

## **How Rural Women' s Entrepreneurship based on Life Improvement Practice Group Developed: A Case Study on Tochigi and Nagano, Japan**

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### **Abstract**

In Japan women increasingly play important roles in agricultural management and rural areas. This presentation is concerning rural women's entrepreneurship, especially focusing on those managed by groups, not by individuals. By analyzing and comparing 4 cases in Tochigi Pref. and Nagano, Pref., the authors made it clear following 4 issues: 1. How rural women established rural women's entrepreneurship based on Life Improvement Practice Group (LIPG)?; 2. In which way has the entrepreneurship developed; 3. What kind of influence was given to both rural women themselves and rural community; 4. How are they going to solve the problem of aging and lack of successors?

### **Introduction**

This presentation is concerning rural women's entrepreneurship in Japan, especially how they developed from a kind of rural women's group, which is Life Improvement Practice Group.

First, we explain you the purpose of this study, reviewing recent statistics and some early studies on this topic. Then, we will show you 4 case studies. Finally, we make a summary and some comments.

### **I Purpose and research issues**

#### **1) Purpose of this study**

The purposes of this study are as follows: first, to verify the meaning of rural women's group organized by governmental extension service after the end of World War II, second, to clarify the developing process from the organized rural women's group, that is Life Improvement Practice Group, to today's entrepreneurship.

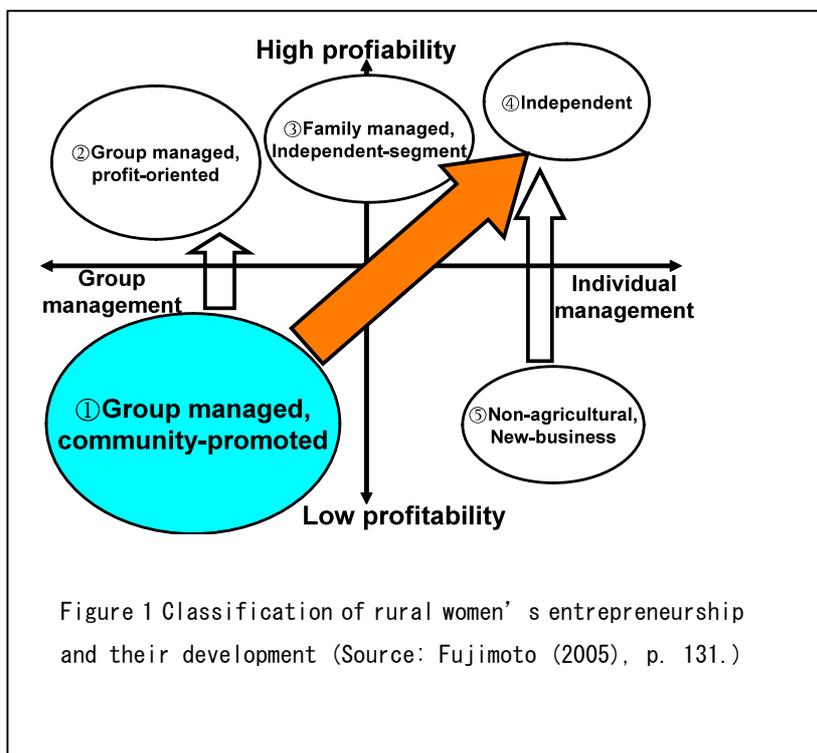
#### **2) Recent statistics and early studies on rural women' s entrepreneurship**

In Japan women increasingly play important roles in agricultural management and rural areas. According to a MAFF (Ministry of Agriculture, Forestry and Fisheries)'s survey, the number of rural women's entrepreneurship was 9,050 in 2005. Of these, over the half, 5,745 were managed by groups of women. Concerning the members' average age, for group management from 60 to 69

years was the most common, more aged than that of entrepreneurship by individual (aver. 50-59).

About rural women's entrepreneurship, there are two early studies.

