If not for profit,
for what and how?

S O C I A L
E N T E R P R I S E

Social Inclusion in Japanese Workers' collectives
— Actual Situations and Conditions—

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1. INTRODUCTION

"Social enterprise" is still a new concept in Japan. It has been introduced to Japan under the influences of American social entrepreneurship theory (mainly social innovation school like G. Dees) and European social enterprise theory (mainly the EMES European Research network) since the late 1990s. But social enterprise concept has never been introduced to vacuum space in Japan. Actually de facto social enterprises running businesses with nonprofit and social goals or democratic ownership structure have existed since the 1970s. For example Japanese worker co-operative movements have long history. They have been organized mainly by unemployed people, elderly people or housewives themselves. And also there have been many small- scale workshops for the disabled in Japan. Especially Kyodo-ren is a radical movement of such workshops for the disabled. They consider economic self-reliance of the disabled and working together regardless of disability as important. Those organizations were often called as "citizen business" in 1980s. In addition the term "community business" has been also used widely since the late 1990s, after Hanshin- Awaji big earthquake in 1995. Community businesses have carried out important roles to rebuild local communities and regenerate disaster-stricken areas. So we can say there have been various de facto social enterprises in Japan.

In this report we want to focus on "workers' collective", one important stream of Japanese worker co-operative movements among above-mentioned various Japanese de facto social enterprises. Main members of workers' collectives have been housewives and we can consider them as Japanese traditional WISEs (work integration social enterprises). They have developed on the basis of support by Seikatsu (that means life) club co-operative movements since the 1980s. Seikatsu club co-operative is a radical consumer co-operative launched in the late 1960s, which has been committed to many social movements (e.g. solidaristic economy movements between consumer and local farmers, anti-nuclear movement, anti-synthetic detergent movement, local party political movement that's like German Green party and so on). First workers' collective named Ninjin was launched in Kanagawa Prefecture in 1982 under the influence of Laidlaw's ICA report in 1980. And they were also influenced by American alternative social movements, so they consider democratic management style as important value. Workers' collectives have expanded to Tokyo metropolitan area and local federations (Tokyo, Kanagawa, Chiba and Saitama) were launched in 1989 and national federation named WNJ (workers' collective network Japan) was launched in 1995. There were 369 workers' collectives and 8 federations in 2009.

Many Japanese sociologists such as Masako Amano and Chizuko Ueno have researched these workers' collectives from the viewpoint of gender studies and labour sociology since the 1990s（Ueno 2006, Amano 2005）. And we can recognize their mode of work integration as "permanent self-financed jobs" (Davister et al. 2004）among various types of WISEs. Without effective support of active labour market policies, Japanese WISEs basically had to survive in market economy themselves while creating solidaristic economy by co-operation among co-operatives.

Nowadays these workers' collectives began to enroll various socially excluded people including disabled people and young people isolating them from society. They are trying to create "inclusive workplaces open to everyone in local community" and to carry out social inclusion roles. National federation of workers' collectives, Workers' collective Network Japan (WNJ) and local federations of workers' collectives have already been setting out policies oriented towards such inclusive workplaces. We can view this change in workers' collectives as the change from single stakeholder model (homogeneous groups of housewives) to multi-stakeholder model open to various local people including socially excluded people. So what is the actual situation of social inclusion by workers' collectives? What kinds of conditions are needed in order to enable social inclusion? And what kinds of challenges will this change bring about to Japanese workers' collectives? These are our research questions in this report.

2. BACKGROUND CONTEXTS OF "SOCIAL ENTERPRISE" CONCEPT IN JAPAN

First of all I want to explain the background contexts of Japanese social enterprise concept roughly. As I mentioned above, "Social enterprise" concepts have been introduced to Japan under the influence of American theory and European theory since the late 1990s. But these social enterprise concepts have been introduced to Japanese inherent contexts including civil society history and existing policy environments. And as a result Japanese social enterprise concepts are very ambiguous. There have been conflicts over the meaning of social enterprise in Japan. We can recognize some streams as follows.

2.1. Business side approach influenced by American discourse

At first American social entrepreneurship theory like G. Dees influenced many Japanese management researchers and journalists such as Kanji Tanimoto, Nobuyoshi Omuro, Takashi Watanabe, Maki Saito etc. These Japanese researchers consider social enterprise as a very broad concept including commercialized NPO, for-profit companies with social goals and CSR of for-profit companies. For example Maki Saito focuses on the rise of eco-business and LOHAS business as representing a trend from for-profit to social enterprises and argues that social enterprises should target the markets consisting of hybrid cars, organic food, and solar batteries (Saito 2004). In this approach social enterprise concept covers an aspect of conventional for-profit companies creating new markets with some socially added value. Therefore, these arguments can be labeled as "business side approach". Their theoretical focus is placed on social entrepreneurs and social innovation they bring about. That is the same as American social entrepreneurship theory.

This business-side approach has made its presence known since approximately 2000 and it has been closely related to the rise of CSR by Japanese for-profit companies. For example, according to Masaatsu Doi et al., Softnomics Center started a series of seminars on the theme of social entrepreneurs in 2000 (with Kanji Tanimoto as the main organiser), and Japan Junior Chamber Inc. listed encouraging social entrepreneurs as one of their missions from 2000 to 2004. In 2001, ETIC, an infrastructure organisation to help young entrepreneurs started to run NEC[1] student NPO entrepreneurship seminars in collaboration with the NEC (currently known as NEC social entrepreneurship seminars) and to hold STYLE, a business competition targeting social entrepreneurs. In 2005, Social Innovation Japan (SIJ) was established, and networking among social entrepreneurs and training was actively pursued (Doi et al. 2006). Furthermore this business-side approach tends to attract young people comparatively. In Japanese long depression, social entrepreneurship has been considered as an alternative work which enables them to realize themselves through contributing to society (Hoshino 2008).

2.2. Japanese policy environment about social enterprise

In the second, Japanese central and local governments have become to recognize social enterprise since the late 1990s. At first they used the term "community business" rather. For example the Ministry of Economy, Trade and Industry and one of its agencies, the Kanto Bureau of Economy, Trade and Industry have been carrying out some research to promote community businesses since 2001. However, the first sign of clear and substantial engagement with social enterprise was the publication of the "Report from the Study Group on Social Business" published by the Ministry of Economy, Trade and Industry in March 2008. In this year "social business promotion initiative" mainly consisted of practitioners of social enterprises and for-profit companies was also set up by the Ministry of Economy, Trade and Industry. In these research and initiatives led by the Ministry of Economy, Trade and Industry, scholars who had led the business-side approach were mainly

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[1] NEC i.e. Nihon Electric Company is very big electric company.

involved. They prefer the term 'social business' to 'social enterprise'. But social business is defined by three elements, ①social mission, ②continuous business activity, ③innovation like social enterprise concept of business-side approach (Ministry of Economy, Trade and Industry Study Group on Social Business 2008).

