

Fostering Co-operation: Can Membership Education increase a Co-operative's Ability to Mobilize Community through Organizational Social Capital?

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For the concepts of food sovereignty and the re-localization of food to take hold in the increasingly globalized food system, innovative approaches to change must be complemented by local, multi-stakeholder engagement. In Japan, the history of the agricultural co-operative has been to serve its regionally based farmer and non-farmer membership through a multitude of services including aggregated procurement, sales and distribution, finance and insurance, a true multi-purpose, multi-stakeholder co-operative. Determining the success of a co-operative's ability to meet the needs of their heterogeneous membership is not easily attainable through neoclassical economics which typically explores value or wealth using one dimension. In recent years, there has been an increase in social capital research in Japan pertaining to agricultural co-operatives in an attempt to address this issue. However, much of this research has only occurred at the regional level- appropriate for rural areas where most of the residing population are affiliated with the co-operative, but not relevant for a growing number of peri-urban and urban communities where many residents no longer have ties to the agricultural co-operative. In this paper, a co-operative's ability to affect its organizational social capital, the social capital within the organization, is examined using the membership education program at JA Hadano as a case study. Research was conducted using a questionnaire (n=188) and semi-structured qualitative interviews (n=10). Analysis was conducted using factor analysis. Findings show that membership education courses aimed at fostering the development of engaged and knowledgeable co-operative members, can foster the development of organizational social capital and greater governance by a co-operative's membership. Greater organizational social capital, in turn, can enable this co-operative to increase its reach within the larger community with farmers and non-farmers alike giving rise to the potential for innovative reform of the food system.

Key words: organizational social capital, agricultural co-operative, multi-stakeholder co-operative, multi-purpose co-operative, membership education, urbanization,

Introduction

Farmers with small agricultural holdings¹⁾ are vulnerable in the global food market, dependent on umbrella organizations to aggregate product in order to attain the scale necessary for cost effective distribution, sale and purchasing. The modernization of agriculture characterized by the drive for bigger and better, leaves few choices for small scale farmers who choose or desire to innovate and opt out of the race to scale. Furthermore, the increasingly globalized food market has meant that even those farmers who are not wishing to sell outside of their region, nevertheless are affected by the influx of imported product that compete and change the dynamics of their local food market.

The current state of agriculture is such that over 84% of farmers are small holdings farmers and are producing over 53% of food consumed globally (Lowder, Scoet & Raney, 2015). Additionally, with more than half of the world's population having moved to urban centers, there is an increased need for more food to be produced by a smaller percentage of the population. In the urban food system, the issues facing small holdings farmers in the global food system are exacerbated: connections between the consumer and food producers become ever distant, differentiation of product becomes a marketing and communication issue as food production becomes less embedded within the network within which it is consumed. Urban agriculture is a means by which urban populations can continue to engage in the food system: it humanizes food²⁾ and food producers for those living in spaces dependent on the importation from rural areas of the resources needed to sustain them. Urban farmers share many factors typical of small scale farmers, including limitations in their ability to scale in production capacity or have access capital. Without heavy investment into technology to utilize vertical or indoor crop systems, small scale farmers- both urban and rural- are forced to make the most of their small growing spaces where they predominately produce for self-consumption. When

farmers wish to sell surplus product from their small-scale operations, they are faced with supply chains who demand a certain sales volume in order to participate. Co-operatives have long been a way for farmers to aggregate their products to increase their selling power. The principles of co-operatives, specifically their democratic foundation of one member one vote, ensure that farmers are able to retain control over a greater portion of the food chain on which their livelihoods depend regardless of their production volume (Valentinov, 2008; Mazarol, 2009). Without this type of mechanism for farmers to participate in the decision making that governs how their product interacts with the market economy, the majority of our global agricultural fabric is left vulnerable in the race for ever cheaper prices for food.

To date, agricultural co-operatives have been evaluated using a neoclassical framework, wherein measures such as return on investment, are used to determine whether a singular goal is being met. However, as outlined by Mooney and Gray (2002), the deductive neoclassical approach fails to account for the complexity from which agricultural co-operatives serve their membership and the society within which they are situated. In Japan, where agricultural co-operatives have a long history of providing a diversity of services to a membership inclusive of non-farmers (Kurimoto, 2004), it is particularly pertinent to find a framework of analysis that retains the various internal tensions and contradictions in a multi-purpose organization with heterogeneous objectives for a heterogeneous membership.

