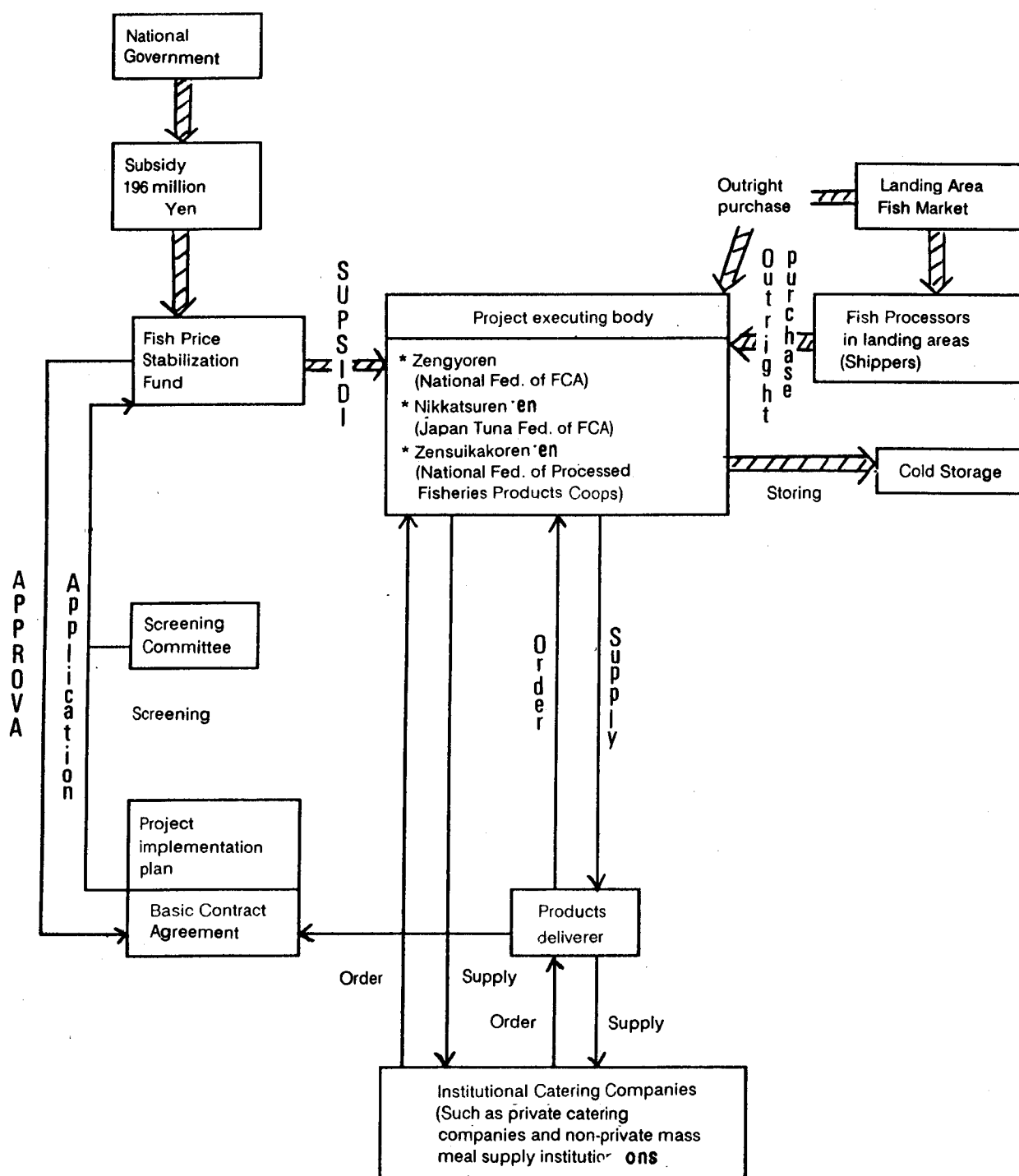
The following table shows fish price stabilization program items.

Name of program item	Products covered and species
1. Pelagic fish program	Products covered: Mackerel, saury, sardine, horse-mackerel, squid (excludes cuttlefish) for direct human consumption or processing
2. Laver and kelp program	Products covered: Dried laver or kelp, salted kelp
3. Kneaded frozen fish program	Products covered: Kneaded frozen fish flesh of Alaska pollack and Atka mackerel
4. Tuna and skipjack program	Products covered: Skipjack, albacore, bigeye and yellowfin tuna frozen on board
5. Fish cake and meal program	Products covered: Fish cake and meal of pelagic fishes
6. Fish culture feed program	Products covered: Mackerel and sardine used as feeds for fish culture

Operational Chart of Fish Price Stabilization Program



Outline of Pilot Project for Promotion of Institutional Use Fishery Products Distribution System Development



The following species of fish are covered under this pilot projects.
It should be noted that only round fish and those of primary- processed fish are applicable to this project.