One is concerning the objectives of the entrepreneurship. According to Iwasaki (1995) and Miyaki (2001), rural women's entrepreneurship are classified into two types: one is business-oriented and another is ambition-oriented.



On the other hand, Fujimoto (2005) puts more emphasis on business profitability of the entrepreneurship. She analyzed the reasons why and the ways in which their activities developed, and then classified the entrepreneurship into five types: (1) group managed and community-promoted, (2) group managed and profit-oriented, (3) family managed and independent-segment, (4) independent, and (5) non-agricultural,

new-business (Figure 1).

According to Fujimoto's study, **Type 1 & Type 2** are gradually decreasing because of the rural women's aging. She points out development to **Type 4** from **Type 1** and states that **Type 4** and **Type 5** play a key role of the future rural women's entrepreneurship more.

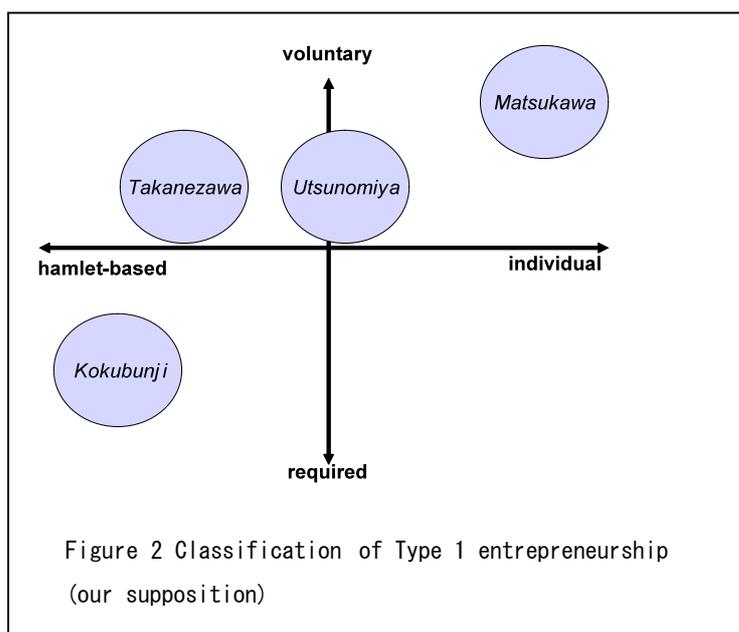
However, our opinion is different from Fujimoto's hypothesis. We are focusing on **Type 1**, especially those based on LIPG. There are two reasons. First, rural women's entrepreneurship is still managed by group. Second, according to survey of 1994, about 60% of the group management is based on LIPG<sup>1</sup>.

Besides, we suppose that **Type 1** entrepreneurship is able to be classified based on two indices as **Figure 2**:

1. LIPG members are coming from hamlet (community) or individually, 2. participation to entrepreneurship is required or voluntary (on self-decision).

Here let me add a brief explanation about LIPG. LIPG was originally promoted by the Home Life Improvement Division, MAFF, under GHQ occupation just after the end of WW II. It was

<sup>1</sup> In this paper we use the term 'LIPG' mainly in the meaning of LIPG on the municipal level, in order to distinguish from LIPG on the hamlet level, which we call 'unit-group'.



distinguished from local Women's Association (*Fujinkai*) and Agricultural Cooperative Women's Association (*Nokyo Fujinbu*). Both were submitted to the nation-wide upper organizations and to be member was almost compulsory.

On the contrary LIPG was voluntarily organized and mainly composed by young farm wives, mostly daughters-in-law (*Yome*), who were willing to learn rational,

practical, and economical way of life, such as 'improved stove' and food preservation, later food processing.

Since 1950's LIPG number increased up to 20 thousands in the beginning of 1980's, but from then on has been decreasing because of members' aging.