Social capital is used to study the resources inherent in relationships and networks between individuals and organizations. It is theorized that these resources can be used to mobilize social action and influence economic performance. Specifically, social capital looks at the trust that individuals feel with regards to their network. Studies have shown that co-operative trust leads to membership engagement, which also affect participation and loyalty (Osterberg & Nilsson, 2009; Liang et al, 2015).

Organizational social capital is a growing area of research in management science, which examines the effect of social capital within an organization. Since the inception of social capital theory, economists and social scientists have continued to grapple with the notion of whether social capital can be generated³⁾. However, previous studies have shown that there are strategies that can be adopted by an organization to foster the development of organizational social capital (Cohen & Prusak, 2001; Bolino et al, 2002). Recognizing that organizational social capital increases the efficacy of a co-operative and can enable its success, it is in a co-operative's interest to foster social capital. This paper aims to address a gap in research pointing to the success of institutionally led initiatives in fostering social capital. Specifically, do co-operatives have the ability to create and harness social capital among its membership? In this paper I investigate the outcomes of co-operative lead membership education course aimed at enhancing organizational social capital using data collected in a questionnaire directed at farmer members of a regional agricultural co-operative.

Literature Review

Much research has been conducted regarding co-operative governance and co-operative membership engagement. Most remain theoretical in nature as membership motivation is a difficult aspect to study and quantify. Social Capital theory has been one way for researchers to study the value of relationships between individuals and has over the past decade been used in the co-operative context to capture some of the nuanced discourse regarding membership engagement.

Social Capital

As a factor that influences decision making, social capital mobilizes social action and influence economic performance at the level of the firm (Baker, 1999), geographic regions (Putnam, 1995) and nations (Fukuyama, 2001).

Organizational Social Capital

Organizational social capital transposes the concepts of social capital into the organizational framework, theorizing that that increased social capital within an organization can lead to greater organizational advantage (Andrews, 2010). Social capital within an organization can be analyzed using three dimensions: structural (connections among actors), relational (trust between actors) and cognitive (shared goals and values among actors) (Nahpriet & Goshal, 1998).

Organizational Social Capital and Co-operatives

Several studies have examined the effect of organizational social capital on the performance of a co-operative. In a theoretical analysis of decision making within a co-operative, Nilsson, Svendsen and Svendsen (2012) show that increasing the size and scale of a co-operative operation does not always lead to operational efficacy due to the decrease social capital. In their study of Chinese agricultural co-operatives, Liang et al (2015) demonstrated that membership participation patronage increased with increases in social capital. Furthermore, they were able to tie social capital to the economic performance of the co-operatives they studied.

The use of Social Capital in research about Japanese Agricultural Co-operatives

Research regarding social capital in an agricultural context in Japan tends to focus on a regional level (Yokoyama & Sakurai, 2009; Matsushita, 2012). In 2008, the Japanese Society for Co-

operative Studies focused on Social Capital and Co-operatives at their 27th Conference. In a report for the conference, Takahashi (2008) demonstrates how the establishment of co-operatives can enhance the social capital within a rural community leading to greater safety nets among residents. Sakurai (2008) supports this position by drawing on case studies from various parts of Japan illustrating the role of agricultural co-operatives in rural community development. In Japan where many agricultural co-operatives are facing changes to the demographics of farmers and where urbanization continues to impact who and how people are farming, it is imperative that research continues to be done on how best to keep these diverse farmers engaged in their co-operative. Organizational social capital, or the social capital between members and staff within an organization, is something that can be actively addressed by a co-operative, even in an urban or densely populated context. It is for this reason that organizational social capital was chosen as a framework for investigating agricultural co-operatives and their governance in Japan.

Social Capital and Co-operative Education

Several studies have examined factors that affect the social capital within an organization. Bolino et al (2002), found that citizenship exhibited by employees in a firm enhanced the functioning of the firm by contributing to the development of structural, relational and cognitive forms of organizational social capital. In another study, it was found that companies that rewarded and encouraged trust among their employees through cash incentives and a set of guidelines, saw that the enhanced cooperation within the organization (Prusak & Cohen, 2001).

Many co-operatives utilize education as a means to build awareness about co-operative values among its membership. The Rochdale Pioneers Society, who are credited with the foundation

of co-operative principles, placed a high priority on education going so far as to state that 2.5% of annual profits should be directed to the education of the co-operative membership. In a comprehensive review of co-operative education history, Shaw (2012) examines different forms of co-operative education, including those aimed at the development of human capital and programs directed more towards co-operative engagement. However, Shaw's study also points to the dearth of research relating to the effects of contemporary co-operative education programs.

