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The Role of Christianity in Japan's Consumer Co-operatives

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tion in the world, means, at the least, that those Christian ties have not been a disadvantage. As the new century arrives, it will be interesting to see whether Co-op Kobe can maintain its philosophical anchor in Christian principles. Will the organization secularize to the point where no clue to its origins remain? Regardless of what develops in the future, we can conclude that Kagawa Toyohiko's Christian conscience created a truly unique institution which has had a large impact on the lives of people throughout Japan, but particularly in Hyogo prefecture.

References


lost. The fear of "degenerating" into a society pursuing individual rights at the expense of community values (Onuma 1994) is understandable, but are Japanese people really so paralyzed by that possibility? Are they collectively unable to recognize the value of individual initiative, especially when it is taken on behalf of the community? What are they doing when they join the co-op, select a study group, and become involved in lobbying for cleaner water? Are co-op members who organize activities for foreign residents in their neighborhoods just following a state-suggested trend? We can assume that many motives for participating in co-op activities have to do with family safety and enrichment, but are the options devoid of any real personal choice?

One Co-op Kobe Trustee who was interviewed for this paper described the dynamics of their meetings. One third of the Trustees are made up of Co-op employees, one third are academics and management experts, and the final third are rank-and-file members who have been elected as representatives to the body. Evidently, the meetings of Trustees usually feature the member representatives making demands and asking questions of the employee Trustees. The discussions can get rather heated and focused on fine points, but when the two groups are reminded by the remaining one third members that they all share the philosophy of "Love and Cooperation," there is a renewed effort to seek compromise. According to that Trustee, the Christian foundations of the Co-op are usually not visible, but they continue to exist in the philosophy of social concern and working together, and emerge when the core values of the organization are examined.

Not all consumer co-operatives in Japan are financial successes, nor are they innovative in providing outlets for community service. However, the fact that Co-op Kobe, with its Christian roots, is the largest such organiza-
States (Pierce, et al. 1989), the authors note that public involvement in environmental issues depends upon the motivation to learn about them and the potential to effect social change. Although Japanese citizens have many sources of information on the environment and other international issues, I would argue that the consumer co-operatives have a particularly important role to play in this education and heightening of awareness because of their relationship to daily living and integration into people's home settings. Not only do the co-ops provide regular information about environmentally friendly products and practices, they allow members to become involved in changing the norm of producer-centered, polluting consumerism. Beginning with steps as small as purchasing pure soap or recycling milk cartons, co-op members can expand their involvement by serving on representative committees to determine policy, and even become involved in politics. Today at least 152 local governments have joined an organization promoting purchase of environmentally responsible products, a number of which are manufactured by the co-ops. Evidently the government officials in these areas believe that there is public interest in effective use of resources and reduction in garbage (Karoji 1997, 9). Could it be the local co-ops which are helping to raise public consciousness? Environmental consciousness is not necessarily a Christian issue, but concern for one's neighbors can be broadly interpreted to include safety and healthfulness of products and the environment which we share. It can be seen as an extension of "Love and Cooperation."

Conclusion

As the co-ops become more skillful at integrating democracy into their organizations, there is some concern that members will begin to seek only their individual advantage, and the original goal of cooperating will be
role as a component of civil society will be the most effective in addressing the global problems of today. By "forging alliances" with like-minded groups, he believes that co-operatives can use their impressive numbers with greater effectiveness. Birchall (1997, 35) concurs with this notion that co-operatives associate with others to take advantage of their combined numbers, but he also expresses an idealistic rationale, which is that "the practice of co-operation leads to an underlying sense of solidarity among people, which leads them to identify with others regardless of national boundaries."

Through the efforts of regional, national, and international federations of co-operatives, the local han member has access to information and support for a variety of international activities and projects. However, there is also room for individual initiatives. For example, soon after the Hanshin Earthquake, there was a large, damaging temblor in China. Several members of a Co-op Kobe han felt that as recent victims themselves, they could understand the suffering that must be taking place in China. So they worked through their co-op group to raise funds, but when the contributions were to be delivered, it was learned that all the schools in a particular region had been destroyed by the earthquake. The han members redoubled their efforts, calling on their colleagues throughout Co-op Kobe to assist with the project, and were able to raise enough to rebuild a consolidated school in the Chinese town within a little over two years. Would these generous Japanese organizers have been able to actualize such a major international project if it had not been for the Co-op network and support? It would be difficult to answer such a question, but it is likely that the dynamics within the Co-op group were a true asset to the initiative.

In Public Knowledge and Environmental Politics in Japan and the United...
al activities for Japanese co-ops. For example, its slick bimonthly magazine, Active Co-op, has a regular feature entitled, “Global Friendship,” which reports on international exchange activities pursued by various co-ops around the country. The January/February 1998 issue describes a program of the Miyagi Seikyo (Consumer Co-op) which sponsors co-op representatives from the Bombay area in India to visit the Miyagi operations, and to learn through a kind of internship participation. As the Japanese co-op employees work and relax with their counterparts from India, mutual learning takes place, and life-long relationships are forged.

