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UNA VISIÓN COMPARADA E INTERNACIONAL
DEL DERECHO COOPERATIVO
Y DE LA ECONOMÍA SOCIAL Y SOLIDARIA
LIBER AMICORUM PROFESOR DANTE CRACOGNA

AGUILAR RUBIO, MARINA
ALCALDE SILVA, JAIME
ARNÁEZ ARCE, VEGA M.^a
ATXABA RADA, ALBERTO
COLÓN MORALES, RUBÉN
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CAPÍTULO 14

Asian co-operative laws from developmental state and norm localization perspectives

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Japan Co-operative Alliance

Summary: 1. Introduction. 2. Developmental state perspective. 3. Evolution of asian co-operative laws: five cases: 3.1. Japan. 3.2. South korea. 3.3 singapore. 3.4. China. 3.5. India. 4. Norm localization of asian co-operatives. 5. Conclusion: need to wake the co-operative potential in the asian century. 6. Bibliography.

1. INTRODUCTION

When we analyze the characteristics of Asian co-operatives, the East-West discourse is often used. From the West, Asia is often seen as static and less-developed area plagued by the despotism and the traditional culture as Edward Said put it 'orientalism'. On the other hand, some political leaders like Singapore's Lee Kuan Yew and Malaysia's Mohamad Mahathir propagated the Asian values preferring social harmony, community well-being and loyalty to figures of authority as against the individualistic Western values to justify their authoritarian regime. The latter lost its currency in the wake of financial crisis in the late 1990s, while it seems to revive in tandem with the rise of China after the 2000s. We have noticed the limitation of Western-based categories such as coordinated market economy (Germany, France etc.) versus liberal market economy (USA, UK etc.) in applying to the Asian economies (Kurimoto, 2020).

We have observed a gradual shift of Asian countries from agrarian economy to export-driven industrial economy, from the authoritarian rule to more democratic regime since the 1980s although we witness serious setbacks in Myanmar and other countries. There is a growing concern about the international tension related with the rise of China. Asia covers a huge area and population, characterized by a sheer diversity in the political system, level of development, culture and religion while their political economy can be generally explained by a notion of developmental state. We are concerned about Asia is converging to a new world order or diverging from the West. We are also questioning whether Asian co-operatives are going to converge to a single model represented in the Western co-operatives or diverge as specific entities. (Kurimoto, 2005).

This chapter examines the nature of the Asian co-operative laws based on the perspectives of developmental state and norm localization that characterize the Asia political economy including the legal aspects. From this perspective, it describes the evolution of co-operative laws in Japan, South Korea, Singapore, China and India belonging to the different legal traditions of civil law, common law and socialist law. Then it compares these cases from the norm localization perspective. Finally, it considers how to enhance the positioning of Asian co-operatives in the projected Asian Century.

2. DEVELOPMENTAL STATE PERSPECTIVE

Developmental state is a term used by international political economy scholars to refer to the phenomenon of state-led macroeconomic planning in East Asia in the late 20th century. In this model of capitalism, the state has more independent political power, as well as more control over the economy. A developmental state is characterized by having strong state intervention, as well as extensive regulation and planning. The term has subsequently been used to describe countries outside East Asia that satisfy the criteria of a developmental state.

The first person to seriously conceptualize the developmental state was Chalmers Johnson who defined the developmental state as a state that is focused on economic development and takes necessary policy measures to accomplish that objective. He argued that Japan's economic development had much to do with a wide range of intervention for the industrialization by bureaucrats, particularly those in the Ministry of International Trade and Industry (MITI).

The developmental state pursues industrial policies, intervenes directly in the economy through a variety of means to promote the growth of new industries and to reduce the dislocations caused by shifts in investment and profits from old to new industries. Governments in developmental states invest and mobilize the majority of capital into the most promising industrial sector that will have the maximum spillover effect for the society. Cooperation between state and major industries is crucial for maintaining stable macroeconomy. The intervention of state in the market system such as grant of subsidy to improve competitiveness of firm, control of exchange rate, wage level and manipulation of inflation to lowered production cost for industries caused economic growth. As in the case of Japan, there is little government ownership of industry, but the private sector is rigidly guided and restricted by bureaucrats. These bureaucratic government elites are not elected officials and are thus less subject to influence by either the classes through the political process. The argument from this perspective is that a government ministry can have the freedom to plan the economy and look to long-term national interests.

