



CSR which “Demonstrates the social responsibilities of Co-op as a consumer organization.”

Of course Co-op is a membership-based organization rooted in the principle of mutual help among members. In fact, the Co-operative Principals require Co-op to be “concerned about community” and the recent CSR movement also requires co-op to fulfill their social responsibility. This essay addressed the question of what is Co-op’s social responsibilities within communities and what action should they take. The case of Tokyo My Co-op, which established a “Policy for the Community” in 2007, is discussed.

## **2. The Need for Partnership between Local Communities and Co-op**

There are two reasons why Consumer Co-ops demonstrate social responsibility. The first is the revision of the Consumer Co-op Law. In addition to Co-op producing safe foods and organizing many members’ activities like elderly care, child bearing support and peace action, the revision of the law requested Co-op to prove its interest in the public and take on a more modern role within the community. The second, which is more serious, is the recent emergence of many Non-profit Organizations (NPOs) which has led Co-op to review its mission and make it more relative. NPOs are comparatively small and weak; however, they have been both individually and collectively developing effective approaches to take on the problems within society.

Before considering the modern public role/interest that Co-op should create, I would like to discuss three different aspects that affect the public interest of Co-op. First, Co-ops are permitted to conduct business only within certain geographical areas by law and they must clearly state that the purpose of their organization is not profit making, but mutual help for its members, and thus public interest or contribution to communities is therefore embedded with the nature of a co-operative.

Second, since Co-op is owned by its members and develops its business and activities for the benefit of its members, it aims to make a profit for its members, and thus the public interest is not embedded in the organization. It is therefore necessary for Co-op to prove that they have are contributing to the community by providing services to ease modern social problems like elder care, child-nurturing support and contributing to food safety through both their business and members’ activities.

Thirdly, Co-op is simply a retailer according to its industrial classification, and public interest is not necessarily embedded within this type of organization and as such, they have to compete with other general retailers under the same competitive conditions. In the 1960s or 1970s, Co-op led the way in developing safe products at a time when there was defective and unsafe products on the market. However, today many general retailers are also providing safer goods. In this respect, Co-op’s mission is

no longer unique and in some respects has already been achieved.

There is a debate underway, among the committee to revise the Co-operative law regarding Co-ops requirements to provide services for the public good and not just the good of its members as is expressed here in the second point. In fact, Co-op contributes to the public interest in many ways such as developing and providing safer foods, providing social service, and providing for member's voluntary activities, however, it is now time to modernize these activities to better meet the needs of its members and the society at large

### **3. Demographical Change and Deprivation of Local Community**

Japan, for the first time, experienced a population decrease of about 20,000 people in 2005. This has meant the besides the requirement to modernize Co-op's activities, local communities, where Co-op under take their activities, are now facing serious deprivation. Various factors, such as conformational changes caused by declining birthrates and the increasing proportion of elderly people, demographic shifts and the changing employment system are all contributing to this deprivation.

In many cities, where industry and employment are becoming hollowed out by the overseas transfer of factories, the situation is very serious. In addition, the deterioration of employment opportunities has also led to the hollowing out of commercial downtown districts which has further led to decreases in revenues, while the cost of maintaining infrastructure in the suburbs has increased for local governments. On multiple levels, cities are seeing vicious circles. Local governments and town associations are finding it increasingly difficult to fight against this deprivation because of financial difficulties and they don't know where to turn. The question now is who can revitalize these local communities?

In this respect, Co-op, as an organization, has many resources that can be used to revitalize local communities and neighborhoods. Co-op, comparatively, has a lot of members in each prefecture and has continued to maintain their operations in local communities in part through member's mutual help networks. Also, by offering cities Co-op's resources in order to help revitalize their local communities, it is one way for co-operatives to match the requirements of Co-op's modernization. In this context, the case of Tokyo My Co-op's recently "Action plan for Local Community" stands as a model for other co-operatives in Japan.

