

Standards for Worker Co-operatives and Conditions of Their Development – Case from Japan

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Introduction: Our Consciousness of Problems in Dealing with Workers' Cooperative Union Activities

Japanese capitalism had already reached the limits of “mass production/mass consumption/mass disposal-type” industries in the 1970s, becoming increasingly dependent on exports to overseas markets and public finances. Although an abnormal boom was experienced due to bubble-like speculation in the 1980s, the economic bubble burst following the start of the 1990s, and the phase of “long-term stagnation” began, with no new direction for industrial development in sight. The “lost ten years” have thus passed.

The Government and business circles contend that economic recovery and a recurrence of “growth” can be expected by pushing “efficiency enhancement” and “reinforcement of competition” among enterprises and industries while adapting themselves to “globalization” led by the U.S. and multi-national enterprises. Based on all facts, including plant and equipment investments and their efficiency, however, it is clear that such a development is nothing but an illusion.

The managerial recovery of enterprises is enforced exclusively through the “restructuring” of employees. In Japan, the dismissal of workers and changes for instability of employment are referred to as “restructuring.”

Thus, the total public unemployment rate, which was in the order of 1% from the 1960s to the first half of the 1970s, surpassed 5% in 2000, and currently stands at around the high range above 5.5%, with the number of unemployed totaling 3.7 million persons. When people who have given up hope for employment are added, about 10 million people are either unemployed or are just prior to unemployment in reality.

The fact that is particularly concerning for us is that the unemployment rate of the youth is in the order of 10%, which is by far higher than the rate of other age groups, and many young workers are engaged in the work of so-called “Freeters” (an abridgment of Japanese/English words “free arbiters”) resulting in no accumulation of technology/techniques or without purpose. Wicked crimes are caused by the despair of these youths, who cannot find a reasonable place to live within society.

The Japanese Government, which solely pursued “globalization,” supported the U.S. invasion of Iraq, thereby undertaking a part in “imperial” rule, and even staking its survival on it.

These developments represent a catastrophic situation caused by global capitalism, which follows the principle of the “thorough multiplication of currency value.” We regard the “mass production/mass consumption/mass disposal,” the bursting of the bubble economy, and the long-term stagnation rather as the period of transfer toward a “stationery economy,” in which collaboration of natural ecological systems and human beings should be respected, and people should really enjoy true richness. As such, we hope to develop worker co-operatives, and bring about the humanitarian resurrection of economy-industrial structure-enterprises-labor and life, jointly with many working people and citizens.

1. Business and Activities of Japanese Worker Co-operatives

1) A variety of persons who shoulder management of labor co-operatives

Japan’s worker co-operative activities were started as “business undertaking groups” for securing the employment of workers in certain areas in the 1970s, and throughout the nation in the 1980s. At first, these activities started to take over, based on the labor union management agreements with local governing bodies, the sites of greening and light civil engineering, which had been implemented under “public unemployment countermeasure projects.”

Subsequently, the participants gained experience of activities in the world. By 1990, they set the direction along which their activities are to be developed, as “worker co-operatives.” In accordance with the understanding and cooperation of other co-operatives, such as medical treatment worker co-operatives, livelihood co-operatives, and later agricultural co-operatives, they obtained requests for building maintenance, sorting of products in distribution centers, and work in processing centers, thereby building their foundation.

In addition to those mentioned above, the following groups of people are newly joining worker co-operatives, which are participating in, or collaborating with, the Japan Workers’ Cooperative Union, at present. If “Older Persons’ Co-operative Unions” are included, their total business undertaking amounts to about ¥20 billion, and their members total about 34,000 persons.