In these central government's discourses about social enterprise, it is almost always emphasized that social enterprises are important promoters of "new public". That means the central government expect that social enterprises play a new provider role of public services. Given the difficult financial situation the central government is facing, "new public" logic was to outsource the provision of social service to social enterprises as a way of making government efficient (cost cutting). Therefore, although the term 'public' is frequently used, the advocacy function of social enterprises, their relationships with democracy, and their participation in policymaking process were not considered. These discourses also made reference to the funding of social enterprises, but, especially under the LDP (Liberal Democratic Party) government, there was very little discussion on public funding (subsidies and commissioning) (Cabinet Office 2007). Judging from these discourses, we can suppose that the central government tries to recognize social enterprises as market-oriented actors which don't need public funding. Therefore business-side approach about social enterprise concept is preferred and mainly adopted by the central government. This tendency of Japanese central government changed slightly after administration change from LDP to Democratic Party in 2009. But LDP took back power again in 2012 and we can predict that the above-mentioned attitude of the central government will be maintained. And this governmental orientation about social enterprise is closely related to the increase of isomorphism pressure towards for-profit companies in Japanese social enterprise sector.

In addition we can point out other features of Japanese policy environments, especially Japanese legal structure which can strengthen isomorphism pressure towards for-profit companies for social enterprises in Japan. On the one hand the Act on Promotion of Specified Non-profit Activities (hereafter, the NPO law) enacted in 1998 was revolutionary in that it provided a legal status that Japanese civil society organisations could easily acquire. But this law had the weak point lucking in investment clause. In other words, under the NPO law, it is impossible for Japanese NPOs to raise capital in the form of investment at the time of start-up or building facilities. Consequently there are certain limitations on NPOs in developing their businesses. On the other hand, Japanese co-operatives have also been facing a major problem in the legal framework. There is no comprehensive co-operative law in Japan, and Japanese co-operative laws are sectionalized according to the different industries and co-operatives are controlled by each government ministries with strong regulations. Furthermore there is no worker co-operative law. These characteristics of Japanese legal structure about third sector imply that it is difficult for third sector organizations with non-profit status or democratic participation structure to develop their businesses fully. As a consequence, some of the organisations that prioritize capital formation methods such as investments and loans have decided to be companies limited by shares or limited liability companies in order to secure their business potentiality even though they do not pursue profit or emphasize democratic participation actually. In these legal contexts, the grey zone between for-profit and non-profit organizations has spread in Japan and social enterprise concept is susceptible to the pressure of isomorphism towards for-profit companies.

2.3. Traditional WISE movements influenced by European discourse

But on the other hand, social enterprise theories developed by the EMES network in Europe has been also introduced to Japan since late 1990s by various researchers studying social economy, solidarity economy and social policy such as Akio Fujita, Kenji Tomizawa, Kiyofumi Kawaguchi, Nobuki Matoba, Kenichi Kitajima, Taro Miyamoto and so on. In 2004, *Social Enterprise* edited by Borzaga and Defourny was translated into Japanese by Tetsuro Uchiyama, Hideo Ishizuka, and Toshikatsu Yanagisawa, and in 2007, *The Third Sector in Europe* edited by Evers and Laville was translated, again by Uchiyama and Yanagisawa. In addition, Natsuko Tanaka has actively introduced many cases of Italian social cooperatives. Moreover, Yuichiro Nakagawa, Kendo Odaka, Hiroyuki Shimizu,

Atsushi Fujii have been introducing social enterprises in UK based on the theories developed by the EMES network.
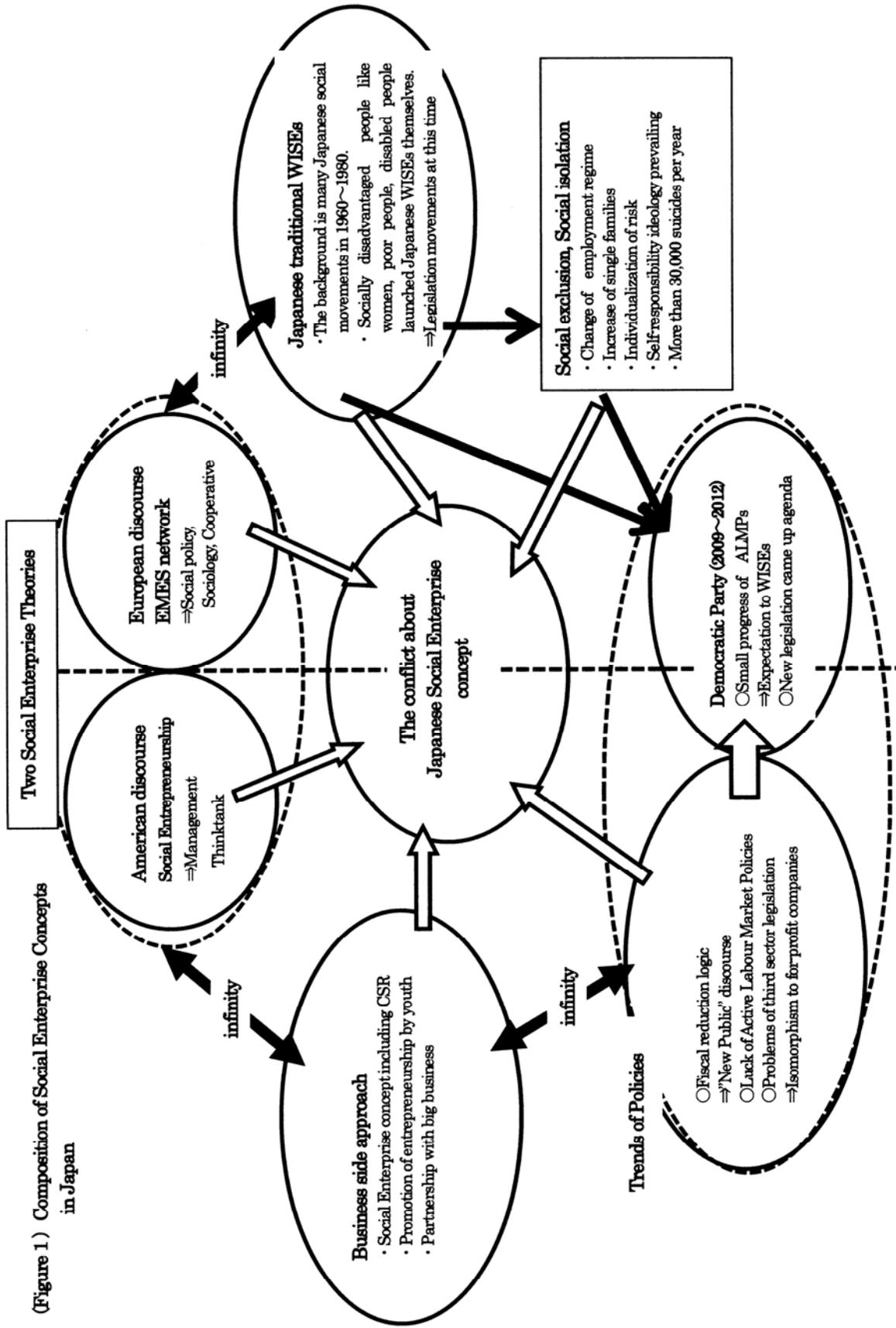
This European stream of social enterprise concept was received mainly by Japanese third sector organisations that are committed to resolving social exclusion problems by activities focused on job creation and job training, for example worker co-operatives, workers' collectives and Kyodoren. We can consider them as Japanese traditional WISEs (work integration social enterprise). Many of these organisations had already established themselves between the 1970s and the 1980s, drawing from a variety of social movements including co-operatives and voluntary associations by housewives, the middle-aged and old unemployed, the disabled, the day laborers, and the homeless. These traditional WISEs have conventionally been movements by the people excluded from the labour market themselves.

