

The provision of care services for elderly people by the co-operative sector in Japan

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1. Introduction

There has been a long history of the co-operative movement in Japan. Traditional co-operatives such as agricultural co-operative or consumer co-operative have played an important role in protecting the livelihood of farmers or consumers. In addition, new types of co-operative have appeared since the end of the twentieth century in Japan. On the one hand, some co-operatives have provided social welfare services in response to increasing demand for social services. On the other hand, workers' co-operative have appeared since 1980's. Although there is no legal form for workers' co-operative in Japan, we can see various types of co-operative of, by and for workers. We can regard new types of co-operative in the welfare field as social enterprise. According to the development of researches on social enterprise globally (Borzaga and Defourny 2001, Nyssens 2006), the studies of social enterprise in Japan are progressing in the last decade. Especially, some researchers in Japan have focused on the providing social services or job opportunities for vulnerable people (Hashimoto 2012; 2014).

This study describes the present status of the welfare provision by co-operatives. It will adopt the following approach. Firstly, it makes clear the uniqueness of social enterprise. Secondly, it shows the overview of co-operatives in Japan. Thirdly, it shows the role of the third sector organizations (nonprofit organizations or co-operatives) in the aging society in Japan. It will also analyze the current state of the provision of the welfare services for elderly people by the third sector organizations. Fourthly, it describes the provision of care services for elderly people by the co-operative sector. Finally, it presents a conclusion.

2. The uniqueness of social enterprise

What are the features of social enterprise compared with business enterprise? Let us consider the uniqueness of social enterprise from three perspectives. Firstly, social enterprise provides various societal needs. Any enterprise provide goods and services. In general, business enterprise provide goods and services in order to make a profit. The fundamental nature of enterprise is explained by producing and selling the commodity. A commodity has a use-value and an exchange-value. However, social enterprise mainly provides services to persons who have no ability to pay. The one of the main objectives of social enterprise is to provide societal needs (use-value for the socially vulnerable). Of course, as long as it is enterprise, it needs to produce goods and services which include exchange-value as well as use-value. This principle is applied to social enterprise as well. But the most basic objective of social enterprise is to provide services for the socially vulnerable. Whether we regard a subjective of our study as social enterprise or not, will depend on the feature of goods and services. Concretely, one of the most typical field of social enterprise is social welfare¹. As societal needs become more multifaceted by the advent of post-industrial era, we need to build the new system which provides various societal services. On the one hand, welfare state cannot fully provide social services for vulnerable people as they did before. On the other hand, general business enterprise does not enter the social welfare field, if it is difficult to make a profit. In contrast, social enterprise provides societal services to people with needs regardless of ability to pay, and faces difficulty of securing business continuity. It is difficult for most social enterprises to get enough money by selling goods and services. They need to diversify revenue streams. Their revenue

¹ The main field of social enterprise is generally explained by providing social services and creating job opportunities for vulnerable people.

resources are income from selling goods and services, donations, subsidies from government, revenues from commissioned business-to-government, and so on. As social enterprise enhances its sociality through providing societal services for socially vulnerable, it is forced to have several varied revenue sources.

Secondly, social enterprise has the uniqueness of governance structure. Social enterprise has to give consideration to various stakeholders. In general, manager in business enterprise mainly takes into account shareholder value. Business enterprise is managed for the benefit of shareholders, although it has required consideration of various stakeholders, for example, employee, consumer, client company, local community and so on. One of the reason why social enterprise is required to take into account various stakeholder is its resources of revenue are various. In addition, social enterprise is strongly required to build the governmental system which encourage participation by its users. It is important for social enterprise to attach the highest importance to its users who are the vulnerable groups. Social enterprise is more democratic than general business enterprise.

Thirdly, social enterprise emphasize the job creation for the socially vulnerable. Business enterprise dismisses its employees when profits are down. However some social enterprises aim to create job opportunities for the socially vulnerable. That kind of social enterprise is called work integration social enterprise (WISE). Some social enterprises create employed labor as well as volunteer labor, or encourage new businesses in order to create new job opportunities. What we create new job opportunities is one of the important issues in today's society. Social enterprise can enhance legitimacy through creating new job opportunities, and can be in a better position to get grant money from governments or receive a lot of donations. Social enterprise can get its own sociality by create new jobs for vulnerable

people. Social enterprise which provide various jobs is especially valuable for the socially vulnerable.