In the same issue of Active Co-op (1998, 7), there is an article about raising money for schools and land mine disposal in Cambodia. In fact, the JCCU has just celebrated the tenth anniversary of its program to assist co-operatives in other Asian countries (Asian Co-operatives Assistance Committee, 1997). Through the JCCU program, and working on their own, most of Japan’s co-ops have established ties with counterparts in at least one other country.

As mentioned above, the ICA is the organization for co-operatives which is the most inclusive worldwide. By sponsoring a variety of events, exchanges, and communication fora, the ICA attempts to coordinate efforts and address common problems faced by its members. During the last few years, the ICA concentrated on issues of management to improve the internal workings of the co-operatives. However, the focus is now changing to recognize the necessity of responding to external issues such as the environment and sustainable human development (Paz, 1997, 39). As one of the oldest and largest NGOs in the world, boasting 750,000,000 members (40,41), the ICA has the tremendous potential to make an impact on a range of problems from those of a local nature to those that involve other international organizations. Paz (1997) predicts that the co-operatives’
After the earthquake, an effort was made to rebuild the Co-op by using the successes in the emergency performance as lessons for improvements (Consumers Co-operative Kobe, 1997b, 3). The *han* groups provide regular relationships for members in their daily life, and model a type of participatory democracy. They were shown to have been helpful relationship builders for earthquake response, so *han* membership has been promoted as a valuable aspect of the Co-op system (Sato 1996, 192). Perhaps because of their *han* experiences, many Co-op members have willingly continued to be involved in volunteer activities since the earthquake. As a result, eight Co-op Volunteer Centers have been set up around the region to support those "grass-roots" efforts by assisting with coordination of the volunteers and support given by the Co-op itself (Consumers Co-operative Kobe 1995, 3).

**The Co-ops in the Broader Context**

While recognizing the importance of local co-op groups in raising consciousness and promoting activism for many global issues, we must acknowledge the influence of regional, national, and international associations of co-operatives. For example, soon after the Great Hanshin Earthquake, Co-op Kobe helped establish K-Net, a regional federation of 13 co-ops in western Japan (Consumer Cooperative Kobe, 1997b,17). Although K-Net has no real legal identity and focuses on retailing issues, it is only one of the associations which links Co-op Kobe to the wider world. One of the most important co-op federations is the Japan Consumers' Co-operative Union (JCCU). Not only does the JCCU help to coordinate nation-wide development and marketing of co-op products, it is the main link between Japanese co-operatives and the International Co-operative Alliance (ICA). Furthermore, the JCCU is active in promoting internation-
“Street-level” Co–op employees had been making requests for more discretion since the reorganization of the late 1970s. Innovations and quick responses to customer inquiries could not be realized without adequate authority in the hands of all the employees. Co–op managers had struggled with the demands for more dispersal of power, while they worried about how decentralization would affect personnel matters such as promotion, salary, and educational development. Through their regular input opportunities and education on Co–op philosophy, the workers were receiving some training in decision–making, but the extent of their autonomy was not known until the earthquake crisis. A post–earthquake survey found that under those extreme circumstances, even part time workers were able to make decisions on the spot.

In his study of women and co–operatives, Sato Yoshiyuki (1996) discusses the superior performance of Co–op Kobe members during the earthquake crisis. Although they too were victims, that experience helped them understand instinctively what was needed. They worked at whatever remained of the Co–op stores, not because they wanted to be paid, but because they were human. Because they happened to be Co–op employees they had access to the personnel, goods, and the organization which could assist with the disaster response. According to Sato, administrative rules and procedures are not useful except in peaceful situations. A community must have developed a habit of cooperating if the members are to work effectively together during an emergency (190). If five Co–op employees gathered to respond to the disaster, they would not ask where the supervisor was or what the procedures were. They would determine what they could do with the resources they had on hand, and act accordingly. Sato goes on to say that information and relationships are symbiotic in Japan, and the two are crucial in a crisis (191).
damage to their own stores and difficulties with logistics, Co-op Kobe trucks were able to deliver 5,000 inarizushi meals, 3,000 boxed lunches, 792 liters of drinking water, 25,520 bread buns, and 2,700 flashlights to the nine ward offices on the initial day of the earthquake. By the second day, other co-ops joined the effort and delivered seven times the goods that had been sent the day before (Yomiuri 1996, 143).

Although thirteen of the Co-op's 363 facilities, including the head office, were completely destroyed and 33 were partially damaged, operations were resumed as quickly as possible, not only to provide needed goods and keep the business going, but to reassure the public. Kobe's mayor, Sasayama Kazutoshi, asked that as many Co-op stores as possible be opened, because with nearly 70 percent of the households in the area holding membership, panic could be averted by having their familiar neighborhood landmark functioning as usual. On the first day, 97 out of the 155 total stores were able to open (Yomiuri 1996, 142–3). All of the central computers in the headquarters building were out of commission, but because there were still managers who remembered how records were kept twenty years earlier (before computerization) the contingency plan of accounting by hand required relatively little adjustment. In fact, by the next fiscal year, 1996, Co-op Kobe was able to show a profit, a remarkable recovery (Consumers Co-operative Kobe, 1997b, 3).