The notion of developmental states was originally presented to explain rapid industrialization in the East Asia, namely Japan, South Korea and Taiwan but it was extended to the Southeast Asia or the ASEAN countries including Singapore, Malaysia, Indonesia and Vietnam and later to China and India. It seems to be valid but the evolution in the last decades has demonstrated the shift from “flying geese (FG) pattern of development model” of catch-up growth to “leapfrogging model” of development. The phrase “flying geese” was coined originally by Kaname Akamatsu in the 1930s and presented to world academia in early 1960s in English. This model intends to explain the catching-up process of industrialization of latecomer economies from the following three aspects: Intra-industry aspect of product development within a particular developing country, with a single industry growing over import, production, and export; Inter-industry aspect of sequential appearance and development of industries in a particular developing country, with industries being diversified and upgraded from simple to more sophisticated products; and International aspect of subsequent relocation process of industries from advanced to developing countries during the latter’s catching-up process. Saburo Okita (1914-1993), well-known Japanese economist and a foreign minister in the 1980s, greatly contributed to introducing the FG pattern of development to the wider audiences including the political and business world. Thus, the regional transmission of FG industrialization, driven by the catching-up process through diversification /rationalization of industries, has become famous as an engine of Asian economic growth.

However, this model seems to be replaced by leapfrogging pattern of development model with Japan's decline since the 1990's. Leapfrogging occurs when a nation bypasses traditional stages of development to either jump directly to the latest technologies (stage-skipping) or explore an alternative path of technological development involving emerging technologies with new benefits and new opportunities (path-creating). The former happened in the mobile revolution, allowing developing nations to skip directly to mobile phones without the need to invest in landline infrastructure, while the latter is exemplified by the explosion of mobile payment systems and digital banking apps in the developing world. China surpassed Japan in 2011 in term of GDP and now grows threefold, while South Korea exceeds Japan in term of GDP per capita, PPP.

Is the developmental or state-led capitalism is still valid? Does capitalist or socialist orientation still matter? These questions can be answered by examining country by country since the political economies and historical trajectories greatly differ from one country to the other. This chapter will not discuss these questions that need to be analyzed by the international and interdisciplinary studies.

3. EVOLUTION OF ASIAN CO-OPERATIVE LAWS: FIVE CASES

The ideas and norms often transform when they are transplanted in the different places. The idea of modern co-operation originated in Europe was introduced to Asia since the late 19th century through colonial governments, immigrants and indigenous people. In many cases, it could succeed in rooting in the new soil if it was localized to meet the prevailing socio-economic environment and government policy. Generally speaking, Asia had the hard states in which the governments made a wide range of interventions in promoting or hampering co-operatives. Whether they took the positive or negative attitude to co-operatives depend on sectors and periods. Herewith, a comparative review of the political economy and Asian co-operatives in Japan, South Korea, Singapore, China and India is presented.

3.1. JAPAN

Japan happened to escape from the colonization due to complex reasons. Meiji Restoration of 1868 was a nationalist revolution in which new government rushed to modernize the country through introducing the Western political and industrial institutions seeking to build wealth and

military strength. Japan became a new imperialist power colonizing Korea and Taiwan while it set up a puppet state called Manchukuo in the north-eastern China and entered into the Second World War. After its surrender, Japan was transformed by the US-led occupation in all aspects of society, including the drastic economic reforms introducing the Anti-monopoly Act and thorough agrarian reform to dismantle *Zaibatsu* conglomerates and landlord system, that were seen as roots of militarism. Japan started rehabilitating industries and accomplished a high-speed economic growth since the late 1950s, putting it as the second largest economy in 1968. In this process, government ministries have pursued the industrial policies protecting from foreign competition and inducing investments in the promising areas. Under the dominant Liberal Democratic Party (LDP) government, they formed the industrial triangles or coalition with members of parliament and trade associations as Masahiko Aoki put it '*bureau-pluralism*'. Japan-style management consisting of lifelong employment, seniority system and enterprise unions was highly praised while main bank system was a key in providing a typical governance mechanism. However, Japan could not adapt to the new environment caused by the end of cold war and globalization/ICT revolution, resulting in 'lost decades' since the 1990's.

