

INTERNATIONAL COOPERATIVE ALLIANCE



Report of the Seminar Continuation on

**COOPERATIVE  
LEADERSHIP AND MANAGEMENT**

BANGKOK (THAILAND)  
JUNE 23-JULY 6, 1969

- INTERNATIONAL COOPERATIVE ALLIANCE  
Regional Office & Education Centre for South-East Asia
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R E P O R T  
OF THE  
CONTINUATION SEMINAR ON COOPERATIVE LEADERSHIP AND MANAGEMENT

BANGKOK, THAILAND

June 22 - July 6, 1969

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S/16th September 1969

R E P O R T

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CONTINUATION SEMINAR ON COOPERATIVE LEADERSHIP AND MANAGEMENT  
Bangkok, Thailand - 22nd June to 6th July 1969

Rapporteur : Lionel Gunawardana

INTRODUCTION

1. The Seventh International Cooperative Seminar on the theme of Cooperative Leadership and Management was continued for a period of two weeks at Bangkok from 22nd June to 6th July 1969. This seminar continuation was held under the joint auspices of the Regional Office and Education Centre for South-East Asia of the International Cooperative Alliance, New Delhi and the Swedish Cooperative Centre, Stockholm with the active collaboration of the Cooperative League of Thailand. The objective of this part of the seminar (referred to hereafter as the Seminar), were to discuss the applicability and adaptation of the knowledge acquired by the participants in Sweden to the Cooperative Movements in the Region. In addition, the seminar programme also included lectures by prominent cooperators from Thailand, and study visits to cooperatives in Thailand.

2. The seminar was inaugurated by Dr. Boonrod Binson, Under-Secretary of State for National Development, Government of Thailand. Nineteen participants from Ceylon, India, Japan, Republic of Korea, Malaysia, Nepal, Philippines, Singapore, and Thailand, and four observers - three cooperators from Thailand, and Mr. E. Tilly from the ILO, - participated

in the seminar.

3. Mr. J.M. Rana and Mr. Lionel Gunawardana from the ICA Education Centre and Mr. Rune Forsberg from the Swedish Cooperative Centre directed the seminar. Mr. P.E.Weeraman, Regional Officer for South-East Asia also participated in the seminar. Mr. N.A.Kularajah, General Manager, Malaysian Cooperative Insurance Society was among those who gave lectures at the seminar.

4. The first part of the seminar was held in Sweden from 7th April to 13th June 1969 and was directed by Mr. Rune Forsberg. The participants visited ICA Headquarters in London and cooperative organisations in the United Kingdom and Denmark before they arrived in Bangkok to participate in the seminar continuation.

5. At the ICA headquarters, the participants were addressed by Dr.S.K.Saxena, Director of the Alliance, Dr.J.H.Ollman, Publications Editor, Dr.L.Sieber, Secretary for Education and Technical Assistance, and Mr. Branko Zlataric, Secretary for Agriculture, who explained to them the working of the Alliance.

6. Among the prominent cooperators that the participants had the benefit of meeting in Sweden were Dr. M.Bonow, President of the ICA, Prof. K.F.Svardstrom of Uppsala University, and Mr. Alf Carlsson, Director of the Swedish Cooperative Centre.

7. The seminar discussions were divided into three main parts :

7.1 Special lectures on cooperative aspects of special interest in the South-East Asian context;

7.2 Presentation of reports prepared by the participants on various subjects in the light of the knowledge gained by the participants in Sweden and the cooperative situations in their respective countries;

7.3 Lectures and discussions designed to inform the participants about the Thai Cooperative Movement. Lectures given at the seminar on the Thai Cooperative Movement were on the following subjects :

- i) Recent trends and developments in the Cooperative Movements in Thailand by Col. Surin Cholprasert, Registrar of Cooperative Societies and Chairman of the Board of Directors of the Cooperative League of Thailand;
- ii) Credit and Marketing Cooperatives in Thailand by Mr. Chern Bamroongwongse, Deputy Director-General, Department of Credit and Marketing Cooperatives, Thailand;
- iii) Role of Land Cooperatives in Thailand by Mr. Adul Niyomviphat Deputy Director-General, Land Cooperatives, Department of Land Cooperatives, Thailand;
- iv) The role of the Cooperative League of Thailand in Cooperative Education and Training by Mr. Thep Saiyananda, Director, Cooperative League of Thailand; and
- v) The Role of the Bank for Agriculture and Agricultural Cooperatives by Mr. Chamnien Saranaga, Manager, Bank for Agriculture and Agricultural Cooperatives, Bangkok.

SIGNIFICANT OBSERVATIONS MADE BY THE PARTICIPANTS DURING THEIR STUDIES IN SWEDEN

8. In Sweden the Cooperative Movement was initiated and developed, purely as a voluntary movement. The main factors responsible for the growth of the movement in Sweden were the widespread general education and intensive programme of member education and employee training carried out by the movement itself.

9. In the pioneering stage of cooperative development, honorary leaders have borne the major burden of not only organising but even of running the cooperatives. With the growth of cooperatives in size, the managerial personnel have assumed greater responsibility of running the societies.