Perhaps even more noteworthy than the Co-op's efforts to organize relief and resume operations, was the extraordinary performance of many individual Co-op employees (Consumers Co-operative Kobe, 1997b, 1). After the earthquake, news reports were filled with stories of personal heroism, but many government officials and large company employees were reluctant to make decisions without approval from their superiors, and bureaucratic paralysis was the result.
Rainbow Kids.” Some of the activities include camping, gardening, excursions to farms (usually Co–op producers) in Hokkaido and Kyushu, puppet shows, and special camps at one of the Co–op resort villages (Consumers Co–operative Kobe 1995, 3).

In response to member suggestions, there are also many services which the Co–op has established, either directly through its organization, or through subsidiaries. Some examples of these services include a special package delivery service for the elderly and disabled (Fureai–bin), full-service divisions for both wedding (Annipa) and funeral (Cleri) needs, mutual insurance, a travel agency, and three resort villages (Consumers Co–operative Kobe 1995, 2). Like many of the large Japanese corporations, the Co–op provides a full range of benefits to support members in almost every aspect of their lives.

The Earthquake Experience

When the Great Hanshin Earthquake hit on January 17, 1995, the Co–op Kobe headquarters were completely destroyed and many of the stores were demolished or seriously damaged. Even more tragically, many Co–op employees, their family members, as well as thousands of Co–op members were killed or injured. Ironically, after the 1923 Great Kanto Earthquake in the Tokyo area, Kagawa Toyohiko had been one of the first to deliver food and assistance. Now his home territory faced similar devastation, and co–ops around the country mobilized to help. Co–op associations as far away as Okinawa sent personnel and relief goods as soon as possible. However, the city of Kobe had a standing commitment from Co–op Kobe to supply food and other items in the case of an emergency, so the director of product planning called on the frantic city office on the day of the disaster to see what was needed. In spite of
Co-op’s major competitors have initiated recycling programs for items such as shopping bags and plastic bottles, and have been marketing various recycled products. Daiei also sells a line of sturdy canvas shopping bags to reduce the need for disposable plastic bags. Although there may be some question about the incentive for these actions and the philosophical commitment to protecting the environment, the recognition by regular retailers that consumers are attracted to responsible actions is an important first step. Of course the Co-op goes far beyond the superficial efforts of its competitors, but it may have been instrumental in pressuring the other retailers to join in earth-friendly activities.

One of the most effective aspects of the Co-op Kobe environmental programs is the educational effort. Through the special activities, recycling opportunities, shopping bag policy, earth-friendly food and household products, and weekly articles in the Kyo-do– newsletter, it is difficult to ignore the need for action and the role that each member can take in ameliorating the current situation.

*Other Activities and Services*

Because each local steering committee has the authority to organize unique activities on behalf of its members, there is a broad range of activities being pursued by Co-op Kobe. Some of the primary ones have already been mentioned, but two more should be noted. The first is the sports program begun in 1985, and which by 1991 had 16,000 members involved with 35 different sports in 250 locations such as the 12 tennis courts around the Kobe area (Takamura 1991, 41). Evidently there was a great need for organized sports which catered to Co-op families. The second type of activity is specifically for children. Many of the Co-op localities organize youth activities under the program known as “Co-op
prefecture. For example, the product testing center checks toxicity levels in name-brand products in addition to the Co-op brands to supplement government testing which is irregular at best. The Environmental Foundation goes so far as to monitor acid rain and nitrogen dioxide levels in Hyogo prefecture to inform citizens of developing conditions. Unlike most retail operations, the Co-op regularly encourages its shoppers to reduce waste and consumption of polluting substances such as detergents.

Recycling has become a big enterprise as well, with each Co-op store placing bins near the doorway to encourage deposits of used milk cartons, Styrofoam trays, and metal cans. Because many municipalities do not require, or even provide opportunities for recycling, the Co-op has become famous for its promotion of packaging reuse. Thanks to the cooperation of thousands of members, the Co-op reprocesses the milk cartons into paper products (toilet paper, tissues, paper towels, etc.), and the Styrofoam into plastic benches and shopping baskets used in the stores. Other earth-friendly efforts include children's programs to increase environmental awareness, non-freon refrigeration systems in the stores and warehouses, solar heating systems in some of the buildings, delivery trucks fueled by natural gas, vegetables grown with compost from waste created by fresh produce processing, and sturdy, affordable, and reusable shopping bags promoted as a better alternative to regular, disposable plastic shopping bags. In fact, shoppers at Co-op stores, as at most Japanese supermarkets, bag their own groceries, but as an incentive to reuse bags, cashiers have stopped handing out bags at check-outs beginning in June, 1995 (Consumers Co-operative Kobe 1995, 3). Instead, if their own bags have not been brought along, Co-op consumers are asked to donate five yen for each new regular plastic shopping bag taken to carry their purchases.

