

ARTICLE

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Modern cooperatives are typically seen as attempts to extend Western democratic traditions to the workplace. They trace their ancestry back to the first consumer cooperative formed in Rochdale, England in 1844. Six essential principles evolved from the Rochdale experiment which have come to typify cooperatives: (1) open and voluntary membership; (2) democratic administration; (3) not-for-profit status; (4) return of surplus to members; (5) education of the membership; and (6) cooperation among cooperatives.

Cooperatives in Japan can also be seen as extensions of Western democratic ideals, but in addition they draw inspiration from traditional Japanese cultural values which emphasize group-orientation, harmony, and cooperation. The first thesis of this paper is that Japanese cooperatives have been able to combine the best of Western democratic ideals with the best of traditional Japanese concepts of cooperation, while simultaneously avoiding the negative features of both Western "egocentric individualism" and Japanese "blind conformity." A second thesis is that cooperatives in the West, which are based almost exclusively on Western democratic principles, could be enriched by considering the distinctive features of Japanese cooperatives.

The fusion of Western democratic principles (particularly the six Rochdale principles) and Japanese cultural values can be found at work in many types of cooperatives in Japan, including agricultural cooperatives, housing cooperatives, and credit unions. In this paper, however, I have restricted my attention to consumer cooperatives and have selected one in particular, the Seikatsu Club Consumers' Cooperative (SCCC), to serve as a case

study.¹⁾ My concern is primarily with the cultural values and ethical principles on which the SCCC is based rather than with its organization or day-to-day operations. In the first section of this paper, however, I present a brief historical and organizational profile of Seikatsu. In the second section I deal with some of the fundamental values which inform the SCCC, including its basic attitudes towards consumerism, the environment, social empowerment, member participation, and democratic administration. In the third and final section I attempt to situate the experience of the SCCC in the wider context of the international cooperative movement and to highlight features which may have international applicability.

Profile of a Japanese Cooperative

In 1965 a group of householders, believing that the companies which then dominated the milk market were offering an inferior product and manipulating prices, formed a collective buying organization to enable them to purchase quality milk at lower prices. The project was successful and the group began to extend the principle of collective buying to other products, leading to the formation of the Seikatsu Club Consumers' Cooperative as a legal entity in 1968.²⁾ The network of SCCC-affiliated consumer cooperatives is presently comprised of twelve autonomous organizations in twelve different prefectures. The SCCC has a total membership of 219,000, a capital base of ¥12 billion, an annual turnover of ¥66 billion, and a staff

1) I am grateful to Dr. Takashi Iwami, Chairman of the Study Group on Cooperation in the Seikatsu Club Kanagawa, and Mr. Shuei Hiratsuka of the Seikatsu Club Tokyo for consenting to be interviewed in connection with this research. I also wish to express my appreciation to my students, Makiko Saito and Diane Dickey, for their assistance in conducting the interviews.

2) Fuller histories of the SCCC are included in *Cooperative Action Based on "Han"* (Tokyo: Seikatsu Club Consumers' Cooperative, 1992), pp. 5-6 and in Katsumi Yokota, *I Among Others*, ed. Takashi Iwami, trans. Alternative Exchange and Translation Workers' Collective (Yokohama: Seikatsu Club Seikyo Kanagawa, 1991), pp. 3-22. See also W. U. Herath's review of *I Among Others* in *Coop Dialogue*, vol. 1, no. 3 (New Delhi: International Cooperative Alliance Regional Office for Asia and the Pacific, April-June, 1992).

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The Seikatsu Club in Tokyo, which has served as a prototype for the creation of clubs in other prefectures, has spawned 27 affiliated workers' collectives involving 300 member-employees. The club also has partnership relationships with two dairy firms, a delivery company, a cattle ranch, and a publishing house, and has established the Social Movement Research Center which promotes research, organizes study exchanges, and publishes the monthly magazine *Social Movement*. There is also the Tokyo Seikatsu-sha Network, which is legally registered as a political organization but is independent of any political party. The Network has elected one metropolitan assemblywoman, nine ward assemblywomen, and 20 city assemblywomen in Tokyo.⁴⁾

The basic organizational unit of the SCCC is the *han* ("small group"—often used to refer to a group of people living in the same area). Ideally a *han* consists of seven to ten neighboring households. The actual average number of households per *han* in the Tokyo club is 7.5.⁵⁾ The responsibilities of the *han* include gathering orders from individual members, passing on the orders to the local center, receiving products from the delivery truck, and distributing them to members of the *han*. Individual orders are placed a month in advance and forwarded from the local center to a regional center and finally to the cooperative union, which collates them and then places a single order directly with each producer. The goods are delivered bi-weekly by a delivery truck to the neighborhood *han*, which then distributes them to individual members. Since the food is coming

3) Shuei Hiratsuka, "The Cooperative Movement" (Tokyo: Seikatsu Club Consumers' Cooperative, 1991), p. 2. The same source indicates that there are 670 consumer cooperatives in Japan with a total membership of 15.1 million (more than 10% of the population of Japan), a capital base of ¥274 billion, and an annual turnover of ¥3 trillion. Cooperatives associated with the Japan Consumers' Cooperative Union alone had an annual turnover of ¥432 billion in 1991. The International Cooperative Association had an estimated aggregate membership of 500 million in 70 different countries in the mid-1980's.

