

# **Japan's Agricultural Cooperatives Challenging Regional Revitalization: Aiming at Reconstruction of “Solidarity”**

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Norinchukin Research Institute Co., Ltd.

YUKITOMO Wataru, Senior Fellow

## **■ Abstract**

“Self-reform” of agricultural cooperatives or JAs has three goals aiming at “increase in farmer’s income”, “expansion of agricultural production”, and “revitalization of regional societies”. Out of these goals, the revitalization of regional societies has been promoted by implementing various activities, and therefore achievement of these activities is rather hard to be confirmed. Now that regional societies are confronting various kinds of difficult challenges like aging, declining birth rate and population decrease, a role to be played by JA as a “cooperative based on the region with food and agriculture being a core of its activity” is significant.

Arguments over the reform of agricultural cooperatives have been pursued in a direction that would make JAs separate their business activities other than farm guidance and agriculture related businesses from their main bodies by outsourcing these business activities to other organizations or by becoming their agents. This is the direction leading to dissolution of multi-purpose agricultural cooperatives, which has relationship intimately connected with the discussion on postponed regulation against associate members’ patronage for the agricultural cooperatives.

The JA Group, on the other hand, has continuously pursued their efforts to tackle challenges faced by regional societies by strengthening unities of members without barriers between regular and associate members through multifunctional business activities as well as by promoting collaboration with cooperatives of other types, residents’ organizations, local governments and other related bodies. These efforts have their origin in the “Basic Plan for Better Living Activities” and the “Basic Policy of Better Living Activities of Agricultural Cooperatives” decided by the JA Group respectively in 1970 and 1985. Under these basic policies, JAs have continued to take concrete measures like welfare activities for aged people with JA’s mutual help organization of voluntary members.

When we have entered in an era of depopulation, regional societies are confronting much more complicated and difficult problems than ever. In this situation, there is an increase in JAs making efforts to create a new “solidarity” by promoting various activities including collaboration with “region management organizations” supporting

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livelihood of residents in the region, farm work assistance by volunteers of JA associate members, establishment of childcare support centers, and cooperation extended for “children cafeterias”. JAs are now continuously required to nurture a young bud of new “small cooperation” by enhancing close dialogue and collaboration with residents in the region including their associate members and other organizations supporting regional societies.

## ■ Introduction

“Self-reform” of agricultural cooperatives or so-called JAs (Japan Agricultural Cooperatives) sets forth basic goals aiming at achievements of “increase in farmer’s income”, “expansion of agricultural production”, and “revitalization of regional societies”. The former two goals can be expressed in other words of strengthening JA’s farm guidance and agriculture related businesses. According to the survey conducted in 2018 by the Ministry of Agriculture, Forestry and Fisheries (MAFF), ratios of JAs that replied, “We have started to take concrete measures” in marketing business and supply business, reached 93.8 percent and 93.6 percent respectively (Note 1). Although JAs face a challenge that core farmers’ (certified farmers’) evaluation for the self-reform in these two businesses is relatively low, they are achieving tangible results such as declined supply prices and cost reductions of farm inputs.

As for the third goal of the revitalization of regional societies, on the other hand, achievements by JAs have not yet been fully known. There are some aspects in those achievements that are hardly grasped as a part of JA’s “self-reform”, because JAs have been implementing a wide range of business activities for the regional revitalization, including welfare activities for elderly people, childcare supports, supports for disadvantaged shoppers, and exchange events among residents, with a view to meeting diversified needs of the respective regions. In addition, the government and ruling parties do not place great value on implementation of these activities in the JA reform, which is supposedly another reason why those activities have been given a low degree of attention.

Given that JAs aim at being “regional community-oriented cooperatives based on food and agriculture” (Note 2), however, they cannot avoid addressing various challenges faced by their respective regions. Japan has already become an unprecedented aging society with a declining birth rate, in which agricultural, forestry and fishery villages and urban cities are all facing complicated problems respectively. If JAs take no measures to deal with the existing state that is highlighted even with “disappearing rural societies” and depopulated “marginal villages”, JAs will erode their own foundation of existence and the agricultural production will also be adversely affected in a mid-and-long term period. In this sense, the three goals of the JA’s “self-reform” should be regarded as the Trinity.

From an above-mentioned viewpoint, this paper will consider JAs’ challenges addressing the revitalization of regional societies. Before getting to the main point, it should be added that the author is neither a researcher on cooperative nor engaged in cooperative businesses. Not a few experts might find out that the following discussion is neither sufficiently nor sophisticatedly deepened. Readers of this paper would be kindly requested to understand a motive of the author wishing to express expectation to JAs not only as a former journalist with experiences of contacts with agricultural

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cooperative's organizations through reporting and research activities, but also as an associate member of an agricultural cooperative.

(Note 1) The Japan Agricultural News (June 23, 2018)

(Note 2) The Resolution adopted at the 27th National Conference of Agricultural Cooperatives held in October 2015.

## 1. Position of “regions” in JA reform

Let us review first how “regions” have been positioned in discussions on JA reform.

What triggered the discussions was the “Opinions on Agricultural Reform” publicized in May 2014 by the Agriculture Working Group of the government’s Council for Regulatory Reform (current the Council for Promotion of Regulatory Reform). In the Opinions, the Working Group submitted major proposals including abolition of the system of the union of agricultural cooperatives, conversion of ZENNOH (National Federation of Agricultural Cooperative Associations) to a joint stock corporation, conversion of JA’s credit and mutual insurance businesses to agents of JAs’ respective business federations, and regulation on the associate members’ patronage of the businesses operated by JA. The Working Group simultaneously made a recommendation stating, “Measures should be taken to promote specialization of agriculture related businesses and sound management of JAs so that JA can strengthen its strategic supports for member farmers by maximizing its efforts in implementing agriculture related businesses like marketing of farm products”. The recommendation further continued saying, “From a viewpoint of enabling JAs to carry out an appropriate management to cope with respective needs of diversified members and residents in the region, necessary measures should be taken to facilitate organizational splits and restructuring of JAs and their federations, as well as organizational conversions of JAs and federations to joint stock corporations, consumer cooperatives, social medical care corporations, incorporated associations, and other entities”.

In other words, the Council for Regulatory Reform advocated that although the Council would not deny JAs’ activities to meet needs of “diversified members and residents in the region”, JAs should promote the splits and restructuring of their organizations including business federations, or conversions of those bodies into joint stock companies and other entities in order to implement “appropriate management” of their activities.

In this advocacy, we can perceive the Council’s thought that an “inter-dependence system” of JAs or multi-purpose agricultural cooperatives operating various business activities like marketing, supplying, credit, insurance, processing and the like must be dissolved so that the JAs can improve their business efficiency by separating each of their business sections into specialized entities on an independent accounting system, which thought is common to that promoting the so-called postal service privatization legislated and implemented by Koizumi’s administration in 2005 and 2007 respectively. If JAs leave their business activities other than farm guidance and agriculture related businesses in the hands of other organizations or become agents of the organizations in order to outsource these businesses, associate members using those business service will become mere “customers” separated from JAs themselves. If regulation on the associate members’ patronage of JAs’ business services is introduced, on the contrary,

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JAs will have no choice other than to outsource their businesses except for farm guidance and agriculture related businesses to other organizations or become their agents. Membership qualification of the JA's associate member itself might be expected to become unnecessary.

In the “Agriculture, Forestry and Fisheries and Regions Vitalization Creation Plan” of the government, which was revised in June 2014 based on the Opinions submitted by the Council for Regulatory Reform, the following sentences were newly inserted: “In case of necessity, measures should be taken to enable JAs to implement their organizational conversions such as splits of their organizations, conversion of a part of their organizations into joint stock corporations, consumer cooperatives or other entities, from a viewpoint of managing their business activities in an appropriate way to meet respective needs of business targets (core farmers, part-time farmers and residents in the region), while these business targets are increasing their diversity”. In this governmental Plan, voluntariness ensured for JAs was emphasized with words of “in case of necessity”, the Plan has the same purpose with that of the Opinions.

In August 2015, the Bill for Amendment of the Agricultural Cooperatives Act was enacted, and the amended Agricultural Cooperatives Act was enforced on April 1, 2016. The provision of the former Act stipulating, “An agricultural cooperative association shall not be allowed to do the businesses for the purpose of profit-making”, has been deleted and replaced by new words stating, “An agricultural cooperative association shall show utmost consideration for an increase in agricultural income by conducting its business activities that are authorized to perform”. The new provision was added for the purpose of urging the JAs to devote themselves to development of agriculture. The amended Act has also included new provisions which will enable JAs to carry out a split and a conversion of their organizations.