Perhaps in order to appear environmentally responsible, several of the
of involvement with international peace and development issues. Without the knowledge of its Christian origins it may be difficult to understand the motives for such activities. Donations for victims of the atomic bombs in Nagasaki and Hiroshima amount to more than thirteen million yen per year, and UNICEF contributions based on fund-raising campaigns are annually over fifteen million yen (Consumers Co-operative Kobe, 1995b, 15). Through the years, thousands of Co-op members have participated in anti-nuclear and peace demonstrations in Japan and around the world. During 1997, awareness campaigns were launched to educate Co-op members about land mines and the international movement to curtail their use.

Environmental Programs

As post-war Co-op members became more educated and aware of health risks in the environment, their study groups and agenda representatives began to note the dangers of chemicals used in farming, food processing and daily tasks such as laundry. Campaigns were launched to reduce chemical use among Co-op producers, and development began on non-polluting laundry and cleaning products. An "Environment Protection Fund" was created in 1991 with an initial investment of 50 million yen in a tax-exempt account to finance a range of environmental projects. In addition, June was designated as "Environment Month" to promote special activities, and these were followed-up by projects in October and November which were selected as "reinforcement months" (Consumers Co-operative Kobe 1992a, 7). In 1992, environmental issues were seen as so essential to the organization's philosophy, that the Co-op Kobe Environmental Foundation was established (Consumers Co-operative Kobe 1995, 3). Through the efforts of this Foundation, environmental sensitivity has been increased within the Co-op family, as well as throughout the
Philippines which is attempting to improve the lives of the laborers and their customers by growing organic bananas. The story of this plantation and its bananas was featured in one issue of Kyo-do. On a regular basis, photographs of the workers and their banana farm in the Philippines are positioned just above the fresh produce bins in the Co-op stores, with a description of their operation.

**Outreach Programs**

From their earliest years, the Kobe and Nada Co-ops were dedicated to reaching out to the disadvantaged in the community and the world. This perspective is not surprising considering the Christian orientation and drive of their founder, Kagawa. Many of the Kateikai study groups focused, not just on building better lives for the co-op members but, on how these members could reach out to others in need. A recent development from this outreach mission is the establishment, with assistance from local governments, of several subsidiaries expressly designed to offer job training and employment opportunities for the mentally and physically challenged.

Other outreach activities include coordination of volunteer activities, primarily to serve the elderly and disabled with home assistance or just provide companionship. Government officials have taken an interest in these volunteer activities, and have cited them as models for community-based social support programs (Takamura 1991, 19). While this sort of government recognition may be completely benign, it brings to mind the "moral suasion" campaigns recounted in Garon's (1997) case studies wherein community volunteer activities are encouraged by the government in order to limit the state's liability for providing such social services.

In addition to local volunteer activities, Co-op Kobe has a long history
The Role of Christianity in Japan's Consumer Co-operatives

was critical that the co-ops be able to maintain consistent high quality and stable pricing. When there were shortages, it was necessary for the Co-op to maintain long-term relationships with dependable producers or even set up production facilities of their own. For example, as early as 1924, the Nada Co-op built its own miso production plant (Takamura 1991, 5). Later, soy sauce, tofu, and konnyaku (devil's tongue jelly) were also produced at Co-op facilities. Quality control was easier when the Co-op was in charge of production, and today over 400 different items are made in the Co-op “factory,” but it is not practical to establish their own production facilities for all the items sold in Co-op stores. Instead, arrangements have been made with subsidiaries to produce a broad range of food and non-food items to Co-op specifications. Contracts are also being made with foreign firms and co-operatives, in the effort to provide the best products with good prices from around the world. The role of the workers and Co-op members is essential in determining what new products should be made by the association and its subsidiaries.

In addition to directing food processing operations, the Co-op is active in maintaining links with agricultural producers of all kinds. Since the early years, contracts have been made with rice farmers, and today, the list includes a large variety of fruit and vegetable growers. The Co-op has been working with farmers to reduce chemical use in agricultural operations, and in 1991, the “alternative food program” was established to create a category of items which have been developed with special attention to safety and nutrition (Takamura 1991, 52). This program includes eggs from free-range chickens as well as organic crops of various kinds. Although many of the food items are produced in Japan, the Co-op has begun establishing ties with food producers overseas. For example, it is importing bananas from a worker-owned co-operative plantation in the
collect calls from members who discuss a wide variety of opinions. Finally, each Co-op store has a suggestion box so that anyone with a comment or suggestion can submit it in anonymity, if so desired.

In order to assist the members in staying abreast of Co-op developments, a weekly newsletter is delivered to han groups together with the merchandise order forms. News about the range of Co-op activities, new products, member interviews, and producer profiles are just some of the items included in the newsletter titled Kyo-do-. In addition to recipes and tips for achieving a healthier lifestyle, Kyo-do- also publishes notices of upcoming Co-op meetings, descriptions of meeting proceedings, the annual budget, and appeals for members to participate in decision-making, cultural, and volunteer bodies. It is through the Kyo-do- that the Co-op philosophy of sharing and caring for the earth is reinforced. Personal testimonies are often featured, not only to inform readers about the merits of a particular Co-op product, but to thank member volunteers for assistance rendered, or to describe the satisfaction of participating in a particular activity such as international outreach. The last page of Kyo-do- usually highlights a particular Co-op item and the individuals who produce it. Often the item is a food product, and a description is made of the location, the methodology, and the people who produce the rice, onions, or peaches. With the generous use of photographs and maps, the effort to bring the producer and consumer closer together is made effectively.