Sardine, Pacific saury, Mackerel, Jack mackerel, Squid, Frozen fish caught in northern Pacific and other northern Oceans, Alaska pollock, Frozen fish caught in southern Oceans, Salmon, Trout, Spanish mackerel, Scallop, Oyster, Bonito, Tuna (Includes marlins), Dolphin fish, Short-necked clam, Yellowfin,

* Frozen fish caught in northern Pacific and other northern Oceans:
Flatfish, Redfish, Kichiji (Sebastes macrochir), Ocean perch, Cod etc.

* Frozen fish caught in southern Oceans:
Merulaza, Southern scud, King klip, Silver hake, Hoki, Hairtail, Snapper etc.

THE MANAGEMENT OF FISHERY COOPERATIVES IN INDONESIA AND PROBLEMS ENCOUNTERED

BY

IMAN SOETRISNO

I. INTRODUCTION

1.1. The History of Fishery

History shows that fishermen organizations in Indonesia started since the beginning of the 20th Century. In 1912 a fishery group was formed in Tegal called "MISOYO MINO". In 1916 "NGUPOYO MINO" was formed in Batang and "SAYA SARI" in Brebes. In 1918 "SAYA SAMITRA" was formed in Indramayu and "MISOYO SARI" in Pemalang and in 1919 "MINO SOYO" in Mojokerto was formed and many others.

The organizations mentioned above were not yet formed into cooperatives but they function as cooperatives. Since their inception they already had the objective to promote fishery for the benefit of the fishermen. The most important functions were cooperative marketing and the provision of credit for the fishery business.

During the second World War II, during the Japanese occupation, the organizations and similar organizations become GYO-GYO KUMAI called SANGYO KUMIAI or SUIBAN KUMIAI RENGOKAI that put priority to the collection of fish for war purposes. The needs of the fishermen were not considered and they were forced to sell their catch at a fixed price.

As soon as The Republic of Indonesia was proclaimed on 17th August 1945, the organizations that were in disarray and were no longer trusted by the fishermen, started to be reorganised in accordance with the Indonesian Constitution 1945 Article 33, paragraph 1 that stated : "The economy is organised as a collective enterprise based on the spirit of brotherhood". Based on the way of life of fishermen that is interdependent in nature, the fishery organizations were transformed into cooperative organizations.

On April 11th 1947 the first Congress of Sea Fishery Cooperatives was held in Malang resulting in the formation of GPKPI, the Federation of Centres of Fishery Cooperatives.

*) Presented at the "Workshop on Fishermen's Leadership and Participation in Fisheries Cooperative Movement in Indonesia", Cipayung, November 20 - 27, 1989.

At the beginning the organization structure of the Sea Fishery Cooperative has three tiers :

- a. Sea Fishery Cooperative (Primary Cooperative)
- b. Centre of Sea Fishery Cooperative (District level)
- c. GPKPI (National level)

This structure was applied up to the year 1951. At a meeting in Semarang, the structure was altered into :

- a. Sea Fishery Cooperative (KPL, primary)
- b. GKPI (National level)

At that time there were only 33 primary cooperatives registered as members of GKPI. Most of them are in Java. In 1961, in order to align with PP 60/1959 regulations, the organization structure was changed into three tiers :

- a. Sea Fishery Cooperatives
- b. Centre of Sea Fishery Cooperatives
- c. Federation of the Indonesian Fishery Cooperatives

The speed of growth of Sea Fishery Cooperatives especially outside Java necessitate improvements and acceptance in GKPI (the Federation). This need was turned into reality with the formation of IKPI which is the National Federation of Indonesian Fishermen's Cooperative Societies. This happened in the Conference of Sea Fishery Cooperatives of all Indonesia in Cipanas in the year 1962.

With the formation of IKPI the organization of the Sea Fishery Cooperatives is in accordance with PP 60/1959 regulations. The organization structure has four tiers :

- a. Sea Fishery Cooperatives (KPL)
- b. Centre of Sea Fishery Cooperative (PKPL)
- c. Federation of Sea Fishery Cooperatives (GKPL)
- d. National Federation of Indonesian Fishermen's Cooperative Societies (IKPI)

At the beginning of the New Order Era when Law No.12/1978 was promulgated concerning Basic Regulations on Cooperative, commensurate with a more stable political climate and economic conditions, government policies actually did provide a good climate for cooperatives to develop. But due to weaknesses of Fishery Cooperatives in organization matters, in money matters, administration and management, the prevailing opportunities could not be made use of effectively.

In 1980 the development of government policies provided an even better climate for the development of fisheries especially for fishermen and traditional pond fishfarmers.

Efforts towards equalisation of the distribution of income and efforts to increase the income of traditional fishermen (among others through policies of the development of Village Unit Cooperatives as an economic organization of the fishermen community) were introduced by Presidential Instructions no 3, 1974 and no 2 year 1978.