To it some up, social enterprise has its sociality through providing social services, building up the democratic structures which guarantee participation of users, and creating job opportunities for the socially vulnerable. We also need to construct an evaluation system for social enterprise, as social enterprise get its own legitimacy in our society.

3. The current status of co-operative in Japan

One of the typical forms of social enterprise is co-operative. There are various types of co-operative in Japan. Japan has no basic act on co-operative so far, while there are the basic laws of co-operative in some other countries. Co-operatives have been founded by individual co-operative laws in Japan. From a historical perspective, the Industrial Union Act was enacted in 1900. It is regarded as the previous Co-operative Act. After World War Second, Agricultural Co-operatives Act has been enforced since 1947. Consumer Cooperative Act and Fisheries Cooperatives Law appeared in 1948. Small and Medium-Sized Enterprise Cooperatives Act has been enacted since 1949. It set out conditions and procedures for business cooperative, credit union, and credit association.

Agricultural co-operative is the typical type of traditional co-operative in Japan. There were more than 13,000 agricultural co-operatives around 1950 (Figure 1). Thereafter, the number of agricultural co-operatives decreasing. It was around 4,500 in 1980 by promoting mergers. It dropped below 1,000 in 2004. There are less than 700 agricultural co-operatives at this moment. The Council for Regulatory Reform established by Cabinet Office recommended the improvement of agricultural co-operative in 2014. The proposed reform of

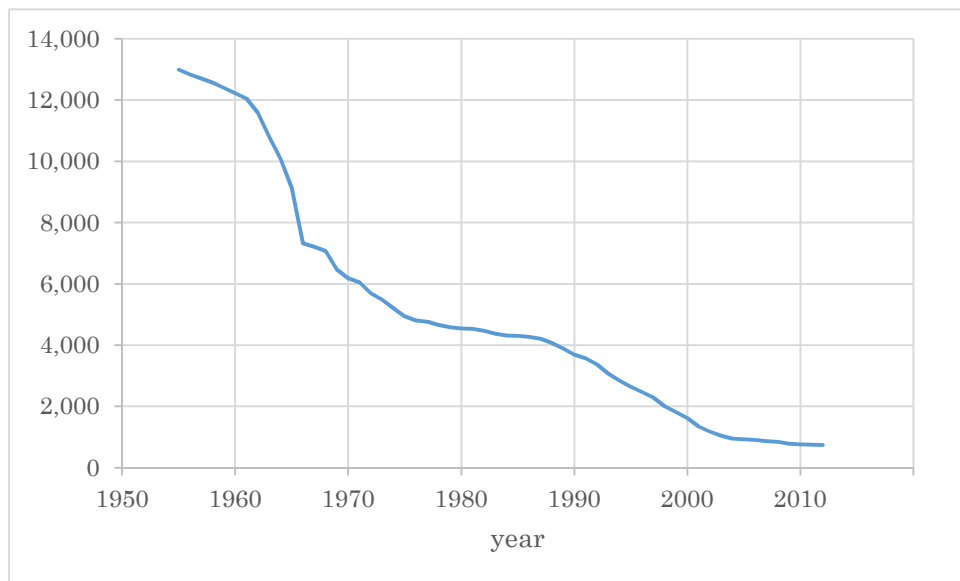


Figure 1 The number of agricultural co-operative in Japan

Source: <http://www.e-stat.go.jp/SG1/estat/List.do?lid=000001111771>

agricultural co-operative included the idea that the Central Union of Agricultural Co-operatives (JA-Zenchu) is liquidated, and the National Federation of Agricultural Cooperative Associations (the alliance of agricultural co-operative: Zen-Noh) converts to a joint-stock corporation. At this moment, JA-Zenchu will convert to general incorporated association. Some experts also recommend that each regional agricultural co-operative should convert to the joint-stock corporation. Other experts or those concerned with the agricultural co-operative voice an objection to the proposed reform of agricultural co-operative. We can point out that agricultural co-operative in Japan stands at the crossroads under the situation of decreasing of farmers, or expansion of market fundamentalism and neo-liberalism.

Consumer co-operative consists of retail co-operative, workplace co-operative and alliance of co-operative. All these types of co-operative are regulated by the Consumer Co-

operative Act. There are around 1,000 consumer co-operatives (Table 1). The total number of members in all consumer co-operative is 63.18 million people. The total amount of sales is 3 trillion and 23.7billion yen² (MHLW 2009: 214).