Production of Food Items

From the beginning of the Nada Co-op, the high quality of the products was seen as essential to the organization's survival. To earn the trust of the consumer, particularly in times of unscrupulous business practices, it
other retailers, the groups have also proven to be an effective means for members to participate in the decision making for the organization as a whole. Not only are the han groups represented by their own members selected for local steering committees, they are ultimately represented on the Co-op Board of Directors. Each of Co-op Kobe's eight business districts selects a member representative who is approved by the Annual Congress to serve on the 36-member Board of Directors. Then within the eight districts are a total of 92 localities, each of which has a 30 - 40 member steering committee, bringing the total membership of these local steering committees to 2,900. Through the committees, han members are asked to test new products, give feedback on Co-op policies, and help plan autonomous volunteer, sports, and cultural activities for their own localities (Takamura 1991, 39). The opportunities available to han members give them a voice in Co-op affairs and a ready-made community group which can be mobilized for a variety of purposes. For each level of participation, the Co-op offers courses for the members to understand the structure of the organization and how they can contribute to the decision-making. However, even for Co-op members who are not able to participate in a han group, there are means of becoming involved in the organization's affairs. In 1982 a Co-op channeler system was established to allow 2000 members to express their viewpoints by completing detailed questionnaires four times during their one-year terms (Takamura 1991, 42). Additionally, a member forum is held in each local area twice a year to allow all members to meet with Co-op executives and discuss a full range of issues, including complaints. Other opportunities for member input include a merchandise committee made up of member representatives who screen the quality, pricing, and labeling of goods which are being proposed for introduction, as well as a Co-op hot line which accepts
were adopted aggressively, and in 1989 Co–op Kobe was the top retailer in Hyogo Prefecture with sales of 298 billion yen and 141 stores, while Daiei was a close second, commanding sales of 249 billion yen through their 48 stores (33). In spite of their business successes, Co–op decision–makers also recognized the need to experiment with methods of keeping the co–operative message alive and meaningful to its members, employees, and to the communities where they were located.

**Opportunities for Participation by Co–op Members**

Ironically, one of the management changes made as a result of the labor disputes had the side–effect of improving the participatory nature of the Japanese co–operatives. For the sake of economizing, the roundman system, which was labor intensive and inefficient, was discontinued and it was replaced with a group purchasing system. The core of the new group purchasing method was a concept which originated in Japan – the *han*. Each *han* group is made up of five to ten members who make weekly orders of Co–op items on forms which today can be computer scanned. One *han* member is chosen as the leader to co–ordinate the orders and to accept their delivery on the appointed day each week. In recognition of the effort required to sort group orders, a refund is made to each *han* member every six months based on the value of items ordered during that period. From the Co–op perspective, *han* involvement builds loyalty to Co–op products and activities among the members, and permits more efficient distribution of the food orders. For example, because orders are received a week before delivery, it is possible for the distribution centers to arrange transport of perishable items just in time without expensive long–term storage in a supermarket or warehouse (Birchall 1994, 194).

Although the *han* system allows the Co–op to stay competitive with
nity co-operatives in the United States struggled with similar problems of adjusting to social changes and competition from other stores. A significant number, including the Berkeley Co-op, with which the Nadakobe Co-op had a sister-relationship, went bankrupt as they focused too much on how the world should be, and not on the challenges of the world as it was (Takamura 1995, 18). However, post-mortem evaluations of failed co-operatives in the U. S. produced recommendations which were far different from the path taken by successful Japanese co-operatives. In one such analysis, Craig Cox (1994) concludes:

Participatory organizations are like that. They mature, they become bureaucratized, they lose track of the larger world. . . As members age, the organization becomes gradually less interesting, less fulfilling, less revolutionary. In order to survive and flourish, in fact, co-ops and other alternative groups need to stay small, on the fringe, always on the brink of collapse. Their workers must be underpaid and transient, or the organization loses track of its real purpose: changing society (141).

