

# Japan

## Highlights of consumer co-ops

- ✓ Active women participation
- ✓ Strong social dimensions as consumerism
- ✓ Legal restrictions on business activities

## 1. Co-operative movement in Japan

### Contents

1. Co-operative movement in Japan .....	1
2. Outline of consumer co-ops ...	5
3. Representative co-operative societies .....	17
4. Problems and future Visions .....	20
5. Relationship with the government.....	21
6. Basic information on Japan .....	22

### Background

Currently, co-operatives in Japan are organized in many fields such as agriculture, consumer, fishery, forestry, insurance, credit and savings, banking and workers collective.

According to the ICA Global 300 Report 2011, the total revenue of Japanese co-operatives in 2008 amounted to 8% of the total national revenue. 8 Japanese co-operative organizations from agriculture, consumer, insurance and banking sectors were included in this Report list.

In terms of turnover, agriculture co-operative is the largest co-operative sector in Japan. While, in terms of membership, consumer co-operative has the biggest scale in Japan.

It is estimated that roughly one third of Japanese households are members of consumer co-operatives.

The co-operative movement in Japan has a long history of more than one century and differs from

sector to sector with different background of development .

One feature of co-operative movement in Japan is that co-operatives are administrated by different laws, according to the sectors they belong to.

There is no common co-operative law in the country. Agriculture, fishery & forestry, consumer, credit & savings, etc. co-operatives are regulated by their respective laws. Every law is different

The first Japanese law that regulated co-operatives was the Sangyo Kumiai Law (Industrial Co-operative Law), enacted in 1900. This law was purposed to protect farmers in rural areas and small-mid sized associations in urban areas. The law embraced credit, marketing, supply and production fields. The government learned from German credit unions the way to establish co-operative societies.

The Sangyo Kumiai Law became the basis of co-operative laws in Japan.

## Co-operative movement in Japan (contd.)

Another distinguishing feature of co-operatives in Japan is that although every sector has its own national organizations, there is no apex organization for all sectors.

In addition, there is no common Ministry responsible for co-operative administration. Agricultural co-operatives, forestry co-operatives and fishery co-operatives are administrated by the Ministry of Agriculture, Forestry and Fisheries, while consumer co-operatives are administrated by the Ministry of Health, Labor and Welfare.

Almost all sectors have a three-tier structure. Primary societies are members of prefectural unions and prefectural unions are members of national organizations.

Japan Joint Committee of Co-operatives (JJC), founded in 1956, is not an apex organization, but serves as a consultative council of co-operatives in Japan. Its main function is to promote co-operation among Japanese co-operatives within and outside the country.

In international affairs, JJC acts as a catalyst and coordinator of its members. JJC members actively participate in international activities, including those organized by ICA.

In 2012, 14 national organizations of agricultural co-operatives, consumer co-operatives, fisheries co-operatives, workers co-operatives, forest owners co-operatives and labor banks are under the umbrella of ICA.



Co-operatives exist in the most competitive economies in the world and in most of the economic sectors, and they contribute to the development and welfare of their societies. The Global300 List includes co-operatives from 25 countries and across a range of economic sectors.

Global300  
by country  
% of revenue

France	28%
United States	16%
Germany	14%
Japan	8%
Netherlands	7%
United Kingdom	4%
Switzerland	3.5%
Italy	2.5%
Finland	2.5%
Korea	2%
Canada	1.75%

From ICA Global 300 Report 2011

# Representative co-operative sectors

## Co-operative movement in Japan (contd.)

### Representative co-operative sectors

Sector	Apex organization	Business / Activities	Governing Law	Competent authorities
Consumer	Japanese Consumers' Co-operative Union (JCCU), National Federation of University Cooperative Associations (NFUCA), National Federation of Workers and Insurance Co-operatives (ZENROSAI), Japanese Health and Welfare Cooperative Federation (HeW Co-op Japan)	Retail, Insurance, Health, Welfare, Housing	Consumers Livelihood Co-operative Society Law	Ministry of Health, Labor and Welfare
Agriculture	National Organizations of Agricultural Co-operative (JA)	Marketing, Farm guidance, Insurance, Saving and credit, Supplying	Agricultural Co-operative Society Law	Ministry of Agriculture, Forestry and Fisheries
Fishery	National Federation of Fisheries Co-operative Associations	Marketing, Supplying, Insurance, Saving and credit, Guidance	Fisheries Co-operative Association Law	Ministry of Agriculture, Forestry and Fisheries
Forest Owners	National Federation of Forest owner's Co-operative Associations	Marketing, Supplying, Guidance	Forest Co-operative Law	Ministry of Agriculture, Forestry and Fisheries
Credit Union	National Association of Shinkin Banks	Savings, Loans	Credit Union Law	Financial Services Agency
Labor Bank	National Association of Labour Banks (NALB)	Savings, Loans, etc.	Labour Bank Law	Ministry of Health, Labor and Welfare, Financial Services Agency
Workers	Japan Workers' Co-operative Union ( <i>Jigyodan</i> )	Welfare, Recycling, Maintenance, Food processing	None  (Voluntary Organization)	None