From sectoral perspective, consumer co-operatives are classified as regional retail co-ops, workplace co-ops, extended workplace co-ops³, university co-ops, schoolteacher's co-ops, medical or health co-ops, insurance co-ops⁴, and housing co-ops⁵ (Figure 2).

Core businesses of consumer co-operatives are retailing businesses. It consists of store operation, home delivery, catalog and internet businesses⁶. The typical retail co-ops operating within communities account for 70% of the total co-op membership⁷. Let us introduce typical large regional retail co-op. The largest retail co-op in Japan is 'Consumers Cooperative Co-op Sapporo (Co-op Sapporo)'. It has 1,490,640 members in 2014. The total business turnover is 262.7 billion yen. The total amount of its member share capital is around 62.9 million yen. The number of regular employees is 1,307. The number of contract workers is 1,367. The number of part time workers is 10,270. Co-op Sapporo has 109 stores in 28 cities and 18 towns, and has 31 home-delivery system centers in 17 cities and 6 towns⁸.

Large retail co-operatives such as Co-op Sapporo have developed with opening so many branches. It has also expanded by mergers. It is on par with major retail companies. While comparatively-large retail co-operatives tend to focus on activities related to business, new types of co-operative have responded various needs for the socially vulnerable. For example,

² 1 US dollar equals around 124 Japanese yen (on the 31st of May 2015).

³ 'Extended workplace co-ops are hybrids of these types that have incorporated local consumers living in the communities adjacent to the institutions.' (<http://jccu.coop/eng/member/index.php>)

⁴ 'Insurance co-ops, 'kyosai', provide consumers or workers with life and general insurance policies.' (<http://jccu.coop/eng/member/index.php>)

⁵ <http://jccu.coop/eng/member/index.php>

⁶ <http://jccu.coop/eng/business/retail.php>

⁷ <http://jccu.coop/eng/member/index.php>

⁸ <http://www.coop-sapporo.or.jp/contents/view/id/8>

Table1 The number of consumer co-operatives in Japan

FY	retail co-operative	workplace co-operative	alliance of co-operative	total	member (million)
1972	569	632	48	1,249	14
1977	671	623	61	1,355	20
1982	647	597	64	1,308	25
1987	642	581	67	1,290	32
1992	583	566	78	1,227	40
1997	555	555	83	1,193	50
1998	564	548	83	1,195	49
2000	552	533	82	1,167	53
2001	548	524	82	1,154	55
2002	546	517	83	1,146	56
2003	542	502	84	1,128	58
2004	536	497	83	1,116	59
2005	523	493	81	1,097	60
2006	519	485	81	1,085	61
2007	529	482	82	1,093	63
2008	524	428	84	1,036	63

Source: <http://www.mhlw.go.jp/wp/hakusyo/kousei/11-2/kousei-data/data/23829.xls>