Decisive strategic factors that determine the development and improvement of cooperatives are among others a good business climate, an established organization, the availability of capital and also the availability of equipments for business.

The factor of organization that at the beginning was not so clear and not uniform, has been reorganized as follows :

- Primary Cooperatives : KUD Mina, KUD Fishery Unit, Fishery cooperative.
- Secondary cooperatives : PUSKUD Mina
- National level : National Federation of Indonesian Fishermen's Cooperative Societies.
- This structure still stands until today.

1.2. Constraints

Eventhough the attention and guidance provided by the government is sufficiently great, as described above, in fact it turns out that the development of the Fishery Cooperative is not yet as anticipated.

Facing the year 2000 (the take off era of the Indonesian National Development), the main problem to be overcome is "How to give guidance to the Fishery Cooperatives in Indonesia" in order to grow and develop and grow on its own power, heading towards a just and prosperous society in accordance with the spirit and meaning of article 33 of the Indonesian Constitution 1945.

2. Objectives to be reached and constraints to be faced.

Considering that cooperatives should handle the economic activities of the people with a wide spectrum of business, the structure of society must be suitable in accordance with the spirit of article 33 of the 1945 Constitution, as seen from the economic point of view, is a cooperative society, a just and prosperous society, where the majority of economic activities are organized in a cooperative form.

Also in accordance with the Article 33 of 1945 Constitution, within the cooperative society is also present other forms of enterprises i.e. the public and private enterprises. An enterprise that does not command the livelihood of many people can be run by individuals while branches of production important for the nation and command the lives of many people should be in the hands of the government. The earth/land and natural wealth contained therein is governed by the state and utilised for the maximum welfare of the people. The word governed does not always mean owned by the state, but the state decides upon the use, the purpose and the management thereof. Because cooperatives are enterprises owned by the people, run by the people and for the people, branches of production that command the lives of many people and natural resources commanded by the state, the management of which is in the hands of the state could be handed over to cooperatives.

The present national economic order is still in its preliminary stages and it still has a long way to go towards the realization of the spirit contained in Article 33 of the 1945 Constitution as described above.

Eventhough guidance given to cooperatives as long as Four Five Year Plans has produced a lot of results, there are still many constraints, challenges and disturbances to be faced. The constraints and challenges may come from inside the fishery cooperative itself. They may also come from outside or they may be a result of guidance given by the government.

The constraints from inside the cooperative itself is generally caused by the fact that the fishery cooperative up to the present is patronaged by the economically weak section of the population whose education and experience in organization matters and

economics is very limited or non-existent, while the capital raising capabilities are very low, so that the fishery cooperative is always faced by the shortage of capital which in its turn puts a constraint on the smoothness of its business operations.

Due to the small size scale of business conducted by cooperatives and the limited means of business, the activities are often not efficiently carried out.

This fact may reduce the attractiveness of cooperatives and the cooperative consciousness and the benefits of becoming a member of the fishery cooperative, and also reduce their faithfulness towards cooperatives.

The paternalistic nature of the Indonesian, who always honours elderly people or their superiors weakens social control by a member of a cooperative towards their directors. This may result in unwanted practices by the officials that damaged the cooperative image.

Constraints from outside the cooperative are generally caused by the fact that the formation of the cooperative is a threat to certain sectors of the community that feel disadvantaged by the presence of a cooperative.

The disadvantaged sectors are usually individuals or private enterprises that have previously been engaged in similar activities as the cooperative, which is now taken over by the fishery cooperative. Due to fear of being cornered, cooperative business fails.

Besides constraints from inside and from outside the cooperatives there are also constraints that were a result of government guidance activities.

Guidance and counselling of Fishery KUDs/Fishery Unit are given priority by the Government because it can help to improve the welfare of the majority of the Indonesian population living in villages. It is targeted to serve the people as members. Therefore the cooperative members do not feel that their needs are served by the organization and they do not receive personal benefit from being a member of a cooperative as compared to the non-member.

Personal needs fulfillment is one of the factors that motivates the members to cooperate in forming and becoming a member of the cooperative. Thereby he is prepared to bear the consequences and is responsible for anything arising from the cooperative activities.

The Fishery Cooperative is used by the Government as a means for implementing government programs of development assigned to the government.

Because the Fishery Cooperative has a duty to help the government, it serves the whole population without making any differences between members and non-members. KUD Mina/Fishery unit receives full assistance from the government in the form of extension services, equipments and business guarantees.

As a consequence thereof the following may happen :

- a. It turned out that the assistance provided by the government to Fishery Cooperatives could not cover all the risk faced by the cooperative in executing their duties in accordance with the government plans which may not be realistic (channelling BAP, working capital credits TPI, follow up Presidential Instruction No. 39/1980).