### 3) Research Issues

On the ground of 1) and 2), we are focusing on rural women's entrepreneurship based on LIPG and in particular going to clarify following 4 issues:

1. How / In which way women established rural women's entrepreneurship based on LIPG?
2. In which way has the entrepreneurship developed?
3. What kind of influence was given to both rural women themselves and rural community?
4. How are they going to solve the problem of aging and lack of successors?

## II Case study

### 1) Characteristics of cases

The cases for this research were selected from *Tochigi* Prefecture and *Nagano* Prefecture. That is because *Tochigi* Prefecture is in the *Kanto* region and *Nagano* Prefecture lies next to the *Kanto* region, so that both are relatively easy for us to access. Moreover LIPG are active in these prefectures.

According to the MAFF's survey, the percentage of rural women's entrepreneurship managed by group in *Tochigi* Prefecture is 63%. It is just in line with the national average, but the LIPG are very active.

On the other hand in *Nagano* Prefecture it is 77% and significantly higher than the national

average. *Nagano* Prefecture is distinguished by having women’s colleges promoted by extension service and they became the base for LIPG.

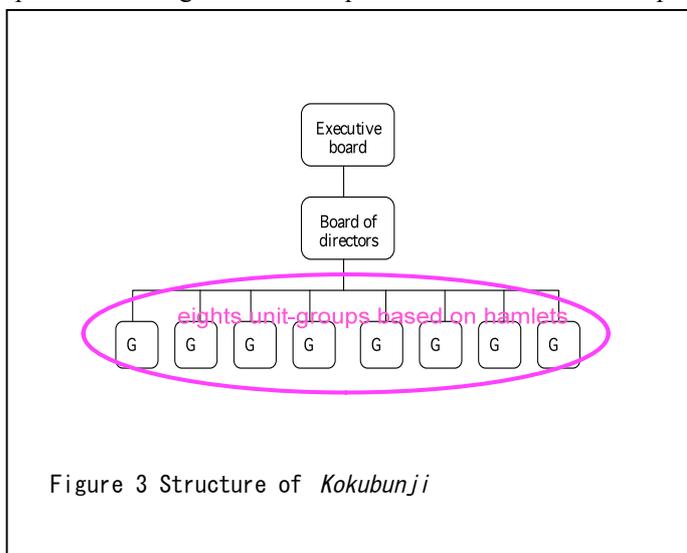
In *Tochigi* prefecture the number of groups peaked in 1970 and has declined slowly in recent years. Membership peaked in 1965. In *Nagano* prefecture the number of groups peaked in 1985 and has been in continuous decline since then. Membership peaked in 1975 and continues to decline, with significant drops in 1980 and 1989.

## 2) Analyses of cases

Before analyzing 4 cases let me show you the location briefly. In *Tochigi* prefecture *Utsunomiya* is the capital city. *Takanezawa* and *Kokubunji* are just near this capital city. In *Nagano* prefecture *Matsukawa* is located in northwest.

### (1) Kokubunji

*Kokubunji* LIPG was established in 1960. In 2007 still 8 unit-groups (49 members) are engaged in activity. The average age of the members is early 50’. The main activity of *Kokubunji* is the sale of *Zeniishi Monogatari Manju*, a kind of Japanese sweets. The sweets are sold at a *Katakagotei* shop twice a month and at events such as the *Tenpyo-no-Oka* Park Flower Festival in April. Their annual sales are over 10 million yen, most of them during the Flower Festival. Each person working either in the production or in the sale is paid 10,000 yen per day.



**Figure 3** is the structure of *Kokubunji*. 8 unit-groups were respectively formed on the hamlets. *Manju* sweets are sold twice a month at shop by 8 unit- groups in turn. A board of directors is formed by selecting one director from each unit-group.