The amended Act, furthermore, states in its supplementary provision that investigation on a desirable way of regulating JA's associate members' patronage of the business services provided by JA shall be completed to reach a conclusion within five years since the date of enforcement of the Act, after reviewing the results of surveys on how the business services of JA are patronized by regular and associate members as well as on how the JAs have carried out their respective reforms during these five years. The regulation of associate members' patronage is to be considered in April 2021 or later.

In addition, a starting point of the five years of the “JA Reform Intensive Promotion Period” set by the government was decided at June 2014, making May 2019 represent another great turning point of JAs. According to a news report (Note 3), MAFF begins to conduct a nation-wide survey on regular and associate member's patronage of JA's businesses of credit, insurance and supplies in the 2018 business year, a result of which is to be compiled around by May 2019. The Council for Promotion of Regulatory Reform requested MAFF to reveal its interim report on the survey as early as possible. The consideration by the government on regulation of the associate members' patronage will possibly start earlier than scheduled.

On the other hand, the Central Union of Agricultural Cooperatives or JA ZENCHU produced its position paper named “Self-reform of the JA Group” in November 2014, in which the JA Group set forth the three basic goals of achieving “increase in farmer's income”, “expansion of agricultural production”, and “revitalization of regional societies”.

In this position paper, the JA Group's basic direction of the self-reform was demonstrated as follows: “We continue to regard our associate members as partners

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supporting development of agriculture and regional economy with us, and promote their participation in JA's business and management in order to continuously play a function for integration of agricultural development and vitalization of regional societies that will be both required by residents and farmers in the region in the future, instead of not only dividing our organization or assigning a part of our businesses, but also regulating associate members' patronage of our business services". This paper, namely, expressed a future vision of the JAs that they will address the challenge of the regional development and more consolidate their relationship with associate members by further strengthening their multi-purpose business activities rather than by dissolving those business activities.

The 27th National Conference of Agricultural Cooperatives, which was held in October 2015 after the enactment of the Bill for Amendment of the Agricultural Cooperatives Act, adopted a resolution on the basic policy of JA self-reform titled as "JA's Challenge Aimed at Creative Self-reform".

In this resolution, six "top priority challenges" including "customized supports to core farmers to meet their respective needs" and a "shift of some management resources to farm guidance and agriculture related businesses" were set forth to realize "increase in farmer's income" and "expansion of agricultural production" of the three basic goals (See Figure 1). This part of the JA Group's resolution can be deemed to have been greatly based on the amended Agricultural Cooperatives Act.

As for "revitalization of regional societies", which is the third basic goal of the JA self-reform, "fulfillment of JA's function as member's life infrastructure (revitalization of regional communities)" was put forward as "top priority challenges" of this basic goal. Addressing these top priorities, JAs committed themselves to work together with such groups of members as "various core farmers supporting their region and villages (semi-business farm household and others)" and associate members. These "various core farmers" were deemed as accounting 79 percent of JA's regular members, while the associate members, as a matter of course, surpass the regular members in number.

JA ZENCHU determined a draft agenda titled as the "Basic Concept" in June 2018, which was to be submitted as a discussion paper to all the JAs in the country. Nation-wide discussions at JA level are to be reflected into drafting of the final agenda paper to be submitted at the 28 National Conference of Agricultural Cooperatives as well as at respective Prefectural Conferences of Agricultural Cooperatives. Details on this draft paper have not been publicized. According to a news report, however, "three crises" of (i) a crisis of agriculture and rural areas, (ii) a crisis of JA's organization, business and management and (iii) a crisis of cooperatives have been recognized in the paper. Each of these crises correspond respectively to three challenges of (i) increase in farmer's income and expansion of agricultural production, (ii) contribution to revitalization of regional societies in collaboration with the societies and (iii) realization of active participation of members (Note 4).

In comparison with the resolution adopted at the latest JAs' National Conference, the goal of revitalization of regional societies is expected to increase its importance in the agenda of the coming National Conference which will be held on March 7, 2019. The challenge corresponding to the "realization of active participation of members" has also been upgraded to an independent "pillar" in the list of the draft agenda. In the above-mentioned "Basic Concept", furthermore, necessity of collaboration with local municipalities, other types of cooperatives, and private companies is considerably emphasized. The JA Group plans to implement a "dialogue campaign" to promote participation of various members in JA's activities.



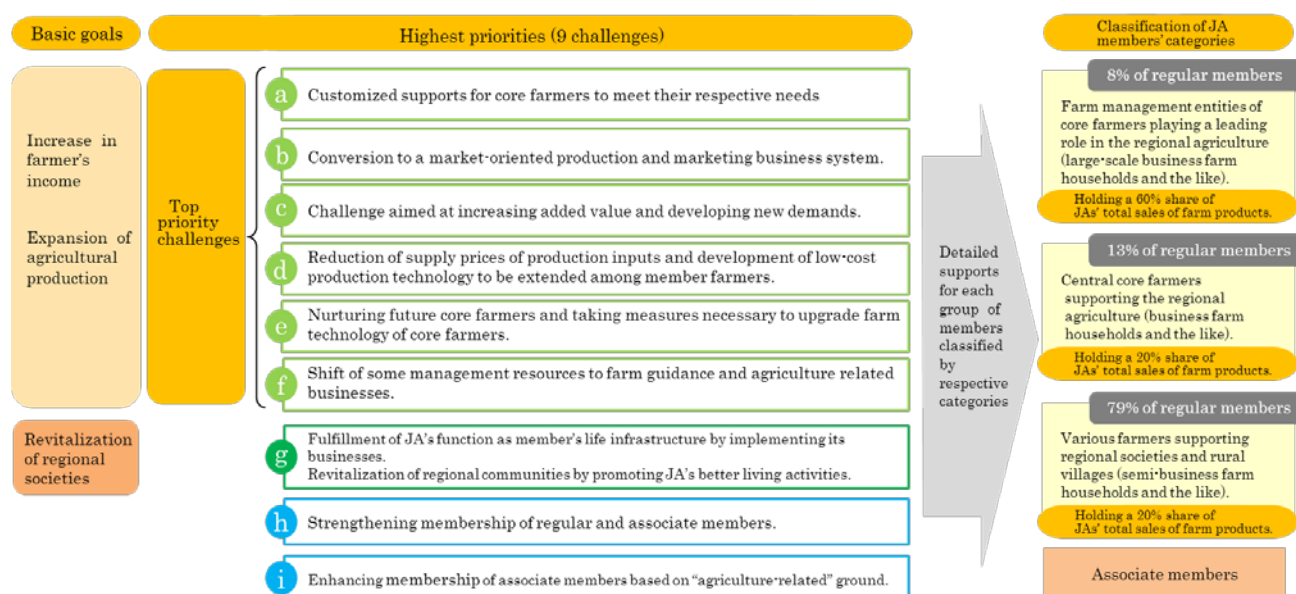
The “Basic Concept” has also made a proposal that every JA should not only persuade its associate members to put their wishes into practice after confirming their concrete intentions in addition to expecting them to be a fun club for the regional agriculture, but also establish an organizational system, by which the associate members can make their wishes reflect into JA’s business management and activate their participation in its activities.

This can be considered as JAs’ intention demonstrating their direction for reinforcing the unity of members who have progressed their diversity and advanced their hierarchical level, as well as for strengthening the social solidarity in regional societies. Kawamura (2016) pointed out that JAs could not effectively adapt themselves to changes in which structures of agriculture, farm households, and rural societies had been losing their respective homogeneity. There seems to be a common recognition of the problem in the “Basic Concept”.

(Note 3) The Japan Agricultural News (June 3, 2018).

(Note 4) The Japan Agricultural News (June 12, 2018).

Figure 1 Concept illustration of “JA’s Challenge Aimed at Creative Self-reform”, a proposal for organizational discussions of the JA Group



(Data: Respective shares of the JAs’ total sales of farm products are estimated with data on the number of farm management entities classified by sales of farm products in the “2010 Census of Agriculture and Forestry”).

(Note) Classification of members’ categories shown in the Figure is an illustrative example. Members’ categories are classified by each JA based on the existing state of its membership. In this Figure, the members’ categories are classified based on the following standards concerning sales amount:

- Farm management entities of core farmers: entity with sales of more than 10 million yen per year.
- Central core farmers: entity with sales of more than 3 million yen per year.
- Various farmers: entity with sales of less than 3 million yen per year.

SOURCE: Compiled from “JA’s Challenge Aimed at Creative Self-reform”, The Central Union of Agricultural Cooperatives (JA ZENCHU) (October 2015).