As a consequence the cooperative sustains a loss and unpaid credits accumulate.

- b. The people are then not interested to become members of a fishery cooperative, members and non-members receive the same treatment and benefits while to be a member of a cooperative has to bear some burden such as to have to fulfill certain obligations and to bear the risks involved. If at present there are a certain number of members registered, most of them put their names just in order to fulfill a formality they are not members who are convinced that their cooperative is capable of fulfilling their needs which without being a member could not be the case. Many people think that the Fishery Cooperative is a government agent that is responsible to the government.

The result is that they do not feel jointly responsible for activities carried out by the cooperative.

Capital formation through obligatory saving and voluntary saving are minimal so that the larger part of funding for cooperative activities fishery unit still has to depend on government support.

Social control by members towards the Fishery Cooperative is practically non-existent with the consequence that malpractices can easily occur which in its turn made a bad name to the Fishery Cooperative.

There are even members who purposely do not repay their debts to the Fishery Cooperative.

- c. Another problem faces in developing the role of Fishery Cooperatives in several sectors is that the people have the notion that in order to form a fishery cooperative and to carry out cooperative business is difficult, due to many limiting government regulations.

The people are also worried because many cooperatives still could not be granted a legal status, because they are considered not to function in line with government policies.

3. Policies and steps to be taken.

To reach the goal and at same time to solve problems and constraints can be done within a short time.

The first step that should be taken is how the Fishery Cooperative can make its organization healthy and well established.

The law no 12 of 1967 clearly laid out the structures of organisation and organisational support systems. Fishery Cooperatives have all these.

The big question is do organization support system work satisfactorily? Among other things the following may take place.

- a. The board of directors may not form a compact team. Meeting of the board rarely take place while actually the leadership of a cooperative should be a collective leadership.
- b. Annual General meeting may not be held once a year. Any program planning may not be discussed to the full.
- c. The board of auditors do not yet function as it should.

From the above it is apparent that key cooperative development is the development of the people.

Ultimately the managers and members of the board are the people responsible for the cooperative whether it goes forward or backward.

So as a first step in order to develop the Fishery Cooperative, every member of the Board must improve them selves as a leader.

He must know, practise, and apply his leadership that the root in our country. Some aspects of leadership that should be owned by every

of Fishery Cooperatives are among others :

- a. THE MEANING OF LEADER AND LEADERSHIP
 - a.1. To lead means to convince, to direct, to lead and to guide a number of people to participate in doing activities in order to reach a certain objective.
 - a.2. A Leader must be able to rouse understanding, the feeling of dignity, trust and the spirit of the people he leads, so that they take notice and follow his leadership and guidance.
 - a.3. For a leader to succeed he must be influential and must have authority. Authority and influence originate from a complete, healthy physical and spiritual personality.
- b. ATTITUDE AND ATTRIBUTE OF A LEADER
 - b.1. A leader should have the attitude and attribute as follows.
 - a good disposition
 - idealism
 - understands the philosophy of service
 - knowledgeable
 - personal touch / human approach

- b.2. A leader must have a good disposition. Good disposition reflects a good personality. A man with a good disposition has virtue, belief in himself, strong and firm conviction, strong will power and must be firm and responsible for his actions.
- from virtue, conviction and firm belief comes strong will power in doing activities in order to reach a certain goal, even though a lot of sacrifices must be offered. His motto is: "Where there is a will, there is a way".
 - Once a strong and firm will is there, it is followed by activities or actions. The leader has full responsibility for the consequences of his actions, able to work hard and dares to face calculated risks until the objective are reached.
 - A person with a good disposition is firm in his belief and in emergencies he will not desert his duties.
- b.3. A leader must have an idealism because idealism creates motivation to exert efforts and bring courage in facing all challenges and threats.
- b.4. A leader should be aware of the philosophy of service, i.e. the philosophy of service to the nation and to the country as reflected in TRIDHARMA (three elements of service).
- Rumongso Handarbeni - meaning the feeling of joint ownership of something that is owned together with others.
 - Wajib Melu Hangrungkebi - meaning responsible for protecting what is jointly owned.
 - Mulat Sariro Hangroso Wani - meaning not to be afraid in exercising self correction. The leader must exercise introspection at all times and see how much he has done to protect and to promote what is jointly owned including the nation and the country.
- b.5. The leader must have an extensive knowledge and in depth knowledge in his respective field of work. He must have command about the intricacies of his duties so that he can execute his job well. He should be the man to ask about his specialised function.
- b.6. The leader must have the human touch/human approach being aware of his abilities and limitation. He must be open, kind and sensitive about the aspirations of people around him, so that he will gain the sympathy of the people around him.
- c. BASIC LEADERSHIP
- Every group or nation has a basic of leadership that emanates from the individuality and the experience of the group/nation. In Indonesia it is based among others on :
- c.1. Taqwa :
- Believe in God Almighty and obey His Commands. The Indonesian people are religious and believe in the existence of God Almighty. Therefore this wisdom is placed as the first one.
- c.2. Ing Ngarsa Sung Tulada :
- Giving examples to the people led in mind and action. A leader that speaks well and acts well can be a good example in the community.
- c.3. Ing Madya Mangun Karsa :
- Active and spur the spirit of the people to work hard in order to achieve an objective. The presence of a leader especially in difficult times enhances the spirit of the people to make an effort.
- c.4. Tut Wuri Handayani :
- To give an opportunity to the people led to develop and to spur on from behind while providing the necessary directions.