10. At present, the employed managers exercise wide powers in running

the cooperative organisations and they have a great influence in shaping and planning of future development of the movement. A fear is expressed in some quarters that cooperatives will be taken over by "Technocrats" and that the cooperatives will lose their cooperative character. It was however noted that great emphasis is placed on providing cooperative education to employees.

11. In Sweden, elected representatives in the cooperatives are sometimes politicians, but their positions in the cooperatives are not used as stepping stones to political power. Political affiliations do not play a part in the election of the members of the Administrative Council, nor do they interfere in the day-to-day functioning of the societies.

12. Due to the large membership of cooperatives, indirect democracy - meaning election of Board members through representatives - is practised.

13. One of the businesses transacted in the General Body meeting is to set up a Committee to prepare for the election of office-bearers at the next Annual General Meeting. This early appointment of the Committee enables it to study the persons who may be elected to official positions in the forthcoming meeting and to submit proposals to ensure the election of capable people to the Administrative Council.

14. The amalgamation of cooperatives into still larger units is being carried out. Creation of such large cooperative units enable them to adopt the most modern technological developments. The large and economic size of the cooperative organisations enables them to employ personnel of high managerial skill and pay them competitive salaries.

15. The Cooperative Union and Wholesale Society in Sweden (KF) is the central body of the Consumer Cooperatives in the country. A great degree

of centralisation of functions has taken place in this organisation over the years, and the range of services provided by the KF is immense. Such centralisation has enabled the Swedish Consumer Cooperative Movement to establish cooperative factories for producing a great number of consumer goods, to establish a chain of large-sized department stores all over the country in addition to the usual functions of centralised buying, warehousing etc.

16. Similar centralisation has taken place in other sectors of the cooperative movement such as agriculture, insurance and housing which has resulted in the efficient functioning of cooperative organisation in these sectors.

17. Duties of elected leaders and employed management are clearly demarcated which prevents undue interference by the elected leaders in the day-to-day management of the cooperatives. The wide powers given to the managers enable them to take quick decisions so essential to the successful management of a business enterprise.

18. There is systematic training of employees within the movement to prepare them to shoulder higher responsibilities. This ensures that people in the higher rungs of management are fully aware of the cooperative principles and practices.

19. Education of members and employees through correspondence courses is widely practised. In the case of employees, the preliminary knowledge in cooperative principles and business practices acquired through correspondence courses enables them to follow effectively later on advanced courses in cooperative colleges.

20. The drawing up of detailed plans of sales and other activities of cooperatives and the constant checking of them to judge the degree of success ensures efficient functioning of the societies.

21. Careful surveys are undertaken and planning is done before a cooperative shop is located in a particular area.

22. Effective salesmanship, attractive display and arrangements of goods, and above all, courtesy shown to customers by the employees in cooperative shops contribute, in great measure, to the success of consumer cooperation in Sweden and their competitive capacity.

23. A well planned publicity campaign is conducted to enhance the image of the cooperatives. The simple and impressive sign of the consumer cooperatives - the mathematical sign of infinity - serves as a rallying symbol for cooperators. It also makes the cooperative shop easily identifiable.

24. The easy and simple procedure of acquiring membership in cooperatives encourages more and more people to join the cooperatives.

25. The Cooperative Movement has been greatly influencing the government in framing consumer protection legislation.

26. The majority of the members of the consumer cooperatives are women. However, very few of them are occupying positions in administrative councils.

27. The size of the farms are increasing. This is due to the continuous migration of the people engaged in agriculture into industry and the farms left behind by them being amalgamated with others. Introduction of modern machinery enables few people to manage a large farm.

28. The single purpose cooperatives in agricultural sector are being amalgamated thus creating multipurpose societies. This is done to bring about more coordination among various agricultural activities and to create larger units. This also is expected to solve the problem of the agriculturists



having to be a member of a number of cooperatives.

### COOPERATIVE LEADERSHIP

#### Role of Government in providing leadership

29. Unlike in Sweden, Cooperative Movements in South-East Asian countries were initiated and fostered by governments. In a number of countries in this Region, the movement was sponsored by the colonial rulers to ameliorate the conditions of the rural people. Such leadership from government in the early stages was inevitable in view of the wide-spread poverty and low educational levels of the people. This tendency was further intensified after Independence, since the governments embarked on systematic plans of social and economic developments in which the cooperative movement was given an important place.

30. The seminar felt that this leadership from the government would continue for a foreseeable future. In view of this, proper cooperative education of officials in the government was regarded as essential. However, it was recognised that the ultimate aim should be for the cooperative movement to become completely self-reliant and independent of government control. In this task, leadership from the members themselves had a vital role to play. However, the emergence of such leadership is inhibited on account of a number of social and economic factors. These include the attitudes of apathy and dependence on government, generated during long period of colonial rule, prevalence of mass illiteracy in several countries and low educational levels of the people. There were also a number of divisive factors affecting people especially rural communities, such as social and economic stratification, based on ownership of land, caste, race and religion in different countries. The existence

of exclusive groups inhibits the emergence of leadership which can view the management of a cooperative society as an open democratic forum functioning in a manner equitable to all the members. However some of the barriers mentioned above are, very gradually breaking up under the impact of urbanization and industrialization as well as the spread of educational opportunities.