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## 2. Relationship between JAs and their respective regions - its historical backgrounds

A cooperative was originally an organization which the economically disadvantaged people set up to help each other, not an organization with a main purpose being to pursue the industrial development. It had its origin just in mutual assistance based on the regional societies, which is common to the foundation of cooperatives such as Rochdale Consumer Cooperative initiated in the United Kingdom, Raiffeisen Credit Union in Germany, and Hotokusha (organization of mutual reward for virtues) established by Sontoku Ninomiya as well as Senzo-kabu Kumiai (association of ancestors' shares) organized by Yugaku Ohara both in Japan.

“Co-operatives in the year 2000” called as Laidlaw Report, a keynote presentation made for the 27th Congress of the International Co-operative Alliance (ICA) held in 1980, pointed out possible crises to be faced by cooperatives in the world emphasizing, “The great objective of co-operatives should be to build community, create villages, many hundreds of them, within the larger urban setting. ...to the point of creating what would be regarded as a co-operative community, the approach must be comprehensive, in a way comparable to that of the rural multipurpose co-operative in Japan, for example.” (Note 5). [\* “The rural multipurpose co-operative” means JA.]

The seventh principle, “Concern for Community”, of the Co-operative Principles adopted at the ICA Congress held in 1995 states, “Co-operatives work for the sustainable development of their communities through policies approved by their members” (Note 6). Japan’s JA Principles decided in 1997 also says, “Let us construct an affluent regional society that allow the people to live with peace of mind by making contributions to environment, culture and welfare” (Note 7).

During years before the second world war, ‘Sangyo-kumiai’\* or cooperatives societies had been engaged in multi-purpose business activities from the beginning. At the initial stage of their foundation, however, Yajiro Shinagawa and Tosuke Hirata, leaders of the Japanese government in the Meiji era, devoting themselves to establishment of modern cooperatives in the country, originally planned to organize a credit union based on a model of the Raiffeisen Credit Union. When the Great Depression ruined the Japanese economy in early 1930s, nevertheless, a serious problem of poverty faced by people in agricultural, forestry and fishery villages confronted the Ministry of Agriculture and Forestry, which began to encourage the ‘Sangyo-kumiai’ to implement multiple businesses, namely, four activities of marketing, supplying, credit and utilization business, expecting that those multi-purpose cooperatives would play a key role in the then nation-wide campaign aiming at economic rehabilitation of the rural villages.

In 1943 during the war time, “Sangyo-Kumiai” organized mainly by farmers and “Nokai” or agricultural associations were forced to merge into agricultural and farmers associations (Nogyokai). In that time, the ‘Sangyo-kumiai’ took over farm guidance and agricultural policy representation activities from the agricultural associations. The agricultural and farmers association simultaneously became a governmental agent implementing not only the Staple Food Control System (1942 to 1995) which allowed the state to regulate production and distribution of rice and wheats, but also the controlled economic system for rationing farm inputs and the like. Some of these administrative complimentary functions played by the associations were taken over by post-war agricultural cooperatives which were newly organized under the Agricultural

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## Cooperatives Act.

Organizational base of the post-war agricultural cooperatives was a homogeneous structure of agriculture that was characterized by small-scale independent farmers transformed from tenant farmers by the land reform. Farmers including these new-born small farmers regarded it a matter of course for them to become members of an agricultural cooperative, partly because the war-time organization of the agricultural and farmers association had forced all the farmers and tenants to join the organization as “compulsory members”. In other words, agricultural cooperatives in rural areas were provided with an organizational function of continuously holding the respective areas as their business territories which had been held by the war-time bodies.

Since the high economic growth period, however, diversification of residents continued to progress in the rural areas. As of 2015, agricultural communities with a ratio of farm households being more than 50 percent of the total households account 29,827 communities, only a bit more than 20 percent of the national total, 138,256 communities (Note 8). In addition to the diversification of residents, farmers themselves have also been continuously differentiated into two groups: one group of core farmers including organizational farm management entities and another group of small-scale farmers. Many of these small farm households are expected to change themselves into “land tenure non-farm households” after continuing farming as non-commercial farm households for a certain period of years.

On the background of these structural changes occurred in the Japanese agriculture, associate members of JAs have continued to increase. As shown in Figure 2, the number of associate members reached to 1.4 times as many as that of regular members in 2016, occupying nearly 60 percent of JAs’ total membership. Based on this reality, we need to consider the relationship between JA and its region.

(Note 5) Laidlaw (1989).

(Note 6) Website of IYC (International Year of Co-operatives) Memorial National Council.

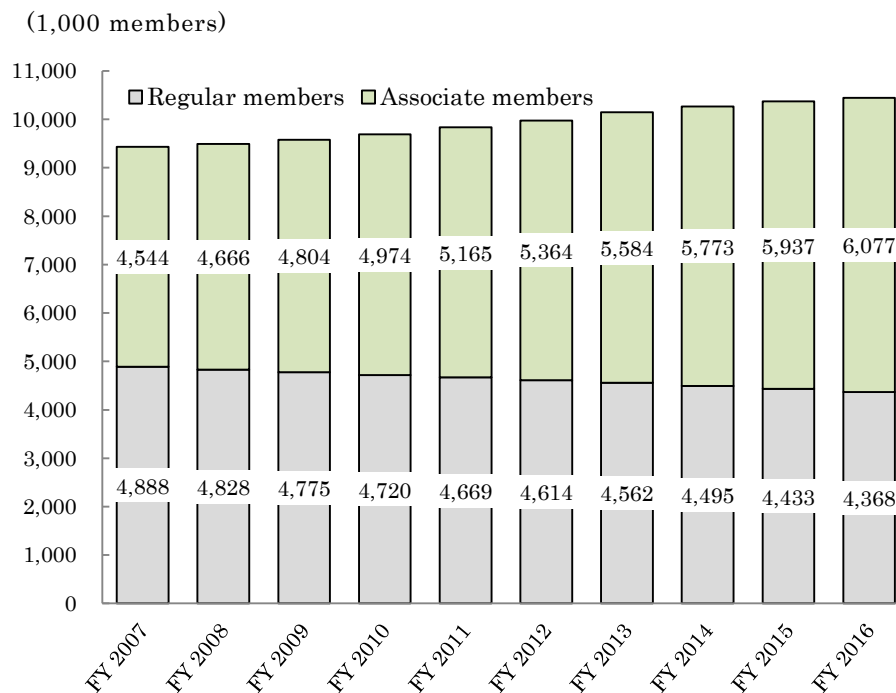
(Note 7) Home page of the Central Union of Agricultural Cooperatives (JA ZENCHU).

(Note 8) 2015 Census of Agriculture and Forestry.

\* **Sangyo-kumiai** was a cooperative society operating various business activities like marketing, supplying, credit and utilization without being limited on the type of business. During forty years since the Sangyo-Kumiai Act was enforced in 1900, agriculture had continued to be overwhelmingly a major occupation engaged by members of the cooperative societies, accounting for around 70 percent of members’ occupations, which indicates that ‘Sangyo-Kumiai’ was practically a “rural cooperative society” (Agriculture 81.9%~67.4%, forestry 0.1~0.3%, manufacturing industry 4.1~4.9%, commerce 6.4~11.1%, fisheries 1.7~1.8%, and others 5.9~14.5%).



Figure 2 Number of JAs' members



SOURCE: Compiled from “Statistics on Agricultural Cooperatives”, The Ministry of Agriculture, Forestry and Fisheries (MAFF).

(Note) Both of regular and associate members include “organizations”.

### 3. JAs' response to changes in regional societies

We cannot say that JAs were blind to the above-mentioned changes. Based on various changes in the Japanese society occurring with the high economic growth as a background, the “Basic Plan for Better Living Activities” decided at the 12th National Conference of Agricultural Cooperatives in 1970 declared, “We agricultural cooperatives must become a nucleus of a movement to enable human beings to live like human beings, and we must launch the movement aiming at constructing a new regional society based on the solidarity of human beings”.

The Basic Plan put forth concrete measures to be taken by agricultural cooperatives stating, “With a view to coping with urbanization, depopulation, aging, environmental destruction, changes in families and social livelihood (dissolution of blood and territorial bonds in the communities), necessary organizations should be set up to implement wide-ranged activities such as health enhancement (welfare activities), nursing care service for the elderly, healthy development of children, comprehensive life security, development of residential environment, consolidation of purchasing activities of better-living goods, and promotion of culture and sport”.

