

# Seikatsu Club: Redefining the Relationship Between Producers and Consumers

by Diane Dickey, Makiko Saito, and Richard Evanoff

Seikatsu Club is a food cooperative that has the goal not only of providing wholesome food to its members, but also of fundamentally changing the relationship between producers and consumers in this country. The modern cooperative movement traces its ancestry back to the first consumer cooperative started in Rochdale, England in 1844. Six principles evolved out of the Rochdale experience which continue to guide 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. At present the largest complex of cooperatives is located in Mondragon, a town in the Basque region of Spain which boasts more than 100 cooperatives employing 19,000 workers. The Mondragon network provides workers with education, housing, social welfare, consumer goods, and banking services.

The cooperative movement is a worldwide phenomenon, however. The International Cooperative Association has an estimated aggregate membership of 500 million in 70 different countries. In Japan there are about 670 consumer cooperatives with a total membership of 15.1 million people (more than 10 percent of the population), a capital base of ¥274 billion, and an annual turnover of ¥3 trillion. Cooperatives still form a relatively small sector in the Japanese economy, but they are by no means small potatoes.

Many people who are involved in the international cooperative movement see cooperatives as offering an alternative to both the "free" enterprise system of capitalism (which offers "freedom" for only a relatively small handful of capitalist owners and a thinly veiled form of slavery for most everyone else) and the nationalization of industries under socialism (which simply substitutes state ownership for ownership by private corporations). Cooperatives are beginning to create what is in effect an entirely new economic system that is neither capitalist nor communist. By bringing producers and consumers into direct contact with each other, they are able to eliminate the inefficient "middle men" of both systems (i.e., greedy capitalists who profit not on the basis of their labor but simply because they own the means of production, and oppressive socialist governments that operate on the basis of central planning and stifling control over the economy).

Cooperatives are essentially organizations that are owned and managed by their members. Because the members are themselves the owners, all economic benefits are retained

by the members — profits are not siphoned off by private shareholders as in capitalism or by bureaucratic governments as in socialism. As a result cooperatives are generally able to provide producers with higher wages, and consumers with lower costs. And because members are themselves also the managers of the organization, there is more fulfillment and less alienation. In place of the traditional top-down, hierarchical (and typically patriarchal) systems of control, there is genuine democratic decision-making.

While cooperatives offer freedoms, however, they also involve responsibilities. Members are expected to actively contribute to the life of the organization by helping with

## Part I of a two-part series

its administration and work. In place of passive consumers who are heavily influenced by advertising and think they have to buy more and more simply to keep up with what "everybody else has," cooperatives encourage their members to make active decisions about what their real needs are and how they can best be satisfied. What do people *really* need in order to have both genuinely fulfilling lives and a sound environment?

Seikatsu Club is thus more than just a food coop. The organization is also promoting a new vision of society based on "individual autonomy" (i.e., self-help) and active involvement in local communities (i.e., cooperation). Seikatsu Club became a legal entity in 1968 and presently has independent organizations in twelve prefectures in Japan, with a total membership of 219,000. The Tokyo branch has spawned 27 affiliated workers' collectives, and its political organization, the Tokyo Seikatsu-sha Network, has elected one metropolitan assemblywoman, nine ward assemblywomen, and 20 city assemblywomen in Tokyo.

(Full documentation and a more detailed study of the Seikatsu Club are provided in "Learning from Japanese Cooperatives," an academic paper to be published later this year. A free copy can be obtained from the author by sending a medium-sized self-addressed envelope and a ¥175 stamp or two international reply coupons to: Richard Evanoff, 1933-8 Hazama-cho, Hachioji-shi, Tokyo 193 Japan).



## Interview: "More than just a cooperative"

The following is a composite of two interviews conducted with Dr. IWAMI Takashi, of the Seikatsu Club Kanagawa, and Mr. HIRATSUKA Shuei of the Seikatsu Club Tokyo.

JEM: How did Seikatsu Club get started?