## Co-operative movement in Japan (contd.)

### 14 ICA Members:

**<Agriculture>** Central Union of Agricultural Co-operatives (JA-ZENCHU), IE-NO-HIKARI Association (Association for Education and Publications on Agricultural Co-operatives), National Federation of Agricultural Co-operative Associations (ZEN-NOH), National Mutual Insurance Federation of Agricultural Co-operatives (ZENKYOREN), The Japan Agricultural News (NIHON-NOGYO-SHIMBUN), The Norinchukin Bank

**<Workers >** Japan Workers' Co-operative Union (Jigyodan),

**<Consumer>** Japanese Consumers' Co-operative Union (JCCU), National Federation of University Co-operative Associations (NFUCA), Japanese Health and Welfare Co-operative Federation (HeW Co-op Japan), National Federation of Workers & Consumers Insurance Co-operatives (ZENROSAI)

**<Labor Bank>** National Association of Labour Banks (NALB),

**<Fishery>** National Federation of Fisheries Co-operative Associations (JF ZENGYOREN)

**<Forest Owners>** National Federation of Forest Owners' Co-operative Associations (ZENMORIREN)

### ICA Global 300 List 2011

**8 co-operative organizations are included in ICA Global 300 List 2011.**

- 3. National Federation of Agricultural Co-operative Associations (ZENNOH)
- 5. National Mutual Insurance Federation of Agricultural Co-operatives (ZENKYOREN)
- 56. National Federation of Workers & Consumers Insurance Co-operatives (ZENROSAI)
- 62. Shinkin Central Bank
- 101. Co-op Kobe
- 124. Co-op Sapporo
- 176. Kyoei Fire & Marine Insurance Co. Ltd.
- 234. Japanese Consumers' Co-operative Union

**Global300 List** based on 2008 Financial Data Rank

## 2. Outline of consumer co-ops

The history of Japanese Consumers' Co-operative dates back to 1919. Japanese Co-operative Society was initiated during the era of Taisho democracy.

In 1919, the Katei Kobai (purchasing) Union was established in Tokyo. During the following year, 1920, the Kyoueki-sha Kobai Union was established, in Osaka, and in 1921 the Kobe Consumer Co-operative was also established in Kobe.

This outlines the starting history of the local retail consumer co-operatives. By entering the Showa period (1926), the strengthened economic control and the compulsory military drafts by war almost suffocated co-op.

After the end of the war in 1945, in the state of severe food shortage and exceptional inflation, co-ops were established once again across the country.

In 1947, about three million people became members nationwide. In 1948, the law for consumers' co-operative union was enacted and in 1951, Japanese Consumers' Co-operative Union was established.

During 1950s, institutional co-ops were established across the country. During the years of steep economic growth in 1960s, the consumer movement against price inflations and harmful food additives was promoted.

Co-ops led the movement. Between the end of 1960s and 1970s, community residents organized citizen's retail consumer co-ops.

These citizen's co-ops started non-store businesses such as joint purchasing and individual home deliveries.

Today, co-ops are an integral part of communities with 30% of all households in Japan belonging to a co-op.



### Father of Japanese Co-operative Movement

Toyohiko Kagawa dedicated his whole life to the development of co-operative movements. He always stood on the front-line of social reform movements such as the movements for labors, farmers and universal elections.

He was always a pioneer. Kagawa was born in Kobe, in 1888. Studied in Tokushima junior-high school, Meiji Gakuin University, and Kobe seminary. Then he continued his education in Princeton University, the USA, and Princeton seminary. In 1920, he established "Kobai Union Kyoeki-sha" in Osaka.

In 1921, he established Kobe Consumer Co-operative and Nada Consumer Co-operative (later they were merged and became Co-op Kobe) in Kobe. He also established many other co-ops such as Kyoto Consumer Co-operative, Tokyo Student's Consumer Co-operative and Tokyo Iryou (Medical) Consumer Co-operative.

In November 1945, just after the end of the war, he organized the "Japan Co-operative Union Association". In 1951, he founded the "Japanese Consumers' Co-operative Union". Until his death in 1960 at the age of 72, he had served as the chairperson.

## Outline of consumer co-ops (contd.)

As per the data of FY2011, the membership of consumer co-operatives in Japan reached 26,651 thousand, which accounts for 30% of total households in Japan. The total turnover amounted to JPY 3,345 billion.

Consumer co-operatives in Japan are under the Consumers Livelihood Co-operative Society Law and are administrated by the Ministry of Health, Labor and Welfare.

According to the Consumers Livelihood Co-operative Society Law, 300 or more consumers may establish a primary co-op. Consumers invest share capitals and become owners of the co-op.

The main business of consumer co-operatives is to supply foods and other daily necessities to their members.

Japanese consumer co-operatives have some distinctive features such as exclusive member's purchase, limited trading area and active member participation.

In addition to the sales of products, consumer

co-operatives are engaged in businesses aimed at the well-being of members' daily lives, such as mutual-aid insurance, funeral service, housing, social welfare and even medical services.

Currently, consumer co-operatives are divided into four categories, i.e. retail, health, housing and insurance, according to their objectives and nature of business. Retail consumer co-operatives have the largest scale in terms of membership and turnover.

Japanese Consumers' Co-operative Union (JCCU) is the apex organization of consumer co-operatives in Japan. In 2011, 590 co-operative organizations were affiliated to JCCU.

JCCU's main mission is to promote consumer co-operative movement in Japan and to assist member co-operatives to be competitive.