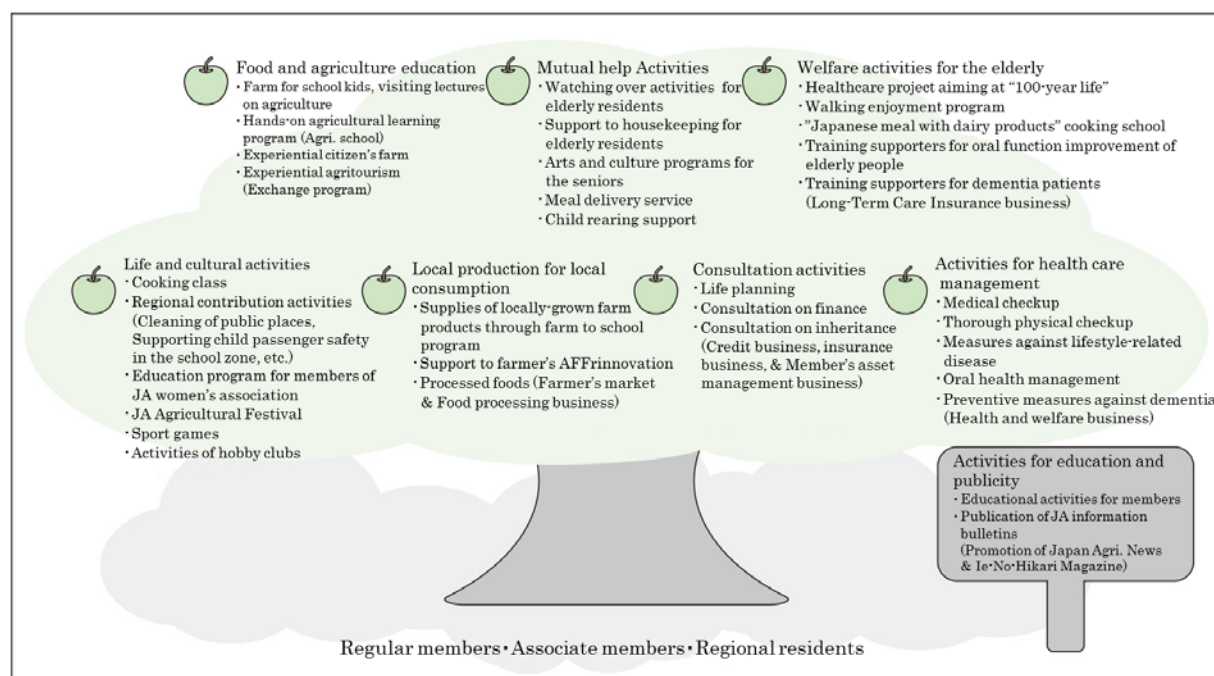
The “Basic Policy of Better Living Activities of Agricultural Cooperatives” adopted in 1985 launched more specific measures, including set-up of a department for promotion of better living activities at respective agricultural cooperatives, organization of an association or a group of member household's wives for those activities at each

community, and development of members' organizations to be set up according to respective purposes of the better living activities.

The Basic Policy demonstrated a direction of the activities to “activate solidarity of residents and cooperation activities based on the solidarity”. In the Policy, furthermore, agricultural cooperatives were required to seek for collaboration with other organizations by overcoming their organizational barriers, since “Among challenges faced by members in their livelihood, some of them will not be solved only with the power of agricultural cooperative organizations. Agricultural cooperatives can effectively address some of those challenges in collaboration with related organizations, local governments and the like”.

In those days, the Japanese society was characterized by existence of a strong belief among the people that “Residents are beneficiaries of administrative services”. Civil activities of non-political organization and other bodies had not been yet activated. In that situation, nevertheless, agricultural cooperatives aimed at initiating independent activities of residents in the respective regions as well as at forming various types of social solidarity. There seems to be full of excellent foresights in their initiative. We can consider the initiative from another viewpoint that agricultural cooperatives were urged to return to their own origin as cooperatives by their deep sense of crisis against a then tendency of the society distorted by an overemphasis on economy (which was described in the Laidlaw Report as “the world proceeding in a little bit insane direction”).

Figure 3 Conceptual diagram of JA's better living activities



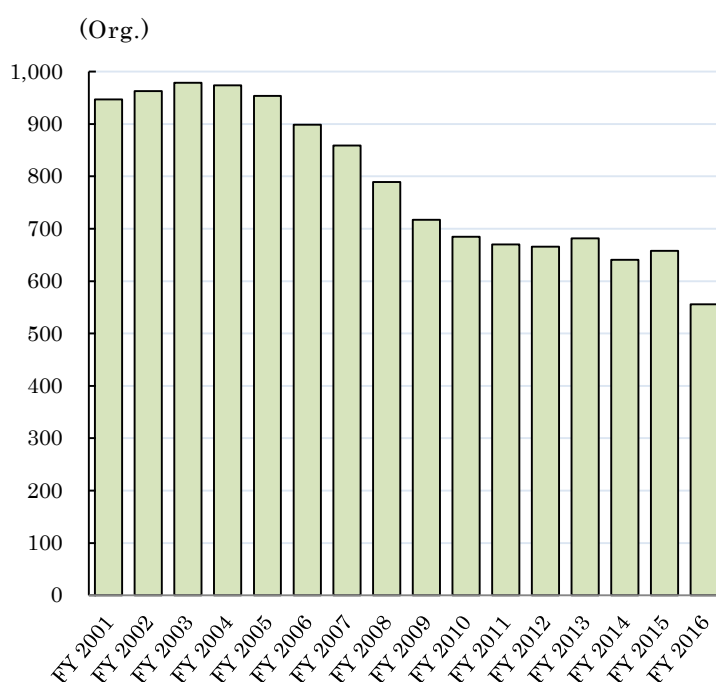
SOURCE: Compiled from information materials of the Central Union of Agricultural Cooperatives (JA ZENCHU) (partly revised).

(Note) Classification of contents of each better-living activity is different depending on prefectures and JAs which are implementing the activities.

Better-living related activities, which have been built up by JAs based on the Basic Policy, are wide-ranging (See Figure 3). Let us review an outline of one example of them, which is a welfare activity for the elderly promoted by “JA mutual help organizations”.

JAs’ welfare activity of regional medical care services has a long history beginning in the pre-war days. The amendment of the Agricultural Cooperatives Act enacted in 1992 first made it possible for JAs to initiate a welfare activity for the elderly people. Although the Ministry of Welfare (current Ministry of Welfare and Labour) also expected JAs to be providers of the public in-home welfare services, only a few JAs took part in this business. Instead, the “JA mutual help organization” began to take on the responsibility of acting as a provider of the regional welfare services. The mutual help organization was set up at most JAs as a special group of the respective JA women’s associations. Many members of these associations gained qualification of a nursing-care helper and took charge of providing the aged residents with care services as paid volunteers. The number of these JA mutual help organization reached 979 in 2003 at its peak (See Figure 4).

Figure 4 Number of JA mutual help organizations



SOURCE: Compiled from “JA Factbook”, JA ZENCHU.

When the national Long-Term Care Insurance System started in 2000, JAs joined the long-term care business one after another, and expanded their business services into care management services like home-visit long-term care and in-home long-term care support (See Table 1). Even though the long-term care business of the JA itself and activities of the JA mutual help organization were regarded as “two wheels of a cart”, an organic coordination between these two types of activities did not make any progress, which was partly a reason why the activities of the JA mutual help organizations turned to be slowing down.

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These mutual help organizations are now engaged in activities in a peripheral area supplementing JA's welfare business, including "mini-day service" at communication salons and other facilities for elderly long-term care, meal delivery service, volunteer service at JA's welfare facilities, watching over activities and safety confirmation service for elderly residents living alone. Although the total number of the mutual help organizations in the country has a tendency of decline, it still accounts 556 as of the end of the fiscal 2016, for which 31,154 persons, including 28,448 females, are working. More than 90 percent of those organizations have reported on their activities as "maintaining the status quo" or "steadily expanding activities". A little over 10 percent of them, on the contrary, have scaled back or ceased their activities due to a decline and aging of members (See Table 2).

According to the 2016 survey, furthermore, 59 percent of the mutual help organizations turned to be independent from JA women's associations. This is because many of the JA mutual help organizations have been changing themselves into independent membership organizations under the guidance of the "Future direction of JA mutual help organizations" decided by JA ZENCHU in 2005, which encouraged the organizational change into "resident-participatory institutions expanding cooperative activities in the region" (Note 9).