Although some research has demonstrated the causal effect of education on social capital (Huang, Maassen van den Brink & Groot, 2010), most studies examine the effect of education as a whole rather than education aimed at developing or fostering social capital within the co-operative. Furthermore, though many co-operatives host workshops and courses pertaining to co-operative values, little research has been done regarding the effect of targeted co-operative membership education and the effect that it has on social capital.

Case Study: JA Hadano

Japan has a long history of co-operatives. The Global 300 study conducted by the ICA listed two Japanese co-operatives as being in the top 10 co-operative and mutual businesses (ICA, 2011). This positioning within the global co-operative community makes Japan a relevant place of study of co-operatives. Hadano is a city situated in Kanagawa Prefecture in the Kanto Plain of Japan with a population of 168,204 (JA Hadano, 2013). Though Hadano has a long history of agriculture, the number of farms in the municipality continues to diminish. Urbanization has led to a doubling of the municipality's population, while the area of arable farm land has diminished by 2/3 since 1970.

JA Hadano, the local agricultural co-operative, was established in 1963 through a merger with five other co-operatives in the area, later merging with an additional two other co-operatives in 1966. There are two categories of members at JA Hadano: farmer members and associate members. Though both have equal access to services provided by the co-operative, only farmer members have the right to vote at the Annual General Meeting (AGM). To have farmer member status, a member must demonstrate that they have at least 10a under cultivation and have over 90 farm work days annually, while associate members must either be residents or be working in the geographic region within which the co-operative operates.

Though the overall membership at JA Hadano has increased dramatically, from 2,560 members in 1963 to 14,084 members in 2014, the number of farmer members in the co-operative has hovered around 3000 farmer members since its final merger in 1966 (JA Hadano, 2013). Therefore, the rise in membership numbers can be attributed to the recruitment of associate members in the region.

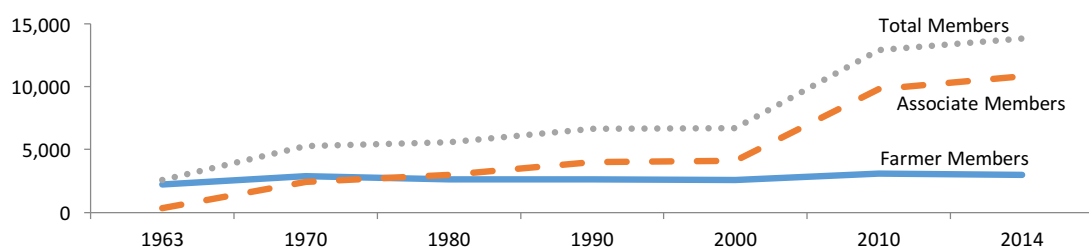


Figure 2: JA Hadano membership by Year
Source: JA Hadano, 2015

JA Hadano was chosen as a research field for several reasons. First, as a region undergoing urbanization, its farming demographic is reflective of global agricultural trends. The co-operative has had to adapt to there being fewer farmers and a majority of them have off farm income to supplement their earnings from their farms. Secondly, despite urbanization, JA Hadano as a co-operative has remained stable in its organizational structure since its second and final merger with two other local co-operatives in 1967. Lastly, JA Hadano has

demonstrated investment of both human and financial capital in initiatives aimed at fostering the social capital within the organization.

JA Hadano is unique in its approach to dealing with the influence of urbanization on its agricultural community. The fragmentation of agricultural productive capacity in the region due to urbanization, caused a heterogeneity in its membership needs specifically with respect to sales and distribution. In 2008, JA Hadano decided to eliminate aggregated sales and distribution of its agricultural products, instead focusing on the operation of a storefront, Jibasanzu, which acts as a point of sale for farmers and residents in the region. This storefront enables farmers to sell as much or as little as they are able to produce at whatever cost the farmer deems appropriate, at whatever time during the season that they are able to produce it. For small scale, part time or inexperienced farmers, this flexibility reduces the pressure of having to be responsible for committing to a production plan that aggregate sales schemes necessitate. Furthermore, JA Hadano allows associate members who may wish to sell produce from their home gardens, encouraging non-farmers to also contribute to food production in the area. To support its larger scale farmers, the co-operative facilitates direct marketing opportunities for farmers to sell to local supermarkets, restaurants and at their own farm stands. This approach would seem contrary to economic profitability of the co-operative as it decreases opportunities for the co-op to charge service fees or commission from the ongoing sale and distribution of product. However, it reflects the co-operative demonstrating an attentiveness and adaptability to the needs of its diverse membership.