- c. 5. **Waspada Purba Wisesa :**
Always being alert, giving guidance and control, courageous in giving corrections to the people led whenever they veer away from the agreed direction. Correction is one of the methods that guarantees the smoothness of the execution of duties with honesty and is effective and efficient.
- c. 6. **Ambeg Parama Arta :**
Ability to decide upon priorities. There many wishes but limited capabilities. Therefore a leader must be able to decide upon priorities to be done which are most urgent and necessary for the benefit of most people.
- c. 7. **Prasaja :**
Ordinary behaviour without exaggeration. Moderation is one of the traits that is necessary for a leader in order to gain the sympathy of the subordinates.
- c.8. **Satya : Loyalty.**
Loyal to the leader above, loyal to equals and loyal to subordinates in the following context :
 - Loyalty upwards means to follow the policies decide from above and not to betray superiors.
 - Loyalties sideways means to warn colleagues honestly whenever he tends to divert from the existing policies and to defend him whenever he is betrayed.
 - Loyalty downwards means to take into consideration the interest of subordinate.
- c.9. **Gemi Nastiti.**
Willingness and ability to limit the use of things and expenditures to real necessary matters only. This is considered very important because resources are always limited while expenditures tend to rise.
- c.10. **Belaka :**
The will, acceptance and courage to be responsible for any action taken. A leader must be responsible for all the things he does and should not pass the buck to others. A leader can always delegate a part of his responsibility to others within his jurisdiction, but the ultimate responsibility could not be passed into others.
- c.11. **Legawa :**
The will, the readiness and acceptance to at one time transfer his position and responsibilities to the younger generation. One of the signs of a good organization is upheavals. A good leader who is wise is a leader who knows when to step down in due time.

4. CONCLUSION

The above were my contribution to be taken into consideration in deciding upon steps towards enhancing the development of Fishery Cooperatives in Indonesia.

Appendix 7. PROFILE OF STUDY VISIT

INTRODUCTION

In the Fishery Seminar conducted by IKPI in cooperation with ICA Fisheries Committee on 20th to 27 th November 1989, besides the discussion a study visit is also organized.

The management of IKPI has made a program to visit several fishery industries producing fishing equipment.

A visit to a Primary Fishery Cooperative in West Java is also included in the program. On the 26th and 27th of November 1989 the visit arranged are as follows :

1. The MINA KENCANA fishing float factory in Tangerang, a business unit owned by IKPI.
2. P.T. MINASARANA TIRTARAHARJA a net factory in Bekasi which is a joint venture between IKPI and PT. ARTERIA DAYA MULIA in Cirebon (a private enterprise).
3. A net factory belonging to PT. ARTERIA DAYA MULIA in Cirebon.
4. KUD MINA SUMATRA in Indramayu.

The purpose of visit is as follows :

1. To give picture of the development of industrial enterprise in the production of fishery equipments as an upstream industry which is important within the constellation of the fishery business in Indonesia closely connected to the activities of fishermen and the Fishery Cooperatives in the effort to improve the fishery business.
2. To widen the horizon of knowledge concerning the technology in the production of fishery equipments.
3. To provide information that we have it within our technology to produce the necessary fishery equipments that previously had to be imported.
4. To observe and to make a comparative study of one of the Fishery KUD's that is already able to conduct several types of businesses that has been recognised as a model KUD.

This introduction is prepared with the hope participants of the Seminar will take the benefit from this important opportunity.

**INDUK KOPERASI PERIKANAN
INDONESIA**

- Signed -

WIBISONO WIYONO
Leader of the study visit

I. MINA KENCANA FISHING FLOAT PLANT in TANGERANG

1. Introduction

This factory is an implementation of a Fishery Cooperative Development Program at national level planned by IKPI. This is in accordance with the division of duties within the structure of KUD - Fishery Puskud IKPI. Hereby in the ownership of this factory also included the Fishery Puskud, the Primary Cooperative as well as the fishermen.

2. The location of the plant is in Tangerang industrial area, in the village of Bunder, sub-district Cikupa, in the District of Tangerang West Java.