The notion of modern co-operation arrived in Japan in the late 19th century. In 1900, the Industrial Co-operative Act was enacted to promote rural development by high-ranking bureaucrats who studied the Raiffeisen-style rural credit system. This Act was characterized by strong government intervention including dismissal of elected officers and liquidation of co-ops. It provided for four types of co-operatives i.e., credit, supply, marketing, and production (later replaced by service) targeting mainly rural population but also enabled urban population to set up credit unions, consumer co-ops and medical co-ops. The multi-purpose co-ops were allowed to conduct several functions since 1912. Rural co-ops were set up as voluntary organizations but integrated with compulsory *nokai* (farm guidance societies) to form *nogyokai* (agrarian societies) to mobilize resources for the war in 1943 while left-wing consumer co-ops were oppressed by the government. After the Second World War, the Agricultural Co-operative Act (ACA) was enacted separately in 1947 to cement the effect of the agrarian reform that created millions of small independent farmers owning tiny lots of less than one hectare. Agricultural co-operatives were formed by transferring *nogyokai*'s property and staff overnight. Then other co-operative laws were enacted in line with industrial policies (on agriculture, fisheries, forestry, SMEs, banking etc.) since 1948. Consumer Co-operative Act (CCA) of 1948 was an exception in that it targeted to serve consumer's interests rather than the industry-specific interests but the

rigid regulation including complete ban of non-member trade and limited operating areas within prefectures was installed. Thereafter, more than 10 co-operative laws exist to regulate specific types of co-ops regulated by different competent ministries. Such fragmented legislation has hampered a shared co-operative identity and collaboration among co-ops.

The industry-specific co-operative legal system gave an enduring impact to the evolution of co-operatives. Agricultural co-operatives have implemented the public policy aiming at increasing food production to feed starving nation until the 1960s and then restraining overproduction to cope with piling surplus rice since 1970. Governments have often assisted co-ops directly to solve financial problems in the 1950s and to promote mergers since the 1960s through special legislations and subsidies. The amended ACA in 1954 introduced provisions on the central unions such as national JA Zenchu and prefectural JA Kenchu as coordinating bodies of JAs.¹ They have been exclusively designated by competent national/prefectural governments and have compulsory membership of co-ops and federations. JA Zenchu could publish model bylaws that bound outsiders as well and conduct compulsory auditing of JAs. Kenchu could make territorial coordination within a prefecture when new co-ops were established. Such special functions were abandoned by the amended ACA in 2015.

In contrast, consumer co-operatives (Seikyo) have grown from grass-root consumer groups since the 1960s. Housewives organized buying clubs to buy unadulterated milk and produce from reliable producers. These groups have evolved to consumer co-ops, often assisted by university co-op managers and employees. Being hampered by provisions of CCA and government's protectionist policy on commerce² associated with small retailers' campaigns requesting compliance of the regulation of complete banning of non-member trade, they often involved themselves in consumer and ecological movement, even peace campaigns. They are federated from the bottom, resulting in the existence of some competing national federations with different strategies such as Seikatsu Club Federation and Pal-System Federation (Kurimoto, 2017).

3.2. SOUTH KOREA

Korea had been colonized by Japan during 1910-1945 while it has suffered from the Korean War in 1950-1953 and ensuing confrontation with DPRK

¹ JA stands for Japan Agricultural co-operative.

² Large-scale Retail Stores Act of 1973 modelled French Loi Royer dealing with commercial regulations.

to date. It followed Japan's pattern of economic growth since the 1960's under the developmental dictatorship by President Park Chung Hee. After the bloody rules of military-based governments, South Korea accomplished the democratization in 1987. The Asian financial crisis affected to its export-driven economy and put South Korea under the strict surveillance of the IMF in 1997, but it could resume economic growth led by *Chaebol* conglomerates while the resulting social cleavage prompted the governments to promote co-operatives and social enterprises since 2000. The political scene is divided into competitive camps, namely conservatives and progressives, that experienced democratic changes of government over time.

