

Enlightenment of Japan Agricultural Cooperatives on China's Three Rural Problems

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Abstract. JA, which is based on small-scale agricultural operation, has promoted the development of Japanese agricultural modernization. As a successful example of agricultural cooperation under market economy, JA system is highly praised, but it is also pointed out that there are many problems. This paper reviews the historical background of the development of Japanese Agricultural Cooperatives from the general situation of Japanese agriculture, JA's functions and JA's development history, introduces the organizational characteristics of JA in detail, and analyses the successful experiences, problems and shortcomings that can be used as reference on China's Three Rural Problems.

Keywords: Japan Agricultural Cooperatives; Rural Development; Agricultural Industrialization.

1. Introduction

JA is a cooperative economic organization based on the idea of synergistic portfolio, in which farmers and non-farmers participate voluntarily. JA has been growing steadily over the past 50 years. The cooperative organizations have played an irreplaceable role in improving the degree of farmers' organization, protecting their interests and increasing their incomes. JA also talked with the government on behalf of farmers, reflecting their wishes and striving for their legitimate rights and interests, in order to improve their social and economic status and influence. However, there are some drawbacks in JA's organizational characteristics. In the reform of more than half a century later, the change of internal and external environment made JA go on the road of agriculturalization and de-cooperation, alienated as the biggest vested interest group that hindered the realization of the government's agricultural policy objectives, and became the biggest resistance for the government to carry out agricultural reform. [1]

2. The Development History of Japan Agricultural Cooperatives

JA is short for "Japan Agricultural Cooperatives", which is an agricultural economic cooperative organization with farmers and small-scale agricultural legal persons as the main body. JA is based on small-scale agricultural operation and is one of the successful forms of organization in the world. At the International Cooperation Alliance Conference held in Moscow in 1980, the representative of Canada praised JA as a "model synergy combination" that contributed to the economic development of regional society and highly appraised the role of JA in protecting farmers under the "devil's hand" of the market.

2.1 General Situation of Agriculture in Japan

According to data released by Japan's Ministry of Agriculture, Forestry and Fisheries in 2012, the total area of cultivated land in Japan is 4.549 million hm^2 , which only reaches 75% of the peak period of cultivated land in Japan. Its cultivated land area shows a declining trend year by year, and the agricultural population is constantly decreasing. According to the data released by China Agricultural Foreign Trade Network in 2015, Japanese agricultural population was 5.43 million in the first survey, while in 2015 the agricultural population of Japan was only 2.09 million. Compared with the survey results in 2010, it decreased by 516,000. Compared with the survey results in 1985, it can be seen that the agricultural population of Japan has decreased 60% in 30 years. JA is based on rural communities and implements intensive and large-scale management to provide a wide range of services for rural farmers, such as sales, supply, finance, insurance, production and operation, warehousing, transportation and welfare culture. JA is a collection of collective

economic cooperation organizations, administrative assistant organizations and social and political organizations, and an agricultural cooperation organization with Japanese characteristics. JA not only helps farmers to engage in agricultural-related activities, but also is the spokesperson for the political and economic interests of millions of farmers in rural Japan, and it is also an assistant institution to help the Japanese government carry out the national agricultural policy and agricultural development planning. At the same time, due to the constraints of natural conditions, Japan's ecological environment is relatively fragile, and the pressure brought by the natural environment prompts JA to take the road of sustainable development to protect the environment. JA not only provides safe and reassuring food, vegetables, fruits and other fresh agricultural products to consumers, but also undertakes its own social responsibility to protect the environment. [2]