3. Size of land.

a. Total area of land	29,880.00 m ²
b. Land Utilisation	7,200.00 m ²
c. Land reserved	22,680.00 m ²
d. Buildings	1,548.00 m ²
- Factory and office	1,301.25 m ²
- Dormitories for employees	174.00 m ²
- Security shed	8.75 m ²
- Mosque	64.00 m ²

4. Construction

The physical construction of the fishing float factory started in February 1982 and finished in October 1982. The planning and installment of the machineries is done in cooperation with the experts from SAM CHANG CHEMICAL INDUSTRIAL COMPANY, Busan, South Korea, which is a well known fishing float factory with exports to 80 countries.

5. The operation of the factory.

Trial production was carried out in two months (October and November 1982) under the supervision of Korean experts. Since December 1982 all the production activities have already been conducted by Indonesians themselves. The transfer of skill and technology in the production of fishing float has already completed in the hands of Indonesians commercial production commenced in Januari 1983.

6. Production Capacity.

The production capacity of Mina Kencana fishing float factory is approx. 1,250,000 per month with two shifts of working arrangement.

7. Machineries.

- The main machineries are made in South Korea.
- Supporting machineries are made in Indonesia.

8. Labour.

The factory is labour intensive. There are :

- Directors	2 persons
- Administration	2 persons
- Technician	10 persons / 1 shift
- Assistant technicians	30 persons / 1 shift
- Other assistants	2 persons

PRODUCTION

1. Types of production

- C - 2 for Monofilament Gill Net
- Y - 2 for Monofilament Gill Net
- Y - 3 for Monofilament Gill Net and Trammel
- Y - 8 for Multifilament Gill Net
- Y - 50 for Purse Seine and Gill Net
- Z - 1 (exported purpose) for Gill Net and monofilament gill net

2. Marketing

- Synthetic rubber Fishing float one of the components of fishery equipment. The marketing design is in accordance with the design for the marketing of equipments by IKPI, which is through the cooperative marketing network.
- Expor of fishing float was started in 1987 and improved continually year by year.

II. P.T MINASARANA TIRTARAHARJA NET FACTORY in BEKASI

1. Background.

This factory was established through joint venture between IKPI and PT. Arteria Daya Mulia, a fishing net factory. It started production in April 1989.

This joint venture is the implementation of IKPI work program of 1987. The work program is also an implementation of a government program so that the cooperative jointly with the private enterprise can supplement each other in contributing the fishing net in to the Development Era.

2. Production

According to the development program this factory produces several types of fishery equipments in the following stages :

a. The first stage is already completed

The production of netting and PE twine with monthly production of netting are as follows

- | | |
|---------------------|-----------|
| - Blue net webbing | 100.000 m |
| - Black net webbing | 100.000 m |
| - EP twine | 15 tons |

The required number of labour is 240 persons.

The machineries used are :

- | | |
|-----------------|----|
| Weaving machine | 54 |
| Extruder | 2 |
| Twisting | 7 |

b. Second stage (march 1990)

To produce white fishing floats (PVC) the machinery is imported from Japan. (Momoi Fishing Net MFG.). The production capacity is 1.200.00 Kg. per year. The types produced are S - 3 N, S - 5N S - 6 N, S - 8 N. Number of manpower is 75 persons.

c. The products are Nylon Multifilament and Monofilament.

III. PT. ARTERIA DAYA MULIA NET FACTORY in CIREBON

1. Background

PT. ARTERIA DAYA MULIA is a private company set up in 1983. It is located in Cirebon Industrial Area and has 25,000 m² of land.

The buildings covers 16,000 m²

The assets up to 1989 amounts to approximately Rp. 9 billion

2. Production

The types of nets produced at present are multifilament and monofilament nets of all sizes and nylon twine. The production capacity is 150 tons per month.

- The machineries are all Japanese made. There are 150 units of machineries consisting of spinning machines and net machines
- All the factory activities are carried out by Indonesians employing 1.300 manpower in three shifts.
- The production are designated 70% for domestic fishermen and 30% for exports.

IV. KUD MINA SUMITRA in INDRAMAYU

1. The history of KUD Mina Sumitra

- On the 18th August 1918 the first grouping of 21 fishermen was formed. They called themselves KONGSI and had the duty to market fishery through auction. The activities of this group continued until 1948.
- On the 25th March 1948 the Indonesian Fishery Cooperative or Koperasi Perikanan Indonesia (KPI) was formed called "SAYA SUMITRA". The legal status was granted on July 13th 1969 no. 6138 BH/IV-15/12-1969.
- Up to 1974 there was no progress at all and they nearly went bankrupt.
- On the 28th September 1986 an amendment was made to the statutes and a new legal status was granted. no. 6138A/BH/KWK-10/19.

2. Activities

The marketing area of this Fishery KUD cover the Paoman hamlet, and the villages of Karang Song, Pabean Udik, Brondong and Pabean Ilir.