Iwami: Tokyo Seikatsu Club began in the 1970s when a group of housewives decided that they wanted to protect their children from various forms of pollution and poison in the food they were buying. They grouped together to collectively purchase items they needed. They decided that, in order to facilitate purchasing, they would form groups of seven or eight households. These groups are called *han*. The idea for the *han* system comes from the traditional Japanese agricultural system of working together cooperatively. This is the main way in which Seikatsu Club differs from the standard European system; that is, Japan's rice paddy farming gave rise to cooperative work arrangements, which in turn led to the *han*, an idea we reinvented for the Seikatsu Club. At about the same time that Seikatsu was getting started, a more or less parallel development was taking place in Mondragon in the Basque region of Spain.

JEM: So was Mondragon an influence on the thinking behind the Seikatsu Club?

Iwami: No, not really. We drew on our own Japanese traditions more than anything else. Ours was simply a practical response to a practical problem using those existing traditions.

JEM: What role do the householders play in doing the work?

Iwami: Well, twice a week the products arrive at the *han* representative's house, and that person is responsible for dividing up the products and distributing them to the other members of the *han*.

JEM: So how do the members make their purchases? How does Seikatsu Club's collective buying system operate?

Iwami: We have three basic principles to our collective buying. First, every member must do the work, though "shifts" are staggered so not everyone is working at any given point in time.

Second, Seikatsu Club purchases only one type of product, which has been decided upon by the members. Soy sauce, for instance, is sold in regular supermarkets in variously sized bottles, and you can purchase lighter or darker colored types of soy sauce. At Seikatsu Club, however, we emphasize quali-

ty and so purchase only one kind of soy sauce, in only one size. With our emphasis on only one product, we are able to buy in large quantities and therefore reduce our prices. Third, members order most of the goods a month ahead of time. In the case of some vegetables and fruits, they must order a year ahead of time, so that the farmers know about how much to plant. In both cases, the producers are told how much to produce. If, for some reason, too little or too much is produced, Seikatsu Club members have to deal with it themselves.

JEM: Ordering a year ahead of time must mean that the members have to give careful thought to what they purchase, which differs greatly from today's consumerist society where one simply goes into a store and purchases whatever "looks good." Is there some resistance among the members at having to take so much initiative?

Iwami: Yes, we currently have about a 20-25 percent annual turnover rate. There are two reasons for this high rate. One is because many people *do* think this system involves too much trouble and so quit. The other reason is because some of our members get transferred by the companies they work for and are unable to continue as members of Seikatsu Club in their new location.

JEM: Isn't there a need to educate new members about how to make their choices, how to purchase a month or a year ahead of time?

Iwami: Yes, we make pamphlets and handouts for our members that detail how safe or unsafe various products are, both Seikatsu Club products and ordinary supermarket products. Occasionally, we also take our members to the factories and farms that supply Seikatsu goods, to show them how Seikatsu Club products are produced.

JEM: How does Seikatsu Club encourage "environmentally friendly" living?

Hiratsuka: Our main emphasis is on basic needs, rather than on artificial needs generated by advertising and the media. We encourage do-it-yourself action and planning ahead of time, as opposed to impulse shopping.

While we also sell products to our members that are "earth-friendly," we don't actually state that on the label. The reason is because the expression "earth friendly" has been overused by the media to the point where it has almost no meaning. So while we have biodegradable soap, organic produce, and the like, none of it is labeled "earth-friendly."

We've also been recycling our soy sauce bottles and many other forms of packaging from the beginning and we will continue to do so. I'm sure everyone is familiar by now with the phrase, "Think Globally, Act Locally." We try to encourage this within Seikatsu Club.

JEM: How does Seikatsu try to integrate the need to consume (i.e., economics) with the need to have a sound environment (i.e., ecology)?