Under such political economy, President Park's mobilization campaign for Saemaeul (new village) brought about the rural modernization from top down since 1971. Saemaeul banks were set up to finance rural development projects. On the other hand, the agricultural co-operatives (Nonghyup) were created by merging marketing/supply co-ops with agricultural banks under the Agricultural Co-operatives Act of 1961 while their chairmen had been appointed by the competent governments until 1989. In 2000, the National Agricultural Co-operative Federation (NACF) was merged with the National Livestock Co-operative Federation (NLCF) and the Korean Ginseng Co-operative Federation despite strong resistance of the NLCF. NACF was restructured into the financial holding company and the marketing holding company through revised Agricultural Co-operative Act in 2012. Such reorganizations were made by the strong government initiatives.

In contrast with such a top-down institutionalization, there were the efforts of organizing bottom-up such as credit unions and consumer co-operatives. The first credit union was set up by an American nun in 1960, federated in 1964 and founded the Asian Confederation of Credit Unions (ACCU) in 1971 while Hansalim co-op started a grocery shop to establish the alternative economy by promoting environmentally friendly, organic products and fair trade in 1986. iCoop was set up in 1998 and became the largest consumer co-op. They were often supported by labor and student union leaders while they had not been assisted by the government. The Consumer Co-operative Act is among the most restrictive legislation.

Thus, South Korea has the divided legislation with competent ministries according to the different industrial policies that has hampered the co-operative identity and collaboration. This is why some co-operatives were eager to enact the Framework Act of Co-operatives while other co-ops were rather reluctant.

3.3 SINGAPORE

Singapore became an independent state in 1965 separating from Malaysia, and started the rapid economic development mainly in trade, transportation and financial sectors under the guidance of President Lee Kuan Yew. It is now the 5th largest financial centers in the world and one of two largest ports in term of handling freight. Singapore became to be known as one of 4 dragons or NIES. It joined the ASEAN in 1967 and TPP11 in 2018 as the founding members. Singapore's GDP per capita reached nearly USD 59,000 in 2020 that ranked the 8th position. The People's Action Party (PAP) has been the ruling party while its votes slightly decreased from 70% to 62% in the 2020 General Election. Singapore has single Co-operative Societies Act of 1979 and the enabling public policy called tripartite system.

The NTUC (National Trade Union Congress) was created in 1961 backing the PAP in its successful drive for self-government. The government passed the Industrial Relations (Amendment) Act of 1968, which severely limited workers' rights to strike. From 1969, the NTUC adopted, in its own words, "a co-operative, rather than a confrontational policy towards employers." Relations between the PAP and NTUC are very close, and have often resulted in members holding office in both organizations at the same time.

NTUC Income was established in 1970 with the objective of providing insurance protection to the masses. At that time, life insurance was something only the higher income group could afford. (Today, Income serves over two million customers. It is the top composite insurer in Singapore and one of the largest general insurers and health insurance providers. Income is also the largest motor insurer in Singapore, covering about one in four vehicles in Singapore. (NTUC FairPrice was first established on 22 July 1973 as NTUC Welcome Supermarket in Toa Payoh, to solve the rising oil and daily prices then due to inflation. Then prime minister Lee Kuan Yew opened the first supermarket. In 1983, NTUC Welcome and the other union-based Singapore Employees Co-operative merged to form a larger co-operative which was known as NTUC FairPrice Co-Operative Limited. NTUC FairPrice has grown rapidly to become the largest retailer with more than 100 hypermarkets / supermarkets across the island and over 160 outlets of Cheers convenience stores island-wide. It enjoyed the best location such as the ground floor of public condominiums (HDB) and nearby metro stations (MRT/LRT). NTUC further developed co-operatives to meet pressing social needs in areas like health and eldercare, childcare, daily essentials, cooked food and financial services. They are called NTUC Social Enterprises, whose aim is to help stabilize prices of basic commodities and services, protect the purchasing power of workers and to allow union leaders to gain management experience.