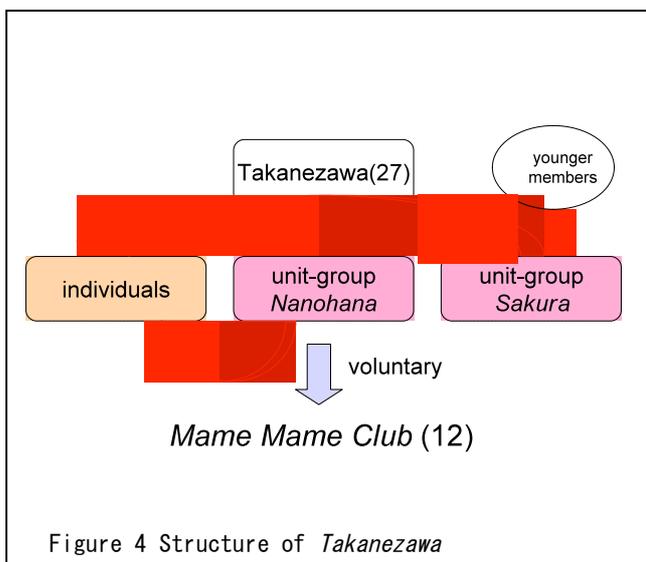
### (2) Takanezawa

*Takanezawa* LIPG was established in 1963. In 2007 still 2 unit-groups (*Sakura* group and *Nanohana* Group) and individual members are engaged in activity. There are 27 members in total.

In 1999 they established an entrepreneurship named *Mame Mame Club* and constructed a direct selling shop named *Kirazu*. *Mame Mame club*’s main activity is processing of agricultural product, such as *Tofu*. The amount of annual sales is about 20 million yen. The members receive 760 yen per hour for their work, rising to 860 yen per hour on Saturdays, Sundays and holidays, and an

additional 100 yen for work before 7:00am. Working hour is flexible, depending on members' childcare and so on.

**Figure 4** is the structure of *Takanezawa*. As in the case of *Kokubunji*, unit-groups are formed based on the hamlet. It is quite characteristic, however, that old members become 'individuals' after they retired the unit-group and were replaced with younger members. At the

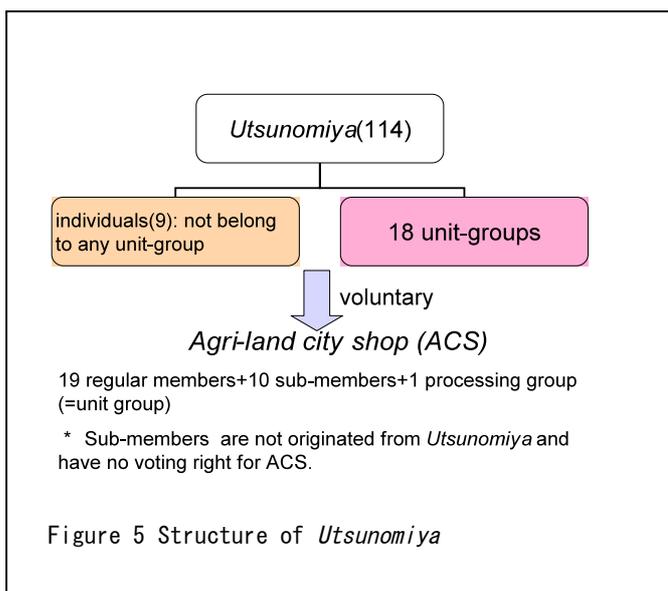


establishment of *Mame Mame Club* all of *Takanezawa* members were invited to participate in that, but as a result there were 12 voluntary members. Still now only the members of *Takanezawa* are allowed to participate in the *Mame Mame Club*.

### (3) Utsunomiya

*Utsunomiya* LIPG was established about 1955. Now 18 unit-groups in five areas and some individual member, totally 114 members are engaged in activity. In

1985 they had a chance to participate in a direct delivery products market held by a Seibu Department Store at the city central area. It was so successful, that they started a regular shop called *Agri-land City Shop* in 1991. *Agri-land City Shop* sells mainly hand-made *Udon* and *Soba*, both Japanese noodles, and many other products, such as traditional food and fresh vegetables. The annual sales of just agricultural products and processed products are about 46 million yen. The shop workers, including an employed worker, are paid 800 yen per hour.