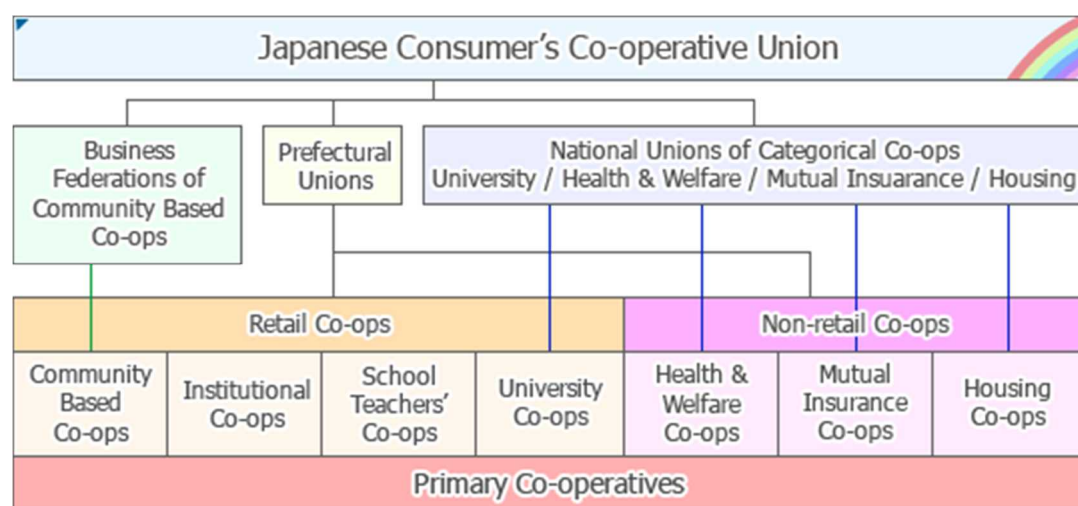


Figure 2 The overview of consumer co-operative in Japan

Source: <http://jccu.coop/eng/member/index.php>

some new co-operatives have provided social welfare services or medical services. Other new co-operatives have created new job opportunities for vulnerable groups. In addition, new types of co-operative have contributed to community development in rural area. Actually, main fields where social enterprises in Japan operate are the provision of care services, creation of job opportunities for vulnerable people, and community development in rural area. New types of co-operative have gradually played an important role in the spheres of social enterprises in Japan.

Many new co-operatives are comparative small. They have the democratic structures which attach importance to the decision making from the bottom up. Of course, it is important for any co-operative to care about the principle of democracy. However, there is gradual loss of democratic structure in co-operatives through the expansion of scale, the progress of bureaucracy, and the commercialization in a competitive environment. Especially, traditional large co-operatives such as agricultural co-operative or consumer retail co-operative tend to lose their democratic features. In addition, government strengthen the tendency to intervene the decision making or activities in traditional co-operatives. Traditional co-operatives need to be back to the source in order to keep their missions. In the spread of social and solidarity economy, traditional co-operatives are required to restore their democratic structures. On the other hand, we need to encourage sound development of new types of co-operative such as small co-operative, welfare co-operative, medical co-operative, health co-operative or worker's co-operative.

4. The third sector organization in the aging society in Japan

Japan had faced the aged society (population aging rate is more than 14 per cent) since 1994. Japan has faced the super-aged society (population aging rate is more than 21 per

cent) since 2007. We can point out various issues of aging. For example, the number of elderly persons living alone is increasing. The number of 'care for the elderly by the elderly' is also increasing. We have faced the rapid increase of people requiring long-term care (Hashimoto 2014).

In order to respond the issues for the aging society, the group activities guided by a spirit of mutual aid have appeared at the grassroots level since 1980s. These groups have responded to needs of elderly people. Based on the principles of mutual help and independence involving 'paid volunteer', the voluntary groups of livelihood support have organized in the early 1980. These groups have mainly provided supplementary homecare services. They have been recognized as one of the 'resident participatory-type homecare provider organizations'. Resident participatory-type homecare provider organizations have been built by quangos, social welfare councils, co-operatives or citizen-led groups. For example, consumer retail co-operatives have been regarded as the one of the leading players in provisions of social welfare services in co-operative sector. Community based retail co-operatives have organized many resident participatory-type homecare provider organizations so far.

The government was to introduce a statutory long-term care system under the Long-Term Care Insurance Act (LTCI) in 2000⁹. The LTCI brought about a drastic change for resident participatory-type homecare provider organizations. These organizations faced to make a decision whether or not to provide long-term care services under the LTCI. After the introduction of the LTCI, some organizations remain to provide supplementary homecare services independently of the LTCI. Other organizations entered long-term care market under the LTCI. For example, citizens' groups incorporated, as they provide long-term care services

⁹ The Long-Term Care Insurance Act passed in 1997, and it was revised several times before now.

under the LTCI. As Nonprofit Activities Promotion Law was enacted in 1998, many citizens' groups which have provided resident participatory-type homecare transferred to 'incorporated nonprofit organization' under the Nonprofit Activities Promotion Law. Some incorporated nonprofit organizations provide long-term care services under the LTCI as well as supplementary homecare services independently of the LTCI. Other incorporated nonprofit organizations provide only long-term care services under the LTCI. While care workers provide services as employee which get a wage under the LTCI, volunteers provide supplementary homecare services independently of the LTCI. Consumer retail co-operative have also provided long-term care services under the LTCI, while they remain to provide supplementary homecare services independently of the LTCI.

Introducing the LTCI means that long-term care market appeared. It is a kind of quasi-market. On the one hand, new types of nonprofit organization such as incorporated nonprofit organization have entered into long-term care market. On the other hand, business enterprise such as joint stock company have also entered into long-term care market. The LTCI has brought about competition among various types of organization (business enterprise, social welfare corporation, medical care corporation, co-operative, incorporated nonprofit organization and so on).