31. Although complete control of the movement by voluntary leaders appeared as a distant ideal, the seminar felt that the governments should have a plan for withdrawal of government control over the cooperative movements. For such withdrawal to be effective, it was essential that the movements should build up their own financial and personnel resources, and gradually reduce their dependence on government for this purpose. During the transition period however, it was essential that both the government cooperative officers and the voluntary leaders worked in unison and performed complementary roles for the successful development of the cooperative movement, and the Cooperative Movement should have a part in planning for cooperative development.

#### Honorary leaders and employed personnel

32. As was the case in Sweden in the early stages, a large number of cooperatives in the Region of South-East Asia are managed by honorary leaders. This applies particularly to small village societies. However, in societies larger than the village societies, a few persons are employed to work on a full-time basis. The number of full-time paid employees is much larger if the size of the society is larger and in Federations operating at regional and national levels. Even in societies where full-time employees are employed, the elected leaders working mostly in an honorary capacity

play a great role in the management of the societies.

33. In view of the fact that small village societies have a small turnover and are not able to employ personnel of high calibre, they will have to be managed by the honorary leaders themselves. However, as the societies grow in size and especially in respect of secondary societies, it would be necessary that greater authority and responsibility should be delegated to the General Manager as has been done in Sweden. Interference by the elected leaders in the day-to-day management in larger societies will not promote the smooth and efficient operation of the cooperative society and may inhibit its growth. The development of proper relationship between the elected Board of Directors and the General Manager is, therefore, of utmost importance. A sound relationship between the two should be developed in the spirit of team-work. The seminar felt that the proper demarcation of the duties and responsibilities of the Board of Directors and the Manager respectively should be set down specifically and these may be reviewed from time to time. In broad outline, the following should be the duties of the Board of Directors :

- i) The Board should interpret the objectives of the society and set down goals to be achieved, cause changes in the overall policies; and programmes, appoint a Manager to conduct the operations of the society, and assign him duties and responsibilities and fix his salary, terms of conditions etc.
- ii) The Board should also appraise itself, periodically of the progress made by the society in achieving the set goals. Financial statements and accounts in addition to the report on the activities of the society are the common form of reports which would reveal to the Board the general results of the operations of the society.

34. The Manager of the society is appointed by its Board and not by the membership of the society. He is not vested with any authority through law. He has only such authority as has been vested in him by the Board. It is,

therefore, his responsibility to respect the Board as his employer, and be aware of this in his dealings. He should bring to the notice of the Board all information and recommendations that will aid the Board in reviewing the objectives of the society and in planning its future. He should provide necessary material in the formulation of all policies, regulations and programmes. He should report to the Board periodically, of the activities of the society, and also make recommendations on how best the operations of the society could be improved to obtain the best results. The Manager should be responsible to the Board for the detailed planning, organising, coordination, control and direction, and carrying out all the programmes, policies and activities of the society in keeping with the general policy laid down by the Board.

35. The seminar also listed as follows some of the major causes of the break-down of the good relationship between the Board of Directors and the Managers :

- i) Lack of understanding by the Board and the Manager of their responsibilities and functions respectively.
- ii) Formulation of overall policies without consultation between the Board and the Manager.
- iii) Surrender of policy-making to the management thus creating a "one man" society.
- iv) Failure on the part of the manager and of the Board to formulate clear-cut overall policies to serve as management guides.
- v) Employment of relatives of the manager or of the Board members.
- vi) Extension of credit to Board members, manager or employees.
- vii) Assuming of Board's authority by individual Board members, outside regular Board meetings.
- viii) Political frictions.
- ix) Failure to properly recognise a good management,

Tasks of honorary leaders

36. The honorary leaders must understand that helping people to carry on cooperative business of various kinds can often be discouraging but it takes on a different light when the full and complete meaning of cooperatives is understood by the members. Extension work, therefore, is essential and a true perspective of extension work can be maintained only by having constantly in mind the fact that cooperation is an economic system based on justice in business. A good cooperative is a continuous source of education in itself for the members. If the society is a good one, the members are always learning something simply by being active members.

37. It is basic to the cooperative movement that the approach to people must be educational. The leaders should know that people adopt cooperative attitudes through the gradual process of education and that progress in cooperatives results from a variety of educational activities. The efforts of those who organise and manage cooperatives are doomed to fail unless they regard their work as educational. Good cooperatives, such leaders must accept, cannot be organised except on a foundation of understanding. The fact that should be emphasized here is that education results in good cooperatives, and good cooperatives in turn become a continuous source of education in itself for the members. As time progresses, and cooperative movement grows, the structural organisation of the cooperative movement will come constantly under review. For reasons of economies of scale, the societies would have to integrate. In this process, there would be opposition from various sections who would not want to lose their own identities. The honorary leaders have an important task of convincing those who oppose such amalgamation process.