2.2 Functions of JA

JA takes the organizational form of the coexistence of central JA, County JA and basic JA three-tier structure, which corresponds to the Japanese government administrative system. JA has established a three-level system throughout the country: roughly every city and village has set up JA, and set up JA Federation in every capital and county, and then The National Federation is composed of the Federation of capitals and counties (JA national federation). After nearly a hundred years of development, JA has spread all over the rural areas of Japan. More than 99% of farmers have joined JA Federation, and there is an inseparable relationship between farmers and JA. JA not only helped farmers, but also helped the Japanese government to carry out the national agricultural policy, agricultural development planning, economic and financial undertakings of industrial cooperatives, food acquisition of agricultural associations, agricultural products management and the specific implementation of national agricultural policies. [3]

2.3 Development Stages of Japan Agricultural Cooperatives

2.3.1 Initial Stage

In 1868, Japan carried out the Meiji Restoration, which initiated the reform and development process of catching up with the western powers. The effect of the first two or three decades after the Meiji Restoration was mainly reflected in politics, education, industry, military and other aspects. The development achievements of agriculture and rural economy were not obvious. At that time, Japan mainly used the scientific methods learned from the West to summarize and refine the "old farmer technology". That is, standardized the mature technical measures in traditional agriculture and promoted them, which also played a great role in increasing agricultural production. But in nature, the technology of the old peasants is only the full use of the existing productive potential. It can not be called substantive technological innovation, and can not be compared with the transformation of machine production instead of manual production in the industrial field. Therefore, at the historic juncture of the transition from the 19th century to the 20th century, how to realize the innovative development of Japanese agriculture has become a historic topic. Looking at Japan's agriculture around 1900, although the productivity level has not been improved innovatively, it has laid the foundation. It is mainly reflected in two aspects. First, in terms of productivity change, the National University has established the Ministry of Agriculture to study from modern agricultural science and technology. The government has set up agricultural and forestry experimental sites in various places to engage in agricultural science and technology extension. Second, in terms of production relations change, Japanese people of insight in the field of agriculture have turned to advanced European countries, especially learning from Germany at that time, JA was established. [4]

2.3.2 Forming Stage

With the further development of JA, while mobilizing small farmers to join JA at the grass-roots level, JA is also required to be established rapidly at county and municipal level with administrative force to form a complete JA organizational system. Corresponding to the administrative level, JA in Japan has been established at three levels: grass-roots level, middle level and national level. JA is

mainly at the grass-roots level in village. There are two kinds of JA at the grass-roots level, one is JA, the other is professional JA. JA is engaged in guiding, credit, purchase and sale, insurance and other related JA members in all aspects of agriculture and life, and operating all the agricultural products produced in the region. Professional JA is an organization established around production, purchase and sale on the basis of professional households operating a certain kind of agricultural products. In 1960, the number of JAs was about 12,000. After the merger, as of March 2000, the number of JAs was 1031. Japan's JA at the county level is also divided into two types: the JA Central Committee, which is mainly engaged in guiding the cause, and it is the comprehensive guiding body, which carries out the supervision and inspection of JA throughout the country; and the JA Federation, which is mainly engaged in sales, procurement, credit, mutual aid, development, health and other undertakings. As of December 2002, there were 163 professional associations JA layout of corresponding counties. JA established the National Agricultural Collaborative Association Central Committee and the National Agricultural Collaborative Association at the national level. The National Agricultural Collaborative Association Central Committee is mainly engaged in guiding business. It is the representative organization of the National JA, referred to as the Agricultural Collaborative Association, and the National Agricultural Collaboration mainly engaged in economic undertakings. In addition, three major organizations have been set up at the national level to serve JA at all levels: the central treasury of agriculture and forestry engaged in credit undertakings, the National Federation of Cooperative Agricultural Combinations for Cooperative Economics, and the National Federation of Cooperative Agricultural Combinations for Health, Welfare and Health Care. JA's organizational network has obvious layered characteristics. There are obvious differences between JA at the grass-roots level, at the middle and upper levels. But they constitute JA's network system together, mobilize organizational resources to the maximum extent, protect farmers' interests, and form JA's group productivity.