3.4. CHINA

After the Xinhai Revolution in 1911, the Kuomintang government had suffered from the pressure from the West and Japan while a large part of territories was half-colonized. After the Second World War, the Communist government began drafting its own co-operative law, which was completed in 1950. However, as the Chinese Communist Party had chosen the road of constructing a socialist planned economy, the co-operative law was set aside and was not enacted. Mao Tse-tung tried to spur the country into rapid growth and transformation but the Great Leap Forward campaign and the Cultural Revolution resulted in the destructive outcomes in the national economy and people's life. Den Xiaoping's reform and open-up policy since 1978 brought immediate economic development in rural and urban areas. China's affiliation with the WTO in 2001 accelerated its export-driven growth and put it a world factory. Although China's position in the world has risen to the second largest economy in term of the GDP, its 'socialist market economy' faces multiple socio-economic problems of widening imbalance and disparity, declining population and aging, delayed reform of government-owned companies, confrontation with the US and so on.

Co-operatives have undergone drastic changes caused by the government policies in the Peoples Republic of China (Kawahara, 2008). The collectivization of agricultural production modelling Soviet's Kolkhoz started from the mutual help groups of farmers, the primary level co-operatives to higher level co-operatives depending on the level of common ownership of production means. The supply and marketing co-operatives (SMC) were organized to trade non-staple food in both urban and rural areas but were compelled to merge with state-owned enterprises in which member's share was absorbed in the state property. They were forced to become the commercial agents in rural area while their business in urban area was taken over by state-owned firms by a decree, following the precedence of the USSR in 1935. All these co-operatives were turned by decree into People's Communes as all-inclusive agents of political and economic functions in the rural areas since the 1950's. However, the latter resulted in the catastrophic famines killing millions of people and was finally abandoned in 1983. In tandem with the introduction of farm household's responsibility system in which farmers were endowed with land usage rights to operate independently. SMCs revived under the control of the Department of Commerce. Farmer co-operatives emerged in the mid-1980s after the reform and opening up. In 2006, the Farmer Specialized Co-operative (FSC) Act was enacted as the first co-operative legislation that enabled setting up FSC as autonomous co-operatives owned by

farmers in accordance with the Co-operative Principles. However, this Act has no provision to establish federations for scale-up and coordination.

3.5. INDIA

The development of India's economy was based on socialist-inspired policies after independence in 1947. It included state-ownership of various sectors, regulation and red tape which was known as 'License Raj' and protection from the world markets. The political economy of India has rapidly changed with the liberalization of the economy in the 1990s. The end of the Cold War and an acute balance of payments crisis in 1991 led to the adoption of a broad economic liberalization in India. The traditional import substitution policy to reduce its foreign dependency through the local production of industrial products was replaced by export-driven policy for products and services in the global market. Since the start of the 21st century, annual average GDP growth has been 6% to 7%, and from 2013 to 2018, India was the world's fastest growing major economy, surpassing China. It is expected that India will become the 3rd largest economy in 2029. The Indian Co-operative Credit Societies Act was enacted in 1904 by the British colonial government to support Raiffeisen-style agricultural credit co-ops. The second act in 1912 extended to all types of co-ops, introduced limited liability and allowed the formation of federations. Because there was no indigenous support of the idea of modern co-operation, had to be promoted at first by the specialized government agency, headed by a registrar whose powers and duties went well beyond those of Registrar of Friendly Societies in Britain. Thus, classic 'British-Indian pattern of co-operation' started and influenced co-operative development throughout the British empire. (Birchall, 1997) After independence, Premier Nehru promoted co-operatives as an engine of socio-economic development of India while the top-down pattern of co-operative regulations was inherited. Co-operatives of all types received a tremendous boost: the government decided to contributing share capital and setting up powerful development agencies. All rural areas were covered by primary supply and marketing co-ops, each with its own vertical structure of regional and national level apex organizations. In addition, India has a federal system in which co-operatives are regulated by the State co-operative laws that give the strong influence to State government officers and politicians who are often co-operative leaders.

On the other hand, grass-root co-operatives emerged in some sectors. The dairy co-operative at Anand, Gujarat State, was set up to protect small farmers from exploitation of local dairies and exercise countervailing power

by building its own plant. This co-op provided the model for the program which began in 1965 and termed the 'white revolution'. National Dairy Development Board promoted a three-tier structure of village-level milk producers' co-op, district unions and a state federation at the apex. Highly integrated, and under the control of members, it has proved the worth of a system which offers every service necessary, from supply inputs to processing and marketing, but also demonstrated that a government agency can do co-operative development without institutionalizing its own power (Birchall, p.173). Co-operative sugar factories and fertilizer production co-operatives are other examples of bottom-up co-operatives.