38. The fear that in this process of amalgamation, the individual members would become impersonalized and the management would go over to the "technocrats" who may not be cooperative-conscious, is current among leading cooperators. This is an area in which cooperators now and in future would have to pay specific attention. This particular phenomenon was noted by the participants in their study tour in Sweden, where cooperatives continue to advance into both horizontal and vertical integration. However, the Swedish Cooperative Movement was tangibly attending to this factor through constant educational process and review sessions at all stages and by a process of communication with the members so that the concept of cooperatives was not lost sight of by the individual members. This is a serious problem which cooperators will have to face and experience of the advanced movements in Scandinavia would be a useful guide in this context.

#### MANAGEMENT OF COOPERATIVES

##### Factors affecting management

39. The seminar noted that factors affecting management of cooperatives would depend on the stage of development of the movement. In regard to the South-East Asian movements, the following factors were regarded as important.

39.1 One of the most important factors affecting management of cooperatives is cooperative education, both of members and of employees. The example of the Malaysian Cooperative Insurance Society (MCIS) was cited in this connection. When the present General Manager took over his position in the MCIS, he felt, that the image of the movement was affecting the business of the Society. Hence he gave specific attention to improving the image of the society by proper publicity. On the employees' side too the society has developed its own training programmes and is arranging for their training at outside institutes as well, including training in foreign companies.

39.2 A large number of cooperatives in the Region are managed by officers of cooperative departments who are seconded as managers of cooperatives. While such secondment may be advisable in certain cases at the present stage of development of the cooperative movement, this practice has tended to inhibit the development of managerial personnel from within the movement. It was also noted that while there may be exceptions, generally speaking, the attitudes fostered in government officers are not those that make for quick decision-making. They are trained to be cautious to ensure that not a single decision is inequitable or wrong, while in business organisations what is important is the overall result even if an individual decision is wrong and may lead to some loss. Furthermore, when the government officers are withdrawn, the training acquired by them is lost to the movement.

40. Small societies may have been useful in the initial stages of the movement. However, in several countries the movement is now several decades old. It is the general experience that the small societies cannot deliver the goods in economic terms. Amalgamation of such societies into economically viable units should therefore be encouraged.

41. There should be a clear demarcation of functions between the elected Board and the Manager as pointed earlier and the Manager should be delegated with adequate <sup>that</sup> powers/should enable him to take quick decisions and carry out the management functions efficiently.

42. A factor in the success of cooperative societies is to give due recognition to the good work done by the employees. Also consultation with employees in a proper manner could lead to higher productivity. A useful device mentioned at the seminar in this connection was the "suggestion scheme" in which both employees and customers could participate

Those who make useful suggestions should be rewarded.

43. Consultative Committees comprising the employees to advise the management can be very useful in building up cordial and proper relations between the management and the employees, a key factor for the successful operations of a large enterprise.

#### Leadership qualities required in managers

44. A leader was defined as "a person who is able to perceive and define goals clearly and who would organise and direct efficiently human and other resources and develop a strategy of action for achieving the desired goals". In the qualities required of a leader, therefore, the following may be listed as the most important.

- 44.1 The leader should be knowledgeable and should have the intellectual ability to recognise, analyse and solve problems.
- 44.2 He should be skillful in good human relations and he should respect individuality, dignity and the needs of the members in the group.
- 44.3 He should possess superior motivation.
- 44.4 He should have the ability to communicate effectively.

In the case of cooperative organisations, the knowledge of and the faith in cooperative ideals is of utmost importance .

45. The seminar emphasised that the ability to lead people, to get along with people and to direct their energies towards the desired goal or achievement was the most significant factor in the success of man and enterprise.

46. The following three categories of leaders were listed

- i) Autocratic - the dictator who gives orders.
- ii) Democratic - the leader who seeks advice, and suggests a general discussion and follows the consultative management method.



iii) Free-rein - the leader who lets the men solve the problem for themselves and refrains from giving advice.

47. The seminar felt that although in cooperative organisations the democratic form of leadership should be the dominant type, the type of leadership to be adopted by a Manager should depend upon specific situations and the educational and other levels of the groups being led.

48. The seminar listed the following difficulties in recruiting and retaining people of high managerial skills for work in cooperatives in South-East Asia.

48.1 The poor image of cooperative enterprise in the Region, especially due to the fact that even small mistakes of cooperatives get wide publicity.

48.2 Low salary offered to employees.

48.3 General lack of trained managers in the labour market.

48.4 Interference by the elected representatives in the day-to-day business of the cooperative societies.

This is in sharp contrast to Sweden where the situation is quite the opposite as is mentioned in the early part of the report.

#### RECRUITMENT AND TRAINING OF EMPLOYED PERSONNEL

##### Large Cooperative Societies

49. Based on the experiences in Sweden, the seminar felt that it was necessary to considerably improve the present method of recruitment and training of personnel employed in the South-East Asian movements. For this purpose, proper recruitment policies and procedures need to be laid down. It was also emphasised that in view of the speedy growth of the movement in some countries in this Region, unless man power planning accompanied the planning for cooperative development, the movement would face great stresses and strains.