4) A full profile of the Seikatsu Club in Tokyo is included in *Cooperative Action Based on "Han,"* pp. 8-10.

5) *Ibid.*, p. 8.

directly from the producer, it is extremely fresh. Eggs, for example, are delivered the day after they have been laid and arrive unwashed. The *han* system eliminates the need for storage and thus also the need for artificial methods of preservation, such as chemical preservatives or irradiation.

Since the producers receive the orders in advance they can anticipate how much of a given product will be needed in the coming month and are often able to adjust production accordingly. Producers are thus able to fill orders directly to meet actual needs, and are not simply producing vast quantities of a product which they must subsequently try to sell on the “open market” (with no guarantee that they will be able to sell everything that they have produced). There is no need for expensive advertising. Bulk ordering also helps to reduce prices. The cooperative system thus eliminates overproduction and waste, improves efficiency, reduces the stress caused by differences in supply and demand, and helps to stabilize prices. Ultimately it provides more security for both producers and consumers: consumers can be assured that their demand for goods will be met and producers can be assured that the goods they produce will be sold.

In the traditional market system the flow is from producers to consumers: producers produce goods which they must then advertise and persuade people to buy. The cooperative system, on the other hand, reverses this flow: consumers take the initiative by telling producers exactly what they want. The principle of *sanchoku*—“direct from the producer”—creates a relationship of interdependence between producers and consumers. Over time consistent patterns of consumption and production develop which help to stabilize this relationship. Consumers are provided with quality products at a fair price and producers are provided with a secure livelihood at a reasonable income. The *sanchoku* system also eliminates the need for a “middle man.” While the cooperative functions to coordinate orders, its purpose is not to generate profits but to serve its members.

The *han* system has several advantages over the conventional store system. In the *han* system there is no need to invest in property and buildings. Even though there are still the expenses of maintaining an office for the cooperative, paying salaries to coordinators and delivery personnel, and servicing

delivery trucks, overhead is still considerably lower for *han*-based cooperatives than for conventional stores. There is no need to hire managerial experts who must insure that the supply of goods in the store roughly matches actual consumer demand. Delivering directly to the *han* also gives members direct involvement in at least part of the labor process. For all the above reasons, overall costs can be reduced and efficiency improved, resulting in lower prices for consumers.

Fundamental Values

An alternative to consumerism. There is no doubt that the Seikatsu project advocates a fundamental change of lifestyle, away from the values of conspicuous consumption and consumerism towards the values of simplicity and ecological sustainability. The term “Seikatsu citizens” is used to describe members who are interested in creating an autonomous lifestyle for themselves, who want to be actively involved in making the decisions which affect their lives, and who are able to distinguish between mere consumerism and a more genuine quality of life. “Quality of life” refers not only to eating wholesome foods, but also to the effective utilization of time, meaningful and creative work, and the kind of fulfillment which comes from individual and collective accomplishment rather than from the mere possession of material goods.

Seikatsu’s goal, then, is to offer individuals an alternative to modern capitalistic consumerism—in the words of Katsumi Yokota, “. . . to seek another (an alternative) lifestyle based on the idea of a conscientious consumer’s autonomy, not just a rebellion against or assimilation of the industrial society.”⁶⁾ The SCCC promotes active involvement in choosing the types of goods people really want rather than merely passive consumption. Average consumers may feel they are making a choice between various products when in fact they are often simply being manipulated into buying products they neither need nor want. Advertising creates artificial desires where none existed before. Fashions routinely change so that peo-

6) Yokota, p. 14.

ple will want to buy more things. “New improved” products convince consumers that the goods they already own are obsolete and must be replaced. Planned obsolescence insures that goods will in fact become obsolete over time and will be unrepairable, meaning that consumers have to be constantly buying new products.

Seikatsu avoids many of these problems by selling only one type of each product. Superficial diversity is eliminated in an effort to offer one superior product which is suitable for most purposes. There is little real reason, for example, to market light and dark types of soy sauce in a variety of different size bottles. Competition between various “brands”—which are often virtually identical to begin with—is eliminated, along with the need for superfluous but expensive advertising (the cost of which is passed on to consumers, of course). Each product is listed on the order form and no further advertising is considered necessary. As a result consumers are less apt to be manipulated and are ultimately more in control of their purchasing choices. Furthermore, since standardizing the size of containers makes them easier to recycle, only one size of each product is offered. Reducing the number of types of products and buying in bulk means that cooking methods sometimes have to be adjusted, however. Traditional cooking methods, while sometimes laborious and time-consuming, are emphasized over the convenience of “heat-and-serve” dishes.