The amended Long-Term Care Insurance Act, which was enforced in 2012, put forward establishment of the "Community General Care System". This is a system aiming at promoting coordination among various professionals of welfare activities in the respective community so that aged people can continuously live at their beloved places as much as possible. Under such conditions, the JA mutual help organizations have increasingly grown their significance as the resident-participatory organizations.

**(Note 9)** JA Welfare Network for Elderly People and The Central Union of Agricultural Cooperatives (JA ZENCHU): "JA-CARE.NET".

Table 1 Numbers of JAs operating long-term care businesses and business facilities

Classification of businesses	No. of operating JAs	No. of business facilities		
	Fiscal 2016	Fiscal 2016	Fiscal 2015	Fiscal 2014
Home-visit long-term care business ("Home Helper")	222	303	300	301
Outpatient long-term care business ("Day Service")	138	228	229	218
In-home long-term care support business	199	291	293	283
Welfare equipment rental business	68	83	84	70
Welfare equipment sales business	65	82	83	68
Home-visit bathing service business	5	6	6	7
Short-term admission for daily life long-term care business ("Short Stay")	10	12	13	12
Various region-based relationship businesses for long-term care services	33	57	44	46
Total	740	1,062	1,052	1,005

SOURCE: Compiled from "JA-CARE NET" of JA Welfare Network for Elderly People and the Central Union of Agricultural Cooperatives (JA ZENCHU).

(Note) The number of operating JAs was counted as of April 1 of each year. The total numbers do not match the real number of JAs, because some JAs are operating multiple long-term care businesses.

Table 2 The state of JAs' mutual help activities (as of April 1, 2016)

(Unit: organization, %)

State of activities	No. of organizations	Proportion of the total JAs
Steadily expanding activities	66	10.9
Maintaining the status quo	464	76.4
Scaling back activities	68	11.2
No record of activities	13	2.1

SOURCE: Compiled from information materials of JA ZENCHU.



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#### 4. Upcoming challenges in an era of shrinking population

The Japanese society came into an era of continuously declining population around in 2011 (Note 10). According to the medium-fertility population projections (long-term total vital fertility rate supposed at 1.44) made by the National Institute of Population and Social Security Research in 2017, the total population of Japan, 127.09 million, is expected to decrease by 30 percent to around 88.08 million by 2065. The proportion of the population in the working-age group (aged 15-64 years) will fall from 60.8 percent in 2015 to 51.4 percent in 2065. During the same period, the proportion of the elderly (aged 65 years and over) out of the entire population will increase from 26.6 percent to 38.4 percent. A so-called “piggyback society”, in which almost one working-age citizen must support a senior citizen, is coming to this country.

Japan’s population continues to intensely concentrate in the Tokyo metropolitan area, while its total population is shrinking. Some experts assume that about 20 percent of areas in where people live today will turn to be totally abandoned places by the year of 2050 (Note 11). “Japan Policy Council”, a private think tank chaired by Hiroya Masuda, revealed its projection in 2014 stating, “896 cities, towns and villages are most likely to be extinct by 2040”. In the same year, the Abe’s administration decided to launch the “Vitalization of Local Economy” as one of its top priority challenges.

There seems to be many issues in the related policies of the government as well as in the estimate of the Policy Council, which will be discussed in another paper. From a micro-viewpoint, nevertheless, we can find out a phenomenon of “Return to Rural Living” taking place in hilly areas, mountainous areas and remote islands where young people are increasingly migrating. Many experts point out that population has turned to increase in not a few areas (Note 12). A key point for avoiding the “extinction” will be spontaneous efforts made by residents in rural areas to increase attractions of their areas and accelerate the young people’s migration.

Metropolitan areas, on the other hand, are aggravating their serious problems like shortages of infrastructures for childcare and long-term care services as well as instability of employment (increased non-regular employment). Regional communities in the large cities have transformed themselves into “individual-isolated societies” with weaker personal ties among residents. If more people move into such urban areas, problems such as declining fertility, rising ratio of unmarried adults, and impoverishment and social isolation of aged singles and “single-parent families” are expected to grow worse and worse. Some of housing estates and satellite cities developed in the metropolitan areas called as new towns, which used to be a symbol of prosperity, are now called as “marginal settlements” due to the depopulation. Others are called as “towns like sponge” due to an increase of vacant lots, empty houses and shuttered stores. Japan’s regional societies in both large cities and rural areas are confronted by complicated and insoluble problems. Both of national and local governments, however, have heavy debt burdens and do not have any capability to tackle these problems.

We now find it more difficult for us to build up our communities in which young people can live in hope, young couples can raise their children without undue worries, and aged people can enjoy their happy life without being isolated, only by expecting the administrative authorities to take the initiatives. Under such current conditions, an idea of “constructing a new regional society based on the solidarity of human beings”, which was advocated by JAs in their “Basic Plan for Better Living Activities”

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in 1970, has never lost its value but rather is increasing its significance.

(Note 10) Homepage of the Statistics Bureau, Ministry of Internal Affairs and Communications, “Statistics Today No.9”.

(Note 11) “Population concentration to urban areas, and an increase in large cities”, Ministry of Internal Affairs and Communications (a paper presented at the “Seminar on how to promote complementation of administration services among municipalities with difficulties in wide area cooperation” held on December 2, 2016.

(Note 12) Odagiri (2014), Fujiyama (2015).

## 5. Various activities for regional revitalization

In this section, activities for regional revitalization implemented by four JAs will be introduced. They are not necessarily selected as “advanced examples”, since lots of similar examples are available in the country. In addition, it should be added here that activities to be introduced below have not been launched as a part of “self-reform” of the respective JAs.

### 5.1 JA Kami-Ina: Collaboration with the Regional Management Organization

JA Kami-Ina has a business territory composed of 8 municipalities in the southern part of Nagano prefecture including Ina and Komagane cities, which is an area locally called the “Ina Valley” along the Tenryu River. The total number of farm households accounts about 12 thousand, which are mostly occupied by small-scale part-time farmers. Population aging is continuing in many parts of this region.

Introduction of a new farm policy called the “Cross-item Management Stabilization Measures”, which was established in 2007, triggered set-ups of community-based agriculture management organizations in the region. There are now 49 organizations, out of which 45 organizations have all the farm households in respective communities as their members.

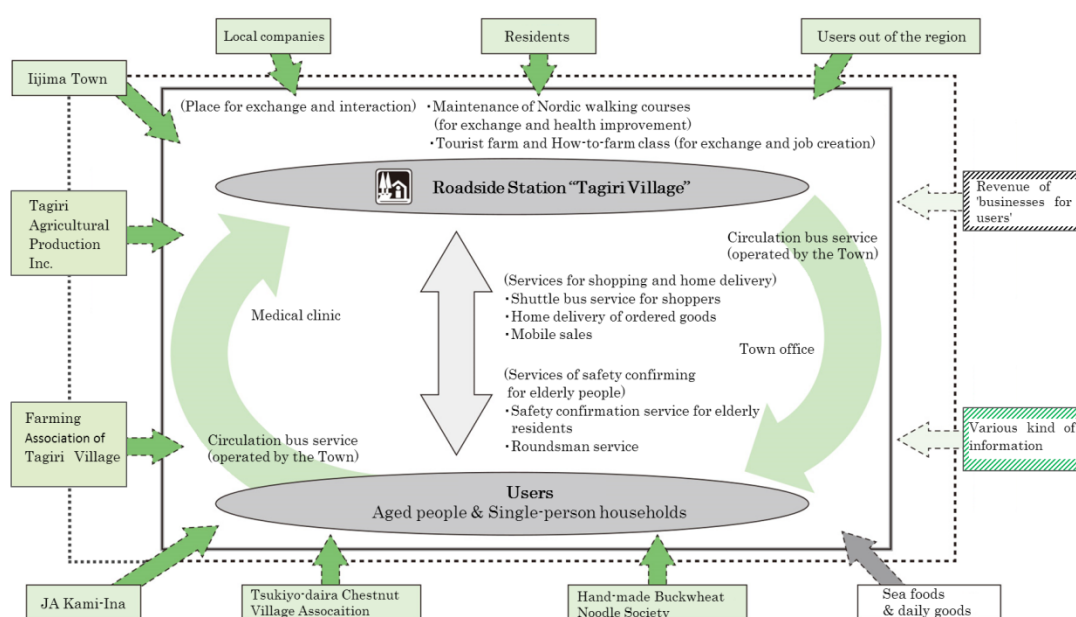
JA Kami-Ina has another characteristic feature that a “better farming guidance center” or an “agricultural production promotion center” has been established at all the 8 municipalities in its territory. These centers are different from better farming guidance centers operated by most JAs in the country. Each of them is a kind of the consultative body organized by all the stakeholders in the region including JA, the local government, an agricultural committee of the municipality, a branch office of the agricultural extension center of the prefectural government that work together in close cooperation to support the regional agriculture.