2.3.3 Maturity Stage

In recent years, in order to meet the challenges of economic globalization and regional integration, JA has also carried out various reform measures. Firstly, system reform and mechanism innovation. In order to actively respond to the increasingly fierce market competition and seek their own survival and continuous development, JA has constantly changed its own systems in recent years. For example, the traditional "one household, one member system" has been adjusted to "one household, multi-member system" to encourage farmers to join cooperatives, which not only ensures the relative stability of the JA members, but also further strengthens the participation of farmers, especially rural women and young people in JA operations, so that to improve the cohesion of JA members and the ability to accumulate internal funds. Secondly, merger, reorganization and strengthening of alliance. In order to strengthen scale advantage and realize scale benefit, in recent years, JA system has increased the pace of merger and acquisition and reorganization of cooperatives. At present, the number of average members of cooperatives has exceeded 13,000 households. It is actually scale operation. Many JAs have formed cross-regional scale. In order to reduce costs and expand its scale, JA has also stepped up its steps in promoting horizontal and vertical alliances in recent years. Horizontal alliance is the combination of industries or regions, and vertical alliance is the combination of industrial chains. According to statistics, except for some major agricultural areas such as Hokkaido, JA has gradually developed the three-level joint system into two, that is, from the grass-roots JA to the National Federation directly, and omitted the original provincial level. In the field of vertical joint such as insurance and other fields, JA has even reached the first-level system, which is a national agricultural insurance cooperative, covering 100% of its members, and its work efficiency has been greatly improved. Thirdly, the connection between production and consumption, and consumption determines production.. In recent years, accompanied by food safety problems and fierce market competition pressure, more and more co-operatives between different industries and different types have begun to seek closer cooperation. Among them, the most representative is the mode of cooperation between agricultural cooperatives and consumer cooperatives promoted in Japan and other countries and regions, that is, the cooperation between producer's cooperatives and consumer's

cooperatives. At present, JA and consumer cooperatives jointly carry out campaigns to directly link producers and consumers, and to promote the consumption of agricultural products produced in the region, and so on. These campaigns have played a positive role in promoting sustainable agricultural development, promoting urban-rural exchanges and integration, promoting the harmonious development of regional society, and promoting the value dissemination of cooperatives. [5]

3. Characteristics of Japan Agricultural Cooperatives

The small-scale land management, highly organized and urban-rural integration make JA's organizational characteristics diversified. As a mass organization, it represents farmers' interests and promotes their economic and social status. As an economic organization, it provides credit, supply of agricultural materials and living goods, sale of agricultural products, common use of agricultural and living facilities, and various insurance services for farmers. As a political organization, JA is the sole agency for the implementation of the government's rural policy, and it also provides the largest source of votes for the LDP.

3.1 Small-scale Land Management

In the early post-World War II period, the agricultural population of Japan accounted for 70% of the total population, but the land was in the hands of a few landlords, and there were still a large number of tenants in the countryside. In 1947, under the supervision of the U.S. occupation authorities, the Japanese government carried out the reform of farmland. The reform forced the acquisition of landlords and parasitic landlords who leased more than one hectare of land, sold them to tenants at very low prices, achieved the fair goal of "land to the tiller". In addition, established a land system with small-scale household management. Agricultural land reform began in 1947 and ended at the end of 1949. It lasted three years. Since then, great changes have taken place in land relations in rural areas of Japan. Parasitic landlord system has been abolished and landlords as a class have basically disappeared. Almost all farmers have their own land, and their enthusiasm for production has increased. Agricultural production has recovered and developed rapidly. At the same time, in order to stabilize the achievements of agricultural land reform and protect the extensive self-cultivation farmers, GHQ emphasizes to establish a JA with strong liberalism and individualism. After the reform, the average management scale of Japanese farmers was 1 hectare, which expanded to 1.1 hectare in the 1970s, only 1.2 hectares since the 1980s, and 1.4 hectares in 1991. It can be seen that Japan's agriculture has been dominated by small-scale and decentralized management for a long time. JA's development is based on this basic feature, focusing on the needs of farmers and thus developing and growing. Faced with the resource constraints of small-scale land management, JA alleviated the market risks of decentralized management of farmers to a certain extent, reduced the production costs of farmers through unified purchasing and other services, and improved agricultural productivity through improved technical training and farmers' education activities. [5]