- The membership consist of

Full members	=	196 persons
Prospective members	=	181 persons
Potential members	=	<u>3.958 persons</u> +

Total = 4.335 persons

Services that given by KUD to the members and to the general public residing in the operational area of the KUD are:

a. Service

- * The management of the auction market
- * Transportation
- * Collection of electricity bills

b. Trade

- * Consumer store
- * Marketing of fresh fish
- * Supply of ice

c. Loan and credit activities

- * Member loan and saving
- * Retail credit for small traders
- * Small investment credits for members

d. Fish cultivation

Shrimp and milk fish ponds

e. Fishing (angling)

- * Gill net fishing
- * Purse Seine fishing.

f. Ice Plant

To set up an ice plant in cooperation with a private enterprise in the form of P.T (a limited company) called P.T. MAWAR BINA SUMITRA.

All activities were financed by the cooperatives own fund and efforts with the value amounting to Rp. 732 million in October 1989.

The result of this hard work is felt by the members and by the general public residing in the surrounding areas.

The development as reflected by the amount of surpluses gained, is promising.

3. Production

- The production of fish and shrimps that were sold through auctions showed increase, a depicted in the following table :

Year	Tonnage	Price
1986	4.626.200	3.252.430.550.00
1987	5.226.757	4.206.897.695.00
1988	5.440.346	4.717.184.620.00
1989/x	5.162.531	4.715.522.000.00

The number of fishermen and fishing equipments.

- a. Fishermen owning vessels : 691 persons
- b. Fishermen labourers : 3.253 persons

Total motorised fishing vessels	807
a. Large vessels more than 20 tons	260
b. Medium fishing 10 to tons	400
c. Small boats 2.5 to 10 tons	147

4. The Board of Directors the Board of Auditors and employees

a. The board of Directors :

The Chairman	:	Mustakim
Secretary	:	Tawajud
Treasurer (acting)	:	Tawajud
Assistants	:	1. Karsan 2. Samin.

b. The board of auditors are as follows :

Chairman	:	Raiman
Members	:	1. Basuri 2. Suryadi

c. Total employees :

Permanent employess	:	54 persons
Emplyees on daily basis	:	17 persons

Appendix 8. CLOSING ADDRESS

Mr. Tohru Okubo

Secretary General
ICA Fisheries Committee

at Wisma Jaya Raya, Cipayung, Indonesia
on November 25, 1989

On the occasion of closing this ODA seminar, I would like to say a few words on behalf of ICA Fisheries Committee.

First of all, I would like to extend my heart-felt thanks and respect to all of you participants for your active participation in the discussions of the seminar. Your devotion and enthusiasm during this past five days truly moved my heart.

Under ever-changing progresses of world economy and annihilation of gaps of information, cooperative organizations have been experiencing a rapid development in many countries of the world. Particularly, this development has been markedly outstanding in Asian nations.

Fisheries cooperatives in Asia in general have not been, however, such developed due to poor infrastructural support from the government as well as slow development of cooperative movement among fishermen. The case of Indonesia is not an exception as has been amply indicated by your discussions during the seminar; the individuals power small and there are many small scale, artisanal fishermen yet to be organized into cooperatives.

We in the fisheries cooperatives must demonstrate actual benefit and advantage of being a member of fisheries cooperative to these people and secure their participation in our cooperative efforts so as to improve the standard of their living and socio-economic conditions. It is necessary for us to exert our joint efforts to enhance our technologies for production, processing and marketing etc. of fishery products for our member fishermen's benefit.

The corollary required is improvement of necessary technologies and information both on the part of member fishermen and staff of fisheries cooperatives. For this purpose, efforts must be made by both parties.

Vitalization of fishing communities will be only made possible by active member participation into cooperative activities.

I believe that our discussions and recommendations we have agreed in the present seminar will be useful for your future fisheries cooperative endeavours in Indonesia though I personally feel that such more time for discussions should have been allocated for finding ways to methodology to realize our recommendations.

I hope that our friends here will continue to improve the result of our recommendations as appropriate and develop truly beneficial fishermen's cooperative structure in Indonesia.

ICA Fisheries Committee is committed to organizing similar ODA seminars elsewhere in the world two times a year. Your discussion and views concerning fishermen's cooperatives, such as constraints, lack of support from the government, handicap of poor education level etc. are, I think, not only the matters limited only to Indonesia but point rather universal and common problems fisheries cooperatives have in other countries. In this sense, I am quite sure that the future seminars of our Committee elsewhere in the world, your active discussions and views will provide a meaningful source of information as reference materials. Of course, we will make efforts to enhance the methodology and contents of the seminars but it is clear that future ICA Fisheries Committee's ODA seminars will benefit such from your experiences and efforts.

I understand that there are many handicaps in the way of development of fisheries cooperatives in Indonesia. Particularly, the handicap of being an archipelago nation, having 13,660 islands, must be somehow overcome.