By the revision of the LTCI Act in 2015, community life support service was introduced. The role of voluntary organizations at grassroots level has been important again, although the provision of care for elderly by voluntary sector has gradually been replaced with long-term care by business enterprises or incorporated nonprofit organizations after introducing the LTCI in 2000. Especially, grassroots activities guided by a spirit of mutual aid have been more important in the provision of community life support services. Citizens' activists have tried to build the system which provides homecare services by volunteers.

5. Providing social service for elderly people by co-operative

5.1 The provision of care for elderly under the LTCL and other activities

Co-operative sector is one of the largest long-term care providers under the LTCL, while the provision of long-term care by business enterprises is increasing. Various types of co-operative have provided long-term care services under the LTCL. For example, traditional co-operatives such as consumer retail co-operative or agricultural co-operative have done welfare businesses. Specialized co-operatives such as health and welfare co-operative or Older Person's Co-operative have also provided long-term care services under the LTCL. Worker's co-operative which is co-operative of, by and for workers have also provided long-term care services under the LTCL. In addition, we need to pay considerable attention to the provision of supplementary homecare services by co-operative sector. The former is efforts on a business basis. The latter is efforts on a volunteer basis. Most types of co-operatives make both efforts.

5.2 Elderly care in the co-operative sector

5.2.1 Elderly care by consumer retail co-operative

Many consumer retail co-operatives organize mutual self-help groups "Tasukeai". We can recognize these groups as resident participatory-type homecare provider organizations. First mutual self-help group in consumer retail co-operative appeared in 1983 in Kobe City. The activities by self-help groups spread out in many consumer co-operatives. 55 consumer retail co-operatives and 2 consumer co-operative alliances make the efforts in 2013. These mutual living help project includes cooking, cleaning, shopping, watching or speaking partner for elderly person, childcare support, livelihood support for people with

disabilities and so on. 29,313 people participate in the activities, and the total activity time reaches 1.62 million and 5,469 hours a year in FY2013¹⁰.

On the other hand, consumer retail co-operatives have made in-home care support plan, and provided home-visit care or outpatient day long-term care under the LTCI. According to the study by Japanese Consumers' Cooperative Union (JCCU), the total turnover of welfare services by retail co-ops is around 21 billion yen in FY 2013 (NSKKR 2014: 23).

5.2.2 Elderly care by agricultural co-operative

In a way similar to consumer retail co-operatives, agricultural co-operatives have provided long-term care services under the LTCI as well as supplementary homecare services independently of the LTCI. 478 agricultural co-operatives organize mutual self-help groups "Tasukeai" in 2006. There are 899 groups. 420 thousand co-operative members (volunteers) participate in. They provide services or manage their groups on volunteer basis. 20 thousand members uses these services. These services are various. 398 groups operate small day care facilities. 262 groups organize volunteer activities in special nursing homes for the elderly or in hospital. 185 groups provide an aged persons' safety confirmation system. Other activities include culture schools of picture drawing, gymnastic exercises or handicraft, excursion by bus, deliveries of boxed meals, study session about care prevention and so on (Asakura 2008 : 48).

On the other hand, 344 agricultural co-operatives have provided long-term care services under the LTCI in 2008. They have made in-home care support plan, and provided

¹⁰ <http://jccu.coop/info/pressrelease/2014/08/-162-2013.html>

home-visit care, outpatient day long-term care, home-visit bathing long-term care, rental service of equipment for long-term care and so on under the LTCI¹¹.

In addition, agricultural co-operatives have promoted medical or healthcare activities in farming village. The origin of this movement dates back to the early twentieth century. The co-operative by the Industrial Union Act set out to carry out the medical activity in order to get rid of a doctorless village and provide medical services at a low cost in 1919 in Shimane prefecture. This movement spread all over the country. After World War Second, 'Federation of Agricultural Cooperative for Healthy and Welfare (Kouseiren)' took over the medical activities in 1948 under the Agricultural Co-operatives Act. Kouseiren has been established in each prefecture or county. At the same time, 'National Welfare Federation of Agricultural Co-operatives (Zenkouren)' was established as national body. It had 169 hospitals and 347 clinics¹².