- Women and men who have made "Community Care" their own work. They are currently the strongest driving force among the workers' co-operatives.
- Taxi workers who progressed from the self-management of taxi companies to the establishment of the “Workers Co-op Taxi,” currently striving to expand its operational area to the entire nation.
- Workers and engineers in the construction field, including those belonging to the "Construction Co-op,” the “Design Co-op,” and the “Electrical Equipment Union.”
- A group of engineers who were faced by dismissal from their faltering enterprise, who fought and worked based on their self-managed organization, and who, after the settlement of labor dispute, have been grappling with natural energy equipment, such as solar light power

generation systems.

- Workers who have been tackling business activities as members of labor dispute groups opposing the division and privatization of the Japanese National Railways.
- Handicapped persons working in recycling activities, cleaning of buildings, park management, disinfection of welfare articles, and “Peer Helper,” an organization for the mentally handicapped, as well as people supporting them.
- A group of organic agricultural crop producers, who are striving for “solidarity between producers and consumers,” as well as for “the rehabilitation of local agriculture and farming villages.”
- Persons who created a small-scale permanent movie theater, in conjunction with motion picture enthusiasts, thereby aiming for “town establishment and work creation through movies,” etc.

□ In addition to the Japan Workers’ Cooperative Union, the following cooperative work efforts are progressing □

- “Workers Collective”: This represents efforts centered on members (female) of “Living Club Livelihood Co-operative Association,” who are mainly engaged in livelihood co-cooperative work, care, child rearing support, manufacturing/sales of bread and lunch boxes, school lunch supply, restraint management, etc. Their total business amounts to □7.3 billion. The members total 12,000 persons.
- “Farming Village Female Workers”: Farming village women’s activities centered on foods and agriculture, such as direct sales of agricultural products, processing of farm products, management of restaurants, and exchanges between cities and farming villages. JA (Central Union of Agricultural Co-operatives) is currently promoting these activities.
- “Medical Treatment Livelihood Co-operatives”: Medical treatment-related cooperatives have developed greatly in Japan. These co-operatives can presumably be classified as medical treatment workers’ co-ops and multi-stakeholder co-operatives for medical treatment service users and residents.
- Others: Business independently managed by workers, joint work establishment for handicapped people, study/cultural co-operative centers, and so on.

2) “Local Welfare Business Offices”: Community Care and “Overall Livelihood Industries”

In conjunction with “Older Persons’ Co-operative Unions,” Japanese workers’ co-operatives have held “helper courses” at 400 places across the nation since 1995, fostering a total of 40,000 helpers. Out of these 40,000 people, 4,000 have started to organize “Local Welfare Business Offices,” and currently 200 such establishments are in existence. Expanding these establishments to junior high school areas throughout the nation (10,000 locations if they are founded in all such areas) is the central business strategy of the Japan Workers’ Cooperative Union in the 21st century. The

“Local Welfare Business Offices” are local centers designed to engage in the following three kinds of activities:

- ① Activities corresponding to “Long-term Care Insurance” enforced since 2000 (home care, visiting persons’ care, rental of welfare articles, etc.) which will be conducted mainly by residents.
- ② In connection with policies of local governing bodies and mutual aid organizations within Older Persons’ Co-operative Unions, these activities will be expanded to a range of “Community Care” (school lunch supply, “mini-days,” care/prevention, development of vigorous high-age people, etc.). The range of care will also be diversified to care for handicapped people and for child rearing support, with specialists in these fields being continually fostered.
- ③ Various kinds of “Overall Livelihood Industries” will be developed in local areas, and the Local Welfare Business Offices will serve as their connection points (house cleaning, gardening, residence repair/housing consultation, collective housing, distribution of care/living articles, transport service/care taxi, cultural events, and the like).

“Overall Livelihood Industries” refers to a new form of industries realized through human connections, as well as cooperation among users, citizens, producers, and suppliers in the situation in which people’s needs are shifting to the “irreplaceable natural environment,” “relieving, safe, and humane areas,” and the “all-round richness in life,” not only individual goods or services. It is also called “Community Business.”