The structure of Japanese consumer co-operatives is in three-tiers. Primary co-operatives are members of both prefectural unions and JCCU, and prefectural unions are members of JCCU.



## Consumer Co-op Societies in Japan

	unit	FY2010	FY2011	% 11/10	FY2011 (million US\$)
Number of Consumer co-ops		608	590	-3.0	—
Retail co-ops		472	457	-3.2	—
Health co-ops		115	112	-2.6	—
Housing & Insurance co-ops		8	8	0.0	—
Membership	thousand	26,210	26,651	1.7	—
Total share capital	billion yen	729	747	2.5	9,429
Total business turnover	billion yen	3,322	3,345	0.7	42,224
Retail sales amount	billion yen	3,007	3,026	0.6	38,197
JCCU wholesale amount	billion yen	394	397	0.8	5,011

1U.S.dollar=¥79.22



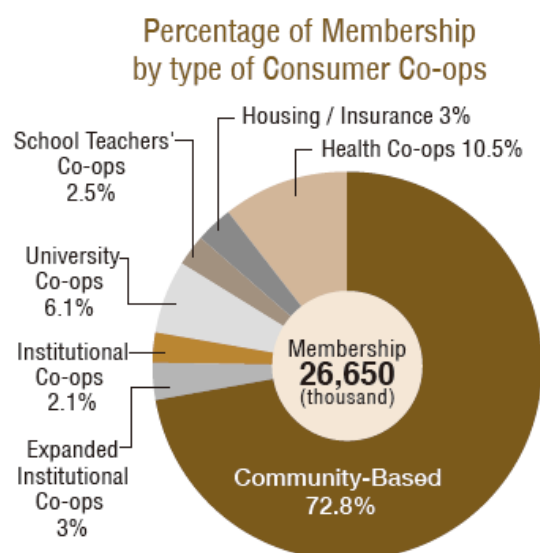
## Outline of consumer co-ops (contd.)

Retail consumer co-operatives are classified into five categories, i.e. community based retail co-ops, university co-ops, school teachers' co-ops, institutional co-ops and expanded institutional co-ops.

Among them, community based retail co-ops are the largest-scale. The market share of retail co-ops has been stable and accounts for 2.77% of total market.

The business of community based retail co-ops is composed of store operation, home delivery service, catalog sales and internet businesses.

Their main business is to supply food and non-food products to their members through home delivery network and stores. About 61% of total retail turnover comes from the home delivery business.



## Community-Based Retail Co-ops

	unit	FY2010	FY2011	% 11/10	FY2011 (million US\$)
Number of co-ops		140	140	0.0	—
Membership	thousand	18,929	19,406	2.5	—
Han groups	thousand	1,688	1,764	4.5	—
Han members	thousand	4,612	4,300	-6.8	—
Han member ratio	%	30.4	34.6	13.8	—
Total turnover	billion yen	2,644	2,676	1.2	33,779
Store sales	billion yen	935	919	-1.7	11,601
Home delivery service sales	billion yen	1,593	1,635	2.6	20,639
Others	billion yen	116	122	5.2	1,540
Amount of monthly purchase/member	yen	11,766	11,681	-0.7	us\$ 147
Total share capital	billion yen	602	619	2.8	7,814
Average share capital/member	yen	31,818	31,891	0.2	us\$ 403
Co-op bonds	million yen	47,165	50,942	8.0	643
Number of stores		1,018	1,020	0.2	—
Total stores sales area	m <sup>2</sup>	1,211,698	1,192,850	-1.6	—
Number of full-time employees		25,817	25,551	-1.0	—
Total Market share	%	2.76	2.77	0.4	—

\*Community-Based Retail co-ops do not include institutional and university co-ops

Note: The amount of U.S. Dollar is converted based on yen-dollar exchange rate (TTS) prevailing at September 10, 2012; 1U.S. Dollar=79.22 yen

\*Han is defined as the smallest unit of co-op membership.....one Han consist of 3-5 household members

## Outline of consumer co-ops (contd.)

The total turnover of Top 10 retail co-ops amounts to more than 40% of total turnover of all retail co-ops. The Consumers Livelihood Co-operative Society Law prohibited to do business beyond one prefecture. Facing the tougher competition with private retailers, retail co-ops established business federations.

Co-op Net, a business federation of 8 consumer co-operatives (Co-op Tokyo, Saitama Co-op, Chiba Co-op, Ibaragi Co-op, Tochigi Co-op, Co-op Gunma, Co-op Nagano, Co-op Niigata) is the biggest business federation of consumer co-operatives in Japan.