Table2 The number of facilities under the LTCI in Koseiren

	31st March 2014
Hospital, Clinic	50
Home-Visit Nursing Care Station	106
Long-Term Care Health Facility	32
Intensive Care Home for the Elderly	5
In-Home Long-Term Care Support (Making Nursing Care Plan)	99
Home-Visit Long-Term Care,	6
Home-Visit Bathing Long-Term Care	1
Outpatient Day Long-Term Care	8
Short-Term Admission for Daily Life Long-Term Care	4
Communal Daily Long-Term Care for a Dementia Patient	2

Source: <https://www.ja-zenkouren.or.jp/images/pdf/jigyoku.pdf>

¹¹ <http://www.ja-care.net/active/download/kaigohoken-panf.pdf>

¹² <http://ja-zenkouren.or.jp/introduction/history.html>

Today, Kouseiren operates long-term care health facilities, makes in-home care support plan, and provides home-visit nursing care, home-visit care or outpatient day long-term care and so on under the LTCI (Table2). On the other hand, Kouseiren supports home-care worker training or welfare activities for elderly by each agricultural co-operative¹³.

5.2.3 Elderly care by health and welfare co-operative

Health and welfare co-operative is specialized co-operative in medical or welfare field. As there is no specific legal status for health and welfare co-operative, we have various types of corporation which provide medical or welfare services with democratic structure. The one of the origin of health and welfare co-operative was established in Tokyo as 'Health Care Co-operative (Iryo Riyou Kumiai)' in 1932. It was set out by the Industrial Union Act. The health care co-operative was based on the ideological background by Toyohiko Kagawa, the pioneer of co-operative movement in Japan. The movement of health care co-operative spread all over the country. As we mentioned above, while many co-operatives based on this movement was handed over to Kouseiren which run the hospitals established by agricultural co-operative after World War Second, other co-operatives were changed into consumer co-operative by Consumer Cooperative Act.

Historically speaking, we also need to pay attention to social movement for medical care. The ancestor of hospital or clinic operated by health and welfare co-operative is proletarian clinic. Before World War Second, the movement of proletarian clinic tried to tackle deprivation of medical care, and protect commercialism by private physicians. Doctors which participate in the movement of proletarian clinic provide inexpensive medical care for proletariat or peasants. This social movement was based on pacifism, democracy and

¹³ <https://www.ja-zenkouren.or.jp/images/pdf/jigyuu.pdf>

protecting human right. Proletarian clinics disappeared because of severe oppression by fascism in the Empire of Japan (Min-iren 2012: 59-61).

After World War Second, the land of country was burned down and we faced the severe shortage of food or housing, poor sanitation and the spread of disease. In these difficulties, resident, labor union and Communist Party had been developing a strong movement of founding clinic by the people. Doctors or medical practitioners which have sympathy of this movement participated in. Democratic clinics were founded all over Japan by raising fund from the people. There were 8 democratic hospitals or clinics in 1948. This movement spread all over the country fast. There were 22 hospitals or clinics in 1949, 54 hospitals or clinics in 1950. Japan Federation of Democratic Medical Institutions (Min-iren) was established as an alliance of democratic hospitals and clinics in 1953. At that moment, 117 hospitals or clinics joined in this federation, and their background or legal status were various (Min-iren 2012: 87). Some were based on labor union; some were based on citizens' group about protecting their health; some were based on Communist Party. Medical Service Act was enacted in 1948, and medical care corporation system was introduced in 1950. Some hospitals or clinics had corporate status as public corporation by civil law; some had corporate status as medical care corporation; some had corporate status as consumer co-operative by Consumer Cooperative Act; other had no corporate status. In 1957, public corporation was 20.5 per cent, medical care corporation was 13.0 per cent, consumer co-operative was 16.0 per cent, unincorporated association was 23.5 per cent, and individual was 27.5 per cent (Min-iren 2012: 126). After that, the percentage of consumer co-operative has been increasing. It is the most common today.

Democratic hospitals or clinics carried out important tasks when a disaster occur. For example, the rescue operation in big fire in Hokkaido in 1954 was the first important case

(Min-iren 2012: 139-142). Recently, democratic hospitals or clinics organized the rescue operation in disaster medical fields when Japan was hit by the Great East Japan Earthquake in 2011.