3) Grappling with legalization and requirements for “co-operative work”

□□Because there are no worker co-operative laws in Japan, the Japan Workers’ Cooperative Union devised a bill for such a law based on cooperation with the Japan Institute of Cooperative Research. By organizing the “Citizenship Conference” for its enactment, the Union has been striving for the legalization.

◀Requirements for co-ops designed for co-operative work set by the legalization guidelines of the Japan Workers’ Cooperative Union are as follows▶

- ① A co-operative shall be designed “for working people and citizens to create work useful to both the people and the area, and to expand the place for work, based on their own initiatives.” (Purpose requirement)
- ② A co-operative shall make capital contribution, labor, and management a “triumvirate” matter. “Persons who have the intention and ability to work” should establish a co-operative by making a capital contribution, and not only engage in work at the co-operative thus founded, but also personally implement the management and operation of the co-operative. With regard to the distribution of the surplus and the transfer of the surplus to provisions, etc., they must also arrange for decisions at a general meeting of co-operative members. (“Organizational requirement”)
- ③ Co-operative members shall be mainly made up of workers actively engaged in work, while

workers actively engaged in work shall be composed of co-operative members in principle. In addition, to enable the co-operative to start the work required in the area concerned, it shall be possible for citizens supporting the business purpose and capital contributors, including local governing bodies, to become members of the co-operative. (“Co-operative member requirements”)

- ④ In order to contribute toward the expansion of work engagement opportunities, educational training, and improvement in welfare, the co-operative shall accumulate a non-dividable “non-profit-making cooperative fund” using part of the surplus, and manage and operate the fund. (“Social requirement”)

2. Practice of “Co-operative Work” and Heightening of Social Recognition

1) Establishment of “co-operative work” and management through “Community Care” and “Overall Livelihood Industries”

Efforts for “Community Care” and “Overall Livelihood Industries” based on “Local Welfare Business Offices” have brought about the following new quality to the worker co-operative movement and have paved the way for the establishment of “co-operative work” and the method of management based on such work.

- * Centered on women, the practices of self-initiative-based work and management have begun. These practices are to personally bring funds, to open the Office, to organize users to put management on a stabilized track, to study actual methods for the “care to make users lively” as a team, to expand such activities to “mini-day service” under which people will gather and become vigorous, and to continue to use the fruits of their work and business achievements for the establishment of a new “Local Welfare Business Office” while leaving some surplus.
- * A new image of care, based on the participation and collaboration of users and local people, has been created. These users/local people have become active by emerging from isolation, continuing to live in the local area, and participating in exchanges with various other generations or in “cooking classrooms for men,” “PC classrooms,” and “creation of artistic work.” Furthermore, cases of users’ and local people’ cooperation with management through capital contribution, volunteer activities, and supply of facilities have increased.
- * While “courses for helpers of the mentally handicapped” are spreading rapidly, courses for enabling the mentally handicapped people themselves to become helpers (work) have been held, and all persons who finished such courses have started to conduct some kind of activities (facility work practices) or work (helper assistance, cleaning).
- * Activities are being made to “create local communities through child rearing.” Namely, by establishing child rearing support centers based on cooperation from commercial towns, “parents conduct mutual exchanges and obtain companions to mutually support in the local community,

while studying methods for child fostering.” The users grow to be executors of such activities through a “child raising supporter training course” and “helper training courses,” while various people, including elderly persons, participate in child rearing.

- * Self-initiative-based developments and the creation of new occupational functions are occurring. Among them was one case in which a taxi driver participated in a helper course and supported the transport of physically handicapped people. He brought much joy to such people for his help in their attending flower viewing and baseball matches. He described his own work as “Move Care,” designed to help other people “go wherever and whenever they want to travel, thereby widening their freedom as human beings.”