Another unique feature of JA Hadano is in their commitment to fostering social capital. This includes a monthly newsletter that is personally delivered on the 26th of every month by staff to all members. On average, staff are able to personally greet 70-80% of the membership every month through this service. Additionally, JA Hadano strives to treat all members equally: be it

associate or farmer members. Though associate farmers do not have the right to vote at the AGM, they are permitted to attend the AGM and are encouraged to voice their concerns through representatives on the board of directors. Lastly, JA Hadano has offered their membership access to educational courses aimed at fostering a deeper understanding of co-operative values.

Methodology

Preliminary interviews were initially conducted with JA Hadano leadership, management, staff and farmer members to gain an understanding of the operations of the organization. Drawing from previous studies regarding social capital at co-operatives, questions were designed to probe at the three aspects of organizational social capital: structural (H1,H2,H3,H5, JA1,JA2,JA3,JA4) relational (H3,H4,H5,H6,H7,H8) and cognitive (JA5,JA6) social capital (**Table 1**). These groupings of questions were based on those from studies conducted by Liang et al (2015) and Nilsson, Hakelius and Osterberg (2012). To target members who utilize the co-operative for agricultural purposes, questionnaires were distributed at the Jibasanzu storefront to members who were dropping off product for sale. Though the questionnaire had 21 questions and attempted to control for 15 variables, only 14 of the 21 questions had enough respondents to warrant study. 214 of the 300 questionnaires that were distributed were returned, of which 188 had usable data. **Table 2** illustrates the breakdown in demographics of the respondents.

Table 1: Questionnaire questions and short code

Likert scale 1-5, where 1 is “not at all” and 5 is “always”			
H1	Do you attend and participate in the study group offered at Jibasanzu	JA1	I attend and participate in the JA Hadano AGM
H2	Do you consult with the agricultural advisors provided by Jibasanzu	JA2	If I am not able to attend the AGM I take measures to vote and use the other services provided by JA Hadano to have my voice heard
H3	Do you communicate your opinions and/or suggestions to the management at Jibasanzu	JA3	I read the monthly JA Hadano newspaper
		JA4	I speak with staff members when they deliver the monthly JA Hadano newspaper on the 26 th of every month
Likert scale 1-5, where 1 is “strongly disagree” and 5 is “strongly agree”			
H4	I think Jibasanzu needs to put more resources and effort into sales and sales strategies	JA5	I believe that JA Hadano uses its vision statement to guide its actions
H5	I know who my representative is on the board of directors		
H6	I feel that my opinions and suggestions are heard at Jibasanzu	JA6	I, as a co-operative member of JA Hadano, act in accordance to the JA Hadano vision statement
H7	I think the staff at Jibasanzu should be doing more for the membership		
H8	I think that the product being sold at Jibasanzu produced by fellow members is of high quality		

Table 2: Demographics of questionnaire respondents

Age	# Respondents	Area Cultivated	# Respondents
Under 39 years	11	Less than 50a	39
40-54 years	29	50a-1ha	15
55-69 years	40	1ha-2ha	13
Over 70 years	19	Over 2ha	6
Total	115	Total	141
Participants in Co-op Course	# Respondents	Years Farming	# Respondents
Yes	28	Less than 5 years	14
No	170	5-10 years	21
Total	198	10-20 years	21
		Over 20 years	20
		Total	138
Membership Type	# Respondents		
Associate Member	26		
Farmer Member	62		
Total	126		
		Total # Respondents	214

Source: Data from JA Hadano Farmer Questionnaire (Collected June-July 2016)

Data Analysis

To determine if any demographic control variable could account for any differences in the responses, a two-sample t-test assuming unequal variances was conducted using the XLSTAT statistical analysis package (v.18.07).

Table 3: Results of two-sample t-test for question H1

	N	M	SD	df	t Stat	P(T<=t) one-tail	t Critical one-tail	P(T<=t) two-tail	t Critical two-tail	Null Hypothesis
Education Course										
<i>non-participant</i>	169	2.7	1.7	57	-7.35	0.042	1.672	0.084	2.002	Reject
<i>participant</i>	28	4.1	0.6							
Age										
<55 years	39	3.2	1.7	74	-1.99	0.025	1.666	0.050	1.993	Accept
≥55 years	61	3.8	1.3							
Land										
<1 ha	54	3.8	1.1	26	1.07	0.147	1.706	0.295	2.056	Accept
≥1 ha	19	3.4	1.9							
Membership Type										
<i>Farmer</i>	26	3.0	1.3	53	-2.00	0.025	1.674	0.051	2.006	Accept
<i>Associate</i>	62	3.6	1.7							
Experience										
<10 years	41	3.7	1.5	74	0.25	0.400	1.666	0.801	1.993	Accept
≥10 years	35	3.6	1.3							

N: number of respondents; M: mean; SD: standard deviation; df: degrees of freedom

Source: Data from JA Hadano Farmer Questionnaire (Collected June-July 2016)

Table 4 is a summary of the variables for which the null hypothesis was rejected. The test revealed that among those surveyed, participation in the co-operative education courses proved to be statistically significant in predicting higher social capital scores in 9 of the 14 questions compared with other demographic control variables.