In terms of purchasing power the focus on only one type of each product actually gives the SCCC an advantage over traditional retail outlets. A large supermarket may carry many different kinds of soy sauce in containers of various sizes, for example, but it typically only orders small quantities of each kind from suppliers. The SCCC, on the other hand, which sells only one kind of soy sauce in one size container, can place a much larger bulk order. While the total number of purchases may be fewer, on a per item basis the purchasing power of the SCCC often exceeds that of major retail outlets.

Modern consumerism is based on buying the “best” product at the cheapest price, without considering the various processes that go into making the product. The SCCC, on the other hand, checks the source of its

goods to insure their safety and quality. Production methods must be environmentally sound and nonexploitive, with a concern for the health, safety, and fair compensation of workers. Cooperatives thus offer a genuine alternative for both producers and consumers. The SCCC estimates that average members spend one third of their total food budget on cooperative products. Members with the highest utilization rates (the top 25%) spend approximately 70% of their total food budget on cooperative products. These figures are seen as indicating “a partial boycott of the existing commodities (food) market,” even though the total impact of consumer cooperatives on the Japanese economy is relatively small.⁷⁾

Environmental impact. The SCCC is concerned about the environmental impact of its products in several respects. First, the cooperative insures that environmentally sound processes are used at the point of production. Organic methods of farming with a minimum of artificial pesticides and fertilizers are the norm. As has already been noted, the speed of the distribution system—direct from producer to consumer—eliminates the need for chemical preservatives or irradiation.

In addition the products themselves must be environmentally safe. The SCCC developed its own original natural soap in 1979, for example, to replace synthetic detergents. This action was taken as part of a campaign to totally ban synthetic detergents, which involved direct petitions (a total of 220,000 signatures was collected in Kanagawa) and discussions with government officials. The discussions were ultimately unsuccessful—Yokota writes, “. . . we were all surprised and disappointed to know how few politicians were interested in the people’s quality of life”⁸⁾—but it gave the members their first taste of grass roots citizens’ activism. Seikatsu intentionally uses no labels to indicate that its products are “eco-friendly.” The feeling is that such labels have been co-opted by mainstream corporations which are more interested in “greenwashing” their corporate images than they are in actually improving the environment.

7) *Ibid.*, p. 50.

8) *Ibid.*, p. 12.

Because there is no need for products to be attractively displayed in stores, packaging can be simple and recyclable, reducing the total amount of garbage. Moreover, the efficiency of the system leaves no products unsold at the end of the day which must be thrown out. The bulk ordering system means that instead of ordering specific cuts of pork, for example, households can band together to “buy the whole pig” (a Seikatsu slogan). If every household were to order the same cuts of meat, other cuts would be wasted and costs driven higher. With the bulk ordering system, however, waste is eliminated and costs are reduced.

Since the cooperative system depreciates consumer life-styles, unnecessary consumption can be reduced or eliminated altogether. The focus is on satisfying genuine human needs rather than on creating artificial wants purely so that corporations can sell more goods and reap larger profits. If the same principles the SCCC applies to food could be extended to manufactured goods, there would be less of the “throw-away” mentality which both consumes precious resources and produces enormous amounts of garbage. By stressing quality, durability, and a simplified lifestyle over fashion and conspicuous consumption, goods can be made to last and planned obsolescence can be eliminated.

Social empowerment. Seikatsu is particularly concerned with empowering its members. Members are able to have a real voice in the operation of the cooperative, and through citizens’ initiatives and collective political action they are increasingly able to have a real voice in Japanese society as well.

One particular area of concern for Seikatsu is the empowerment of women. Over 80% of the organization’s elected board members are women.⁹⁾ Seikatsu advocates what it calls “women’s democracy.” One interesting feature of the citizens’ movement in Japan is the fact that it involves many female householders who, precisely because they are more or less excluded from obtaining significant employment in male-dominated capitalistic cor-

9) “Seikatsu’s ‘Women’s Democracy’” in *Grassroots Economic Organizing Newsletter*, prototype issue (New Haven, Connecticut: 1991), no page number.

porations, have the time and energy to engage in social activism. The social activism of most other social groups, students included, pales in comparison. Moreover, since female householders have no careers to risk, they are in a better position to engage themselves in controversial issues. Nonetheless many women in Japan retain strong links with family and household issues (such as purchasing wholesome food, which cooperatives attempt to address). While Western feminists may see these links as reinforcing traditional gender roles, there is a sophisticated twist. Since empowerment is not necessarily seen in terms of gaining equal access to traditional male domains of power, the hierarchical principles upon which this power itself is based are called into question.