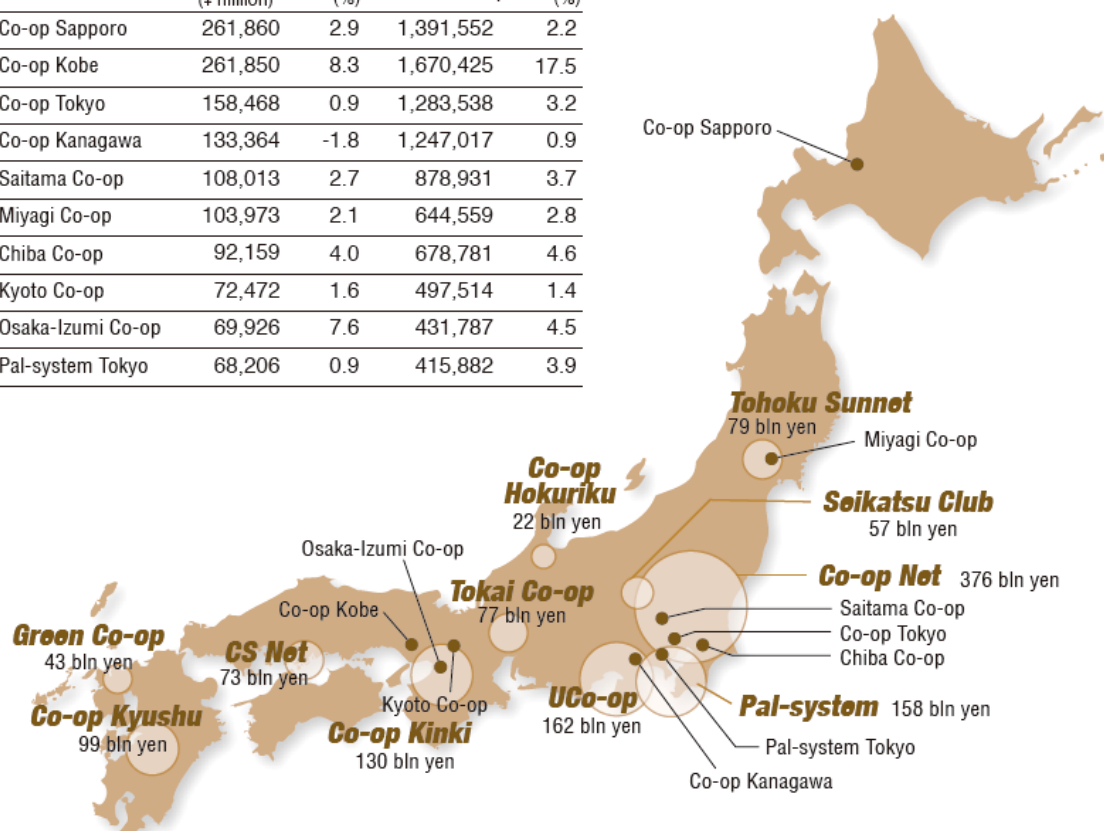
With the amendment to the Consumers Livelihood Co-operative Society Law in 2007, primary co-ops managed to expand their business to the adjacent prefectures. This amendment gave consumer co-ops new possibilities to merge across prefectures.

- **Community-Based Retail Co-ops** serve local residents through stores, home delivery and catalog mail-order sales.

Top 10 Community-Based Retail Co-ops in Japan

	Turnover (¥ million)	11/10 (%)	Membership	11/10 (%)
Co-op Sapporo	261,860	2.9	1,391,552	2.2
Co-op Kobe	261,850	8.3	1,670,425	17.5
Co-op Tokyo	158,468	0.9	1,283,538	3.2
Co-op Kanagawa	133,364	-1.8	1,247,017	0.9
Saitama Co-op	108,013	2.7	878,931	3.7
Miyagi Co-op	103,973	2.1	644,559	2.8
Chiba Co-op	92,159	4.0	678,781	4.6
Kyoto Co-op	72,472	1.6	497,514	1.4
Osaka-Izumi Co-op	69,926	7.6	431,787	4.5
Pal-system Tokyo	68,206	0.9	415,882	3.9

Location of Co-op Business Federations and 10 top Community-Based Retail Co-ops



\*Figures in circles indicate the total turnover of each business federation.



## Outline of consumer co-ops (contd.)

### <Co-op Brand Merchandise>

The Co-op brand is a private label developed by consumer co-ops in Japan. It dates back to the 1960s and was born as an innovative effort for product development that reflects the needs and wishes of co-op members.

At that time the production and distribution of commercial products were under the initiative of manufacturers. Lack of appropriate regulations and laws to control manufacturing led the consumers to distrust the safeness of manufactured products and fresh produce.

Co-ops' efforts to secure food safety grew into a mass citizens' movement. Promoting the elimination of unnecessary additives, co-ops succeeded in changing conventional food manufacturing industry.

In 2009, the number of JCCU Co-op brand

products accounted for 4,171 SKUs. Some primary societies have their own Co-op brand products, but the number of products is decreasing because the products have been amalgamated to JCCU Co-op products.

With the concept "safe and reliable", Co-op products expanded rapidly and became very close to the members' daily life.

JCCU launched "Co-op Basic" series in 2010, to meet members' needs to lower price products.

JCCU has also developed a scheme under which feedback from co-op members can be



Brand	Distributor	Quality Control	Quality Standard
JCCU CO-OP	JCCU	JCCU	JCCU
Primary societies' CO-OP	Primary societies	Primary societies	JCCU or primary societies

incorporated into routine product improvement. Under this scheme, co-op members' shopping records and inquiries have been analyzed and the results are integrated into the process of product development and improvement.

In the area of fresh foods (vegetables, meats and fish), co-ops across Japan are working

to promote "Sanchoku" (direct transaction of products from producers).

In 2012, JCCU reviewed its Merchandize Policy and reemphasized the importance of quality assurance of Co-op products and member participation in product development stage.