3.2 Highly Organized

In the 1950s, during the period of urban reconstruction in Japan, the development of agriculture was particularly necessary. At that time, the agricultural population of Japan accounted for 70% of the total population. How to stabilize the countryside, improve the rural environment and raise farmers' income was a key issue. At that time, the differentiation of farmers was not obvious. Japan's grass-roots JA absorbed a large number of agricultural labor force with strong service ability, and the utilization of JA system by farmers gradually increased. From the 1950s to the 1970s, Japan's economy was in a period of rapid growth. The investment in social fixed capital increased substantially, and the demand for labor in the secondary industry and tertiary industry continued to grow. At this time, the agricultural mechanization level in Japan's rural areas was also constantly improving. In the 1970s, agricultural mechanization was basically realized. Agricultural

surplus labor force shifted outward in this period. From 1960 to 1968, the agricultural labor force in Japan decreased from 12.28 million to 8.78 million. At the same time, due to the difference of marginal benefits between industries, a large number of part-time farmers emerged in rural areas. The main feature of part-time farmers is that agricultural income is only a part of family income, and the proportion of income engaged in secondary and tertiary industries is increasing gradually. In 1961, Japan promulgated the Basic Law on Agriculture to timely adjust agricultural policies and encourage moderate scale management. The survey in Japan shows that reducing costs by expanding the scale is limited. Generally speaking, the scale of 10 hectares is the best, and it is difficult to reduce costs beyond this scale. The main reason is the land of operation, that is, land is too scattered. Therefore, the development of professional farmers based on scale management in Japan is very slow. In the latter half of the 20th century, Japanese agriculture is still based on large-scale decentralized management of part-time farmers. It is precisely because of the decentralization of part-time farmers' management, that a large number of farmers still have strong demand for JA and join JA. Farmers become the main body of JA's development.

3.3 Urban-rural Integration: A Strategic Approach to JA's Development

With the rapid development of industrialization and urbanization, the gap between industry and agriculture has gradually emerged. In the late 1950s, the household income difference of farmers and urban workers has gradually increased. The ratio of household income between farmers and urban workers has decreased from 113.5% in 1952 to 84% in the late 1950s. In order to shorten the gap between urban and rural areas and increase farmers' income, JA aimed at integrating of urban and rural areas, and has set off a new climax of the agricultural political movement many times, asked for the sharing of social development achievements, which directly promoted the promulgation of the Basic Law of Agriculture in 1961. The Basic Law of Agriculture clearly stipulates that the ultimate goal of agricultural policy is to improve the productivity gap between agriculture and other industries, realize the income balance between agriculture and other industries, and formulate corresponding policies and measures to guarantee it. Since 1965, the per capita household accounting of peasants has increased significantly, reaching or even exceeding that of urban workers. By 1995, the ratio of per capita household accounting of peasants to urban workers had reached 111.6%, while in 1965 it was 67.4%. Japan has basically achieved the goal of narrowing the gap between urban and rural areas. In July 1997, the Japanese government promulgated the Basic Law on Food, Agriculture and Rural Areas instead of the Basic Law on Agriculture, which has been implemented for 38 years. It endows modern agriculture with the concept of multi-function, emphasizes on promoting rural revitalization as the basis of agricultural development, devotes itself to balance urban-rural development. At the same time, JA also involves cities, making use of the advantages of urban talent concentration, supporting rural credit undertakings in capital operation, information collection and other aspects, and promoting the development of agricultural production integration. In short, JA's development is based on the strategy of urban-rural integration, in return, the result of JA's development has greatly narrowed the gap between urban and rural areas and promoted the development of urban-rural integration. [6]