These organisations mentioned above have formed some networks. In Kansai area, Kyodoren, Kamagasaki Support Agency, Japan Slow Work Association and others established "Symbiotic economy promotion forum" in 2006 (Sakai 2009). On the other hand, in the Greater Tokyo Metropolitan area, "Social Enterprise Research Association" was established by mainly think-tanks of co-operatives (WNJ, the Japan Institute of Cooperative Research, the Civil Policy Research Institute, the Pal System Coop, and others) in 2005. In addition, the Pacific and Asia Resource Centre (PARC), which has been active in north-south issues and fair-trade movements has been actively building international networks from the viewpoint of solidarity economy. In early November 2009, PARC was the main organiser of the Asia Solidarity Economy Forum 2009, held in Tokyo. These networks are strongly influenced by European social enterprise concept and they have frequently invited practitioners and researchers involved in Italian social cooperatives and Korean social enterprises.

These Japanese traditional WISEs have also developed legislation movements. For example Workers' Collective Network Japan (WNJ) and Japan Workers Cooperative Union have been committed to legislating workers co-operative law, named the Act on Cooperatives of Collaborative Work. In addition, Kyodoren is leading the effort to legislate an act for the promotion of Shakaiteki Jigyosho (social firms) as the inclusive workshops where socially excluded people can work together. These legislation movements which seek to establish new social enterprise law in Japan are keenly aware of the examples of social enterprise law in Europe and Korea.

As stated above, there are various and latently conflictual discourses about the social enterprise concepts in Japan. And composition of social enterprise concepts in Japan can be depicted like Figure.1.

(Figure 1) Composition of Social Enterprise Concepts in Japan

Two Social Enterprise Theories

American discourse
Social Entrepreneurship
⇒Management
Thinktank

European discourse
EMES network
⇒Social policy;
Sociology; Cooperative

Japanese traditional WISEs
· The background is many Japanese social movements in 1960～1980.
· Socially disadvantaged people like women, poor people, disabled people launched Japanese WISEs themselves.
⇒Legislation movements at this time

Social exclusion, Social isolation
· Change of employment regime
· Increase of single families
· Individualization of risk
· Self-responsibility ideology prevailing
· More than 30,000 suicides per year

The conflict about Japanese Social Enterprise concept

Business side approach
· Social Enterprise concept including CSR
· Promotion of entrepreneurship by youth
· Partnership with big business

Trends of Policies
○Fiscal reduction logic
⇒"New Public" discourse
○Lack of Active Labour Market Policies
○Problems of third sector legislation
⇒Isomorphism to for-profit companies

Democratic Party (2009～2012)
○Small progress of ALMPs
⇒Expectation to WISEs
○New legislation came up agenda

infinity

3. THREE ELEMENTS OF SOCIAL AIMS IN WISES—ANALYTICAL FRAMEWORK OF WISES

Secondly, I want to suggest one analytical framework about social aims of WISEs. Once Japanese sociologist, Masako Amano pointed out that there were three latent vectors when discussing the orientation of workers' collectives. These vectors are (1) quality of labour (that is self-management, cooperation, and democratic management), (2) community building (that is local services, environmental preservation, lifestyle reform); and (3) economic development (that is success of enterprises, economic independence of women) (Masako Amano, 2005, p.343). These vectors that Amano identified may also be applicable when considering WISEs in general. In other words, it may be considered that social aims of WISEs consist of the following three value elements（See Figure 2.