Through expansion of such practices, we have re-shaped the concept of “co-operative work” in the social cooperative relationship. Namely, we have reached the conclusion that co-operative work: ① starts when workers make their own capital contribution, share managerial responsibility, and begin work that is useful to the people and the area, ② promotes the participation of users in, and collaboration with, work creation, thereby developing co-operative relations among users, and ③ expands cooperation among people in the entire area, involving three layers of cooperation: “cooperation among working people,” “cooperation with users,” and “cooperation in the area.”

2) **New partnership with local governing bodies under the “proposal method.”**

In entrusting work to the private sector, local governing bodies are increasingly adopting the proposal formula. In this formula, the decision is made while attaching importance to the content of the plan and philosophy of the enterprise concerned, in addition to prices in competitive bidding. Under such a situation, worker co-operatives are receiving a growing number of orders. This development is particularly prominent in the area of “rehabilitation of communities based on the axis of welfare” and “helping self-support by people of all generations and their work creation from the area.”

- Development of vigorous elderly people, long-term care/prevention, mutually supporting business in local areas (such as “Mini-day for fulfilling living purposes”).
- Projects for training workers in local welfare and Community Care.
- Projects for school children fostering/child raising support and for training □ workers in such activities.
- Projects for growing “Community Business” that utilizes empty stores in commercial towns.
- “Work creation courses” for unemployed or homeless people, as well as for housewives and youths newly seeking work.

Particularly in the case of “work creation courses,” lectures regarding worker co-operative-type “work creation,” regional research, and observation/exchanges with Local Welfare Business Offices are incorporated in its “Home Helper 2nd Class Lecture” and “IT Lecture.” In many of these courses, the people attending the □ have regained vitality and are trying to challenge work creation. Thus,

the expectations of and trust in worker co-operatives are enhanced in local governing bodies, which are distressed with regional unemployment problems.

3) New direction of the “employment creation” policy inaugurated by the Ministry of Health, Labour and Welfare

In such a situation, the Ministry of Health, Labour and Welfare announced the “First Report of the Employment Creation Planning Conference” in May this year. In this document, the Ministry studied in depth for the first time the desired future course for industries and labor, and released the following work creation outlook and direction:

- Major enterprises are curtailing employment.
- The sectors expected to create employment in the future are the following three: “Community Business,” “environment-related sector,” and “life-related sector.”
- “Community Business” refers to “small-scale business created mainly by local residents in response to local needs,” such as welfare, care, education, culture, and environmental protection.
- The bearers of “Community Business” are assumed to be “NPO, corporate labor unions, worker co-operatives, corporations, and Japanese-style private limited companies (yugen kaisha).”
- The future employment policy should be implemented by local entities based on their own initiatives in accordance with the local situation. In this respect, utilization of Community Business by local governing bodies is important.

4) Conditions for co-operative work development

Based on these newly emerging practices and public policy, I would like to consider the conditions of co-operative work development, and conclude with current considerations.

- ① The self-determination of workers to create “good work” required by individuals, the local area, and society, at this point of historical transition in the economy and industries, is decisively important.
- ② It is necessary to develop co-operative relationship, based on “sympathy and social justice” (including the development of multi-stake holder organizations) between users and citizens, and to build a social system in which “good work” will be rightly evaluated.
- ③ It is necessary to fight unemployment, unstable employment, and social elimination, and to make assistance in self-support of all people, their acceptance by society, and the rehabilitation of the community the priority targets of public policy. Worker co-operatives should propose methods for the realization of these priorities through business activities.
- ④ The “collaborative culture” and “overall ability to create good work” of current and future worker co-operative members should be enhanced continually, while co-operatives should establish themselves as “organizations containing factors for human development.”
- ⑤ Local, nationwide, regional, and global co-operation should be expanded among worker co-

operatives.

- ⑥ A “social economy” in which work and the lifestyle of “human beings,” as well as work and work, will circulate and co-exist, should be established in accordance with the situation of local areas.
- ⑦ The imperial rule of global capitalism, which gives rise to discrimination, poverty, wars, and violence, should be resisted, and “another world” should be created based on the global solidarity of peoples on the earth.