4. Japan Agricultural Cooperatives' Successful Experience

4.1 Using JA System as Organizational Measures for Agricultural Development

JA system is regarded as an organizational measure to develop agriculture by the state. It has legal basis and creates preconditions for its development. An important reason why JA organization can run smoothly is that it has acquired legal social status at the beginning of its development. Since JA was rebuilt from industrial mix in 1947, there was a Law on Agricultural Cooperative Combination to regulate its development. The Japanese government has also constantly revised the original legal norms and formulated new legal norms in accordance with economic development and environmental changes, so that all JA's activities have a reliable legal basis. So far, 28 changes have been made due to the situation changes and develops.

4.2 Government is Strongly Support for Agriculture and JA

Japan's agriculture is a scattered small-scale household operation, so the huge investment can not be achieved through the accumulation of farmers themselves, but to a large extent depends on the state's financial investment and preferential financial policies. At present, the Japanese government allocates about 1 billion yen a year to subsidize agriculture, mainly for facilities construction of large-scale water resources, and price subsidies for agricultural products, etc. In line with fiscal policy, Japan has solved the problem of shortage of funds for agricultural development by providing low-interest loans to farmers. At the same time, the government has also given JA preferential tax policies to general private enterprises. For example, the monopoly law is not applicable to agricultural products and Agricultural Materials operated by JA, and the corporate tax of JA is 10% lower than that of general enterprises. [7]

4.3 Attaching Importance to the Popularization of Agricultural Science and Technology and the Cultivation of Talents

The Japanese government has always attached great importance to agricultural scientific research. Through both formal education and social education, the Japanese government has adopted flexible and diverse ways to train agricultural scientific and technological talents. JA has also established a complete education system and trained JA talents with the spirit of cooperation. There are JA Central College, and 41 JA Universities and various research centers run by local governments. JA has a rigorous scientific research system, popularizing agricultural technology and new scientific and technological knowledge to farmers, disseminating information on agricultural management, market trends, variety improvement and other agricultural management services (such as agricultural experimental sites, agricultural technology popularization stations, etc.) throughout the country.

4.4 Nationality of Japan itself

The Japanese have a strong sense of group ownership and are naturally highly organized and coordinated in their group life. The idea of cooperation originated in industry and commerce, but because of the characteristics of agriculture, the strong dependence on natural conditions and environment, and the fact that one household operates with little power, it is difficult to resist the double risks of nature and market, so the cooperative economy has been fully developed in agriculture. It can be seen that JA is the manifestation of collectivism in the rural areas of Japan, and is the "company" in the rural areas. [8]

5. Japan Agricultural Cooperatives' Problems and Deficiencies

Although JA has played an important role in Japan's agricultural and economic development, there are also serious problems. At present, JA has alienated into a powerful interest group composed of decision-making and professional managers, which has become the biggest obstacle to the government's agricultural reform. JA organization system is more bureaucratic and bloated than government departments. The staff of the Central Committee are separated from the grass-roots level, ignorant of the suffering of farmers, and become the profit-making class who corrupt farmers' fees.

5.1 Obstructing the Process of Agricultural Land Reform

As early as the 1970s, the Japanese government initiated the reform of agricultural land. The goal is to promote the flow of land to the top managers, but all ended in failure. JA, as the representative of the political interests of part-time farmers, has become the biggest obstacle to the reform of the agricultural land system in Japan. By 2010, the area of abandoned farmland in Japan was nearly 400,000 hectares, an increasing of nearly 1.0 million hectares compared with the 1990s. In 2012, the Japanese government launched the "People and Agricultural Land Program" to promote the large-scale management of land concentration, but the effect is not obvious.