Table 4: Summary of significant variables for all Questionnaire questions

	H1	H2	H3	H4	H5	H6	H7	H8	JA	JA	JA	JA	JA	JA
Education course	✓	✓		✓					✓	✓	✓	✓	✓	✓
Age							✓	✓		✓	✓	✓		
Farm size			✓											
Experience								✓	✓		✓		✓	
Membership type									✓	✓				

✓ denotes rejection of null hypothesis

Source: Data from JA Hadano Farmer Questionnaire (Collected June-July 2016)

Next, a correlation matrix of the 14 social capital related questions was created to determine correlation between responses. These showed that some actions undertaken by members were highly correlated with other actions. Factor analysis was then used to determine if there were any latent factors which could show how members responded to the questions.

Table 5 shows eigenvalues resulting from factor analysis. From this data, we keep analysis to three factors based on the Kaiser-Guttman rule where factors where “eigenvalue is greater than one” are kept (Loehlin, 1992).

Table 5: Eigenvalues

	F1	F2	F3	F4	F5	F6	F7	F8
EIGENVALUE	4.476	1.931	1.080	0.674	0.241	0.209	0.112	0.083
VARIABILITY (%)	31.969	13.793	7.716	4.817	1.723	1.493	0.799	0.592
CUMULATIVE %	31.969	45.762	53.479	58.296	60.018	61.511	62.310	62.902

Source: Data from JA Hadano Farmer Questionnaire (Collected June-July 2016)

After determining to focus on the use of three variables, using varimax rotation, we are able to make interpretation easier. Varimax rotation maximizes the variance of the squared factor loadings by column.

Table 6: Factor Pattern Coefficients after Varimax Rotation

	D1	D2	D3
H1	0.202	0.471	-0.018
H2	0.779	0.317	-0.056
H3	0.739	0.263	0.143
H4	-0.108	-0.125	-0.633
H5	0.637	0.166	0.188
H6	0.496	0.034	0.440
H7	-0.269	0.030	-0.628
H8	0.066	0.078	0.826
JA1	0.104	0.823	0.108
JA2	0.184	0.817	0.121
JA3	0.077	0.643	0.169
JA4	0.164	0.743	-0.048
JA5	0.444	0.139	0.397
JA6	0.645	0.071	0.373

Source: Data from JA Hadano Farmer Questionnaire (Collected June-July 2016)

Social Capital, Participation and Governance

Through factor analysis three major factors were identified. By drawing on the similarities between the statements associated with each factor, I was able to determine that the factors pertained to the facets by which members perceive the value of the various means through which they interface with the co-operative. The first factor can be named as *communication based forms of governance*, the second factor as *structured or defined forms governance* and the third factor as *co-operative use*. By looking at the variability encompassed by each factor, we can see the weight by which members are perceiving the value of how they interact with the co-operative, with factor 1 accounting for more than a third of the variability.

A scatterplot using F1 x F2 scores after varimax rotation of participants of the education course (**Figure 3b**) demonstrates that most score positively for F2. **Figure 3c and 3d** isolate just the respondents that said they used Jibasanzu to sell 70% of more of their product annually. We can see that for both the general respondents and for the Jibasanzu users, that participating in

the education shifts the points on the graph further towards the upper right quadrant, indicating greater value in governance and participation.