①Social utility of results produced by WISEs

The first element is social utility. Social utility is something that is sought in the results produced by WISEs. This element contains various goals such as community building, provision of social services needed by local communities, and resolution of environmental issues.
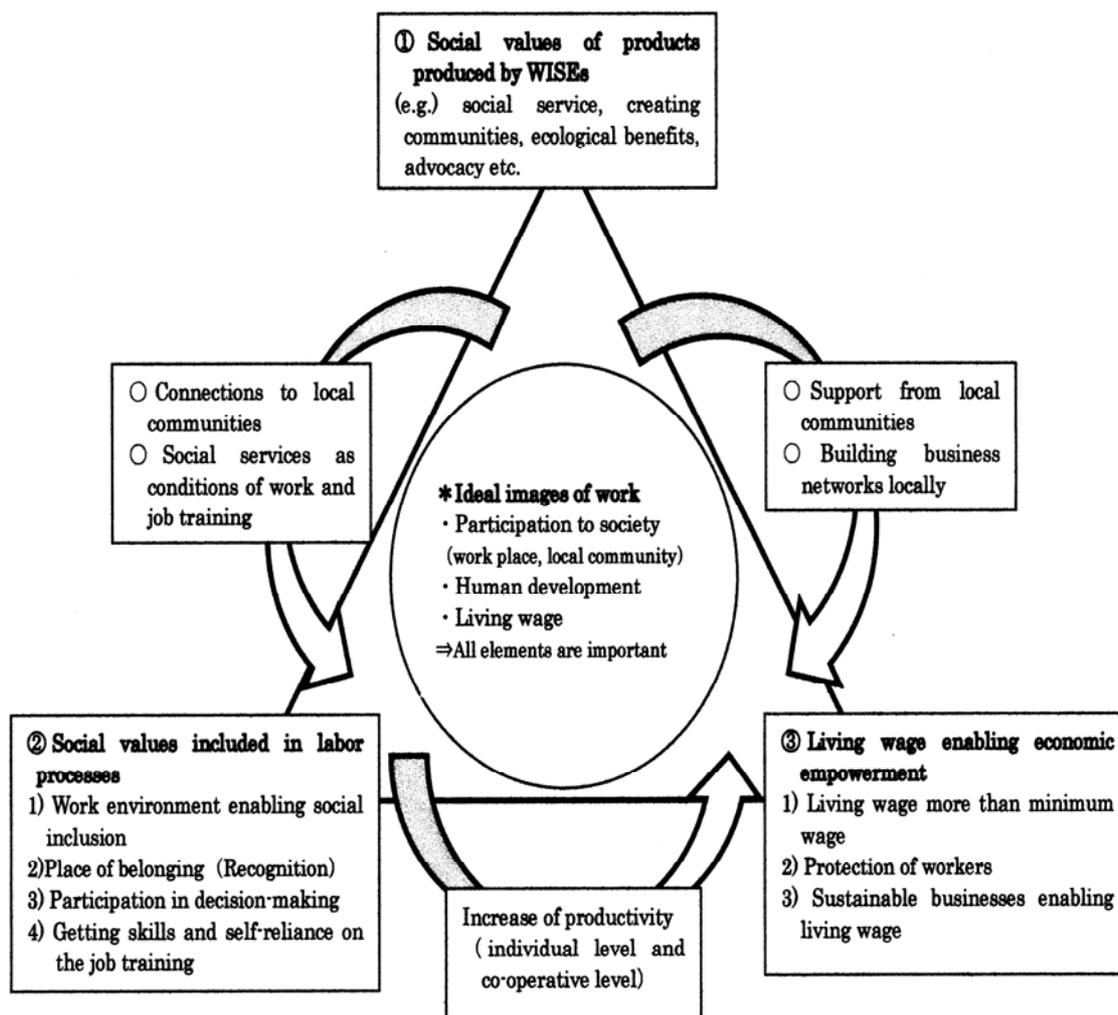
②Inclusive workplaces

The second is the formation of inclusive workplaces. This is something aimed for through the labour process itself. This element includes empowerment based upon the creation of a place of giving sense of home and welfare support. It also includes the participation of workers themselves in various levels of the decision-making process.

③Living wages enabling economic empowerment

The third element is living wages that are obtained as results of labour and lead to economic independence. In order to secure living wages, WISEs need not only the introduction of public funding, but also the improvement of productivity and the development of their businesses.

Those three elements of social aims are closely connected each other. For example when WISEs produce socially useful services and goods in local communities, it may enable socially excluded people to participate in local communities. And also such local services may become important conditions for work and job training of them. In addition inclusive workplaces are very important for WISEs to find and develop their workers' abilities. So we can consider inclusive workplaces as important conditions for improvement of productivity of their businesses and living wages. Furthermore, in WISEs ideal image of work enabling social inclusion is closely related to above-mentioned three elements, that is work including participation in work places and local communities, human development, and living wages. So it is very important for WISEs to try to achieve those three goals at the same time. And if WISEs could achieve all of them, it would be ideal.

(Figure 2) Three elements of social aims in WISEs

① **Social values of products produced by WISEs**
(e.g.) social service, creating communities, ecological benefits, advocacy etc.

○ Connections to local communities
○ Social services as conditions of work and job training

✳ Ideal images of work
· Participation to society (work place, local community)
· Human development
· Living wage
⇒All elements are important

○ Support from local communities
○ Building business networks locally

② **Social values included in labor processes**
1) Work environment enabling social inclusion
2) Place of belonging (Recognition)
3) Participation in decision-making
4) Getting skills and self-reliance on the job training

Increase of productivity (individual level and co-operative level)

③ **Living wage enabling economic empowerment**
1) Living wage more than minimum wage
2) Protection of workers
3) Sustainable businesses enabling living wage

But in reality it is difficult for WISEs to achieve three goals simultaneously. That is because there are mutual tensions contained in them. For example, if WISEs focus on businesses with low profitability by emphasizing social utility, this will work as a pressure to hold down wage levels. Also, participatory management may increase the costs of the coordination required to formulate consensus. This would hamper the ability to make speedy, risk-taking managerial decisions, which would lead to business chances being missed, and make it hard to develop the enterprise. Therefore, in many cases, it is likely that actual WISEs prioritize one or two goals out of three goals. For examples, speaking of other streams of Japanese WISEs such as worker co-operatives under the umbrella of Japan Workers' co-operative union (JWCU) and Kyodo-ren (national federation of communities tackling discrimination), they have placed more importance on (2) formation of inclusive workplaces and (3) living wages than (1) social utility basically.

4. CHARACTERISTICS OF WORKERS' COLLECTIVES AS WISE

4.1. Original characteristics of worker's collectives as WISE

When taking the above-mentioned framework into consideration, workers' collectives have comparatively neglected (3) living wages, and placed importance on (1) social utility and (2) inclusive workplaces and democratic management style. To put it another way, workers' collectives have aimed to create services based on the needs of local communities that local residents could utilize

without worrying too much about price. This was reflected in the language that came into use, such as 'community work' and 'community price' (Nakamura, 2005, 2008). Moreover, workers' collectives have aimed at ideal ways for operating as direct democratic organisations in which all members can play key roles. This aim is especially well represented in the vast amount of meeting hours required to carefully obtain consensus on various issues and the importance placed on activities such as 'tomo-iku' which means educating each other(Harada, 2011).

These tendencies of workers' collectives are related to the fact that housewives supported by husbands have been main members of workers' collectives. They have been excluded from the labour market that provides regular employment and therefore workers' collectives developed as places of work in local communities enabling such women to realize their potential. But they didn't face the current more severe social exclusion problems related to social isolation, poverty etc.). So it may be said that traditional workers' collectives were comparatively human service type social enterprises rather than pure WISEs. Housewives status that don't need living wage means the conditions of providing their services at low price (community price) and recruiting people who held homogenous values. But at the same time it was difficult for workers' collectives to expand their members beyond housewives. For example they found it very difficult to attract men and young people, and then to enable reproduction of them.