In contrast, the Co-op response to the crises of the 1970s in Japan was to instill more professionalism into the work force and to strive for financial stability. Daiei, the largest retailer in Japan, also originated in the Kansai area, and moved its headquarters to Kobe, thus intensifying the competition (Takamura 1991, 7). However, the presence of such able competitors as Daiei and Jusco may have prevented the Co-op from becoming complacent. The non-profit status of the organization allowed it to reduce prices and compete on that level, but the Co-op also offered members a biannual rebate based on their purchases, together with interest on their capital investment as specified in the early Rochdale Principles. Additionally, technological innovations such as computerization of many functions
for their necessities. A much larger membership gave the Co-op strength but it was far more difficult to maintain the democratic participatory system which had been part of the "Kagawa Spirit." Many of those in leadership positions did not have the expertise to direct efficiently a huge organization while incorporating opinions from members and employees. Until after the war, it had been difficult to recruit university graduates into Co-op management because the stigma of retail operations as the lowest in the social hierarchy made it unattractive to well-educated young people. Most of the top Co-op managers had worked their way through the organization or through other businesses, and had valuable experience, but few tools to deal with the rapidly changing situation. As a result, the rift between labor and management widened further, a strike took place, and the survival of the Co-op was threatened. In 1978 the labor dispute reached a climax. The union elected new leadership and the management side replaced all permanent directors who had been in their positions since before the war (Takamura 1995, 268). Many young leaders with experience in the successful university co-ops were recruited to help define a new direction for the organization. Under their guidance, competition from other retailers was met more aggressively with new store openings, and more emphasis was placed in developing Co-op name products which could be trusted for high quality and competitive prices (Birchall 1994, 193). Because the new leaders were committed to more collaborative labor-management relations, significant adjustments were made, and employees were given new cooperative management education and training opportunities which would, in turn, give them additional promotion options and make them more valuable members of the Co-op team.

During the late 1970s and into the 1980s, a large number of the commu-
severely criticized the actions of the Allied Powers, but he remained suspicious of Japanese government motives toward his domestic programs. Most of the Co-op buildings in the Kobe area were destroyed by air raids, and many employees were called into military service, but as in the past, extraordinary efforts by members revived the associations after the War. In fact, the immediate post-war years demonstrated again the need for co-operative activities. With food scarce and communities in turmoil, the co-ops attempted to secure dependable sources for food, and reinstated the culture and education programs to enrich the lives of members who felt so deprived.

In the early years, co-op members were served by the “roundman” system in which employees visited homes each morning to take orders, and then delivered them later in the day. Some small self-service stores were opened early on as an additional service, but the main focus was on the delivery system. After the War, changing social conditions and competition from other retailers led the co-ops in Kobe to open more self-service stores, and in 1961 the first supermarket opened its doors. By that time, the two co-ops were beginning to overlap geographically, and the decision was made to merge (Takamura 1991, 11). The new Nadakobe Co-op redoubled its efforts to produce healthful items, and established a testing laboratory to evaluate products independently. In many respects the organization was adapting to the changing times, but difficulties began to emerge internally.

As the Co-op continued to grow and provide more services, the employees began to demand a bigger voice in decision-making, and a period of labor-management disputes ensued. When the 1973 OPEC oil embargo created shortages in Japanese stores, Co-op membership actually went up dramatically as consumers sought means of ensuring dependable sources
urban communities around him, so he organized a group to discuss means of improving their situation. Kagawa Toyohiko was one of the "experts" consulted by the group to recommend specific strategies, and he suggested that they organize a co-operative. This idea was supported by Hirao Hachisaburo, a future Minister of Education, who had spent some time in the West and had first-hand knowledge of co-operatives there. So the Nada Producers' Co-operative was founded on May 26th, 1921 with 300 members and 6 employees. Because Nasu was selected as the first president, the new co-op benefited from his successful business experience and his social conscience (Takamura 1991, 3-4).

Unfortunately, the young co-operatives had to struggle immediately, not only with the expected trials of establishment, but with strong resistance from businesses which viewed them as competitors, and from government officials who regarded the co-ops as communist, or at least akin to the labor unions. However, the capable leadership and efforts of the members allowed both organizations to overcome financial crises and expand their operations. One of the factors which contributed to the growth in membership was the establishment of women's guilds or kateikai, which organized educational opportunities and activities for the co-op women. In fact, the focus on educational and cultural activities has been an on-going strategy for these co-operatives because the founders (Kagawa in particular) saw them, not just as retail operations but, as tools for improving members' lifestyles and providing continuing education. Perhaps we can hypothesize that Christian concern for each member and that person's needs as a whole, were the source of Kagawa's vision.

During World War II the Co-ops and several leaders, including Kagawa, were targeted for special scrutiny because they were suspected of inappropriate activities. Kagawa himself became an apologist for Japan and
ary tactics favored by communists trying to create a worker-centered society. Kagawa argued that labor unions needed to have legally-established rights, and that they should work through the system to transform it into a just society for all.

In addition to his efforts on behalf of labor groups, Kagawa began to organize co-operative associations to establish member-owned enterprises. His first co-operatives, a restaurant and a toothbrush factory, were failures, but he learned from his mistakes, and continued to believe in the British guild socialist model to empower the poverty-stricken Japanese, both in the cities and in the countryside. Of particular merit, in Kagawa's estimation, was the democratic organization of the co-operatives in which each member, regardless of the amount of investment made, had just one vote (Schildgen 1988, 168–9). His work with laborers naturally led to the support of worker co-operatives to provide goods and services to employees of various companies. Farm laborers were in particularly difficult circumstances, so co-operatives to provide credit and other forms of assistance made a significant impact. Of course Kagawa did not single-handedly build these many co-operatives. Although all of the income from Kagawa's books was invested in the co-ops and Shinkawa charity programs, the consumer co-ops, in particular, needed solid financial backing and management expertise.