4. NORM LOCALIZATION OF ASIAN CO-OPERATIVES

Alex Laidlaw pointed out the ideological difference of co-operatives (Laidlaw, 2000, p.43).

Like other institutions, co-operatives take their character and features from the general environment in which they exist. They have the chameleon power of matching or imitating the colour and hue of the milieu in which they are located and have to live. Thus, every co-operative is in some way and another a reflection of a certain cultural or political background, and indeed must fit into its own society in order to survive. This accounts for the considerable difference in co-operatives, from one country to another, and seen from a global perspective the variation is great.

He also wrote "Much of the controversy about whether co-operatives are socialistic or capitalistic is futile, for the simple reason that the co-operative system need not justify or explain itself by relation to something else." These statements were made in 1980 before the end of Cold War but seems to be valid even today. The great differences still exist in the world co-operatives, and it is not realistic to forecast they will converge to a single model. The analysis of the Asian co-operatives with immense diversity seems to add values for comparative co-operative studies.

Amitav Acharya's constructivist International Relations theory is the concepts of norm localization and norm subsidiarity (Acharya, 2004). Constructivism has traditionally accorded more importance to the role of ideas and norms in international politics. However, Acharya points out that most constructivists conceive of ideas as spreading outward from the West (or the Global North) to the "Rest" (or the Global South). Acharya challenges this story of unidirectional norm diffusion by showing how "local" beliefs and

practices also matter. This theory can be applied to Asian co-operatives to help understand how they have evolved in the pattern of development different from Western counterparts.

The original idea of modern co-operation has been transferred and localized in the recipient countries to a greater or lesser extent. For instance, Raiffeisen and Schulze's idea of credit co-operatives was accepted as that of credit unions and *caisse populaire* in Canada that was transferred to the UK and Ireland. As such, the idea travelled around the world with some modifications. Raiffeisen model was adapted to the political economy of Japan and India to fit to the authoritarian rule of the time. Japan had built in the model to facilitate rural development while it was imposed to India to serve the British Empire. Thus, the idea was localized to fit to the existent political economy.

Before the introduction of the idea through colonial governments and immigrants, a variety of indigenous co-operation existed in many parts of Asia. In Japan for instance, the rotating credit societies called *mujinkoh* or *tanomosi* for mutual help were popular during the Edo era while tea processing societies and sericultural societies were formed to help market those important export items at that time. The former was integrated in the credit co-operatives while the latter was transformed to the marketing co-operatives in line with the Industrial Co-operative Act of 1900 enacted following the German Raiffeisen model. Japanese co-operatives have been localized in the political economy of state-led capitalism and grown to be world-class co-operation with strong Japan-style traits.

Different types of co-operatives have developed heterogeneous organizational cultures and political orientations that have been intensified in the course of organizational evolution due to the historical path dependency. Co-operatives have strengthened their identities in their respective industries, and this situation has hindered the establishment of a cross-sectoral co-operative identity, combined with the lack of general co-operative policies and contact points on the part of the government. Japan's JA group, the largest entity in terms of business turnover and political influence to the government, has been institutionalized as an agent for implementing agricultural policy pursued by the MAFF (Ministry of Agriculture, Forestry and Fisheries) that has heavily supported JAs with public policy measures and subsidies. It has established itself as a strongest pressure protectionists group against trade liberalization and rendered votes for the LDP. Thus, so-called agricultural policy triangle was formed by the MAFF, LDP's agricultural lobby and JA Zenchu. JA group is generally seen as a combination of three dimensions of the agent for implementing public policy, the pressure group to protect industry's interest and co-operatives per se. When the government imposed the structural

reform by amending the ACA in 2015, this coalition was partially marred but looks like survived. In contrast, *Seikyo* or consumer co-operatives have been politically “contained” by the protectionist commercial policy backed by the anti-co-operative campaigns of small retailers. They have been often seen as anti-government organizations because of their social movement dimension. They have little political influence to the government although they have exercised some influence in enacting pro-consumer legislation such as the Product Liabilities Act (1994) and the Food Safety Basic Act (2003).