50. The following specific suggestions were made to improve the recruitment practices :

- 50.1 Large societies should build small personnel management/administration cells.
- 50.2 The function and duties of each job should be clearly demarcated and charted.
- 50.3 Adequate service records and performance records of employees should be built up.
- 50.4. Pay structure should be rationalised.
- 50.5 A definite policy in regard to appointment/recruitment by promotion and direct recruitment should be carefully worked out. This should also be codified in definite rules.
- 50.6 Promotion/selection committees should be constituted.
- 50.7 For purpose of promotion the previous record and performance should be taken into consideration.
- 50.8 Interview techniques should be modernised.

51. Training of personnel so recruited should be more management oriented with emphasis on techniques of leadership and management. The personnel to which special attention should be paid may be categorised in the following groups :

- a) Managerial personnel ;
- b) Technical personnel; and
- c) Personnel for financial and accounts departments.

52. In order to improve the training arrangements in the Region, the following suggestions were made :

- 52.1 Persons with managerial and technological background should be inducted in committees formulating policies for training.
- 52.2 The training institutes should develop greater collaboration with Universities and Management Institutes.
- 52.3 Greater collaboration should be established between the training centres and business federations.

- 52.4 The outlay on training arrangements should be considerably increased and the movement should make greater contributions towards this end.
- 52.5 Considerable improvements should be brought about with regard to the level of teaching staff and teachers' training, equipment, library and other facilities.

Staff training for rural cooperatives: Organisation and contents

53. The discussion on the above subject related to Malaysian Cooperative Movement and concentrated around a paper submitted to the seminar on the Malaysian situation.

54. In Malaysia, the Department of Cooperative Development under the Ministry of Agriculture and Cooperatives is still responsible for the training of the officials and staff of the rural cooperative societies because these societies which are small and single purpose, are not in a position to train their own staff. The training is normally carried out through the Cooperative College which is subsidised by the Department of Cooperative Development and by the contributions made by cooperative societies from the annual net surpluses as required by Cooperative Law. The duration of the training course varies from one to two weeks and the subjects taught and discussed include principles of cooperation, business management, consumer problems etc.

55. Sometimes training courses at the village level are also arranged for two or three days. The cooperative officers and auditors are also responsible to train the staff of the cooperative societies during their routine visits. The cooperative societies almost entirely depend on the government to train their staff. It was therefore suggested that in the interest of the cooperative movement, the National Cooperative Union should take over the task of training the staff of its member-societies and as the rural societies have not yet joined the Cooperative Union of Malaysia

in significant numbers, every effort should be made to enlist them as members.

56. The suggestion made by the Malaysian participants that the National Cooperative Union should take over the function of training of staff of primary societies found acceptance of the seminar. The seminar felt that the annual training programmes should be prepared by the institutions responsible for training and circulated to societies in advance to enable the societies to send their staff to attend the training courses suitable for them. However, selection of trainees should be based on their standard of education and type of training be given according to their nature of duty in their respective societies. The duration of the training course should not be over one week, and for the sake of convenience and financial purposes, the National Cooperative Union should arrange the training course at centralised places by making use of the facilities of the village schools or community halls. This will also ensure that all the selected candidates could participate effectively. The subjects of training course should include:

- 56.1 Basic principles and practices of Cooperation
- 56.2 Cooperative law and bye-laws
- 56.3 Book-keeping and financial planning
- 56.4 business management
- 56.5 Relationship between the management and the employees.

57. The staff who have completed the above elementary training could take up correspondence courses which could be sponsored by the National Cooperative Union under its education section. The employees must also be invited from time to time to attend short seminars or discussion groups during their leisure hours with no interruption of their normal duties at their societies. The staff who have completed their short training

and have taken up correspondence courses should be selected and sent to the Cooperative College for further training.

58. As regards the source of finance for the National Cooperative Union to carry on its training programme, it was proposed by the Malaysian participants that the member societies should contribute 2% of their annual net profit in addition to the similar contribution made to the cooperative college. The member societies would also be required to pay annual subscription of Malaysia \$ 0.10 per member to the National Cooperative Union for purposes of member education and training.

#### MEMBER EDUCATION, AIM, CONTENT, AND ORGANISATION

59. The Seminar indicated that the cooperative movement was not merely a business enterprise whose sole object was to be a grocer or a marketing outfit for farmers, but it was also a practical school in which members learn essential business economics, and the economics of the household or farming. Furthermore the members learn the qualities of good citizenship, such as awareness of their rights and duties and how to exercise rights in the right way which is very essential in a democratic society. The Seminar felt that it was however necessary to make specific arrangements for member education and the education of the elite members and the elected leaders. The following were listed as the aims of cooperative education:

- 59.1 To make the society strong and self-reliant so that it can compete effectively with private enterprise.
- 59.2 To attract new members by which cooperative business can be expanded and the maximum number of people can be brought within the cooperative fold.

59.3 To motivate members to participate in a democratic manner in the affairs of cooperatives.

59.4 To promote communication between the society and members and have members better informed and thereby to increase their knowledge.