4.2. The change of workers' collectives in recent years

But nowadays these workers' collectives began to enroll various socially excluded people including disabled people and young people isolating them from society. They are trying to create "inclusive workplaces open to everyone in local community" and to carry out social inclusion roles. Workers' collective Network Japan (WNJ) and local federations of workers' collectives have already been setting out policies oriented towards such inclusive workplaces. For example Workers' collective Association that is a federation of more than 200 workers' collectives in Kanagawa prefecture is committed to enroll various socially excluded people now. They have enrolled 224 socially excluded people as trainees since 2006 and succeeded to support 41 of them to get jobs.

I suppose there were some reasons of the increase of the enrollment of socially excluded people in workers' collectives. First reason is the increase of inquiry from job seeker including youth or disabled people. Workers' collectives have already acquired a reputation as local inclusive workplace by housewives. So especially some members of Seikatsu club co-operative have asked them to accept their children who have some difficulty to work in general labour market. Then workers' collectives in Kanagawa had already 54 disabled people in 27 organizations in 2005. Second reason is the influence of Italian B type social co-operatives they inspected. Many leaders of workers' collectives in Kanagawa visited Italian B type social co-operatives in 2004. They were influenced by B type social co-operatives and hoped that they can also carry out social inclusion role like B type social co-operatives.

5. RESEARCH METHODOLOGY AND OBJECTS OF WORKERS' COLLECTIVES

5.1 JWISE research group

In order to research the above-mentioned workers' collectives, we organised a research group named JWISE (Japanese WISE) research group consisted of researchers and practitioners from national and local federations of workers' collectives in the Tokyo Metropolitan Area[2]. We then selected twelve typical workers' collectives that are actually taking on certain numbers of people who have some difficulty finding work. Then we conducted a joint interview survey with semi-structured

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[2] Researchers are Kenichi Kitajima (Rikkyo University), Koki Harada (Rikkyo University), Atsushi Fujii (Rikkyo University) and Kendo Odaka(Seigakuin University).

questionnaires in March 2010. In this survey, we first examined the actual situation of social inclusion in workers' collectives through two axes, which are participation and wage distribution. Second, we examined the conditions that enable such social inclusion from a number of angles, including characteristics of their funding structure, management style and infrastructure functions of federations. In addition to this, we also conducted an additional hearing survey in August 2010 concerning the function of federations as infrastructure organizations.

5.2. Profiles of 12 workers' collectives

The twelve workers' collectives targeted in this research are extremely diverse in terms of goals and business fields. When the goals are laid out, they appear as shown in Table 1 below, and it is clear that many workers' collectives have set multiple goals. This survey closely examined what the main goals are and then categorized those workers' collectives.

(Table 1) Goals of 12 workers collectives

Main goals	Inclusive work place for socially excluded people	Economic Independence	social utility			multiple goals
			goals of consumer co-operative	local needs community building	ecological goals (recycling)	
Kawasaki civil soap plant	◎				O	O
Husha (windmill)	◎				O	O
Hu (wind)	◎					
Community Kitchen Polan	◎					
Depotto			◎			
Workers collective Carry		O	◎			O
Tree of Pan Arure			◎			
Tshudoi (Gathering)	O	O	◎			O
Sakuranbo (Cherry blossom）		O		◎		O
Opure			O	◎		O
Kaiten Mokuba (Merry-go-round)		O		◎	◎	O
Cosmos	O			◎		O

①Pure Wise-type

First, the workers' collectives that chiefly aim to create inclusive workplaces for those who have difficulty finding work and also have a high acceptance rate of such people are Husha（that means windmill）, Hu(that means wind), Community Kitchen Polan, and Kawasaki Citizens' Soap Plant. These organisations may be deemed as having strong WISE attributes and will therefore be referred to as pure WISE-type workers' collectives. It should be noted that there are considerable differences among these four collectives.

For example, in Husha and Hu participation of socially excluded people themselves is considered very important. Especially Husha is a somewhat rare workers' collective that was established by youth and their parents. On the other hand Kawasaki Citizens' Soap Plant is institutionalized in the welfare system as the Community Activities Support Centre. It is similar to Japanese sheltered workshop that doesn't include employment contracts. In addition Community Kitchen Polan provides an interesting example. It was launched by Workers' collective Association, the federation in Kanagawa launched and managed by this federation directly. Then Community Kitchen Polan is supported by many workers' collectives in Kanagawa.

②Subcontractor of co-operative type and Local service type

Other than pure WISE type, there are many cases of existing workers' collectives that have started accepting gradually those who have difficulty finding work. These can be divided into two main groups according to the type of businesses. The first is a 'subcontractor of co-operative type', and the main goals of this type of organisation are largely the same as the goals of the Seikatsu Club Co-op (safe food etc.). Also, in the case of newly founded workers' collectives like Tsudoi (Gathering), social goal, 'working together with people who have difficulty finding work' is considered as their secondary goal from the time of their foundation. In all cases, the contract relationship with the Seikatsu Club Co-op forms the essential business foundation and, relatively speaking, the business conditions are stable, and the scale of enterprise is large.

The second is local service type. Those workers' collectives focus on the provisions of community-based personal services (child care, care for the elderly) and other local services like recycling. Amongst these, Sakuranbo and Opure are committed to public nursing care insurance business and public child care service. Then they are getting public money to some extent (quasi-market type).[3] Table 2 below shows the results of summarizing each organisation by these categories.

(Table 2) Profiles of 12 workers' collectives

Category		Organization name	Foundation year	legal status	Fiscal Size (yen)	Public money (%)	Main business fields (work contents of social excluded people)
Pure WISE type	Participants-led	Husha (windmill)	2008	no legal status	1,290,000	0.0%	Recycling of waste cooking oil and producing soap (collecting waste cooking oil, producing and packing soap)
	Participants-led	Hu (wind)	1996	no legal status	11,300,000	0.0%	Rental business of reuse dishes (cleaning dishes, administration work)
	Institutionalized in welfare system	Kawasaki civil soap plant	1989	NPO	54,860,000	37.0%	Cafe (assistance of cooking and backyard, serving customers)
	Federation initiative	Community Kitchen Polan	2009	NPO	16,660,000	20.9%	Delicatessen (easy cooking and assistance of cooking)
Subcontractor of co-operative type		Depotto	2008	no legal status	453,060,000	0.0%	Management od depot (local shop) (packing vegetables and cleaning)
		Workers collective Carry	1992	joint enterprise co-operative	233,590,000	0.0%	Transportation business and catalog sales (driver)
		Tree of Pan Arure	1989	joint enterprise co-operative	82,120,000	0.0%	Bakery (baking and selling bread)
		Tshudoi (Gathering)	2006	joint enterprise co-operative	105,140,000	1.2%	Sub-contractor of co-operative (sending order slip, OCR receiving operation etc.)
Local service type	quasi-market	Sakuranbo (Cherry blossom)	1997	NPO	188,620,000	64.1%	Childcare (Support in nursery room)
	quasi-market	Opure	2004	no legal status	24,890,000	82.8%	Nursing care insurance business (day-service) (cleaning, washing sheets and towel)
	Other	Kaiten Mokuba (Merry-go-round)	1985	joint enterprise co-operative	29,910,000	0.0%	Recycling, selling organic foods, meals-on-wheels (cleaning, supporting meals on wheels)
	Other	Cosmos	2008	NPO	22,600,000	0.0%	Café and bakery (baking bread and cookies)

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[3] Opure has an extremely strong commission relationship with the Fukushi Club Co-op, so it is also very similar to the 'co-op enterprise commission/transaction type'.