One of these centers is “Better Farming Guidance Center in Iijima Town”. Under the guidance of this Center, community-based agricultural management in Tagiri Section of the Town has been conducted by two organizations, Tagiri Agricultural Production Inc. established in 2009 and a general incorporated association named “Farming Association of Tagiri Village” set up in 2015. Furthermore, a joint stock company of “Roadside Station Tagiri Village”, which was newly established in July 2016, joined the collaboration with those two farming organizations. The company, which was invested by the JA Kami-Ina and residents in the region, was consigned as the designated managing agent by the local government to operate the “Roadside Station Tagiri Village” located along the state road No. 153. The “Tagiri Village” has been engaged in

management of a direct sales shop of farm products, a restaurant and a buckwheat noodle restaurant. The company has further expanded its activities.

The “Roadside Station Tagiri Village”, which sells fresh foods and daily necessities at the direct sales shop in the roadside station, started to offer services meeting the needs of “disadvantaged shoppers” by driving a mobile sales vehicle which runs with foods and consumer goods four times per week throughout the region. In collaboration with the Social Welfare Council of Iijima Town, furthermore, staff members of the company provide some of elderly residents with “safety confirmation service”, “roundsman service”, and other daily life supports like mowing in the garden according to their needs. They also plan to grow cosmos flowers on the farm lands surrounding the roadside station, and organize an event providing visitors with opportunities of a farm work experience and a health enhancement program (See Figure 5).

Figure 5 Roadside Station for residents at Tagiri Section in Iijima Town, Nagano Prefecture



SOURCE: Compiled from information materials of JA Kami-Ina

Mr. Masafumi Nakabayashi, who took the office as the first president of the company, had been the former senior executive director of the JA Kami-Ina, and its existing president was working for the office of the municipality. Its vice-president, Mr. Osamu Shimojima, had served concurrently as a JA board member by the end of May 2018. The manager of the direct sales shop, Mr. Noboru Kurasawa, was also working for JA's super market as its manager. In this way, the company has been keeping a close cooperation with the JA. In addition, it employs 31 staff members, out of whom two staffs moved to the region from the Tokyo metropolitan area as members of the Local Community Vitalization Aids (Note 13).

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An organization set up by residents for supporting the livelihood of people in the region, like the “Roadside Station Tagiri Village”, is called as a “Regional Management Organization (RMO)”. According to a survey of the Ministry of Internal Affairs and Communications, there are 4,177 RMOs promoting activities in 675 municipalities in the country as of fiscal 2017. These RMOs have main bases of activity called a “small base” like a roadside station, a total number of which reaches 908 places including the “Tagiri Village” (Note 14).

Through another subsidiary company, on the other hand, the JA Kami-Ina has been in cooperation with Family Mart Co., Ltd., one of the major convenience store chains in Japan. The JA’s company has expanded its convenience store business to operate 10 stores in the region, starting with “Family Mart JA Store No.1” opened in 2013. In collaboration with the Family Mart, the JA converted its directly managed supermarkets into convenience stores so that members and residents could enjoy the benefits of their many functions like home delivery service, mail service, and the ATM services of financial institutions as well. The conversion of JA’s supermarkets into convenience stores had a background that JA had found it difficult to maintain its own markets. What the JA figured out the best way to be selected for meeting significant needs of residents in the region was an introduction of the convenience store system.

In February 2018, the JA Kami-Ina earned an award as the “Financial Agency Contributing to Vitalization of Local Economy” from the Minister of State for the Promotion of Overcoming Population Decline and Vitalizing Local Economy. Regarding this awarding, Mr. Tetsuya Okano, JA’s manager of the farm guidance and planning division, made a comment saying, “We were a bit surprised, because what we had been doing everyday things in the usual way was highly evaluated. Basement of our activities, I believe, is efforts accumulated by our community-based agricultural management organizations. Member farmers have been united together to maintain their farmlands in our region. Our strong solidarity has been created probably thanks to the situation that most of the members are small farmers”.

(Note 13) “Local Community Vitalization Aids” is a government-sponsored system, which sends members of the Aids corps from metropolitan areas to depopulated and other local areas for a period from one to three years. Every Aids member, who is to be engaged in activities for vitalizing local communities, is paid with 4 million yen per year in maximum through the municipality office where the member is assigned. As of the end of fiscal 2017, nearly 5,000 members are working in many parts of the country. According to the survey of the Ministry of Internal Affairs and Communications, members aged from 20 to 39 years account for 70 percent of the total. About 60 percent of the total members have made a choice of settling down the area which he or she worked for.

(Note 14) “Activities for creating small bases and regional management organizations” (June 1, 2018), Cabinet Office.

## 5.2 JA Yokohama: Farm work volunteers of associate members

JA Yokohama is one of the typical urban JAs, which has 12,167 regular members and 55,316 associate members as of the end of September 2017. The JA Yokohama is also well known for being actively involved in development of urban agriculture, preservation of urban farmlands, and operation of direct sales shops for promoting “local production for local consumption”.

One of the measures taken by the JA Yokohama to support agricultural production in the region is an “Agri-Support Program”. In this Program, they have a support system called “Farm Work Volunteers”, in which system some of JA’s associate members are



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sent to aged farmers, for whom farm works have become a heavy burden due to their aging, and these associate members help the aged farmers in their farm works as volunteers.

As of early June 2018, 76 associate members (30 members in the north region and 46 in the southern region) have been registered in JA's list of the "Farm Work Volunteers". They help aged farmers mostly on their crop lands producing potato, peanut, onion, edible soybean, and sweet corn (See Photo 1). This volunteer system was initiated by recruiting volunteers from among associate members who had completed the agriculture experience workshop held by JA regularly since 2012. The year of 2018 marked the fifth anniversary of the system. Participants in the volunteer system are mostly retired persons, because farm works of volunteers are basically scheduled on weekdays except such events as a harvest celebration.

The agriculture experience workshop is annually organized by the JA on five training farms in total that are located respectively in the southern and northern regions of the JA's territory. An agricultural technical adviser of the JA participates in the workshop as an instructor.

Farm work volunteers are not paid by the above-mentioned aged farmers, but occasionally provided only with some of harvested products. An experience of supporting urban agriculture in Yokohama and getting close to soil on farms becomes a satisfying job to those volunteers.

<Photo 1> "Farm Work Volunteers" activities by JA Yokohama's associate members  
(Photo provided by JA Yokohama)



Mr. Shin-ichi Osada, Deputy General Manager of JA's Yokohama Agricultural Comprehensive Policy Department told the author, "Lots of aged farmers wish to receive volunteers. Volunteers' reputation passed from mouth to mouth among those farmers. We have had many phone calls from them asking for helps of volunteers."



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The voluntary system has been implemented in recent years as an extension of the agriculture experience workshop for associate members. The JA now plans to improve the system soon and consider how to start the new system in earnest in the next fiscal year.

The total area of cultivated lands under management in the city of Yokohama declined by nearly 20 percent in ten years from 2,034 hectares in 2005 to 1,691 hectares in 2015 (Note 15). Environments surrounding the urban agriculture is getting further sever, while a deadline of a so-called “problem in 2022” of the Productive Green Space Act (Note 16) is also approaching. In such environments, there is a growing expectation that some of JA’s associate members will step up from an “agriculture supporting party” to full-fledged core farmers. An immediate challenge to be addressed by the JA, however, seems to be how to enlarge the scope of participants in the volunteer system to young and middle-aged citizens, while the list of the volunteers is now filled mostly by retired persons.

The activities promoted by JA Yokohama aim to support agriculture in its urban region. The significance of these activities seems to be much greater for preservation of favorable environments in the areas, rather than for aiming at the “increase in farmer’s income” and “production expansion”. The urban agriculture has been endowed with public interest-functional roles such as conservations of a natural environment and a good landscape as well as prevention of damages by disasters (farmlands as evacuation and open spaces at the occasions of earthquakes and other disasters). Because of the Basic Act on Promotion of Urban Agriculture enforced in 2015 and the Basic Plan for the Promotion of Urban Agriculture decided in the Cabinet in 2016, recognition on the urban agriculture has totally changed from “urban agriculture to be converted into resources for housing lands” to “urban agriculture which should be maintained there”. To preserve “urban areas blessed with agriculture”, significance of the roles to be played by urban-type JAs are remarkably growing.