### **4. Tokyo My Co-op's "Action Plan for Local Community"**

Tokyo My Co-op has 360 thousand members and a business volume of 100 billion yen. In 2005, the Co-op established a corporate visions that declared that the

Co-op contribute to community revitalization through partnerships with local governments and NPOs. They then put an “Action Plan” in place to support and realize this vision. First they established an advisory committee in March 2006 made up of board members, staff and external specialists. The committee has been discussing and analyzing the situation of local communities, the structure of Co-op, and evaluating Co-op’s social activities. For example, the committee evaluated how subsidies, amounting to 0.39 billion yen, that Tokyo My Co-op has received from approximately 90 different NPOs since 1998, has been used.

Following the two-year study, the “Action Plan” was submitted to the board of Tokyo My Co-op. The main recommendation of the plan was to empower Co-op members and communities to understand the problems facing the community in order to best solve these problems through coordinating resources within the community. To make this happen, the plan proposed the following three projects to be completed within 3 years:

- 1) Promotion and installation of a “Local Coordination Centre” and a Coordinator
- 2) Promotion of model activities in 3 local municipal areas
- 3) Gathering of information on member/staff’s contribution to local communities.

At Tokyo My Co-op there are many examples of collaboration with local governments and NPOs to look at. For example, in Inagi city, Tokyo, the local government there and the Co-op have been working together on environmental preservation. In Tama city and Fuchu city, the Co-op works together with local authorities to combat crime. In Koto-ku, a Co-op store delivers goods to elderly people who live near by. Gathering all the information about the various activities, such as this, was an important part of how the committee established the big picture of Co-op’s best practices and formed the base from which the Co-op can go forward and gain further support from members and staff.

## **5. Conclusion**

A co-operative is sometimes thought to be a self-contained organization. As such, there is no necessity to have activities of public interest because operational surpluses are re-invested into the business and distributed amongst the members. However times have changed. Now consumer co-operatives are expanding in scale and they must establish a new means for their existence by contributing to society through their membership base. Also, corporate social responsibility requires Co-op to change and be a more modern organization. Though most co-operatives understand the necessity of their contribution to the community, it is often difficult to establish how co-operatives can actually contribute to communities. In this sense, the “Action Plan” of

Tokyo My Co-op stands as a model. By first locating communities and citizens who were important stake-holders in Co-op and then finding the resources, finances, facilities and networks they are working to revitalize local communities which they serve.

## *CCIJ Symposia and Colloquia*

### **CCIJ Annual Forum on Consumer Behavior and Retailer Strategies**

CCIJ held its Annual Forum on September 29. The theme was “The evolution of Retailing and Changes in Consumers’ Purchasing Behavior.”

Four researchers presented papers on co-operatives and consumer behavior. Professor S. Niitsu, Takachiho University discussed the framework he developed to analyze consumer behavior with special emphasis on its evolutionary aspect. He strongly and persuasively asserted that retailers, including Co-ops, must aim for a deeper understanding of consumer behavior and further innovation.

Mr. T. Kurokochi, Marketing Research Institute of Japan, discussed the characteristic advantages and problems of fixed-route delivery service in Japan today. In his concluding remarks, he expressed positive expectation that fixed-route delivery can meet the demands of consumers who cannot easily get out to shop, including the elderly and mothers with infants and young children.

Mr. T. Tamura, Japanese Consumers' Cooperative Union (JCCU) presented his work on the analysis of Quick Purchase Data collected by Tokyu Agency. His studies focus on consumers' subjective attitude toward health-consciousness and commodity prices, and how his research aims to look at the difference in consumer behavior between consumers who are raising children and those who are not.

Lastly, Professor M. Sano, Takachiho University discussed his proposal for a “comprehensive model for analyzing consumption,” whereby consumer's choice is interpreted as the result of integrative calculation of mental and economic factors. Her model is useful to better understand the effects of generation and age in relation to consumption.

The latter part of the forum was devoted to a panel discussion. Mr. H. Daido of JCCU moderated the five panelists of Mr. K. Uchida (Co-op Net), Mr. M. Shimizu (President of Izumiya Research Institute), Mr. M. Sasaki (JCG; Japan Consulting Group), and Mr. I. Iwajima (Meiji Dairies Corporation). This panel, made up of both co-op affiliated participants and specialist with no affiliation to Co-op debated about the problems facing retailers today, and what kinds of services Co-op can best offer.