It is important to note that with regards to the enrollment processes which subcontractor of co-operative type and local service type workers' collectives accept people who have difficulty finding work, there are cases in which children or acquaintances of members who have difficulty finding work were introduced by members (Kaitenmokuba, Depot). However, on the other hand there are also many cases where such people were accepted through the strong urgings and mediations of federations (Sakuranbo, Opure, Cosmos, etc.). For example, in the case of workers' collectives in Kanagawa Prefecture, coordination by the Workers' Collective Association provides the essential ground for the acceptance of such people.[4]

6. ACTUAL SITUATIONS OF SOCIAL INCLUSION (TABLE 3 AND 4)

We will now look at the situation of actual social inclusion of people who have difficulty finding work in the twelve workers' collectives (see Table 3 and 4). It is possible to make the following points.

(Table 3) Acceptance of socially excluded people in workers' collectives (1) Number and Kinds of disabilities

Category		Organization name	Socially excluded people	All workers	number of members	members of socially excluded people	Kinds of disabilities
Pure WISE type	Participants-led	Husha (windmill)	8 57.1%	14	14	8	young people isolating them from society (NEET) 6 (4 of them have also disability certificate), mental illness 1, physical disability 1
	Participants-led	Hu (wind)	8 34.8%	23	20	8	learning disabilities5, mental illness 3
	Institutionalized in welfare system	Kawasaki civil soap plant	19 63.3%	30	10	0	mental illness 19 (mainly integration dysfunction syndrome grade 2 or 3 and depression)
	Federation initiative	Community Kitchen Polan	4 57.1%	7	0	0	young people isolating them from society (NEET) 2, learning disabilities 1, mental illness 1
Subcontractor of co-operative type		Depotto	4 0.9%	316	263	0	learning disabilities 3
		Workers collective Carry	3 3.4%	87	87	3	young people isolating them from society (NEET) 2, immigrant 1, single mother more than 10, single father
		Tree of Pan Arure	1 5.0%	20	12	0	mental illness 1 (Asperger)
		Tshudoi (Gathering)	5 5.9%	85	83	3	learning disabilities 3 (one of them is gray zone), physical disability 1, young people isolating them from society (NEET) 1,
Local service type	quasi-market	Sakuranbo (Cherry blossom)	5 5.1%	98	23	0	learning disabilities 4, immigrant 1, single mother 3, young people isolating them from society (NEET) 1
	quasi-market	Opure	1 2.4%	42	40	0	physical disability 1, learning disabilities 1 (trainee)
	Other	Kaiten Mokuba (Merry-go-round)	1 16.7%	6	5	0	learning disabilities 1
	Other	Cosmos	1 4.0%	23	16	0	mental illness 1

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[4] The Workers' collectives Association conducts the coordination of workplace training experiences for young people who are introduced by the Yokohama Support Station, and each workers' collective can then take them on once they have gone through the training.

(Table 4) Acceptance of socially excluded people in workers' collectives (2) Labour conditions and Participation

Category		Organization name	Wages of socially excluded people (hourly wage)			Work hours		Participation		
			less than 400yen	400 yen~ minimum wage	more than minimum wage	0~20 hours	more than 20 hours	Formal Participation as member	Place of belonging Drop in place	other interexchange
Pure WISE type	Participants-led	Husha (windmill)	8 200			8		O	O	
	Participants-led	Hu (wind)		8 470		8		O	O	O
	Institutionalized in welfare system	Kawasaki civil soap plant		17 average 700	2	19			O	O
	Federation initiative	Community Kitchen Polan		1	3	3	1		O	O
Subcontractor of co-operative type		Depotto		3		3				
		Workers collective Carry			3	2	1	O		
		Tree of Pan Arure			1		1	O		
		Tshudoi (Gathering)			6	1	5	O		O
Local service type	quasi-market	Sakuranbo (Cherry blossom)		2	3	1	4			O
	quasi-market	Opure	1			1				O
	Other	Kaiten Mokuba (Merry-go-round)			1	1				O
	Other	Cosmos	1			1			O	O

6.1. Workers' collectives as "workplaces where anyone in the community can work"

As can be seen from Table 3, many workers' collectives do not target only one category of people who have difficulty finding work, but take in a broad range of people with problems that hamper their ability to find work. Regarding the disabled in particular, there are many cases where 'grey zone' individuals who do not carry a disability certificate are admitted, and this reveals the flexibility of the admission approach. In this hearing survey, those envisaged as having problems finding work are generally the disabled, young people isolating them from society, and immigrants. It is not therefore possible to numerically demonstrate inclusion. However, there are workers' collectives such as Workers' Collective Carry that admit many single mothers, single fathers, and male workers who have been made redundant, and workers' collectives such as Cosmos, with many elderly people. It is possible to see in such cases, the orientation towards the goal set by workers' collectives, which is 'workplaces where anyone in the community can work'. But, there is a tendency of narrowing the acceptance of people who have difficulty finding work to a specific category once they participate in the welfare system. Kawasaki Citizens' Soap Plant, which became the Community Activities Support Centre, is one example of this. This tendency may be a factor in making workers' collectives hesitate before participating in the system.

6.2. The job contents of those who have difficulty finding work

The second point concerns the job contents of those who have difficulty finding work. Excluding the case of transporting goods by car in Workers' Collective Carry, generally speaking, most of the work is carried out together with general staff rather than by the disabled workers themselves. Other than pure WISE-type workers' collectives, many of the jobs tend to be supplementary or peripheral work,

and they do not offer the opportunity to take charge of work that has a central role in production activities. Even Community Kitchen Poran, which is a pure WISE-type workers' collective, has been aiming to delegate the work of croquette making entirely to disabled staff members (this will enable general staff to focus more on managerial activities outside of production activities). Regarding the way work is assigned, there are examples, such as Sakuranbo, that use 'daily schedules for workplace training' in order to assign work to disabled individuals that they can participate in and to decide on the supervisory team that provides them with support. To add to this, on-the-job-training is generally a prominent element in job training, but it is possible to see that workers' collectives are using various means and devices. For example, there are some organisations, such as Community Kitchen Poran, that prepare individual 'level of achievement assessment charts' for each person who has difficulty finding work, and there are other organisations, such as Husha and Kaitenmokuba, that ask other organisations to send job coaches.