(Note 15) 2015 Census of Agriculture and Forestry.

(Note 16) This is a problem that the 30-year designation of farmlands made as production green spaces under the amended Productive Green Space Act, which was enforced in 1991, will unanimously expire in 2022. Farmers concerned will be entitled to request the municipality to purchase their respective farmlands when they find it impossible to continue farming. If the municipality does not meet the request, however, preferential taxation will not be applied on active farming in urban areas. Some experts, therefore, point out concerns that a great number of farmland plots will be converted into housing lots.

### 5.3 JA Kita-Tsukuba: Management of a childcare support center

The business territory of JA Kita-Tsukuba locates in the western part of Ibaraki prefecture, spreading over three cities of Chikusei, Sakuragawa, and Yuki. In these cities, farmers are engaged in production of various commodities such as rice, vegetables, fruits, meats and dairy products. In this agricultural region, nevertheless, the JA operates the Childcare Support Center named “Bare-footed Kids” as well (See Photo 2). Ms. Akemi Namai, director of the Center told the author, “Even in this rural area, aging and declining birth rate have been accelerated in recent years. Households with children have decreased, and many young mothers struggling with child rearing have no one to go to for advice”.

The Support Center was established in April 2008. In 2007, the JA set up three task forces of its staff members, which were assigned respective challenges regarding effective uses of some facilities that had been unused since the JA merged with

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neighboring JAs. One of these challenges was a “childcare support service”. Five members of the task force for the “childcare support service”, except the manager in charge, were all female staffs of the JA, including one qualified as a nursery school teacher.

They considered several proposals including possibilities of operating a day-nursery and an after-school kid care facility. They finally agreed to submit a proposal that their JA should set up a childcare support center where parents and their children can participate in together and cultivate friendly relationship among themselves, instead just taking in and looking after children in the region. The proposal was realized at one of the unused branch offices of a JA, which joined the merger, in the city of Sakuragawa.

The JA’s Childcare Support Center, where two nursery school teachers are always on duty, has an area almost same with that of a general nursery school. Every two days per week (Tuesday morning, and Thursday morning and afternoon), children aged 0 to 6 years and their parents or grandparents are both invited at the Center. Once a month, the Center holds an event named “Planned Play” like a harvesting experience on a farm. Every October, an event of the “Family Concert” is organized, in which various booths are installed for direct sales of farm products, tasting dishes, and consultation on child raising, in addition to musical attractions. A nurse and a midwife are sent to the Center once a year by the Ibaraki Prefectural Welfare Federation of Agricultural Cooperatives to provide parents in the region with professional advices on the child raising.

<Photo 2> The Childcare Support Center “Bare-footed Kids” of JA Kita-Tsukuba  
(Photo taken by the author)



Beneficiaries of the Center are basically limited to residents of the three cities in the JA’s territory. Non-members of the JA can be provided with the Center’s services. Information on the Center is made available through JA’s monthly bulletin, which can be picked up at the reception of the Sakuragawa City office as well. The numbers of

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participants in two programs of the “Free Play” held twice per week and the “Planned Play” accounted 843 families and 205 families respectively in fiscal 2017. Since fiscal 2014, the JA started to hold an event called “Playground for Bare-footed Kids” at a JA branch office located in Yuki city once a month as similarly as the Center did. In fiscal 2017, 69 families took part in the Playground event.

When the author observed the Center on June 21, 2018, about 10 families, including grandparents, joined the “Free Play”. A mother with a two-year boy of the second child told the author as follows: “We have continued to use this service during these two years since I visited here with my first kid. My second son was so shy, but he has become able to play friendly with other every kid. I am grateful I can also enjoy a social interaction with “mom’s friends” here and advices of nursery school teachers are really helpful”. One of JA’s nursery school teachers made a comment saying, “Not a few mothers feel uneasy after moving to this city from other places. This facility seems to have a great significance of existence”.

“This facility is more useful for parents than for children”. This is a view of the director of the Center, Ms. Namai. Publicity activities, including solicitation of JA’s banking and insurance services, have not been targeting users of the Center. She emphasized the significant role of the Center by saying, “Residents’ uses of this facility are an important occasion for them to know about our JA. We are an agricultural cooperative, and that is the very reason why we would like to promote activities like an event of farm work experience that only the JA can do”.

#### **5.4 JA Tokyo-Chuo: Provision of farm products to “Children’s Cafeteria”**

JA Tokyo-Chuo, a business territory of which is composed of seven wards like Ota, Shinagawa, Setagaya, Meguro, Suginami, Nakano, and Shinjuku, has a total membership of some 13 thousand. Out of the total members, associate members account about 11 thousand (85 percent). Although the JA Tokyo-Chuo is a typical urban JA like the JA Yokohama, urban farming in a part of its territory, Setagaya Ward and Suginami Ward, is most actively maintained after Nerima Ward in the 23 wards of Tokyo (Note 17).

In 2017, the JA began to provide ingredients to “Children’s Cafeterias” (Note 18) in the Suginami Ward. In the previous year, managers of the “Children’s Cafeterias” requested for JA’s support through the Ward office. The JA decide to support the Cafeterias after talking with their managers for better understanding on their activities. The Cafeterias originally requested the JA to provide them with unmarketable farm products without any charge. When the leaders of the JA and its organization of young and middle-aged farmers gathered to discuss their request, many of member farmers presented their common opinions saying, “If we are going to ship our products to them, we really wish to send them our perfect products”. The JA finally decided to meet the costs and provide the Cafeterias with marketable farm products.

This voluntary project of the JA targets six “Children Cafeterias” in the Suginami Ward, which are open respectively once or twice per month. A various kind of vegetables and fruits like tomatoes, eggplants and cucumbers are prepared by member farmers of the JA’s organization, who are paid 1,500 yen per farmer by the JA to meet a part of their cost of one shipment of farm products. Those farmers bring about their products to JA’s farm guidance center named Suginami Green Center on a prearranged schedule, which are picked up by staffs of the respective Cafeterias. About 15 farmers

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continue to cooperate with the JA in this voluntary project throughout the year, although varieties and quantities of their shipments change depending upon the harvest season.

This project triggered a communication between the JA and related organizations of the Wards, and staff members of the JA came to participate in social gatherings of the “Network Liaison Committee of Children Cafeterias in Suginami” held by the Suginami Ward Council for Social Welfare. Managers of the Cafeterias visited voluntary farmers on farms and took photos of the farmers working there, which are displayed on the wall of respective Cafeterias to provide users of the Cafeterias and their families with opportunities to understand the actual situation of urban agriculture in Tokyo.

This JA’s voluntary activity has a good reputation among users. One of the parents reportedly said, “JA’s vegetables are so fresh and tasty. My kid did not eat tomatoes, but he is now taking them at the Children Cafeteria”. Mr. Tomohiro Yoshida, JA’s staff in charge of this project, told the author, “Our farmers feel the worth of supporting them. They are also particular about quality of their products. But we cannot provide the Cafeterias with some kinds of vegetables depending the season. People of the Cafeterias have understood the difficulty”. Mr. Yoshida personally hopes that his JA will be able to provide an opportunity of farm work experience to the children as a chance of food and agricultural education.

On the other hand, however, there is a kind of misperception, prevailing through the media and the like, that the children cafeteria is a place offering food to unfortunate children, which is reportedly oppressing minds of member farmers of this project. If the children cafeteria is considered as a measure against the “children’s poverty”, a quota of the uses will be smaller, and users will be conscious of their weak position. The main purpose of the children cafeteria is just to eliminate “eating alone” of children at home and revitalize “human ties” in the regional communities through eating together. In this sense, JA’s connection with residents in the region through food and agriculture will further increase its significance.

**(Note 17)** According to the 2015 Census of Agriculture and Forestry, the Nerima Ward has 160 hectares of cultivated lands under management, which is the largest among 23 special wards of Tokyo, followed by 98 hectares in Setagaya Ward and 35 hectares in Suginami Ward. The JA Tokyo-Chuo, however, does not cover all the area of the Setagaya Ward as its territory, because the southern part of the Ward is partly covered by the territory of JA Setagaya-Meguro.

**(Note 18)** “Children Cafeterias” are operated as a social activity which provides free meals or cheaper ones as well as opportunities of friendly communications to children who eat alone or cannot take enough meals at home due to domestic circumstances and the like. Some of these cafeterias serve meals for elderly persons living alone as well. The management bodies of the cafeterias are diversified, including an organization of individual volunteers and NPOs. The first children cafeteria in Japan is said to have been initiated in Ota Ward, Tokyo in 2012. A nation-wide survey on the children cafeterias conducted in the period from January to March 2018 by the sponsoring organization of the cafeterias, “Children Cafeteria Committee for Improvement of Children’s Safety and Security” chaired by Makoto Yuasa, Professor of HOSEI University, revealed that there were 2,286 children cafeterias opened at various places in Japan.