Korea’s co-operatives followed the pattern of the Japanese counterpart under the similar political economy and fragmented legal/administrative system. However, they could succeed to enact the Framework Act of Co-operatives in 2011 to enable small number of people to set up co-operatives of any kind irrespective of industries (except for financial ones) by lobbying both ruling and opposition parties. This Act brought a breakthrough in setting up general and social co-operatives and brought about the explosive expansion of co-operatives.

Singapore’s political economy is characterized by the tripartism that refers to the collaboration among unions, employers and the government. It is seen to provide a key competitive advantage for Singapore since it has helped boost economic competitiveness, promoted harmonious labor-management relations and contributed to country’s overall progress. The tripartite partners are the Ministry of Manpower, the NTUC and the Singapore National Employers Federation (SNEF). This labor-employer co-operative arrangement can be referred as neo corporatism. The notion was coined to explain the Scandinavian welfare states but seems to wane in the advent of globalization and shift in industrial structure. SNCF co-ops operate as a part of the tripartism, that give them a range of advantages compared with domestic and foreign competitors.

China’s SMCs are by and large state-owned/controlled bodies emerged in the socialist transformation process under the auspice of the Ministry of Commerce. On the other hand, FSCs have potential to develop as autonomous organizations but some observers found co-operatives were not controlled by farmers but food processors or farming inputs dealers who sought to enclose farmers for the forward or backward integration.

India’s co-operatives reflect the mosaic society with multiple ethnicities, religions, languages and levels of development. They are divided into two groups depending on states and sectors, one dominated by bureaucrats and politicians and the other grown from grassroots. Co-operative Principles are generally well understood but often compromised by many leaders. A favorable legal environment that ensures autonomy as well as accountability

is needed. Co-operation is a state subject and there are a lot of variations in the State Co-operative Societies Act of different states. In certain states, the law is very liberal whereas in some states it is very rigid. It is in this context the Indian government introduced the 97th constitutional amendment Act in 2011. However, it could not be implemented, as the litigation is pending in the Supreme Court of India. There are a few states which introduced the Self-reliant Act applicable to the societies which do not receive government assistance.

5. CONCLUSION: NEED TO WAKE THE CO-OPERATIVE POTENTIAL IN THE ASIAN CENTURY

How to evaluate the norm localization in Asian co-operatives from the Co-operative Identity? These examined co-operatives except for China's FSCs are legitimate members of the ICA as a custodian of Co-operative values and principles. A large part of Asian co-ops is still sponsored or controlled by the state, and this is why the ICA Asia Pacific have convened the biennial Co-operative Ministerial Conferences to strengthen the 4th Co-operative Principle of Autonomy and Independence since 1990 until 2014, but the shift of co-operatives to implement recommendations thereof has been very slow. There seems exist some reasons, including the resistance of bureaucrats and politicians on one hand, the organizational inertia and dependent culture on the other.

The ICA Statement on the Co-operative Identity was adopted to respond to changes brought by the globalization of socio-economy and the deregulations based on neoliberal policies that have given grave impacts to the localized co-operatives in Asian countries since the 1980s. Co-operatives have made efforts to cope with the new competitive environment, but their responses largely differ from one country to another, from established sectors to emerging sectors. Some co-ops have faded out while the others have survived through reorienting and restructuring. The new co-ops are emerging in the non-traditional sectors such as health and social care, education, utilities and platforms. Asian co-ops are expected to contribute to the democratic political economy and sustainable development.

The Asian Century is the notion of projected 21st-century dominance of Asian politics and culture, assuming certain demographic and economic trends persist, after the 19th century as Britain's Imperial Century, and the 20th century as the American Century. The ADB's 2011 study found that 3 billion Asians could enjoy living standards similar to those in Europe, and

the region could account for over half of global output by the middle of this century with some reservations. What position the Asian co-operatives would occupy in the Asian Century is to be questioned. They need to strengthen the autonomy and independence while encouraging the Asian models that have emerged to meet unmet needs in a variety of fields. That is what we meant waking the Asian co-operative potential.

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