59.5 To have members understand and realise the objectives, problems, future plans clearly.

60. The contents of member education may include the following aspects:

60.1 Principles of Cooperation

60.2 Basic and important benefits members can get from the society.

60.3 Providing a clear picture of the affairs of the society.

60.4 Sound guidance for wise selection and use of various articles that are available in cooperative shops.

60.5 Marketing of commodities.

61. Education of elected members is most important. The following ought to be added to the above contents for the elected leaders:

61.1 Cooperative law and bye-laws of the society

61.2 Basic knowledge of management

61.3 Basic knowledge of accounting

61.4 leadership, human relations and communication.

62. With regard to the organisation of cooperative education,

the following suggestions were made on the basis of studies in Sweden:

62.1 All levels of cooperative activities should be integrated and coordinated closely in such a way that educational activities are linked with promoting actual business and avoiding waste of limited resources.

62.2 A great deal of common educational work should be handled by the National Cooperative Union or Federation.

62.3 Educational committees should be formed at all levels so that contents and the implementation of the educational programmes can be constantly reviewed and adjusted to suit the needs.

COOPERATIVE LAW IN SOUTH-EAST ASIA

63. The history of cooperative law cannot be separated from that of the practical movement. Therefore it is as important to understand the special legal status of cooperatives as it is to understand their economic construction.

64. Cooperative law spells state control of cooperative societies. The reasons for this state control, the extent to which there should be state control, the nature of the relationship that should exist between governments and cooperative movements, and the relationship between public and cooperative enterprise, are some of the matters that should be kept in mind when assessing the merits of a cooperative law.

Cooperative Law is necessary -

- (i) to lay down the fundamental conditions which must be observed by cooperatives if they are to remain true to their character;
- (ii) to give such societies a corporate existence without resort to the elaborate provisions laid down for companies;
- (iii) to confer special privileges and facilities upon cooperatives in order to encourage their formulation and assist their operations;
- (iv) to take precautions to prevent speculators and capitalists from availing themselves of privileges which are not intended for them;
- (v) to enable cooperative societies to function freely and fully; and
- (vi) to enable the state to be promoter, guide, coordinator, arbiter and watch-dog of the movement, especially where the State has initiated action for the development of Cooperation, as is the case in Asia.

65. It is significant that the cooperative laws of countries with well-developed and economically sound cooperatives have been stable. Sweden's Cooperative Act of 1911 was in force till 1951. Finland modified her Cooperative Law of 1901 only in 1955 by a more detailed Act.

66. In some countries of Asia the tendency of cooperative legislation has been to vest more and more power in the State both to control cooperative activities as well as to punish misdemeanours. This shows the way in which the attitude of the governments is changing as regards their role

in cooperative development as well as the way cooperatives are deteriorating. So that, in spite of impressive figures, one has to come to the conclusion that where cooperative laws have tended to vest more and more authority in the State, the Movement is losing its autonomy, as well as its integrity. Real progress would be indicated through legislation only when amending legislation has been enacted to cover the practical situation of progress achieved beyond that already provided for, e.g. when cooperatives of special types or at higher degrees of federation have become necessary and the existing legislation does not cover the new situation.

67. The seminar noted that in some countries in South-East Asia there are no general cooperative laws governing all types of cooperatives and the cooperatives of different sectors function under different laws.

68. The seminar felt the creation of general cooperative law in such countries, would help in furthering an integrated development of the cooperative movement in those countries.

#### CRITERIA FOR EVALUATING INVESTMENT PROJECTS

69. The criteria for evaluating investment projects in cooperative sector was considered by the seminar and it was felt that cooperatives should take greater care in investing the scarce resources.

70. Following were listed as important aspects that should be considered in evaluating investment projects :

- (i) The economic aspect
- (ii) The technical aspect
- (iii) The managerial aspect
- (iv) The organisational aspect
- (v) The commercial aspect
- (vi) The financial aspect



71. The seminar also noted that the cooperative sector sometimes have to invest in projects which may not bring about direct economic benefits, but were important in the social development of the members.

#### CONCLUSION

72. In conclusion, it may be stated that some of the distinguishing features of the Asian Cooperative Movements which would affect the principles of leadership and management discussed at the Swedish Seminar and the Swedish cooperative experiences observed by the participants include the existence of a more detailed cooperative law, the important role played by the government in cooperative development and in providing leadership and managerial personnel, the social and economic stratification of Asian communities, and the low levels of general education as well as the lack of adequate arrangements for member education and staff training.

73. It was recognised that the transfer of knowledge acquired by the participants to their own movements and specifically to their own organisations is a difficult and slow process. While changes in policies at national levels may not be easy to accomplish, the application of new ideas gathered by the participants to their own organisations and especially in their own jobs, would be relatively easier.

74. To the extent that training is regarded as an important means of cooperative development, the participants felt that the knowledge acquired by them in Sweden is of considerable value in the task of building up cooperative organisations from which they came.

#### EVALUATION OF THE SEMINAR

75. A questionnaire was circulated at the end of the seminar to all the participants of the seminar asking for evaluatory comments from the

participants and their views about the way in which the seminar could have been improved. A brief summary of these responses is given below.

76. The participants appreciated the holding of this type of seminar for discussing the applicability and adaptation of the knowledge acquired in Sweden to conditions in the Region. The participants felt that the seminar acted as a sort of a stimulus to them to start thinking about the application of the knowledge gained by them in Sweden. The seminar also provided them an opportunity of sorting out what part of the knowledge gained by them in Sweden could be applied to the Movements in the Region, and also the modifications that would be required before they would apply their knowledge to the movements in their home countries.

