

Agricultural Cooperatives in Japan: An Institutional Approach

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Abstract

How can we explain the reason why cooperatives have evolved so differently? This article argues that the institutional framework gives a decisive influence in organizational evolution and the historic path has been taken by interaction between institutions and organizations. The Japanese agricultural cooperatives are analyzed from institutional perspectives. They were created at the end of the 19th century under overwhelming European influence but evolved as a quite different model under the strong impacts of industrial policies and institutions. They developed as multipurpose cooperatives bearing triple natures as state agency, pressure group and cooperative per se. The new economy is shifting public policy from protectionist to pro-competition and the resulting institutional changes are posing challenges to cooperatives. Their future depends on their willingness to innovate themselves by adjusting to the new environment while applying cooperative advantages.