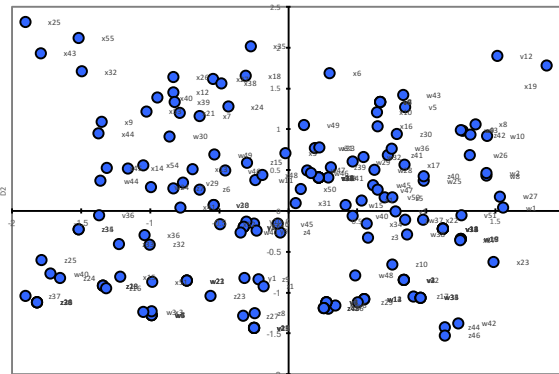


Figure 3a: Scatterplot (F1xF2)
All respondents

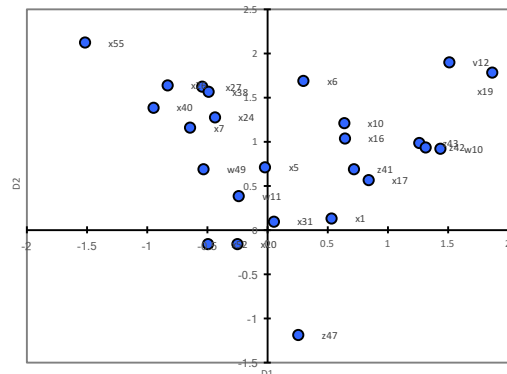


Figure 3b: Scatterplot (F1xF2)
Education course participants

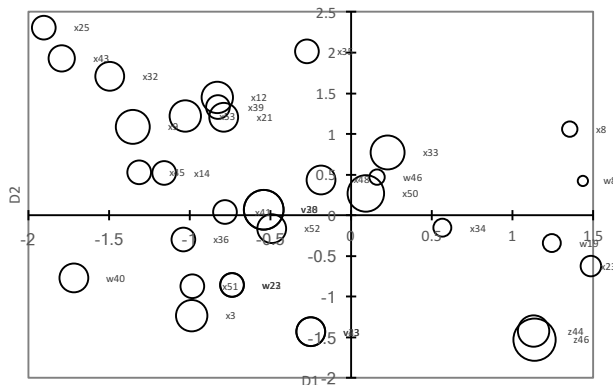


Figure 3c: Scatterplot (F1xF2xF3)
Jibasanzu users, education course non participants

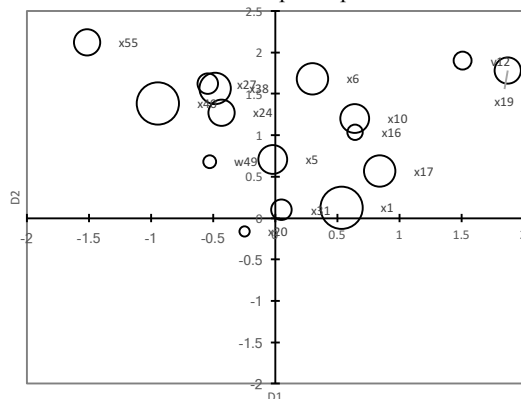


Figure 3d: Scatterplot (F1xF2xF3)
Jibasanzu users, education course participants

Source: Data from JA Hadano Farmer Questionnaire (Collected June-July 2016)

Interviews

To better understand the relationship between the membership education program and membership participation and governance, follow up interviews were conducted with cooperative members who had participated in at least one membership education course. JA Hadano staff in the membership education department were also interviewed. Interviews were semi-structured, and conducted either at farms or in a conference room at JA Hadano headquarters. Interviews were recorded, transcribed and then coded using thematic codes

deduced by observational techniques as outlined by Ryan and Bernard (2003). The themes derived for study include: sense of responsibility (with a subtheme of participation, governance, self-criticism, initiative), empathy, satisfaction, acceptance, confusion and explanation.

There are two main categories of education courses on offer at JA Hadano: one addresses the development of technical skills through hands on practical education (highlighted in green in Figure 4), while the other is more knowledge based and are offered in a more traditional lecture format (in blue in Figure 4). Of these numerous education courses, the membership education courses have an expressed objective “to return to the foundation of co-operatives and promote co-operative renewal through training members to become leaders with a broad perspective of the co-operative philosophy, to deepen the understanding of the co-operative spirit among associate members and to encourage participation in co-operative activities”. Because of this explicit objective of fostering participation, governance and knowledge of co-operative philosophy, the membership education courses were selected for further study.