5.2 Force the Government to Implement Long-term Agricultural Protection Policy

Agricultural policy in Japan mainly relies on various agricultural subsidies. More than half of the income of Japanese farmers comes from government subsidies. OECD calculates the proportion of income from protective measures, such as tariffs and subsidies in the agricultural income of various countries. The results show that Japan's agricultural income in 2012 was 55.9%, up 4.5 percentage points from the same period last year, three times the average level of OECD members (18.6%). In November 2013, the Japanese government decided to phase out subsidies to rice farmers over the past 40 years. As a result, JA collected 12 million signatures of objection petitions.

5.3 Obstructing Governments from Opening International Markets

Since the cabinet expressed Japan's intention to participate in the TPP Pan-Pacific Free Trade Area negotiations initiated by the United States in 2010, JA has opposed the government's decision on organizing large-scale demonstrations, rallies and signatures. In March 2013, Abe officially announced that Japan would join the TPP negotiations, which was further strongly opposed by JA, because the United States, which played a decisive role in TPP, wanted to open up Japanese beef, agricultural products and other markets. It would seriously impact the market share of Japanese agricultural products. The self-sufficiency rate of agricultural products will drop to less than 15%. Japan's agricultural structure will face major adjustment, and the future of farmers will face great uncertainty.

5.4 Obstructing Agricultural Reform

Japan Agricultural Cooperatives has become a powerful agricultural interest group under the Japanese political system. It has maintained the long-term implementation of the Japanese government's agricultural protection policy, resulting in the non-competitiveness of Japanese agricultural products. The problems of "old people's agriculture", "agricultural sideline" are prominent, and the independent agricultural system of "capable people working in agriculture" can never be realized. In 2011, among the 1.77 million agricultural laborers engaged in commodity production in Japan, 90% were over 50 years old, 76% were over 60 years old and 46% were over 70 years old. Among the farmers selling agricultural products in Japan, there are 440,000 specialized farmers, accounting for only 28% of the total, while non-specialized farmers account for more than 70%. They are mainly old farmers planting rice. Among them, 14% are one-part farmers seen agricultural income as the main income, while 58% are two-part farmers seen non-agricultural income as the main income. Because of this, in 2014, the Abe government proposed to thoroughly reform the JA system for the "aging", abolish the central JA, and plan to corporatization shareholding and Council specialization at the grass-roots level, aimed at attracting industrial and commercial capital and young people to the countryside through introducing market-oriented mechanism, enhancing JA market competitiveness, promoting agricultural enterprise management, and connecting with the international market, so as to solve the problems of agricultural aging, land abandonment and dim agricultural prospects in Japan. But this action has been firmly resisted by Japan Agricultural Cooperatives. They think JA is a non-governmental organization, whether or not reform should be chosen by JA in a democratic way instead of the government, but the reason behind it is that the bottom line of JA reform is to maintain the existing vested interests. The slow and weak self-reform of JA makes it difficult to change its life, which is also the disadvantage of JA system. [9]

6. Enlightenment of Japan Agricultural Cooperatives on China's Three Rural Problems

From aspect of government, China should establish community organizations to effectively organize the pre-production, middle-production, and post-production process of agriculture, including the daily life of farmers, and the economic, political, and cultural aspects of rural areas.

An important reason why JA organization can run smoothly is that it has legal basis and creates preconditions for its development, and the huge investment can not be achieved through the accumulation of farmers themselves, but to a large extent depends on the state's financial investment and preferential financial policies. China should also give legal status to similar community organizations and provide financial support to ensure that these organizations can function effectively and smoothly.

From aspect of society, Japan attached great importance to agricultural scientific research. Through both formal education and social education, the Japanese government has adopted flexible and diverse ways to train agricultural scientific and technological talents. China should also pay attention to science education in agriculture and cultivate relevant talents for future agricultural development.

Besides, JA has alienated into a powerful interest group composed of decision-making and professional managers, which has become the biggest obstacle to the government's agricultural reform. when constructing her own similar community organizations , China should keep her eyes on setting relevant laws and regulations to avoid similar situations in the future.

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