There are two specific areas in which women have taken considerable initiative within the Seikatsu framework. The first are the workers' collectives (i.e., producer cooperatives). As of 1990 there were 89 Seikatsu-affiliated workers' collectives throughout Japan, employing more than 2,200 women in 104 workshops.¹⁰⁾ These collectives engage in a variety of activities, including baking, catering, day care, distributing consumer goods, marketing vegetables and fish, recycling, and manufacturing soap. The collectives were started by Seikatsu members but are wholly worker-owned and administratively independent of Seikatsu's central organization. The second area of initiative is grass roots political campaigning. In 1991 there were 33 local political groups composed of 2,500 women. A total of 27 councilors had been elected in 14 cities.¹¹⁾ Seikatsu shares with the U. S. Green Party a focus on independent politics and grass roots organizing, and local rather than national elections. The *han* system can be easily used to collect signatures for petitions, to mobilize people, and to raise funds.

There are also efforts to empower the aged, the handicapped, and the

10) Takashi Iwami, "Women Workers' Cooperatives of Seikatsu Club," manuscript, p. 1. The number of workers' collectives in the Tokyo club alone are given above (see footnote 4).

11) Takashi Iwami, "The Basic Values and Principles of Cooperatives from the Viewpoint of Women's Self-Reliance," manuscript, p. 6. The number of elected officials in the Tokyo club alone are given above (see footnote 4).

otherwise disadvantaged. One current project is the development of a mutual aid cooperative called *himawari* (“sunflower”) which is “designed to fill gaps . . . left by the Japanese public welfare system in the entire spectrum of basic human needs: food, shelter, health and home care, education, and recreational services.”¹²⁾ The system has some parallels with the concept of “time dollars” which has recently come into vogue in the U. S.: people donate time to help those in need and later “withdraw” the same amount of time in the form of services to themselves.

Seikatsu sees itself as “working to change Japan’s welfare policy from an attitude of ‘welfare as charity’ to the attitude of ‘welfare as a human right which meets basic needs.’”¹³⁾ In place of the government-centered, bureaucratic approach to welfare common in capitalistic societies, Seikatsu emphasizes self-help and local mutual assistance. The organization has created several mutual assistance networks, such as the “Ability Club,” which has adopted the goal of “realizing the full integration of the aged and the disabled into society.”¹⁴⁾ At the same time, however, Seikatsu is able to work together with the public sector to improve welfare services. In Hoya City (in the Tokyo Metropolitan District), Seikatsu has established a Day Service Center which will offer senior citizens assistance with social and cultural activities, fitness programs, health exams, transportation, baths, and meals. Seikatsu invested in the facility’s construction costs and the city government is providing funds for the center’s operating budget.

Member participation. In keeping with the fifth Rochdale principle, which advocates member education, many cooperatives feel that knowledge should be widely diffused within the organization rather than remain in the hands of specialists. When knowledge is democratized, so is power. By sharing work and rotating responsibilities participants are given hands-on involvement in the organization. They are able to know its inner workings

12) “Seikatsu-sha: ‘The Autonomous People’” in *Grassroots Economic Organizing Newsletter*, No. 1 (New Haven, Connecticut: November, 1991), p. 3.

13) *1992 Annual Report of the Tokyo Seikatsu Club Consumers’ Cooperative* (Tokyo: Seikatsu Club Consumers’ Cooperative, 1992), p. 1.

14) *Ibid.*

through direct experience and do not need to rely on the leadership of “experts” who often tend to form managerial elites within organizations. Member participation is thus the key principle on which the entire democratic structure of cooperatives is based. This principle is not widely understood among individuals in modern capitalistic societies, however, where the general attitude is one of dependency on major corporations to provide both employment and consumer goods and on the government to provide services and security. The appropriate skills and attitudes which enable people to “do for themselves” are correspondingly weakened and one can observe in both Western and Japanese cooperatives a certain amount of resistance towards the assumption of collective responsibilities.

One common complaint among Seikatsu members is that they receive no monetary benefit for collecting orders and distributing goods within their *han*. Seikatsu estimates that its high withdrawal rate (currently at under 20% but once as high as 30%) is not only the result of high urban mobility but also of the amount of work and relatively high level of responsibility members are given within the organization.¹⁵⁾ In its defense Seikatsu argues that members do in fact receive a monetary benefit in the form of lower prices, which are a direct result of the fact that members do a portion of the work themselves. Seikatsu estimates that its prices are 4-8% lower than ordinary retail outlets.¹⁶⁾ The difficulty is that these price discounts apply equally to everyone who purchases goods and does not take into account the fact that some people do a considerable amount of work in the cooperative while others do little or nothing. To be fair, work and leadership responsibilities should be shared equally among the members of each *han*, but equal participation rates are difficult to enforce.

15) Yokota, p. 31.

16) As a nonprofit cooperative, Seikatsu retains no profits as such. It does, however, retain 16.5% of its total receipts to meet expenses resulting from various decisions made by the General Assembly (as compared with ordinary retail outlets which typically have a profit margin in the range 20-25%). Seikatsu also returns 0.5% of total receipts to local *han* and regional centers to help them build funds for themselves. Any further surplus is divided among individual members in proportion to the amount purchased. Cf. Yokota, pp. 51-52.