As has been suggested by Mr. Chung, one of the lecturers of this seminar, I would like to recommend to you that you introduce a pilot project similar to Saemaul (new village building) movement of Korea in Indonesia.

The painstaking hard experiences experienced by Korean fishermen in many small islands where they had nothing but fisheries for their living as a mean of livelihood, which was improved tremendously because of this Saemaul movement, should be given due attention.

Many other programs would have to be developed for improving the standard of living of poor fishermen in Indonesia. I believe that cooperatives are the best instruments for achieving this purpose. Please join your efforts, best use the vast expanse of sea areas your country have and develop fishing industry of Indonesia through cooperatives.

I hope to come again in Indonesia in the future and expect seeing with my own eyes the success of your cooperative movement in the fisheries sector.

I would like to extend my cordial, heart-felt thanks to Mr. Eddiwan, president of home organization at the seminar, Induk Koperasi Perikanan Indonesia, members of seminar organizing committee, secretariat staff of the seminar and, last but not least, topic presenter-cu-lecturer for making this seminar a success.

Particularly, I must mention the tremendous efforts of seminar secretariat staff headed by Mr. Wibisono Wiyono, without whose devotion and dedication day and night. It would not have been possible for us to hold this seminar in Indonesia, for which on behalf of ICA Fisheries Committee, I would like all of you dear participants to support my view by giving a big applause of thanks to them.

Now, ladies and gentlemen, may I pray every happiness and prosperity of each participant. Today is not the end of the seminar. Today is the glorious starting day of our joint cooperation for the high cause of cooperative development in Indonesia. Why don't we join our efforts together and move forward!

Lastly, may I say, ladies and gentlemen, "Let's get together somewhere sometime again and confirm our ever-lasting brotherhood."

Thank you very much for your attention.

E D D I W A N

Presiden IKPI

Date November 25th, 1989.

Greeting,

Assalamu'alaikum Wr. Wb.,

Gentlemen, we have finished this seminar which consists of two parts with formulations about leadership and members' participation and now we have discussed 5 (five) papers which were presented by 5 resource persons and I think the discussion had been deeply roted done.

As we all hoped since the beginning this seminar is enough success. The important thing is not only successful here, but you have to be successful in the field where all of you carry out your tasks. Success in the field is caused by your participation and your ability.

There is no one thing you all should be paying attention continuously as mentioned by Mr. Tohru Okubo, that the progress of the cooperative is not given by the Government but it is decided by our own role and our own will. Keep this in mind that what was mentioned above is one of the requirement to be a leader.

What we have just formulated has to be spread out to and to be implemented in your respective place and this must be striven for. We have begun with good manner, so don't make it become useless. Furthermore during our one week gathering here we have got many inputs, and the important thing is that you have got many more friends.

You have got many more experiences and by meeting each others you will tighten your unity in the cooperatives' field. One of the benefit which could not be bought is taking and giving information each others amongst all of you as a provision in returning back to your respective places.

My gratitude extended to ICA Fisheries Committee, to ODA, to Department of Cooperatives and the resource persons viz Mr. Lumunon, Mr. Rabbul Bahari, Mr. Iman Soetrisno, Mr. Tohru Okubo and Mr. Chung Hae-Sung, what they had just forwarded with their eplanations will make all of us more deeply understand on the matters. Many thanks also extended to the translator/interpreter who had translated the English language into Japanese and Indonesia until we all become more understand.

Cipayung, November 25th, 1989

DOCUMENTATION PHOTOS OF SEMINAR FISHERIES COOPERATIVES
IKPI – ICA FISHERIES COMMITTEE



Mr. Atshusi Ioki, First Secretary of the Embassy of Japan was conveying the address for Opening Ceremony of the seminar.



Mr. Jirozaemon Saito, Chairman of ICA Fisheries Committee was conveying the farewell address to the participants.



The presentation of topic paper by the Korean Lecturer, Mr. Chung Hae Sung.



The presentation of topic paper by resource person from Japan, Mr. Tohru Okubo.



The presentation of topic paper by Indonesia resource person, Mr. J.K. Lumunon



The participants of the seminar were listeting explanation of the seminar matter.



Same observers of the ODA Seminar (From left to right) : Miss Yukari Murakami, Mr. Masaaki Sato, Mr. Sten Herge Dahl and Mr. Ahmad Markam (Interpreter)



One of discussion's groups of the ODA Seminar on fisheries cooperatives



The delegations were seeing a part of production process of Synthetic rubber fishing float in IKPI's unit "Mina Kencana" in Tangerang, West Java.



The lecturers from Japan & Kore were in production room of Fishing Net factory "PT Minasarana Tirtara harja", in Bekasi, West Java.



The participants were visiting KUD "Mina Sumitra", in Indramayu. Middle (seafed) is the chairman of KUD.



Some participants were watching production process of fishing net in "PT Arteria Daya Mulia", Cirebon, West Java as the last visited abject.