Together with a number of labor activists, Kagawa established the Kobe Purchasers' Co-operative on April 12, 1921. The initial membership included 600 households and 18 employees. Because of his many years of experience in business, the elected president of the new organization, Fukui Suteichi was an especially valuable asset for the venture (Takamura 1991, 4). Nearby in Sumiyoshi, a wealthy businessman, Nasu Zenji was concerned about the poverty and degradation he saw in many of the
1962, the Nada Co–op and the Kobe Co–op were the two largest in Japan, so when they merged to form the Nadakobe Co–op, they formed one of the biggest consumer co–operatives in the world. Twenty–nine years later, when the total membership exceeded the one–million mark, the Nadakobe Co–op was renamed “Consumers Co–operative Kobe” or Co–op Kobe. Although these milestones may appear to reflect an organization growing steadily in a supportive environment, considering the many crises along the way, its survival, much less growth, has been miraculous.

History of Co–op Kobe

Both the Kobe and Nada co–ops were established within two months of each other in the spring of 1921, and they both shared the common involvement of Kagawa Toyohiko, a social activist, Christian leader, and prolific author. In the years following World War I, the Japanese economy began to decline, and laborers who had not benefited from the boom years of the war faced even worse conditions such as unemployment and food shortages. Despite government disapproval, labor union activities attracted increasing numbers of supporters and mass protests such as the Kobe “rice riots” took place to bring attention to high prices and shortages of food. Kagawa was living in the slums of Shinkawa near Kobe, trying to alleviate the stark poverty and hopelessness there with a variety of social programs and religious activities. He believed that Christianity demanded social involvement and personal sacrifice to improve the lives of the powerless (Schildgen 1988). Because he was unusually well–read and familiar with community development efforts around the world, Kagawa was seen as a valuable resource for reformers and activists across Japan. Although he believed that the capitalist system exploited workers to benefit the few, as a pacifist, he did not agree with the violent revolution-
The Role of Christianity in Japan's Consumer Co-operatives

operatives (Takamura 1991, 35). Because they are to be member-directed and oriented organizations, anti-co-operative actions have often focused on preventing non-members from shopping at co-op stores. The 1948 Consumers Co-operative Law clearly prohibits allowing non-members from utilizing co-op services. However, the strictness with which this rule is enforced has varied according to the degree of political pressure from competitors. Although the provision was included in the 1948 law to protect co-operatives from exploitation by non-members, anti-co-op movements have attempted to force stronger government monitoring of the co-op stores and refusal of sales to nonmembers (Takamura 1991, 78). The co-operatives argue that potential members cannot make educated decisions about whether to join without first using the services.

In spite of problems resulting from government involvement, competitor resistance, internal management, and even economic conditions, the current total membership in Japanese co-operatives is around thirty million people (Klinedinst & Sato 1994, 509). Due to the significant variations in member participation and government support for different co-operatives in Japan, I have selected as a case study, an association which has little direct government subsidy, but which attempts to involve members as much as possible in the organizational decision-making. It may be difficult to prove that this emphasis on democratic principles and independence from government subsidy has ties to its Christian roots, but Co-op Kobe appears to have a qualitatively different perspective which can be seen as harmonious with Christian ideals.

Consumers Co-operative Kobe (Co-op Kobe)

The current entity known as Co-op Kobe is the product of a merger between two consumer co-operatives in Japan's Hyogo prefecture. In
post-war reign of the conservative Liberal Democratic Party made the agricultural co-operatives more closely linked to government agencies during the Party's time in office.

Of course agricultural co-operatives were not the only type which evolved in post-war Japan. The 1948 Consumers Co-operative Law made consumer co-ops newly liable for income taxes, both to the national and prefectural governments, and prohibited them from expanding beyond a single prefecture (Takamura 1991, 35). Nevertheless, consumer co-operatives sprang up around the country, and were joined by similar associations providing insurance, health care, housing, university stores, and financial services, as well as other services. Although government regulations may have helped or hindered the establishment of co-operatives at various points in Japanese history, the reality is that the ideological orientation of the founders and the subsequent political affiliation of the association affected the nature of government relations with each co-operative group. For example, many co-operatives, including consumer co-operatives, were formed as an outgrowth of the labor movement, and as mentioned earlier, a significant number had communist or socialist origins. Kagawa Toyohiko was motivated by Christian ideals to establish co-operatives, but he was significantly influenced, in addition, by the labor movements of his day. Accordingly, depending upon the ideological basis of each organization, ties were often established with sympathetic political parties, and in response, government policies were formulated to support or restrict them, based upon their perceived friendliness or antagonism towards the Liberal Democrats.