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## ■ Afterword

“Children Cafeteria” introduced in the above section is a new type of a social movement which has been explosively spreading in the country. Fukuda (2017b) states that 19 JAs in 13 prefectures were cooperating with the cafeterias in providing ingredients of farm products as of the end of October 2017. A poll among persons involved in management of the “Children Cafeterias”, which was conducted by the Ministry of Agriculture, Forestry and Fisheries in October and November in the same year, indicated that 13.1 percent of the cafeterias (274 responses) were working in close cooperation with “persons related to agriculture, forestry, fisheries and livestock industries (agricultural cooperatives, fishery cooperatives and other organizations)”.

Although only a few JAs in number have yet participated in this movement, JAs’ involvement is expected to grow during years to come. According to the latest news report, there is a new example of such involvement that a women’s association of a JA opened a children cafeteria by itself (Note 19). Another JA also initiated a project supporting “creation of children’s places” in collaboration with the prefectural government (Note 20).

As for JA’s initiatives supporting childcare, a new development is taking place. In an era when Japan sharply grew its population (a period of the high economic growth), “agricultural cooperative’s” nursery schools and kindergartens were temporarily set up to take care of farmers’ children during the busy farming season in many rural areas. Some of them were gradually converted to educational institutes or other entities, and others were abolished.

A new difficulty over child rearing is arising in the current society of declining birth rate. In the recent trend toward nuclear families as well as dissolution of blood and territorial bonds, young mothers are now getting harder to be supported by their family members and neighbors, while social infrastructures such as childcare facilities are insufficiently available. This situation also accelerates the birth rate decline, resulting in a vicious circle. To cope with thus situation, 24 JAs in 20 prefectures are promoting activities to provide childcare supports to young couples, including parenting advice services (Note 21).

On the other hand, regional management organizations (RMOs) like the “Road Station Tagiri Village”, which is operated in cooperation with the JA Kami-Ina, are attracting a great deal of attention as a new core entity for enhancing the resident autonomy. In this field, cooperation with JAs is expected to be strengthened. Multi-purpose agricultural cooperatives or JAs, which had many experiences of meeting various needs of the respective regions in past years, have high potential in the future (Note 22). JAs can utilize their facilities such as branch offices, stores of supply goods, and direct sales shops of farm products (farmer’s markets) as “small bases” for community businesses and residents’ interaction. Development of renewable energies with resources available in rural areas like small hydraulic power and biomass will become an option to be taken by JAs.

The greatest strength owned by JAs will be their power to unite people with people through food and agriculture. JAs’ various activities of farm work experience, farm work supporting volunteers, collaboration between agriculture and welfare (Note 23) and others are expanding in many parts of this country. The greatest potential for this expansion is held by JAs especially located in urban areas where a social mixing



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between existing and new residents has made great progress.

Initiatives taken not only by the regional society for supporting agriculture, but also by agriculture for revitalizing the regional society can be regarded as a community-supported agriculture (CSA) (Note 24) in a broad sense. If urban farmlands playing various public-interest functions can be conserved by encouraging urban residents to join an agriculture supporting party, the residents will be also able to share the benefits. Urban JAs will have an optimal position as the catalytic body.

JA has some possibilities in its financial business as well. Since the 1990s, “NPO banks” providing finance to NPOs and social entrepreneurs, who are implementing activities to address challenges faced by regional societies, have been established at one place after another in many parts of the country (Note 25). Among these banks, there are some NPO banks cooperating with local credit associations. It will be also possible for JAs to support these civil activities with financial assistances.

Regarding the challenges of the “increase in farmer’s income” and the “expansion of agricultural production”, technical innovation, cost reduction and enhancement of sales capabilities can be easily proposed as a clear-cut roadmap to address these challenges. What is included in the theme of the revitalization of regional societies, however, is extremely diversified and has an almost unlimited expanse. Table 3 is a “wish list” prepared randomly by the author. Needs of residents in the region have been much more complicated and diversified. To address the challenge of the regional revitalization, every JA does not have any other choice but to implement its own measures by taking a hard look at what things are taking place in its own region, not by depending just on a casual idea.

What is most important on this occasion seems to be dialogues and collaboration. JAs will be required to grow a seed of “small cooperation” to be found by continuing their dialogues with various stakeholders supporting the region such as residents in the region including their associate members, other cooperatives like consumers cooperatives and fishery cooperatives, private companies, NPOs, and local governments as well as by establishing a system of close collaboration with them.

The environment surrounding both agriculture and finance will grow more severe in the future. There might be some persons involved thinking, “We cannot be preoccupied with things of the region”. However, if JA forgets its own identity of a “cooperative based on the region with food and agriculture being a core of its activity”, it will lose not only its significance of existence, but also the support of the nation. What is most important for JAs’ self-reform seems to be that they get back to the basics of “cooperative-style uniqueness”.

**(Note 19)** According to the Chunichi Shimbun (digital edition) dated June 17, 2018, JA Fuji-Shi opened a children cafeteria as a voluntary activity of its women’s association.

**(Note 20)** According to the portal site of the Nagano Prefectural Union of Agricultural Cooperatives, “Ii-JA-n! Shinshu (Nagano, fantastic!)”, JA Nagano and the Nagano prefectural government made an announcement on June 16, 2017 that they would launch a joint project to support “Shinshu Children Café and Children Cafeteria” by providing children with meals and opportunities to study, as well as to promote publicity of agricultural commodities produced by JA’s member farmers.

**(Note 21)** Fukuda (2017a)

**(Note 22)** Terabayashi (2017)

**(Note 23)** The collaboration between agriculture and welfare can be considered as a project for mentally and physically disabled persons as well as for persons facing livelihood difficulties to acquire (regain) a point of contact with the society by participating in farm works. Although activities of such collaboration have been implemented mostly by social

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welfare corporations and NPOs, the Japan Agricultural News reported on March 17, 2018 that JA Matsumoto-Highland in Nagano prefecture planned to make a full-scale entry into the business of intermediating the collaboration between agriculture and welfare in fiscal 2018 by matching needs of welfare offices with those of farmers.

**(Note 24)** CSA is an abbreviation of Community-Supported Agriculture, which is translated in Japanese to “Region Supporting-type Agriculture” or “Community Agriculture”. This is a system with which consumers support regional agriculture in collaboration with producers. CSA was initiated in the United States of America in the 1980s and extended to European countries. Farms promoting themselves as CSAs are increasing in Japan as well.

**(Note 25)** NPO bank is a non-profit making financial institution based on voluntary investments by citizens, which provide individuals and organizations with loans as a fund for their activities of regional societies, welfare and environmental conservation. “The National Liaison Committee of NPO Banks” was constituted by 26 organizations, including associate members, as of July 2018.

Table 3 New expected roles to be played by JAs  
(including cooperation with other organizations)

Services for elderly people.	Measures to be taken for disadvantaged shoppers (Mobile sales and the like).
	Measures to be taken for transportation disadvantaged people (Community circulation bus service and the like).
	Watch-over service and daily-life support for elderly people.
	Support for families with elderly members in need of nursing care.
Measures to be taken for coping with community challenges posed by the falling birthrate.	Childcare support services (supports for parents).
	Management of “children’s cafeteria” or support for operation of the “cafeteria”.
Vitalization of “human ties” through food and agriculture.	Food loss reduction (cooperation with food banks and others).
	Provision of opportunities of farm works to children as food and agricultural education.
	Collaboration between agriculture and welfare or matchings between them.
	Conservation of environment and landscape through maintaining farm lands.
Maintenance and revitalization of local communities.	Disaster prevention, crime prevention and assistance for victims.
	Promotion of exchanges among residents by holding regional events.
	Succession of regional culture such as festivals and traditional performing arts.
Contribution to government-sponsored projects for local revitalization	Promotion of agritourism and farm-house accommodation initiatives.
	Development of renewable energies
	Collaboration with the administration in connection with the Vitalization of Local Economy.
	Provision of financial supports for social entrepreneurship.

SOURCE: Prepared by the author.

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Norinchukin Research Institute Co., Ltd.

9th Floor, Agri-Square Shinjuku Bldg.,

5-27-11, Sendagaya, Shibuya-ku, Tokyo 151-0051 Japan

E-mail: [manager@nochuri.co.jp](mailto:manager@nochuri.co.jp)

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