Co-op Basic series



## Outline of consumer co-ops (contd.)

### <Store Operation>

Stores are operated by retail consumer co-operatives in the city area within the neighborhood of co-op members' residences.

These stores are aimed to support everyday life of co-op members, by offering a wide variety of products, from fresh food to groceries.

In 2011, the total turnover of community-based retail co-ops amounted to JPY 919 billion. The number of stores amounted to 1,020.

The basic concepts of stores are to offer safe products, to contribute to the development of local communities, to make the shopping easier. To become a "Neighborhood Store" is the ultimate goal of retail consumer co-operatives.

Due to the severe competition with private re-

tailers, co-ops are facing difficulties in earning profits in store operation.

Profitability is the biggest problem of co-ops' store business. As a solution, co-ops are starting to close small size stores in deficit.

Another problem is the decrease of the number of members purchasing at co-op stores. The 2011 turnover decreased compared with 2010, due to this reason.

To strengthen their competitiveness and increase efficiency, co-ops are reviewing their product assortments and standardizing store operation systems.

Attractiveness is becoming even more crucial to co-ops' store operations.



Co-op  
Sapporo



Co-op Net



Co-op Kobe

Every primary  
co-op/federation  
has its own store  
façade



Miyagi Co-op

## Outline of consumer co-ops (contd.)

### <Home Delivery System>

Takuhai (Home Delivery System), is a non-store delivery system that is unique to Japanese consumer co-operatives. It is composed of two delivery systems; joint (group) buying system and individual home delivery.

Co-op members are able to purchase products and have them delivered to their homes. They select products from a weekly catalog and place orders using an order sheet or over the Internet.

The following week, the products ordered are delivered to either a specified address of groups or individual homes.

This service, which also saves users from having to carry heavy shopping bags, is especially

convenient for families in which both parents work, senior citizens, and families with young children, who have limited time or otherwise find it difficult to go out.

In addition to servicing groups and individuals, some co-ops deliver products to organizations such as after-school daycare centers and welfare facilities.

In 2011, the total turnover of home delivery service in Japan amounted to JPY1,635 billion. Due to its convenience, the sales of joint buying system is replaced by individual home delivery. In 2011, the composition of individual home delivery sales accounted for almost 60%.



Co-op Net



Delivered Products



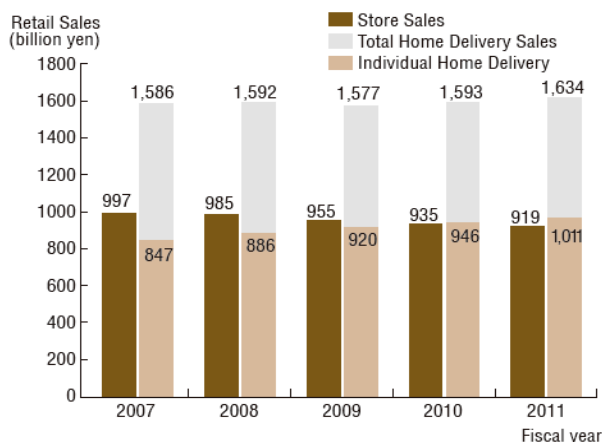
Catalog

Every primary co-op/federation has its own logo



Co-op Kobe

Retail Sales by Type of Operation



## Outline of consumer co-ops (contd.)

### <Quality Assurance of Products>

Nowadays, consumers pay greater attention to both safety and security of food. Which means that, food has to be 'secured' while 'safety' is confirmed.

'Safety' can be guaranteed with the objective assessments obtained from scientific verifications.

Since the assessment of the 'safety' depends on scientific standards of the time, it cannot be absolute, but can be variable as the assessment may be changed in the future according to the advancement of science and technology.

The 'secure' standard relies on each person's feeling. Therefore, even if a food product is sci-

entifically assessed as 'safe', it may not earn a reputation as 'secure' in case some anxiety and discredit remains.

JCCU's product quality assurance policy pursues the scientific 'safety', while supplying 'safe foods'.

To achieve security (=creditability) of co-op members and consumers, JCCU endeavors to provide appropriate information in appropriate time through members' activities to develop a trustworthy relationship between individual members and co-ops.

JCCU regards openness and honesty as the most important principle.



After the earthquake in 2011, co-op members are anxious about radioactive contamination of food.

As a result, the reference value to regulate radioactive materials contained in the food has been significantly tightened.

JCCU has been receiving inquiries reaching over a hundred per month with almost all concerned about the radioactive material in foods.

Co-ops have strengthened their monitoring of food, and monitoring results are made available to members through the website and at member meetings.



## Outline of consumer co-ops (contd.)

### <Welfare Business>

In 2011, the turnover of co-op welfare business amounted to JPY17.4 billion with an increase of 7.1% compared with the previous year.

Co-op welfare business is aimed at building a community where everybody can lead a secured humane life.

JCCU formed a research committee on community welfare in 2009. The committee presented a report titled “For the Establishment of a Secured Community-the First Step” in 2010.

This report examines and summarizes 5 important roles of consumer co-ops, i.e. 1) support members and the community through retail business activities, 2) establish a communication network with local governments,

NPOs, social welfare councils and other regional organizations, 3) offer members and local residents a place to organize voluntary activities, 4) establish a consultation service center to handle issues of daily life, and 5) negotiate with the national/local government for the establishment of appropriate policies and systems.