77. The participants felt that the seminar could have been improved by arranging group discussions on particular problems by having more lectures and discussions on the cooperative situations in the Region, and by locating common problems in the Region and discussing them in detail. Some participants even suggested a longer duration of the seminar continuation. Most of the seminar participants felt that the reports submitted by them should have highlighted more the problems in their own countries and the manner in which these problems could be solved by adapting Swedish experience. Some participants also suggested greater emphasis on study visits in Thailand.

78. A few participants suggested that the seminar continuation should have been held after a lapse of some period. Such an approach would have proved more fruitful in achieving the objectives of the seminar.

79. The seminar would like to express its deep appreciation to the Cooperative League of Thailand and especially to Mr. Thep Saiyananda and Prof. Patom Jarnson and their colleagues for the excellent support provided by the Thai Cooperative Movement to the Seminar.

INTERNATIONAL COOPERATIVE ALLIANCE  
Regional Office & Education Centre  
for South-East Asia  
43, Friends' Colony, New Delhi.14

pk/20th October, 1969

CONTINUATION SEMINAR ON COOPERATIVE LEADERSHIP AND MANAGEMENT

Bangkok, Thailand - June 22 to July 6, 1969

P R O G R A M M E

June 22, Sunday

9:30 a.m. Arrival of participants  
3:00 p.m. Registration of participants

June 23, Monday Venue : Office of the Cooperative League of Thailand

9:00 a.m. - 10:30 a.m. 1. Inaugural Session  
10:30 a.m. - 11:00 a.m. Tea break  
11:00 a.m. - 12:00 noon 2. Recent trends and developments in the  
Cooperative Movement in Thailand

Speaker : Col. Surin Cholpraserd  
Registrar of Cooperative Societies,  
and Chairman of the Board of  
Directors of the Cooperative League  
of Thailand.

12:00 noon - 12:30 p.m. Discussion on the lecture

12:30 p.m. - 2:30 p.m. Lunch

Venue : Imperial Hotel, Bangkok

2:30 p.m. - 3:30 p.m. 3. Discussion on the report "Role of Leaders in  
Cooperative Movement heavily influenced by the  
Government" (Presented by M/s. P. Lal from  
Nepal and A. Patel from India).

3:30 p.m. - 4:00 p.m. Discussion on the report

4:00 p.m. - 4:30 p.m. Tea break

4:30 p.m. - 5:30 p.m. Discussion on the report (Continued)

6:30 p.m. Reception by the Cooperative League of  
Thailand at the Imperial Hotel.

June 24, Tuesday

- 9:30 a.m. - 10:30 a.m. 4. Credit and Marketing Cooperatives in Thailand  
 Speaker : Mr. Chern Bamroongwongse,  
 Deputy Director-General  
 Department of Credit and  
 Marketing Cooperatives, Thailand.
- 10:30 a.m. - 11:00 a.m. Discussion on the lecture
- 11:00 a.m. - 11:30 a.m. Tea break
- 11:30 a.m. - 12:30 p.m. Special lecture on "Cooperative Law in  
 South-East Asia"  
 Speaker : Mr. P.E. Weeraman
- 12:30 p.m. - 2:30 p.m. Lunch
- 3:00 p.m. - 4:00 p.m. 5. Discussion on the Report "The Institution of  
 Honorary Leaders : Role and Limitations"  
 (Presented by M/s. N.G. Raju from Singapore  
 and K. Parameswaran from Malaysia).
- 4:00 p.m. - 4:30 p.m. Tea break
- 4:30 p.m. - 5:00 p.m. Discussion on the report

June 25, Wednesday

- 9:30 a.m. - 10:30 a.m. 6. Special lecture on "Social and economic  
 factors affecting leadership development  
 in Cooperatives"  
 Speaker : Mr. J.M. Rana  
 Director, Education Centre,  
 ICA Regional Office & Education  
 Centre, New Delhi.
- 10:30 a.m. - 11:00 a.m. Discussion on the lecture
- 11:00 a.m. - 11:30 a.m. Tea break
- 11:30 a.m. - 1:00 p.m. 7. Discussion on the Report "Leadership qualities  
 required in Managers" (Presented by  
 M/s. Suparp Sevatasai and Payunsak  
 Petjamroensuk from Thailand).
- 1:00 p.m. - 2:30 p.m. Lunch

June 25, Wednesday (Contd)

- 2:30 p.m. - 3:30 p.m. 8. Role of Land Cooperatives in Thailand  
 Speaker : Mr. Adul Niyomviphat  
 Deputy Director-General  
 Land Cooperatives  
 Department of Land Cooperatives
- 3:30 p.m. - 4:00 p.m. Tea break
- 4:00 p.m. - 5:00 p.m. 9. The Role of the Cooperative League of Thailand in Cooperative Education and Training  
 Speaker : Mr. Thep Saiyananda  
 Director  
 Cooperative League of Thailand  
 Bangkok
- 5:00 p.m. - 5:30 p.m. Discussion on the lecture