In addition to experiences with government interference, co-operatives in Japan also have had a history of resistance from business and industry competitors who felt threatened by the success of the consumer co-
Japan, and when the Meiji period began in 1868, co-operatives were created in a variety of industries. Most noteworthy among these new co-operatives were those for the silk and tea industries which utilized their associations to achieve quality control and increase exports (Klinedinst & Sato 1994, 510). In order to encourage the development of guild-like organizations which existed in contemporary Germany, the Japanese parliament passed the Industry Co-operative Law in 1900. Although little progress occurred in the first decade, sustained government assistance, the improvement of the Industry Co-operative Law in 1921, and the establishment of the Central Industry Co-operative Bank (Norinchukin) in 1923 demonstrated that the government was serious about organizing co-operatives. However, in spite of the independent, public-spirited individuals who were involved in the co-operative movement at this time, as Japan became more involved in war-time activities, government control of the co-operatives increased apace. In fact, by the end of World War II, Japanese agricultural co-operatives were being used as a means of organizing the rural populace, and for ensuring food supplies for the war effort (Klinedinst & Sato 1994, 511).

After the war, significant policies were carried out under the occupation by the Allied forces. For the rural population, the dramatic land reform program which eliminated absentee landlords and redistributed farm land to tenant workers, and the 1947 Agricultural Co-operative Law which created smaller local co-operatives, made co-operative organizations more democratic (Klinedinst & Sato 1994, 511). However, because of management problems, government assistance had to be sought again for the agricultural co-operatives. Furthermore, because a large percentage of farmers belonged to co-operatives, those organizations became powerful allies to the conservative political parties they supported. In turn, the long
be made to evaluate the continuing significance of Christianity in the Japanese consumer co-operative.

The Origins of the Co-operative Movement in Japan

Co-operative societies had already begun to develop in early forms before the nineteenth century, but the date marking the beginning of the modern co-operative movement is generally recognized as 1844 when the Rochdale Equitable Pioneer Society, or the Rochdale Co-operative, was established in Great Britain. By 1854, the basic rules for operating their co-operative had been refined into eight principles:

1. Democracy – one member, one vote
2. Open membership – low down-payment, unlimited membership
3. Fixed and limited interest on capital – guaranteed interest on down-payment
4. Distribution of the surplus as a dividend on purchases
5. Cash trading – no credit purchases
6. Pure and unadulterated goods
7. Education – intellectual improvement of members and their families
8. Political and religious neutrality (Birchall 1994, 54 – 62)

These principles developed by the Rochdale founders served as the basis for the World Co-operative Movement and the International Co-operative Alliance, which in turn helped to establish co-operative societies around the world, including many in Japan (Takamura 1995, 14).

In Japan, mutual assistance groups were organized during the Edo period (1603–1867) to alleviate the hunger and poverty that affected large segments of the population. Around the time that the Rochdale Co-operative was being established, rural credit unions came into existence in
national federation.

Many of Japan's co-operatives were created, or grew significantly, during the 1960s when environmental issues and safe foods became concerns of the consumers. Some were organized under socialist or even communist ideals, and still retain ties to related political groups. However, as economic and social conditions changed, the members of consumer co-ops demanded new responses and a larger voice in the decision-making process. As a result, one of the most pressing issues among these organizations today is how to maintain a democratic dynamic, giving a voice to individual members and employees, while maintaining competitiveness within the larger world of retail stores. Because Co-op Kobe has been rather successful in its efforts to combine democracy and competitiveness, though many shortcomings remain, we must ask if the Christian ideals which created the organization more than seventy years ago, can account for this success.

Unlike many of the other Japanese co-operatives, Co-op Kobe is not aligned with any political party and does not receive any government funds, but because a large majority of the residents in its legally defined region are members, it has the potential to influence community life and public policy in the Kobe area. In the search for true grass-roots organizations which promote Christian ideals, I believe that Co-op Kobe and many other Japanese consumer co-ops offer valuable case studies because they address some of the fundamental concerns of internationalization, environmental responsibility, human rights, social welfare, peace, and economic development. In order to place the co-operatives in historical and social context, I will first introduce a brief history of the co-op movement in Japan, and follow with a case study of Co-op Kobe, the largest and most financially successful of its type. Finally, an attempt will
The Role of Christianity in Japan's Consumer Co-operatives

Ruth Grubel

Because Christians comprise less than one percent of the population in Japan, there is often the assumption that Christianity has played a negligible role in the country's history and institutions. However, as the eminent Japan scholar, Edwin O. Reischauer has noted in the introduction to Stuart Picken's (1983) Christianity in Japan , the impact of Christianity has permeated many aspects of Japanese consciousness. In fact, a considerable number of the social outreach institutions in Japan today were originally founded by Christians. For example, many hospitals, schools, and centers for differently-abled persons have Christian roots. Perhaps it is not surprising then, that even some of the consumer co-operatives in Japan, like their counterparts in Germany, Italy, and Africa (Birchall, 1997, 150), have Christian origins.

The world's largest consumer co-operative, with over one million, two hundred thousand members, is Japan's Co-op Kobe. This organization continues to use its founder's motto, "Love and Cooperation," which appears to influence the ideology and policies that are in force today. Kagawa Toyohiko, who was instrumental in founding a number of co-operatives, including Co-op Kobe, was also the first chairperson of the Japan Co-operative Alliance, and used his Christian principles to help bring a shared sense of purpose to the varied institutional members of that