Democratic administration. Seikatsu members are expected to invest a certain amount of money in the club, which differs from prefecture to prefecture. In the Tokyo club, the amount is ¥100,000, which is paid in monthly increments of ¥1,000 each. The goal is to make the cooperative entirely self-sufficient in three key areas: financing, utilization, and management. In other words, members themselves are responsible for (1) financing the organization, (2) purchasing its goods, and (3) managing its affairs. This arrangement avoids the traditional split between an active leadership and a passive membership.

While the emphasis in Seikatsu is on participatory democracy and face-to-face encounters within the *han*, there is nonetheless a need for large-scale coordination. Collective buying achieves “economies of scale” not as a result of marketing power but as a result of a cooperative’s membership base. The organizational structure of Seikatsu, however, provides for a strong measure of direct democracy. Ultimate sovereignty resides in the members. At the General Assembly, which meets annually, Seikatsu members elect a Board of Directors which is responsible for implementing decisions made by the membership as a whole. Policies are determined at the General Assembly on the principle of one-member, one-vote. Various committees are also formed to deal with specific projects. A high degree of national and international cooperation is equally stressed. The twelve independent Seikatsu Clubs naturally have a high degree of cooperation among themselves. Seikatsu is also a member of the Japanese Consumers’ Cooperative Union, which in turn is a member of the International Cooperative Association based in Geneva, Switzerland which has approximately 400 million members from 70 different countries.¹⁷⁾

Cultural Factors

The SCCC arose out of the idealism of the 1960s, which embraced demo-

17) *When Workers Decide: Workplace Democracy Takes Root in North America*, ed. Len Krimerman and Frank Lindenfeld (Philadelphia: New Society Publishers, 1992), p. 213. This book includes a section entitled “‘Women’s Democracy’ Comes to Life in Japan: Seikatsu.”

cratic involvement at the grass roots level, respect for both individual and community, and an emerging concern for the environment. Seikatsu is part of the international cooperative movement and is in basic accordance with the principles of the original Rochdale model.¹⁸⁾ The Mondragon system of cooperatives in the Basque region of Spain has also served as an inspiration. Intellectually the SCCC has affinities with the ideas of the Utopian Socialists—Owen, Fourier, Saint-Simone, and Blanc—and the Marxist theoretician, Gramsci. There are also parallels with anarchist theory, particularly with Kropotkin's principle of mutual aid and Proudhon's ideas on mutualism. *Han* are structurally similar to anarchist affinity groups, although their function is somewhat different. Seikatsu's decentralized, grass roots approach has much in common with the American Green movement (perhaps more so in fact than Japan's Green parties do), and the system of local face-to-face groups confederated at the city and prefectural levels has interesting parallels with Murray Bookchin's concept of libertarian municipalism.

Nonetheless it would be a mistake to think that Japanese cooperatives are nothing more than attempts to transplant Western democratic ideals onto Japanese soil. In fact, many of the core values which inform Japanese cooperatives are not of Western import but have indigenous roots in Japanese culture. Japanese often credit the values of harmony and "group spirit" to cooperative traditions nurtured in Japan's feudal agricultural villages (in much the same way that Americans credit the values of individualism and self-reliance to the frontier experience). Specifically Japanese cooperatives look back to *yui*, the feudal custom of exchanging labor on a day-by-day basis during planting and harvesting seasons (and for other services such as assisting with funerals and rethatching roofs). *Yui* associations were often formed in which neighboring households agreed to help each other in times of need—a clear antecedent to the *han* system of the

18) Hiratsuka, *op. cit.*, lists seven "cooperative principles": association (or unity), economy, democracy, equity, liberty, responsibility, and education (p. 1); and five "basic cooperative values": economic activities for meeting needs, participatory democracy, human resource development, social responsibility, and national and international cooperation (p. 2).

modern Seikatsu movement.¹⁹⁾

Japanese cooperatives have managed to combine a strong emphasis on Japanese cooperative values with typically Western notions of democratic empowerment. This fusion of both Eastern and Western cultural values is precisely what makes Japanese cooperatives seem both “traditional” and “progressive” at the same time. There is a tendency among Western critics, however, to denigrate Japan for lacking a “democratic tradition” and to hold traditional Japanese cooperative values responsible for the lack of individual identity among Japanese and the high degree of conformity in Japanese society. Conversely, nationalists in Japan tend to equate cooperative values with feudal authoritarianism and to see Japan’s “pure” feudal past as having been corrupted by its contact with Western individualism. Progressive social movements in Japan, such as the cooperative movement, can be easily marginalized as alien forms of “Westernization.”