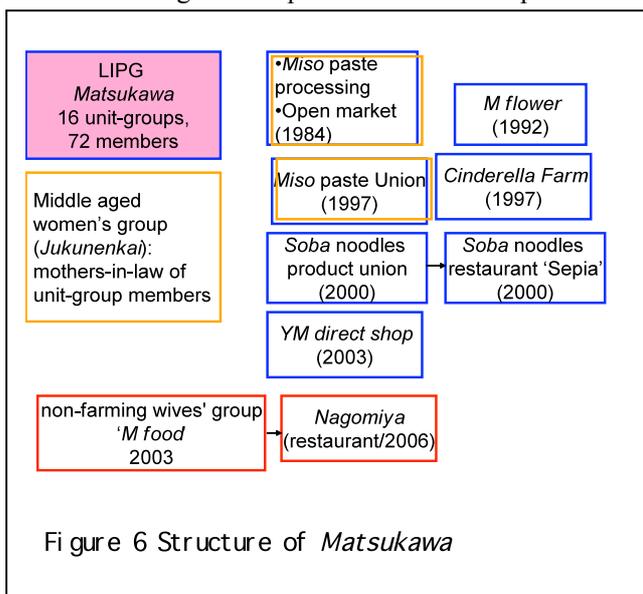


**Figure 5** is the structure of *Utsunomiya*. 18 unit-groups are respectively based on hamlet. *Agri-land City Shop* is presently composed of 3 categories; 19 regular-members, who are all *Utsunomiya* LIPG members, 10 sub-members, who are not originated from *Utsunomiya* LIPG and have no voting rights for *Agri-land City Shop*, and one processing group, which is a unit-group.

#### (4) Matsukawa

*Matsukawa* LIPG was established in 1964. Now 16 unit-groups and totally 72 members are engaged in activity. Many unit-groups of *Matsukawa* consist of members who graduated from ‘women’s college’ promoted by agricultural extension office in the same academic year and who want to learn more. That is a distinctive feature of *Matsukawa*.

After the construction of a building for rural women (*Nouson Fujin no ie*) in 1984, *Matsukawa* began with production of *Miso* paste and it was the startup of their entrepreneurship.



Later, mothers-in-law of unit-group members set up middle-aged women’s group (*Jukunen kai*) and the both jointly hold open markets.

Then they gradually set up various sorts of businesses and expanded their activities as we now show you in **Figure 6**: *M Flower* (selling pot-flowers), *Miso* paste union, *Cinderella farm* (farming experience), *Soba* noodles product union, *Soba* noodles restaurant and *YM* direct selling shop.

From 2003, agricultural committee members who are also members of *Matsukawa* began to provide classes for cooking local traditional meals and rice powder, for married women of non-farming families. The municipal government assisted in gathering such women. This was the start of *M Food*. Some *M Food* members opened a restaurant called *Nagomiya*, which serves meals using rice powder, in 2006.

Now their main activity is *Soba* restaurant ‘*Sepia*’ and the annual sales from ‘*Sepia*’ is about 7.5 million yen. The wage per hour is from 650 to 700. ‘*Sepia*’ is opened from 11:00 to 17:00, except for Tuesdays.

It is quite characteristic that every member of *Matsukawa* can freely participate in more than one activity, according to their purposes and interests.

### III Summary and comments

#### 1) How did they establish rural women’s entrepreneurship based on LIPG?

First, let me compare 4 cases concerning LIPG member composition (**Table 1**). The first case, *Kokubunji* is based on hamlet. Second case, *Takanazawa* and third case, *Utsunomiya* are both in principle based on hamlet, but partly include individual members. *Matsukawa* is based on women who graduated from women’s college at the same year.