One of the most significant features in democratic hospitals or clinics is mutual organized activities called 'Tomonokai' which means club by friends in Japanese. The number of members in the mutual organized activities across the country was 114,698 people in 1965, and was 3,566,688 people in 2012¹⁴. These activities include health promotion activity, learning social security, activities to make a demand for enhancement of medical services or social welfare, and various circle activities or volunteer activities.

Democratic hospitals or clinics have provided care services for elderly since 1990s as we face the rapid increase of care demand. As collaboration in medical treatment, nursing, and welfare has been necessary, it is important for medical institutions to provide care services. After introducing the LTCL, democratic hospitals or clinics have provided long-term care services under the LTCL. They have provided home-visit care, home-visit nursing, and have also run special nursing homes for the elderly, long-term care health facilities under the LTCL.

As we mentioned above, the most popular corporate status of democratic hospitals or clinics is consumer co-operative. 354 corporations are affiliated with Min-iren in 2012. Consumer co-operatives are 93, joint-stock corporations are 55, medical care corporations are 50, limited-liability companies are 49, and social welfare corporations are 39¹⁵.

¹⁴ <http://www.min-iren.gr.jp/?p=20889>

¹⁵ <http://www.min-iren.gr.jp/?p=20889>

Consumer co-operative which provides medical or welfare service is called 'health and welfare co-operative'¹⁶. Most health and welfare co-operatives are affiliated with Min-iren, while others are not. Moreover, apart from the above, there is an alliance for health and welfare co-operatives which is called 'Japanese Health and Welfare Co-operative Federation

Table3 Overall information of health and welfare co-operative					
			2008	2009	2010
Organization	Member co-ops		117	115	111
	Membership	(1,000 persons)	2680	2,710	2,750
	Investments	(million yen)	69,400	71,576	73,614
Revenue	Total sales amount	(million yen)	282,500	295,781	309,807
	Health business	(million yen)	236,000	244,160	255,188
	Welfare business	(million yen)	46,500	20,457	53,062
Medical facilities	Hospitals		79	78	77
	Sickbeds	(bed)	12,874	12,460	12,584
	Primary health care centers		306	299	303
	Dentistry		43	45	46
	Home-visit care stations		213	201	197
Nursing care facilities	Nursing care facilities for aged people		16	23	23
	Helper station		175	184	183
	Ambulatory rehabilitation offices		160	166	166
	Ambulatory nursing care offices		155	161	176
Staff	Total staff	(person)	30,111	21,827	32,801
	Doctor		1,944	1,963	1,948
	Dentist		204	209	214
	Nursing staff	(health nurse, birth attendant, nurse, assistant nurse)	11,302	11,675	11,726
	Chemist		416	444	451
	Nursing care staff		4,868	5,543	6,069
	Others		11,377	11,993	12,393
Soruce: http://www.hew.coop/english/					

¹⁶ HeW CO-OP JAPAN explains health and welfare co-operative as follows. 'Health and welfare co-operative in Japan is a co-operative body established based on the Consumers' Co-operative Law. As its main business, health and welfare co-op provides medical and nursing care services to local residents, and manages hospital, primary health care center, nursing care home, home-visit care station, rehabilitation facility, at-home help service and housing for aged people. Any resident is able to become a member of health co-operative by investment. Almost all staffs of health and welfare co-op are members of the co-op for which they are working. Many of health and welfare co-ops set up 1000 Japanese Yen as share capital when people join the co-op. (A minimum unit of share capital varies by co-op.) Share capital is utilized as a part of fund to construct hospital, primary health care center and nursing care office as well as operation fund of the co-op. Consumers' Co-operative Law of Japan restricts use of retail co-op to its members. In case of health and nursing care business, however, non-member can use services up to the half portion of total business volume. Health and welfare co-op strongly encourages non-members to join the co-op. In fact, 80% of users are co-op members.' (<http://www.hew.coop/english/>)

(HeW CO-OP JAPAN)'. Almost all health and welfare co-operatives join in HeW CO-OP JAPAN. At this moment, 110 health and welfare co-operatives and Japanese Consumers' Co-operative Union join in HeW CO-OP JAPAN. Membership is totally 2.75million people, and the revenue of welfare business is about 54 billion yen in 2010 (Table3)¹⁷.