Hiratsuka: There are three types of environ-

ments, really: the natural environment, which gets all the attention in the media, and the living and social environments. As a food coop, Seikatsu Club places its primary emphasis on the living environment, but we're also interested in the social environment and natural environment, of course. There are four basic ways to improve these various environments:

First, the necessity for economic action. A quality environment, be it social, living, or natural, is unavailable without a supporting economy. An economy is simply the method by which goods are produced and distributed. There can be economies that are harmful to human living and the natural environment, and economies that are consistent with a high quality of human life and a sound natural environment.

Second, ethical standards. The trend now is towards ever-increasing advances in technology; towards huge corporations looking for cheap labor in underdeveloped countries; and towards industrial globalization and the single-minded objective of profits at any cost. As a result, consideration for those who are being wounded by the system has become a low priority. In response to this situation, the United Nations is trying to form an ethical code of conduct to help those exploited countries. Similarly, Seikatsu Club is also supporting world public opinion to create an ethical policy through international NGOs such as the IOCU [International Organization of Consumers Unions]. To achieve this goal, we are trying to organize people in various regions of Japan. We want to help initiate a dialogue between the people, the government, and industries.

Third, ecological standards. Seikatsu Club encourages natural farming and agriculture. We also encourage heterogeneity in farming. There has been a trend recently towards bio-engineering various crops — genetically altering them to make them resistant to certain diseases and predators. The result is a single homogeneous crop, which, while resis-

tant to some diseases, may be uniformly non-resistant to others. A heterogeneous crop — that is, growing different types and varieties of crops — is more resistant to diseases. While one variety may be affected by a certain type of disease, another variety may be resistant to it. This is a natural way of controlling crop diseases. Once chemicals are put on the soil, however, organic farming is no longer possible. The diseases and predators build up a resistance to the chemicals, and stronger and stronger chemicals have to be used. There's no end to it.

Fourth, the social aspect. We would like to see a move away from our current "supermarket-store" society towards a future system where there are "specialty stores" for particular types of products, such as fish, vegetables, bread, and so on. Supermarkets promote consumerism, high volume sales, and a corresponding lack of concern about the quality and safety of products. The "specialty stores" would be in a better position to provide high quality and safe products.

JEM: Where do you see the cooperative movement going?

Hiratsuka: I would like to see the cooperative movement, which is currently very weak from the point of view of market share, strengthen and eventually become an alternative economy. I feel that the various groups of people in various regions around Japan are already doing a good job. The cooperative movement needs to grow, but it can't simply become another institution in society. If Seikatsu Club "institutionalizes" itself, we will have lost our original purpose, which is all about self-help and people helping each other. I would like to see us become more than just a cooperative; I would like to expand what we are doing into a people's movement.

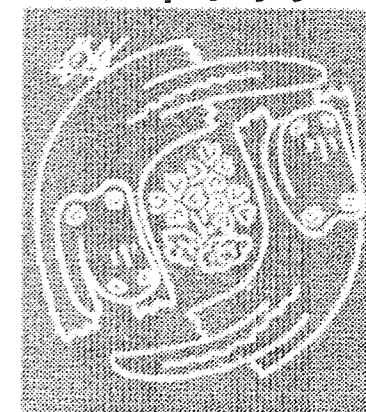
Next issue: A review-essay of YOKOTA Katsumi's book *I Among Others*, detailing the activities, principles, and vision of the Kanagawa branch of the Seikatsu Club.

## Eco-Friendly Local Governments

A Japanese labor union, the All Japan Prefectural and Municipal Workers' Union ("Jichiro"), has published a pamphlet on how local governments might go about creating environmental awareness and making the areas under their jurisdiction more environmentally friendly. The 32-page booklet consists of an introduction on what an eco-friendly local government (*kankyo jichitai*) is, a draft for an eco-friendly local government declaration, 10 environmental principles for running such a government, 25 questions that local governments should ask themselves to judge their own environmental friendliness ("Eco-Check 25"), a plan for global action, the Rio Declaration, excerpts from Agenda 21, the New Valdez Principles, and more.

For those interested in the Japanese-language publication, write to Jichiro at: Tokyo-to, Chiyoda-ku, Rokuban-cho 1, Tokyo, Japan. Tel: 03-3263-0274.

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