## **CCIJ Colloquium on Consumer Co-operative Law**

The fourth colloquium in a series, focusing on the revision of the Consumer Co-operative Law took place at CCIJ on November 17. More than 30 researchers and practitioners, mostly contributors to volumes and CCIJ board members, took part. Professor Emeritus T. Miyasaka, Waseda University, reflected on the historical evolution of the Consumer Co-operative Law, while Professor H. Seki, Aoyama Gakuin University, analyzed the governance aspects of co-operatives in the revised law. Mr. A. Kurimoto of CCIJ presented a paper on the background and significance of the revision. Professor M. Aso, Chiba Commerce University, Professor T. Wakabayashi, Kyoto University, and Mr. H. Shinagawa of JCCU commented on the presentations from different perspectives. The ensuing discussion focused on governance and social roles of consumer co-operatives.

## *News Items*

### **JSCS Conference Discussed Organizational Changes of Japanese Co-ops**

The Japan Society for Co-operative Studies held its annual Conference on Oct. 13-14 at Shimane University, Matsue. The symposium focused on social capital and co-op's roles in communities. Professor Kitajima, Matsuyama University, gave an introduction, which was followed by presentations by Assistant Professor M. Sakurai, Ritsumeikan University, Assistant Professor I. Takahashi, Nihon University, Mr. I. Sakurai, JA Research Institute and Ms. K. Yamaguchi, CCIJ. Comments and lively discussion followed the presentations. Professor Hyung Sup Sohn, Chair of the Korean Society for Co-op Studies, presented a special report on the "Reflection of Agricultural Co-ops in Korea." On the second day, approximately 20 monographs were presented and at the symposium the featured discussion was on co-op's roles in regenerating depopulating rural areas.

Prof. T. Oshio, Meiji University, was elected to be the new Chair of JSCS for a two- year term.

### **ICA Symposium on Innovation and Co-operatives held in Singapore**

On the occasion of the ICA General Assembly in Singapore, a Symposium was held on October 16. The theme was "Innovation and Co-operatives: Thinking about Connection." Mr. Ivano Barberini, President, ICA, made an inaugural address followed by opening remarks by Professor Lou Hammond Ketilson, Chair of the ICA Research Committee, and Professor Ian MacPherson. Researchers from Canada, Indonesia,

Japan, Korea, Singapore, Sweden and the United States presented 11 papers. Mr. Kurimoto, CCIJ, presented a paper entitled “Co-operative Innovation in Business Models: From Joint Buying to Individual Home Delivery.”

### **CIRIEC International Research Conference on Social Economy in Victoria**

The Canadian Social Economy Hub, CIRIEC International and CIRIEC Canada jointly organized the first International Research Conference on Social Economy on October 22-25 in Victoria, B.C. Canada. The overriding theme was “Strengthening and Building Communities: The Social Economy in a Changing World.” More than 300 researchers, senior practitioners and government officials participated in 6 plenary sessions and 39 concurrent sessions where more than 130 presentations were made. At the plenary session on the continental models, Professor L. M. Salamon described the initiatives for establishing satellite accounts for nonprofit organizations. Professor R. Chavez and J. L. Monzon of Valencia University talked about their work “Mapping Social Economy in the European Union,” while Mr. A. Kurimoto, CCIJ, presented a paper on “Social Economy in Communities: An Asian View.” This event attracted great interest among academicians and community development workers. CIRIEC will hold its 2nd Conference in 2009.

### **CIRIEC Japan’s Conference**

The CIRIEC Japan held its 22nd Annual Conference on December 8-9 at Nagoya Gakuin University. Its main theme was the “New Age of Converging Communication and Broadcasting.” In addition to the plenary symposium, six concurrent sessions were organized. One of them was dedicated to social economy where Professor H. Imamura, Toyo University, and Mr. A. Kurimoto, CCIJ, made presentations on CIRIEC International’s research activities. How to partner social economy and public policy was then discussed by a panel composed of Professor K. Tabata, Hyogo University, Professor M Makino, Hyogo Prefecture University, Mr. Y. Hashimoto, Nagoya Citizen Co-op, and Mr. K. Saito of the Handicapped Persons Workshop.