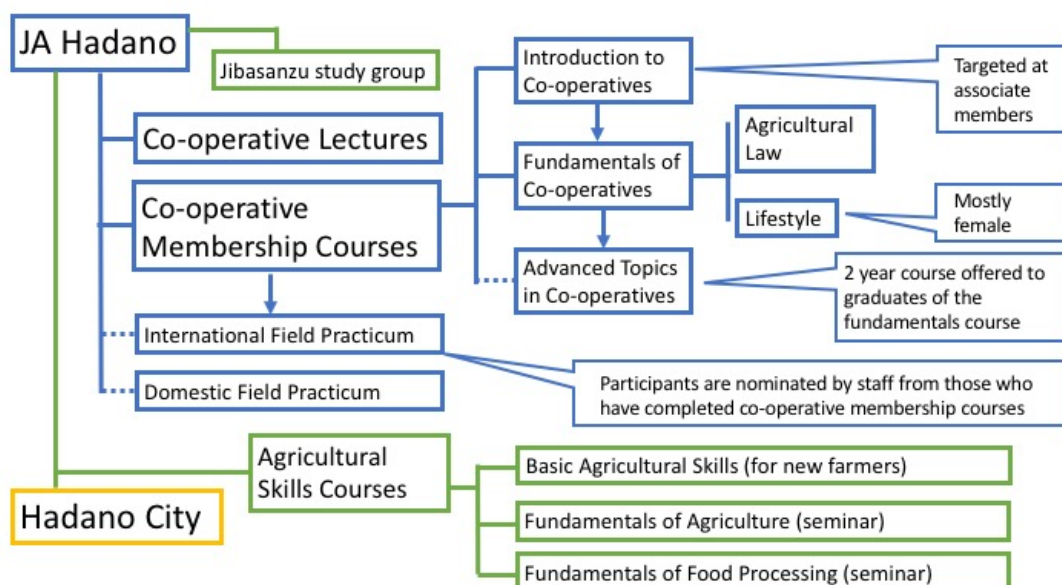


Figure 4: Educational courses offered at JA Hadano
Source: JA Hadano course materials, 2015

Table 7: Summary of interview subjects

	Membership type	Sex	Membership Course				
			Intro	Fundamental (agricultural law)	Fundamental (lifestyle)	Advanced Topics	Foreign Practicum
1	farm	F			✓	✓	✓
2a	farm	M	✓			✓	
2b	farm	F	✓				✓
3a	associate	F	✓				
3b	associate	M	✓				
4	farm	M	✓				
5	farm	F	✓				
6	associate	F	✓				
7	associate	F	✓				

Source: Interviews Conducted with JA Hadano Education Course Participants (Dec 2016-Jan 2017)

Impact of Education Course

When asked directly, all members said their behaviour before participating in the course, and after completing the course had not changed. All, however, claimed to having a greater sense of community and sense of belonging within the co-operative after learning more about the services being offered by the co-operative. Each interviewee, used the word “kaomishiri” whose literal translation means recognition by face, however culturally refers to a sense of familiarity, with other co-operative members and co-operative staff. A majority said they felt more comfortable greeting other members when they encountered them at JA facilities. For those new to the co-op, becoming more familiar with the services offered by the co-operative (interest clubs, activities) along with feeling more comfortable with other members of the co-operative, has led to an increased likelihood and confidence in trying new things at the co-operative.

Table 8: Summary of curricula of membership education courses at JA Hadano

Membership Education Courses					
	Introduction	Fundamental (agricultural law)	Fundamental (lifestyle)	Advanced Topics	
Curriculum	JA as a regional cooperative association that fosters community development			協同組合の「かたち」と「こころ」	
	JA Hadano as a source of support for the lifestyle of the local community	JA Hadano’s three objectives concerning symbiosis and virtue		Efforts to provide 'safe, secure and delicious agricultural products'	
	Learning from Ninomiya Sontoku “The spirit of virtuous living”	Field Visit: Nerima, JA Tokyo Aoba	Learning about the Hadano Clean Center	The latest in agricultural technology development	Striving for a better city
	Celebrating local traditional culture!	Examining Agricultural Policy	Agricultural leaders of the Edo period	Advancing “Ending Note”	Awareness of the different facets of dementia
	Cultural Lecture: How our lifestyle affects the global environment				Cultural Lecture
	The importance of the “eat local” campaign	Inheritance and Donation Tax	Disaster Management ~Being Prepared~	美味しく減塩	Promoting urban agriculture in Kanagawa
	Learning from farmers: field visit and hands on learning harvesting at a farm	Overview of Food Product Labelling and JAS labelling laws	Striving for health and longevity	Possibilities for agriculture and social welfare	Parliamentary visit with Agriculture, Forestry and Fisheries cabinet
	Role of women in agriculture and JA	Farm Inheritance basics	The enjoyment of food culture and lifestyle	Farm Inheritance basics	Exchanging ideas with House of Representatives
	Strengthening “co-operative strength” to realize our “dreams”			n/a	Advanced topics in Farm Inheritance

Source: JA Hadano course materials, 2015

All interviewees stated satisfaction in the content of the course, and indicated interest in participating in other courses offered by the co-operative. However, several members felt as though they were missing a fundamental piece of the debate about co-operative reform that is currently quite topical and prevalent in national media. Members expressed that they felt the course only covered the strengths of the agricultural co-operative system, but they lacked an understanding as to the critical arguments against the co-operative. Thus, they felt that they

hadn't grasped the entirety of the controversy and felt no better informed or able to form their own opinions or suggestions for how the co-operative could be reformed.