Japanese cooperatives steer a middle course between both of these racist stereotypes and at the same time offer a formidable critique of the more negative features of each cultural tradition, namely the tendency of Western individualism to degenerate into self-indulgence and the tendency of Japanese cooperation to degenerate into blind conformity. On the one hand, simply equating cooperation with conformity is too facile. “Cooperation” in Japanese cooperatives has the sense of mutual assistance and self-help rather than the sense of conformity and coercion. The modern cooperative movement in Japan retains an appreciation for traditional community involvement and support while simultaneously repudiating the hierarchical and coercive feudal context in which these values were first promulgated. A high degree of responsibility is necessary to be sure but, in keeping with the Rochdale principle of open and voluntary membership, all responsibilities are freely undertaken. On the other hand, the kind of “individualism” Japanese cooperatives attempt to foster is closer to the concept of self-reliance than it is to self-indulgence. Individualism in this

19) Cf. Takenori Noguchi, “Yui” in *Kodansha Encyclopedia of Japan*, vol. 8 (Tokyo: Kodansha, 1983), p. 356.

sense does not necessarily preclude cooperation, although it may preclude hierarchy and domination. In addition, there are clear precedents for this kind of "individualism" in Japanese culture, particularly in the intense individual training necessary to master any traditional Japanese art. Submission to an accomplished "master" is merely the prelude to becoming a "master" oneself.²⁰⁾

This analysis provides an alternative to the nationalistic emphasis on "cultural differences." The primary "dividing line" is not between Japanese and Western culture, but between progressive democratic-cooperative tendencies and regressive hierarchical-authoritarian tendencies within each culture. Racist scapegoating makes no sense in this analysis (either "Japan-bashing" in the West or the tendency of some Japanese to blame the ills of modern Japanese society on "Westernization") since the similarities between the two countries outweigh the differences. Both are highly industrialized, consumer-oriented societies with representational/bureaucratic forms of government. Both are experiencing the collapse of traditional values in the face of growing modernization. And both have growing cooperative movements which are attempting to provide an alternative.

The fall of communism in the former Soviet Union and Eastern Europe pointed out the weakness of highly centralized and bureaucratized political structures, but despite the feeling that the cold war has been won, capitalism remains blissfully ignorant of the shortcomings of its own highly centralized and bureaucratic economic institutions. The emerging "new world order" is actually less democratic and more feudal than the previous system. What actual democratic checks are there on transnational corporations, which by definition are unaccountable to any one government? In the "new feudalism" transnational corporations become the new feudal lords, govern-

20) See Richard Evanoff, "Workplace Democracy and Management Styles in Japan and the United States" in *Aoyama Journal of International Politics and Economics* (Tokyo: Aoyama Gakuin University, 1991) for a fuller account of how the values of Japanese-style cooperation and Western-style democracy converge in cooperative forms of organization.

ments act as their knights, and ordinary citizens are reduced to peasants. New empires are formed by linking local economies into “free trade zones” (exemplified by the EC and NAFTA). International economic bodies such as the GATT implement policies which eliminate any form of local control over the global economy.

As capitalism becomes more global it becomes increasingly less responsive to the needs of local communities. This trend is perhaps more apparent in the United States where transnational corporations continue to routinely shut down factories and reopen them in countries where wages are lower and environmental restrictions are fewer. As American corporations “restructure,” jobs which have traditionally paid high wages are being permanently lost. The middle class is being split into a small minority which is able to move up to highly paid technical jobs and the vast majority which is being forced into lower paying jobs in the service sector. Average real income in the United States has steadily declined over the last two decades while prices have risen, making it difficult for families to make ends meet even when husbands and wives are both working. The result is that purchasing power declines, the economy is weakened, local communities are destroyed, and the overall quality of life is deteriorating. The worst effects of the economic situation—homelessness, poverty, and crime—have all increased in the same period, leading to diminished confidence in the ability of the system to provide for the basic needs of society (i.e., housing, food, and security).

The unreliability of the present system in providing both jobs and the basic necessities of life has resulted in a wide-spread cynicism among ordinary citizens about the efficacy of modern economic and political institutions. The basis of this cynicism is undercut, however, once the dependency which generates it is overcome. The “self-help” model of cooperatives involves breaking traditional ties of dependency on corporations and governments in an attempt to achieve a greater degree of collective autonomy. The principle of collective autonomy is precisely the point where American-style self-reliance dovetails most fully with Japanese-style cooperation.

The problem, however, is that while Americans are strong on self-reliance they often lack a cooperative attitude; i.e., they are unable to move beyond a self-centered individualism which is uninterested in any activities that do not benefit them personally. Japanese, on the other hand, are strong on cooperation but often lack a sense of individual responsibility, i.e., they continue to have feelings of dependency towards those above them in the social hierarchy, expecting their leaders both to direct their activities and to provide for them in more or less traditional paternalistic fashion. If Americans are to come to a deeper understanding of cooperation they must progress beyond both their own one-sided individualism and their tendency to regard all forms of cooperation as "conformist." By the same token, if Japanese are to come to a deeper understanding of individualism they must progress beyond both their own one-sided "groupism" and their tendency to view all forms of individualism as "self-indulgent."