6.3. Participation of those who have difficulty finding work

As for the third point, excluding Husha and Hu, which are pure WISE (participant-led)- type workers' collectives, there are few cases where those who have difficulty finding work (especially the disabled) are participating as cooperative formal members. This signifies that even if cooperative membership is available, many people who have difficulty finding work think twice before making contributions and participating in meetings. However, there are many cases where those who are not formally participating are provided places for informal meetings and opportunities to establish a place of belonging and deepen exchange. Further, Husha and Hu have set up places that allow for informal and candid exchanges of dialogue (for example, Hu has the Let's Talk get together'). It was understood that formal participation can be realized once such informal places come into existence.

6.4. Labour conditions for those who have difficulty finding work

The fourth point concerns the wages of those who have difficulty finding work. As can be seen in Table 4, there is considerable variance in hourly wage levels. In particular, it can be said that the organisations that pay high hourly wages are stable enterprises (they have a commission relationship with co-ops and receive public funding for childcare undertaking) which are comparatively large in size. Conversely, pure WISE (participant-led) type workers' collectives, at present, characteristically pay extremely low hourly wages.

Looking at the working hours of people who have difficulty finding work, excluding Sakuranbo and Tsudoi, there are many cases where the hours are extremely low (zero to twenty hours per week,). This suggests that, even supposing that the hourly rates are above the minimum wage, the labour conditions do not even meet the payment of 'living wages' in many of the workers collectives at present. However, the provision of short work hours as described above should not necessarily be interpreted as something negative, in that 'only short working hours can be provided'. This is because, whereas there are people such as people with mental disease in particular, who will have difficulty suddenly taking on a job with long hours, those who are able to work only for short hours tend to be excluded from general industries. It may therefore be said that the workers' collectives that had traditionally specialized in sharing short work hours amongst members function as an important receptacle for those who have difficulty finding work and can only work short hours.

(Figure 3) Relations between wages and participation of socially excluded people in workers' collectives
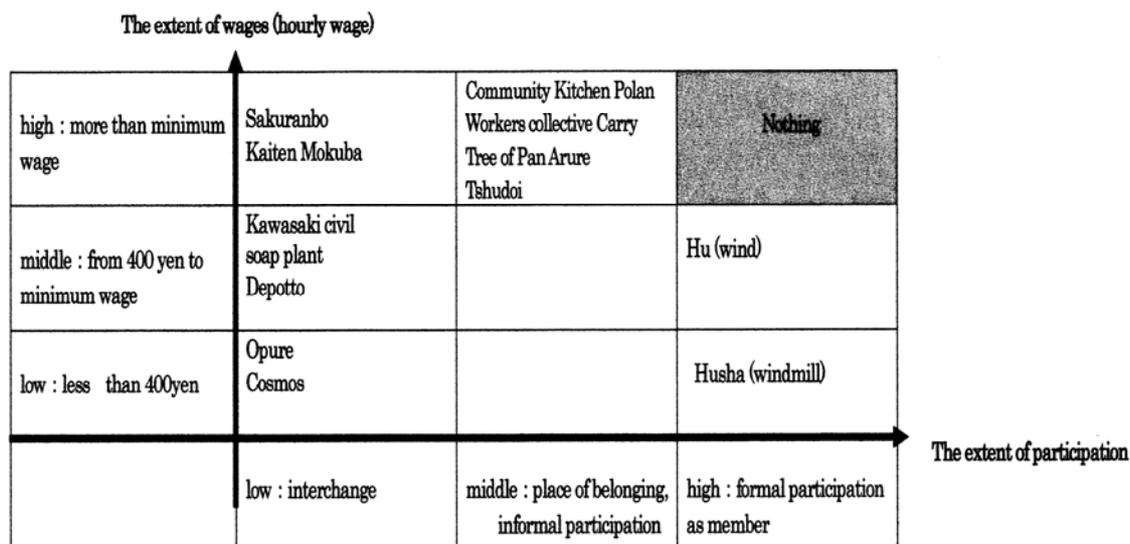
The extent of wages (hourly wage)

high : more than minimum wage	Sakuranbo Kaiten Mokuba	Community Kitchen Polan Workers collective Carry Tree of Pan Arure Tshudoi	Nothing
middle : from 400 yen to minimum wage	Kawasaki civil soap plant Depotto		Hu (wind)
low : less than 400yen	Opure Cosmos		Husha (windmill)
	low : interchange	middle : place of belonging, informal participation	high : formal participation as member

The extent of participation

Figure 3 shows the results of organising the twelve workers' collectives with the two axes, participation of those who have difficulty finding work and hourly wage level. These results reveal that there is, at present, an inverse correlation between degree of participation and wage level. The results also reveal that workers collectives with a high degree of participation (cooperative member participation) and high wages (above minimum wage) are not currently feasible – so how should we interpret this situation? Under the present circumstances where it is difficult to offer living wages, one way of looking at it could be to assess workers collectives as places of preliminary job training that can send participants off into the general labour market. However, what was revealed in the hearing study conducted on the twelve organisations was that most of the workers' collectives are aiming to provide places for continuous work rather than aiming to help their members move to the general labour market. There are in fact very few people who are employed by other companies after having participated in workers' collectives.

A considerable number of those who have difficulty finding work and are admitted to workers collectives are people who have had damaging experiences in conventional for-profit companies related to the labour environment or interpersonal relationship issues. There is a concern that sending such individuals off to the general labour market will result in a 'revolving door' situation. In other words, unless there is a dramatic improvement in the company's labour environment, the individual will simply come back having failed to settle in the new job.

Compared to general companies, workers collectives are relatively well equipped to create workplaces with a high receptivity towards people who have difficulty finding work. This is because (1) they are skilled in the sharing of short work hours; (2) as participatory organisations, they place importance on forming consensus on site, and can formulate understanding and acceptance towards those who have difficulty finding work; and (3) as in the case of the Workers' Collective Association, allied organisations help coordinate the admission of those who have difficulty finding work, and provide training and seminars for understanding people who have difficulty finding work. We must therefore consider how workers collectives can establish themselves as both places of continuous work and as places that can guarantee a living wage. We conclude this paper with a consideration of this issue.