### <Insurance Business>

Co-ops offer life and other insurance products that suit members' needs with more reasonable premiums and better coverage.

There are two types of Insurance federations; Japan CO-OP Insurance Consumers' Co-operative Federation (JCIF) which is an union of consumer co-operative societies from across the nation affiliated to JCCU, and National Federation of Workers and Consumers Insurance Co-operatives (ZENROSAI) which offers insurance mainly to trade union members.

After the revision of the Consumers' Livelihood Co-operative Law in April 1, 2008 which prohibited mutual insurance organizations exceeding a certain size from engaging in the retail field, the Japan CO-OP Insurance Consumers' Co-operative Federation (JCIF) was

established by separating the insurance division from JCCU.

With the establishment of the JCIF, the direct insurance business operated by retail co-ops were transferred to and integrated into a new union in March 2009.



## Outline of consumer co-ops (contd.)

### <Member Activities>

Japanese consumer co-ops used to have a strong member participation based on “HAN (group)”.

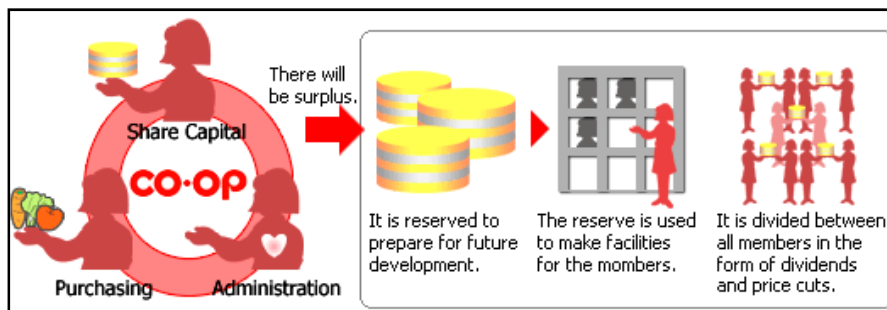
Usually, HAN is a group of more than 3 members. Members jointly purchase products of Home Delivery system through HAN.

HAN has been the basis of member participation for a long time. This model was first born at Tsuruoka Co-op in Yamagata Prefecture in 1956. It has been an effective channel to promote communication between co-op and members.

Starting from HAN, retail consumer co-ops set up district committees including shop committees to reflect members voice in the administration of the co-op.

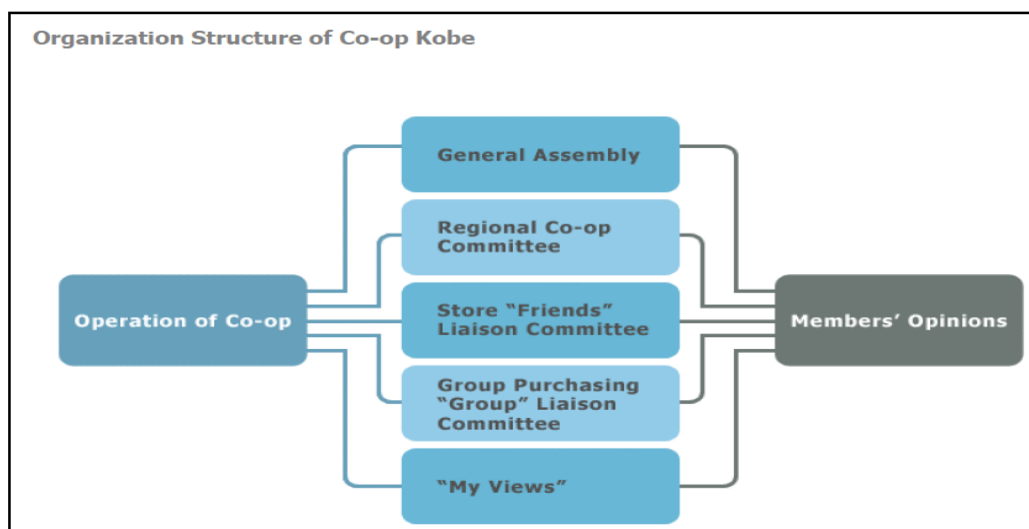
Some active members are involved in co-op's administration activities as committee members, delegates to annual general assembly, and even as board members.

Nowadays, with the increase of women's workforce ratio, members prefer to be more independent in the co-ops' participation. This aspect is stronger among younger generations.



**Member participation is based on the trinity of:**

- 1) ownership (share capital),**
- 2) use (purchase), and**
- 3) administration**



**Members' voice is reflected in every stage of co-op operation (Co-op Kobe)**



## Outline of consumer co-ops (contd.)

Therefore, the number of total HAN members and the number of members per HAN are declining year by year. In 2011, the number of HAN members decreased by 6.8% while the number of HAN groups increased by 4.5%.

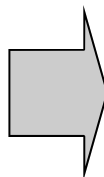
Facing these problems, many co-ops are changing the policies of member participation.