There are signs that this process is already underway in Japan. Yokota observes that recent Japanese consumerism has moved away from the idea of "I want what everybody else has" towards the idea of "I want what nobody else has."²¹ From a Western progressive point of view the whole concept of creating an "individual lifestyle" for oneself feeds directly into modern consumerism, since it typically emphasizes defining oneself in terms of the "different" products one owns rather than in terms of genuine personality differences. Yokota, however, sees the new individualistic awareness as having the potential of going beyond the shallow consumerism of Japan's "crystal clan"²² towards the creation of a demassified economy in which consumers have greater power to dictate what is produced. Yokota feels that the developing sense of "individualism" in Japan is the first step in moving away from a "nation-oriented society" towards a "citizen-oriented society."

Cooperatives such as Seikatsu see a possibility for creating, in addition

21) Cf. Yokota, pp. 121-124.

22) The "crystal clan" is the rough equivalent of Western yuppies. Yokota (p. 122) defines them as "those who surround themselves with materialistic extravagances."

to the private and public sectors, an “associative sphere” based on producer and consumer cooperatives, cooperative financial institutions, and cooperative forms of welfare. The cooperative principle need not be limited to food but can be extended to all sorts of goods and services. Because the profit motive is eliminated, cooperative organizations tend to be more efficient than traditional corporations. Producer cooperatives are frequently able to provide higher wages and more job security. The emphasis on democratic self-management can also lead to higher levels of social empowerment and job satisfaction.

Skeptics on the right tend to view cooperatives as utopian and unachievable. Skeptics on the left see them as half-measures that can be easily coopted by, and reabsorbed into, the market economy. There is reason to avoid raising false hopes, of course, since cooperatives remain marginal and the “associative sphere” is still relatively insignificant in terms of the total economy. Nonetheless, contemporary cooperatives provide a laboratory in which people can begin to experiment with more democratic forms of organization. Revolutionaries tend to ignore the deep changes in consciousness which will be necessary before a truly democratic and egalitarian society can be achieved, and rapid structural change will fail to achieve its goals unless there is a corresponding change in consciousness.

This new consciousness involves moving away from an essentially paternalistic and feudal economic situation in which worker-consumers basically “do what they’re told” at their jobs in exchange for the bread and circuses of consumer goods towards a situation in which worker-consumers democratically participate in the decision-making process about what will be produced and consumed in society. At present people who are still comfortably within the system see no reason to change (the system obviously works since “they got theirs”), while those who are at or beyond the margins of the system often descend into despair, being unable to create new alternatives for themselves. In some respects modern consumers are like children: they are ultimately unable to provide for their own wants but nonetheless make (often excessive) demands on the system for favors, and pout when these demands are not met. Cooperatives encourage a more

mature approach to consumption by both expecting and empowering citizens to take direct responsibility in providing for their own needs. As a result, demands are simplified and there is a greater awareness of the impact one's lifestyle has on the environment.

Fostering a sense of responsibility is a major goal of cooperatives. The idea is for citizens to become less dependent on big corporations and big government to provide basic necessities of life and more self-reliant within their local communities. People who see themselves as ultimately responsible for providing for their own needs have less occasion to become cynical when the corporate-government system fails to deliver on its promises. Cooperatives involve a shift away from an exclusive emphasis on "rights" to an equal emphasis on "responsibilities." The concept of "rights" only makes sense in the context of a weakened citizenry which must demand concessions from more powerful corporate or governmental authorities. "Responsibilities" in the traditional system simply means dutifully fulfilling one's obligations towards those in authority. In the cooperative context, however, the word acquires a new meaning, i.e., that of individuals assuming responsibility for their own welfare and the welfare of their local communities.

Cooperatives share many of the same utopian goals as socialists, Marxists, and anarchists, but retain the traditional capitalist virtues of self-reliance, initiative, and responsibility. As such they are neither "liberal" nor "conservative." On the one hand, they have no inclination towards the Marxist project of overthrowing the government, confiscating the means of production, and instituting a dictatorship of the proletariat. On the other hand, they are equally uninterested in reforming the present system, either by working within the capitalist framework or by trying to implement a milder form of socialism by nationalizing industries, increasing centralization, expanding government bureaucracy, and the like.

The system proposed by cooperatives such as the SCCC is based on local production for local consumption. This decentralized model is the antithesis of the "global market" model. Advocates of free trade in a global market claim that it will create a larger world economy and thus more

jobs. Detractors claim that free trade agreements often override local quality and safety standards, which come to be regarded as “nontariff barriers.” As has already been suggested, such agreements also enable multinational corporations to more easily shift production to countries where wages are lower and environmental restrictions are more lax. They also break down traditional distribution networks which, while often cumbersome and inefficient, are nonetheless reliable. It is precisely these established local relations which cause so much consternation to international traders. When these relations begin to break down, however, local communities also begin to disintegrate. Cooperatives help to reestablish these relationships. Whereas goods are impersonally sold to the highest bidder in a market economy, the personal needs of both producers and consumers are taken into account in a cooperative economy.