As to participation from LIPG to rural women’s entrepreneurship, in only *Kokubunji* case all LIPG members and all unit-groups were required to join the entrepreneurship activity and actually they did. In other 3 cases, all LIPG members were invited to participate in entrepreneurship, but actually a part of them did.

Within these 3 cases there are some differences. In the case of *Takanezawa*, only the LIPG members are allowed to participate in entrepreneurship (*Mame Mame Club*), in other words entrepreneurship members have to be LIPG members.

Table 1 Establishment of entrepreneurship based on LIPG

	LIPG is based on . . .	participation to entrepreneurship
<i>Kokubunji</i>	hamlet	required
<i>Takanezawa</i>	hamlet and individuals	voluntary
<i>Utsunomiya</i>	hamlet and individuals	voluntary
<i>Matsukawa</i>	graduated from women’s college	voluntary

In the case of *Utsunomiya*, non-LIPG members are allowed to be engaged in entrepreneurship activity as sub-members, unlike *Takanezawa*, but they have no voting rights concerning *Agriland City Shop* management. It is commonly found out both in *Utsunomiya* and *Takanezawa* that entrepreneurship members run various activities together.

In the case of *Matsukawa*, each activity is managed by the members who wish to participate in, regardless of their original unit-groups. Members can freely participate in business they have chosen by themselves.

**2) In which way has the entrepreneurship developed ?**

To summarize the result of 4 case studies and to explain the process of development as entrepreneurship, we show you 2 important points:

**1. Who proposed the content of activity?**

At the beginning of entrepreneurship, the activity was proposed mainly by extension adviser who involved with them from the stage of LIPG. But gradually they try to think of and challenge new activities by themselves.

**2. What kind of activity are they engaged in?**

At the beginning they were engaged exclusively in agricultural product processing, such as *Tofu* or *Miso*. But now their activity expands to exchange with visitors from cities and providing farming experience as rice-planting and so on. In other word, their activities have changed from those based on agricultural extension programming to those based on rural women’s own idea.

For instance, *Matsukawa* expanded its activity from processing and sales of agricultural products such as *Miso* paste to exchange with visitors from cities, such as farming experience and the restaurant.

### 3) What kind of influence was given to both rural women themselves and rural community?

Here we show you 4 steps and a successful cycle. First, rural women wish to appeal or restore local traditional food. Then they begin to sell their own made food, and it is so successful that their products become well-known as local food. Second, they gain self-confidence, become more enthusiastic, have more fun with supplying their own products, and can generate income of their own. In all four cases, people receive an income for their work similar to the wages for part-time work in each area. Third, they can get understanding of their families. Their motivation to join activities grows more. And forth, they become to be acknowledged by community, as in the case of *Kokubunji*, where former director was elected as a town parliament representative. Consequently it returns to the first step and causes willingness to search for another local food or to enlarge their activities.

### 4) How are they going to solve the problem of aging and lack of successors?

Presently, in all of the four cases, the ages of each unit-group and LIPG members are about fifties. And their main activity is food processing as ever. For younger generation or newly-participated-members, especially those coming from non-farmer households, however, food processing is sometimes too difficult to begin with, as we saw in the case of *Kokubunji*. For them direct-selling is supposed to be easier to begin with. In other words, where each member is allowed to choose activities as in the case of *Matsukawa*, they have more possibility to get younger generation and to solve the problem of aging.

Finally we conclude these findings. Development from **Type 1** to **Type 4**, as stated by Fujimoto, was not seen in the 4 cases. LIPG take a role as the base of rural women's entrepreneurship. With regard to the 4 cases, the meaning in continuing group activities based on LIPG is as follows: to make friends, to have fun while working with other people, to exchange information, and to have possibility to expand activities. Especially multi-business structure such as *Matsukawa* could increase profitability and attract younger generation.

Before closing our presentation, we would like to point out two issues left for future studies.

1. The activities based on LIPG in regions where no efforts made to restructure
2. Group management based on women's agricultural association

We appreciate for your kind attention!

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