### Changes in Member Participation Patterns

#### Before

- HAN was the basis of member participation
- Majority of Annual Assemblies delegates were elected from HAN members
- HAN was the basis of member education
- Voluntary members' education, cultural and thematic activities were based on HAN



#### Now

- New administrative districts that include non-HAN members
- Empower Annual Assembly delegates by providing them with detailed information
- Promote capacity building activities of board members
- A variety of education, cultural and thematic activities based on members' voluntary groups

## Outline of consumer co-ops (contd.)

### <JCCU's International Activities with ICA>

JCCU became a member of the International Co-operative Alliance (ICA) in 1952, four years before Japan joined United Nations.

JCCU has been active in ICA activities since it became the member. When the then President of JCCU participated in the 19th ICA Congress in Paris, in 1954, he appealed for the importance of i) abolishment of nuclear weapons, ii) establishment of special regional committee for Asia and holding ICA Asian conference, iii) promoting co-operative trade.

With the expansion of consumer co-op movement in the 1970, JCCU took the initiative on forming "ICA Committee on Consumer Co-operation for Asia and the Pacific" which was established in 1977.

In 1992, Japanese co-operatives hosted the 30th ICA Tokyo Congress, which was an epoch making event as the first venue of ICA Congress outside Europe in its history of more than 100 years.

Prior to hosting ICA Congress, international co-operation activities on bi-lateral level between Japanese consumer co-operatives and Asian co-operatives were carried on.

JCCU has been supporting ICA-AP with special contributions for the ICA-AP's consumer and women projects to strengthen co-operatives in Asia and the Pacific region.

In addition, the JCCU set up a special fund "Asian Consumer Co-operative Development Fund", which was established in 1987 for

human resource development of consumer co-operatives in the region.

The training programs for managers of consumer co-operatives have been organized every year since the end of 1980s by ICA-AP in collaboration with JCCU.

The main purpose of this training program is to expose participants to Japanese Consumer Co-operative movement for enrichment in the areas of store operation and management.



#### ICA/JCCU Manager Training

Trainees from Sri Lanka, India and Indonesia.  
(Miyagi Co-op/Co-op Net course 2012)

## 3. Representative Co-operative Societies

### 1. Co-op Kobe

Co-op Kobe has a long history. Nada Consumer Co-operative and Kobe Consumer Co-operative were founded in 1962 under the leadership of Mr. Toyohiko Kagawa. These two co-ops were later merged to Nada Kobe Consumer Co-operative in 1962, and renamed to Co-op Kobe in 1991.

Since its foundation, “Ai to Kyodo (Love and Co-operation)” has been the motto of the co-op.

In 2011, the total turnover of Co-op Kobe amounted to JPY 261 billion. Its membership reached 1.6 million. It is the biggest consumer co-operative in Hyogo Prefecture.

The minimum share capital to become a co-op member is JPY 1,000. The total share capital of the co-op amounted to JPY 44.5 billion in 2011, and about JPY 260,000 per member.

The main business of Co-op Kobe is home delivery service and store operation. Co-op Kobe's



Home Delivery catalog



Co-op Store

stores are in a variety of size and formats, from mini supermarkets to big general merchandising stores (GMS).

As a way to ensure the quality of products, Co-op Kobe owns its private brand products “Co-op's” and Food Plan products (fresh food).

Celebrating its 90th Anniversary, Co-op Kobe amalgamated with the Osaka Kita Consumer Co-operative in 2011. This is an amalgamation beyond the prefectural boundary.

In the same year, Co-op Kobe started a new business, the dinner delivery service “Maikuru”. Since the dinner is delivered by co-op members, this service is expected to strengthen the bond of community residents.



Co-op's brand



Dinner support service





## 2. Co-op Net Business Federation

Co-op Net is the biggest business federation of consumer co-operatives in Japan. It was established by voluntary consumer co-operatives in Kanto area.

It serves as the HQ of both supermarket chain and home delivery operations of member co-operatives.

As per the data of March 20 2012, the total sales of Co-op Net to its member organizations amounted to JPY376 billion for the Fiscal 2011 ended on that date.

The main business of Co-op Net is to jointly purchase products and supply to its members. Besides, it is in charge of distribution of products and publishing product catalogs/leaflets.

In 2012, Co-op Tokyo, Saitama Co-op, Chiba Co-op, Ibaraki Co-op, Gunma Co-op, Co-op Nagano, Tochigi Co-op, Co-op Niigata are the members of Co-op Net.

As a new challenge, Co-op Net started dinner delivery business in 2012. About 7,000 dinner plates are delivered every-day.



Home Delivery



Co-op Store

## 3. Co-op Tokyo

Co-op Tokyo was founded in 1957. It is the biggest consumer co-operative in Tokyo Metropolitan.

As per the data of March 20 2012, its turnover amounted to JPY158 billion and its membership amounted to 1.28 million.

Its motto is to “establish a community full of smiles with its members”.

The minimum share capital to become a member is JPY1,000. In 2011, the total share capital amounted to JPY21.7 billion and about JPY16,000 per member.



Dinner Delivery Service

With the amendment to the Consumers Livelihood Co-operative Society Law, Co-op Tokyo has decided to merge with Chiba Co-op and Saitama Co-op. The new Co-op will be set up in 2013.

## 4. Miyagi Co-op

Miyagi Co-op was founded in 1982 through the amalgamation of the Miyagi School Consumer Co-operative and the Miyagi Citizens' Consumer Co-operative. It is the biggest consumer co-operative in Miyagi prefecture.