Co-operative members patronize, support and participate in co-operative governance in large part because they trust that they will be serving their own interest in addition to the interest of other members and their greater community. Thus, if the goal of the co-operative is indeed to serve its membership, it must be able to effectively communicate this commitment its membership. Fairbairn (2003) concludes that "how members see their co-operative and its activity is the question of transparency (which is facilitated by) not only by good communication, but by structures and operations that members can see are designed around their own needs." That even the graduates of the membership education program were still unclear as to how the co-operative functions demonstrates that despite the various strategies in communication- the monthly newspaper publication and delivery, the governance structure that encourages participation at the AGM- that JA Hadano struggles with the type of transparency advocated by Fairbairn. The membership education program, with its goal of fostering engaged and knowledgeable co-operative members, provides an opportune medium through which the co-operative can achieve better transparency of goals, ideals and current discourse.

Conclusion and Research Implications

Using data gathered from questionnaires and follow up semi-structured interviews, this paper was able to point to several key findings. First, at JA Hadano, members who participated in membership education courses scored significantly higher on social capital indices than those who had not. Additionally, using factor analysis, it was shown that those same members placed higher weight on governance (both communicative and demonstrative) than those who did not. Lastly, interviews revealed that graduates of the membership education course felt that the

number and quality of relationships they had with other co-operative members, staff and with the co-operative as an organization had increased. These findings seem to indicate that members who participate in an education course aimed specifically at fostering the development of engaged and knowledgeable co-operative members leads to greater social capital and greater governance of the organization by its membership.

Agricultural co-operatives are integral in sustaining the survival of farms being left behind in the increasingly globalized food system. These farms, dismissed as being resistant to development, play an important role in the food sovereignty of both vulnerable and rapidly urbanizing regions. This role in maintaining food sovereignty is contingent in the autonomy and independence of these individual farms. One of the greatest strengths of a co-operative lies in its ability to uphold the autonomy of the individual member. However, simply having the structure to support democracy is not the same as members demonstrating their autonomy by exercising their democratic rights to governance over their co-operative. A co-operative's ability of being successful in this role, of preserving the sovereignty of farmers, is dependent on whether they can inspire the participation and governance in their membership. JA Hadano, with its membership education program is demonstrating alignment and investment in this vision.

The outcomes of this study indicate that creating opportunities for members to gather, share, feel like they are members of a community and ownership over the co-operative does increase actions indicative of greater participation in governance. Though graduates of the membership course did not feel as though their behavior, actions, had changed as a result of having participated in these education courses, those same graduates stated that they shared a greater sense of community, greater familiarity with other members, staff and services of the co-operative and greater empowerment when it came to utilizing the co-operative due to their

participating in the education program. These point to areas of membership behavior that are difficult to measure or identify, though capture the very essence that social capital is attempting to value.

In an increasingly globalized food system which distances producer welfare and consumer choice, and places the locus of control in the hands of the multi-national corporations whose obligations to their shareholders outweigh the rights and wellbeing of those within the food system, regionally based co-operatives weave a network between different stakeholders. By being accountable to farmer and non-farmer members alike, JA agricultural co-operatives in urban and peri-urban areas of Japan keep the practice of urban agriculture embedded within communities. Leveraging the social capital that they are able to foster through such programs like the Member Education Program at JA Hadano, JA has the potential effect change and help shape the food system in their communities.

Notes:

¹⁾ In 2015, the Food and Agriculture Association (FAO) published a study by Lowder, Scoet & Raney (2015) that was conducted as a larger effort to document the current state of family farms, in honour of the United Nations declaration that 2014 was the International Year of Family Farming. In it, the need to distinguish small holdings farms and family farms is made due to the large diversity of farms that fall within the definition of family farm. Small holdings farms are defined as being less than 2ha.

²⁾ Most urban settings are far removed from the process of food production, resulting in food becoming no different from any other imported resource required to sustain life within city limits. The act of humanizing food is to imbue the human forces required to cultivate the sustenance that feeds the urban populace.

³⁾ In *Creating and Harnessing Social Capital* Krishna (2000) articulates two conflicting viewpoints of social capital based on assumptions regarding stock and flow (benefits). Many of the early pioneers of social capital theory posit that social capital stock is a legacy of long periods of historical developments, thus “societies are condemned to live with the fruits of their inheritance”. However, recent research has shown that in some circumstances that it is possible to induce social capital gains. Krishna demonstrates the need to evaluate stock and flow of social capital much like that of physical capital: “a large stock can be utilized with little productive efficiency, while low stocks are often utilized with great efficiency”.

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