Japan has often been accused of wanting to have it both ways: free trade for its manufactured exports and restrictions on agricultural imports, especially rice. In other words, Japan wants to be part of the global market yet it simultaneously wants to preserve its local agricultural base. The claim is often made that Japan must maintain a measure of agricultural self-sufficiency, which in itself is understandable. But the principle of self-sufficiency can be applied with equal legitimacy to the need of other nations to maintain a measure of industrial self-sufficiency. Ultimately there is no difference between Japanese rice farmers who are displaced because of a free rice market and American steelworkers who are displaced because of a free automobile market. The argument for self-sufficiency would also be more convincing if Japan were taking other steps to become more self-sufficient in food production by diversifying its agricultural base to include other basic foodstuffs in addition to rice and by protecting existing agricultural lands from urban development. From the ruling government’s point of view the main issue is probably not agricultural self-sufficiency anyways, but retaining the rural vote.

A nationalistic analysis of trade friction inevitably pits Japan against the rest of the world, particularly the United States. The principle of local production for local use, however, skirts the nationalistic issue altogether by

holding that all countries should be moving towards forms of self-sufficiency which are both ecologically sustainable and in accordance with local cultural traditions. Seikatsu is therefore “. . . against the complete liberalization of agricultural trade, because we believe every nation should support its own basic food production.”²³⁾ The trend of Japanese society, however, has been towards increasing industrialization and urbanization. Yokota writes that Japan is lowering its rate of self-sufficiency at the same time that it is increasing the amount of industrial manufactured goods it sells in the international market.²⁴⁾ The dominant trend in Japan, as in the United States, is away from local self-sufficiency towards the global market. This shift bolsters the profits of transnational corporations more than it satisfies the needs of ordinary people in local communities.

The global economy poses problems not only for local communities in so-called “first world” nations, but also for local communities in the “third world.” Development schemes typically focus on rapid industrialization, cash crops, and infrastructure “megaprojects” which are designed to pull developing countries into the global economy. The result, however, is often the destruction of indigenous lifestyles which are both self-sufficient and ecologically sustainable. The cooperative model of development focuses on maintaining local economies and avoiding the essentially imperialistic relationships that typically evolve between first world and third world countries. “Microloans” given directly to local entrepreneurs help to reestablish local economies and provide for basic welfare better than large-scale investment schemes. Local production for local consumption replaces production for the purpose of foreign exchange.

International trade is not necessarily precluded by this arrangement, however. Seikatsu currently has trade relations with local communities on the Negros Islands in the Philippines, for example. Sugar cane is the main export crop of the Negros Islands. When sugar prices fell in the mid-1970s, however, the entire local economy collapsed. Since the land had

23) Yokota, p. 67.

24) *Ibid.*, p. 126.

been used exclusively to grow export crops rather than crops for local consumption malnutrition and starvation become serious problems. Relief agencies attempted to revive export-led growth and to improve working conditions on the sugar plantations. This approach required constant new infusions of outside financial assistance, however, and did nothing to address the problem of food self-sufficiency or unequal income distribution. In 1985 the average annual wage of a skilled laborer in the sugar industry was approximately US \$210, while the poverty line in the Negros Islands was US \$1,078.²⁵⁾

A different approach, however, was developed by the Negros Council for Peace and People's Development (NCPD), which coordinates the efforts of thirty local self-help groups. The NCPD promotes group farming of rice, corn, vegetables, and livestock on unused land in order to sustain local populations. It is also involved with organizing a credit union, constructing various communal facilities (including a water supply), and establishing an agricultural training school. In addition local groups are encouraged to grow cash crops, such as mangos, bananas, and vegetables for export. Japanese cooperatives, including Seikatsu, annually import 700 tons of these bananas directly from the producers, bypassing conventional distribution channels. Local producers avoid using chemical fertilizers, not only for ecological reasons but also to decrease costs. Nonetheless, because shipment facilities on the island are not highly developed, the cost of a Negros Island banana is still 2.5 times higher than the average cost of a banana produced by transnational enterprises in the Philippines.

To summarize, the cooperative model emphasizes decentralization, local control, citizens' participation, and independent politics, while retaining the basic principle of production to satisfy human needs rather than to generate profits. The goal of cooperatives is a more egalitarian and democratic society in which everyone is able to have a meaningful livelihood, an ecologically sound environment to live in, and ready access to the basic neces-

25) Takashi Iwami, "International Cooperation on the Basis of Promoting Self-help: A Cooperative Way of Ending Poverty and Preserving the Environment," manuscript, p. 11.

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sities of life. The methods cooperatives are using to achieve this goal are gradual rather than sudden, peaceful rather than violent, voluntary rather than coercive, and concerned with the positive project of building an alternative at the grass roots level rather than with the negative project of simply “tearing down the present system.”