7. CONCLUSION: REQUIREMENTS FOR SOCIAL INCLUSION ROLE OF WORKERS' COLLECTIVES

## 7.1. Redefinition of participation

Traditional notion of participation in workers' collective has been fully participation in labour, management and investment may impede the participation by socially excluded people. So workers' collectives should create places of informal participation such as places of belonging where socially excluded people are recognized and feel safety. Those spaces are start points of empowerment of them. For example the case of Husha is worth referencing here. We were fortunate to have had the chance to conduct a hearing survey on participants of Husha. One young women of Husha who has isolated herself from society described their sense of a place-of-belonging as 'a place where I can be myself'. If there is a place-of-belonging where one is affirmed and recognised, they are able to converse with ease and can take the first steps towards participation. Such kinds of informal participation also will be a prerequisite for more formal participation.

7.2. Expansion of solidaristic economy

However, even if workers' collectives recognize diverse forms of participation and create inclusive workplaces, unless they strengthen their management, it will not be easy to provide work that guarantees living wages. So, what can be done to strengthen their management including fundraising? I suppose strengthening solidaristic economy created by federations and workers' collectives is important for their development.

At first in order to strengthen solidaristic economy, expanding networks beyond homogeneous networks is important. That is because the current networks of workers' collectives are mainly among workers' collectives and Seikatsu club co-operative (Figure 4). On the other hand pure WISE type comparatively expanded their networks with various NPOs that are engaged in welfare for the disabled. But workers' collectives should also expand their networks with for-profit enterprises, local neighborhood associations and so on. In other words creating bridging social capital is important for solidaristic economy by workers' collectives.

(Figure 4) Networks of workers' collectives
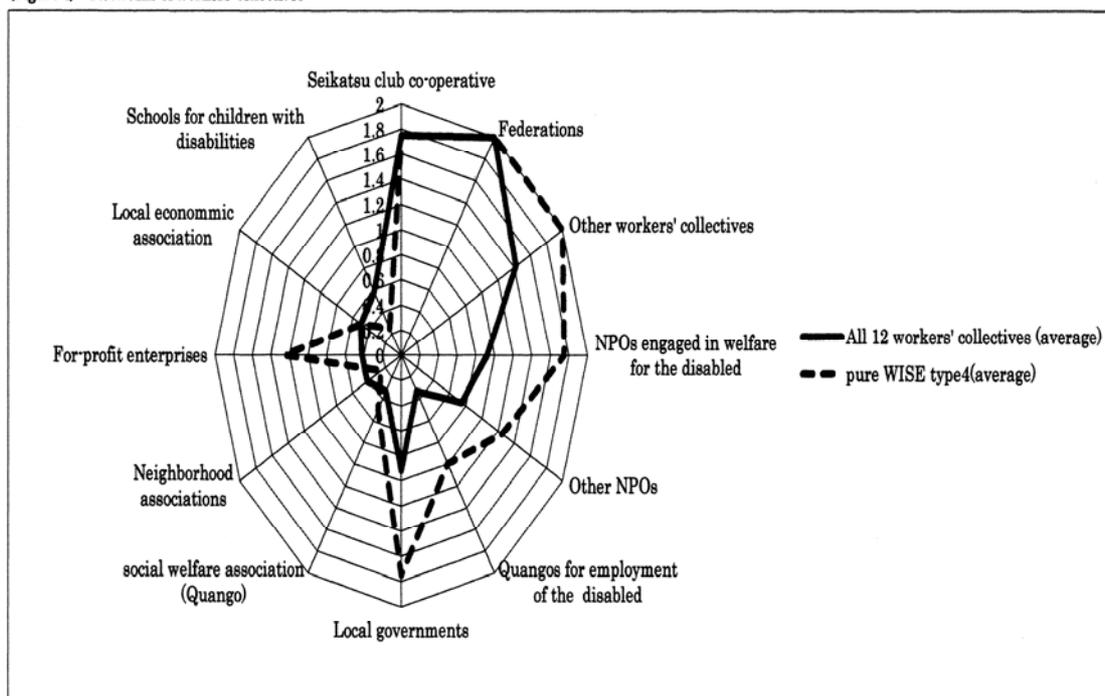
This radar chart shows the strength of networks with each organization.

Point 0 means no relation
Point 1 means weak relation (exchange of information)
Point 2 means strong relation (including business co-operation, providing resource, collaborative advocacy and training etc.)

In the second, strengthening infrastructure functions of federations is important too. Federations play key roles of infrastructure organizations and make solidaristic economy among workers' collectives and consumer co-operative. Many networks that is co-operation among co-operatives (workers' collectives and consumer co-operative) made by federations play various roles. Those networks carry out functions such as marketing of goods and services, recruitment of new member, collaborative human resource training, improvement of job quality and products (e.g. teaching recipe each other etc.), cost reduction by bulk buying, and social finance (WCA women and citizen community bank, Tokyo community power bank). But except the federation in Kanagawa most federations are small and volunteer based organizations. Then their functions of management support, development of new projects, advocacy and making partnership with local governments and for-profit enterprises are still weak. Therefore federations should also expand their networks and develop their fundraising options.

7.3. Intermediary labour market policy

Furthermore from the viewpoint of fund raising, workers collectives should consider introducing public funding. Traditionally in Japan employment of disabled people is divided into only two world, general labour market and Japanese style "sheltered workshop" that is supported by welfare policies and public funding. But Japanese style "sheltered workshop" has been criticized long years by many third sector organizations engaged in employment of the disabled, because this sheltered workshop doesn't recognize equal relationship between disabled people and general stuff (that is disabled people are recognized only as clients and labour costs of only general stuff is supported by public subsidies). Therefore in this system many times disabled people have been excluded from normal employment contracts. So workers' collectives need so-called "intermediary labour market policy" that can recognize 1) decent work with welfare support where disabled people's right to work is protected and also can recognize 2) social inclusion role of WISEs beyond transitional function inserting socially excluded people to general labour market.

We have considered the actual situation of social inclusion in Japanese workers' collectives and showed their advantages and challenges. Especially we pointed out three key points about their challenges, 1) redefinition of participation, 2) expansion of solidaristic economy, 3) intermediary labour market policy. I suppose these three points are very important not only for workers' collectives but also for other many WISEs in Japan. Then from now on I would like to study these three points more deeply by focusing on 1) empowerment process of socially excluded people in WISEs, 2) infrastructure organizations' function expanding solidaristic economy, 3) some social movements requesting intermediary labour market policies.

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