5.2.4 Elderly care by worker's co-operative

Worker's co-operative which is co-operative of, by and for workers have also provided long-term care services under the LTCI. The movements of workers' co-operative in Japan consist mainly of two streams. One is the 'Workers Collective', other is the 'Workers' Co-operative (Workers' Co-op)'. The former was set up mainly by housewives who are members of consumers' co-operative in early 1980s. The latter was formed in order to create jobs for, of, by the unemployed persons of middle or elderly age.

As workers' collective is co-operative for workers, all workers are owners as well as managers. It aims to create alternative way of working. The first workers' collective appeared in 1982 in Kanagawa prefecture. It has been sub-contracted to operate the retail shop in consumer retail co-operative. The movement of workers' collective spread mainly in Tokyo or Kanagawa. After the introduction of the LTCI, some workers' collectives have provided home-visit care or outpatient day long-term care under the LTCI.

'Workers' Collective Network Japan (WNJ)' was set up in 1995. It is the federation of the area-based alliance of workers' collective. According to the WNJ survey in 2009, the items of business in workers' collective include support to housekeeping or nursing care (193 institutions), nursery services or child care support (107 institutions), entrustment of store

¹⁷ <http://www.hew.coop/english/>

operations from consumer retail co-operative (102 institutions), deliveries of boxed meals (91 institutions), and so on. The total turnover is 14.8 billion yen (WNJ 2010:77).

As there is no legal status for worker's co-operative in Japan, about half of workers' collectives have no corporate status. Some workers' collectives have corporate status as incorporated nonprofit organization under the Nonprofit Activities Promotion Law. Others have corporate status as business cooperative under the Small and Medium-Sized Enterprise Cooperatives Act.

On the other hand, workers' co-ops have also provided social welfare services. Japan Older Person's Co-operative' (JOPC) has been organized with the strong support from the members of workers' co-op. JOPC is established at each prefecture. The first JOPC appeared in 1995 in Mie prefecture. There are around 30 JOPCs at this moment (Japan is made up of 47 prefectures). Most JOPCs have legal status as consumer co-operative. Each JOPC has built up the workshops at grassroots level. Like other types of co-operative, JOPCs have also provided long-term care services under the LTCI as well as supplementary homecare services independently of the LTCI. The total amount of turnover at JOPCs is around 6.85 billion yen. There are 44,028 members nationwide in FY 2012. The number of full-time staffs is 845 (Hashimoto 2014).

6. Conclusion

What is the uniqueness of co-operative compared with business enterprise? The provision of care services for elderly people by the co-operative sector in Japan has some notable features. Firstly, most co-operatives have organized mutual aid activities for elderly people in order to support their lives. Volunteer groups organized by co-operatives have played the important part. Especially, they have mainly provided supplementary homecare

services. These mutual activities are efforts on a volunteer basis. Business enterprise cannot make these efforts, as organizing mutual activities make no money.

In addition, the role of voluntary activities has been important again, as community life support service was introduced by the revision of the LTCI Act in 2015. Co-operative sector is required to enhance mutual aid activities. As activities based on mutual aid are more important than ever, the role of co-operative is more significant.

Secondly, most co-operatives in welfare field depend on public money (taxpayer's money or social insurance contribution) for the vast majority of their income. Traditional co-operatives such as agricultural co-operatives or consumer retail co-operatives have actively carried out nursing care businesses under the LTCI. Specified co-operatives such as health and welfare co-operatives or workers' co-operatives have also entered nursing care market under the LTCI.

On the one hand, co-operatives have carried out various activities for elderly people on a volunteer basis in order to support their lives, although these programs do not make money. On the other hand, most co-operatives have provided nursing care services under the LTCI. Both long-term care services under the LTCI and supplementary homecare services independently of the LTCI are needed in order to protect elderly people's daily lives. Co-operatives are significant in that they can make their efforts on a business basis as well as a volunteer basis. However some co-operatives tend to focus on the nursing care businesses under the LTCI or the businesses entrusted local government. These businesses make money. It is not easy for co-operatives to carry out their mission under severe competition.

Thirdly, we can point out the importance of social movement in the co-operative sector. Each co-operative has its own history based on social movement. For example, co-operative movement have had the critical part in protecting the livelihood of consumers,

farmers, workers or citizens. In order to tackle intervention by the nation or competitor in the market, each co-operative need to keep its own core principle based on social movement, and maintain its democratic structure. If co-operative lost its own basic principle, it wouldn't be able to play a role as social enterprise.

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