The motto of Miyagi Co-op is "Mutual Aid". To achieve this goal, it endeavors to better serve its members' daily lives.

As per the data of March 20 2012, its turnover accounted for JPY103 billion. Its membership reached 644,559, which accounted for 70.1% of total households in Miyagi prefecture.

The main business of Miyagi Co-op is store and home delivery businesses. In addition to these two businesses, it provides its members with travel, funeral, kerosene delivery and water supply services.

After the disastrous earthquake in 2011, Miyagi Co-op started several new services such as water supply, mobile store operation, etc. to support its members' daily lives.

Dinner delivery service is also a new business that is growing recently.

The minimum share capital to become a member is JPY1,000. In 2011, the total share capital of the co-op amounted to JPY22.1 billion and about JPY34,000 per member.



Co-op Store



Home Delivery



Dinner Delivery



## 4. Problems and Future Visions

### 1. Problems

#### <Japanese Society>

1. Insecurity among citizens after the earthquake
2. Aging society and isolation of aged people
3. Unemployment
4. Poverty, a gap-widening society

#### <Consumer Co-ops>

1. Legal restrictions on business activities
2. (Store) Decrease of customers
3. (Home delivery) Decrease of sales per purchase
4. Aging membership



### 2. Future Visions

#### <CO-OP Vision 2020>

The 61st JCCU General Assembly endorsed the bill detailing Japanese co-ops' vision for 2020.

To affirm a common recognition of consumer co-operatives, it is necessary to have a unified vision.

In the rapidly changing world, the Japanese co-operative movement is expected to demonstrate its role and a vision that foresees ahead.

Co-ops were tasked to proactively think about their aspirations in ten years. A summary of the expectations was compounded into the vision.

The implementation of the vision is channelled through five major action plans.

- 1) Promotion of business that will be useful for everyday living.
- 2) Participation in community building through expanding Co-ops' networks.
- 3) Contribution to the Japanese society and the world. Co-ops will aggressively support the realization of a peaceful and sustainable society through member oriented activities.
- 4) Creation of a healthy organization with sound management. With active member participation, staff working energetically, learning and growing the organization to establish a healthy business.
- 5) Infrastructure development and activities to further promote solidarity. Formation of regional alliances and collaborated business to improve the daily lives of co-op members.



## 5. Relationship with the Government

Consumer co-operatives in Japan are independent and the government does not hold any share capital in the co-operatives.

In terms of taxation, Japanese consumer co-operatives have a lower tax rate compared with private enterprises.

The registration of co-operatives is carried on through local governments.

The relationship of consumer co-operatives with the government is fair. JCCU has a specified division to promote communication with the government.

Since there are still legal restrictions on business activities, co-ops will continue to consult with the government to improve the situation.

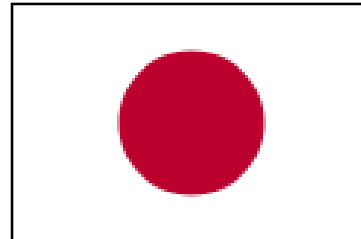
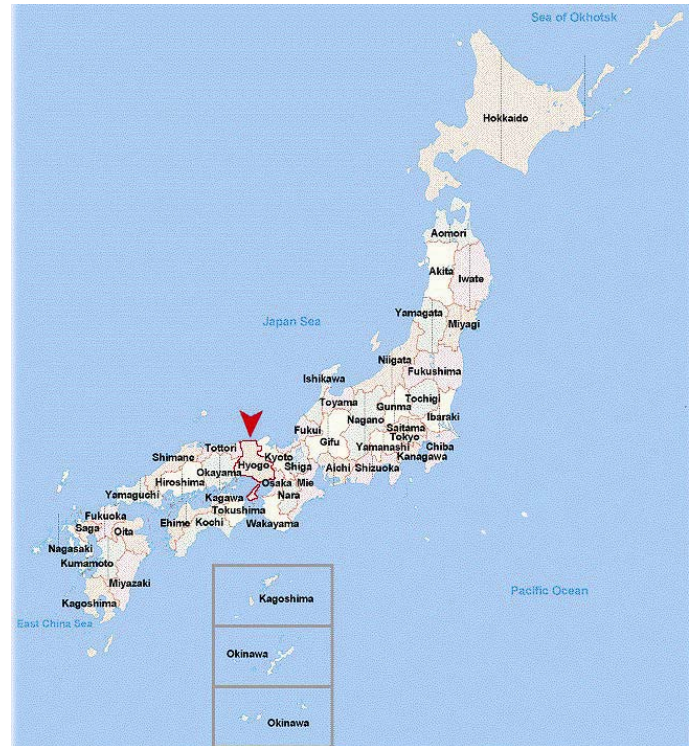


**To establish a society with full of smiles and faith  
(from JCCU HP)**

# Basic information on Japan

## 6. Basic Information on Japan

Name	: Japan
Capital	: Tokyo
Largest city	: Tokyo
Government	: Unitary parliamentary democracy and constitutional monarchy
Area	: 377,944 km <sup>2</sup>
Population	: 126,659,683 [2012 estimate]
GDP (PPP)	: US\$ 4.440 trillion [2011 estimate]
Currency	: Yen (JPY)



*From: Wikipedia*