June 26, Thursday

- 6:30 a.m. - 10:30 a.m. Visit to the Floating Market
- 10:30 a.m. - 11:30 a.m. 10. The Role of the Bank for Agriculture and Agricultural Cooperatives  
 Lecturer : Mr. Chamnien Saranaga, Manager,  
 Bank for Agriculture and Agricultural  
 Cooperatives, Bangkok.
- 11:30 a.m. - 12:30 p.m. Discussion on the lecture
- 12:30 p.m. - 2:30 p.m. Lunch
- 2:30 p.m. - 5:00 p.m. Visit to the Ministry of National Development  
 and some Cooperative Societies in Bangkok.
- 7:00 p.m. Reception by the Bank for Agriculture and  
 Agricultural Cooperatives.

June 27, Friday

- 9:30 a.m. - 11:00 a.m. 11. Discussion on the Report "Recruitment and training of managerial personnel for larger Cooperative Enterprises" (Presented by M/s. S.K.S. Chib and Y.B. Deshpande from India).

June 27, Friday (Contd)

- 11:00 a.m. - 11:30 a.m. Tea break
- 11:30 a.m. - 12:30 p.m. 12. Factors affecting management development in Cooperatives in South-East Asia
- Speaker : Mr. N.A. Kularajah, President,  
Cooperative Union of Malaysia Ltd.,  
Kuala Lumpur.
- 12:30 p.m. - 2:30 p.m. Lunch
- 2:30 p.m. - 3:30 p.m. Discussion on the lecture
- 3:30 p.m. - 4:00 p.m. Tea break
- 4:00 p.m. - 5:30 p.m. 13. Discussion on the Report "Organisation and Contents of staff training for rural cooperatives at village level" (Presented by M/s. Thiam Hock Lim and Mohd Thani bin Zalanal Abidin)

June 28, Saturday

- 7:00 a.m. - 6:00 p.m. Study visit to Rural Cooperatives in Nakornrajsima and Pakchong (about 240 km. north-east of Bangkok)

June 29, Sunday

- 7:00 a.m. Leave for Chiengmai by bus. Stay overnight at Tak (Bhumibol Dam).

June 30, Monday

- 7:00 a.m. - 5:30 p.m. Study visits in Chiengmai (Continued)

July 1, Tuesday

- 8:30 a.m. - 12:30 p.m. Study visits in Chiengmai (Continued)

July 1, Tuesday (Contd)

Venue : The New Railway Hotel, Chiangmai

- 2:30 p.m. - 3:30 p.m. 14. Discussion on the Report "Efficiency and Democracy : Relationship between Board of Directors and Managers in Cooperatives" (Presented by M/s. D. Wijetunga and S. Prathapan from Ceylon)
- 3:30 p.m. - 4:00 p.m. Tea break
- 4:00 p.m. - 4:30 p.m. Discussion on the report
- 4:30 p.m. - 5:30 p.m. Discussion (Continued)

July 2, Wednesday

- 8:00 a.m. - 12:30 p.m. Study visits in Chiangmai (Continued)
- 12:30 p.m. - 2:30 p.m. Lunch
- 2:30 p.m. - 4:00 p.m. 15. Discussion on the Report "Member education, aim, contents and organisation" (Presented by M/s. Poo Yung Lee and Choo-Han Kim from the Republic of Korea)
- 4:00 p.m. - 4:30 p.m. Tea break
- 4:30 p.m. - 5:30 p.m. Discussion on the report
- 7:00 p.m. Dinner in traditional Chiangmai style by the Cooperative League of Thailand

July 3, Thursday

- 8:00 a.m. - 12:30 p.m. Sight-seeing in Chiangmai
- 12:30 p.m. - 2:30 p.m. Lunch
- 2:30 p.m. - 4:30 p.m. Free
- 5:30 p.m. Leave for Bangkok by air
- 7:10 p.m. Arrive in Bangkok

July 4, FridayVenue : Imperial Hotel, Bangkok

- 9:30 a.m. - 11:00 a.m. 16. Discussion on Report "Criteria for evaluating investment projects" (Presented by M/s. Garcia and Guevarra from the Philippines).
- 11:00 a.m. - 11:30 p.m. Tea break
- 11:30 p.m. - 12:30 p.m. Discussion on the report
- 12:30 p.m. - 2:30 p.m. Lunch
- 2:30 p.m. - 4:00 p.m. Concluding Session
- 4:00 p.m. - 4:30 p.m. Tea break
- 4:30 p.m. Concluding Session (Continued)
- 7:00 p.m. Farewell dinner by the ICA/SCC

July 5, Saturday

Free for sight-seeing and shopping in Bangkok.

July 6, Sunday

Departure of participants.



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CONTINUATION SEMINAR ON COOPERATIVE LEADERSHIP AND MANAGEMENT

Bangkok, Thailand - June 22 to July 6, 1969

LIST OF PARTICIPANTS

CEYLON

1. Mr. Dhanapala Wijetunga  
Morawatta, Ruwanwella
2. Mr. Subramaniam Prathapan  
8, Angle Road  
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3. Mr. Jayasekera Lokurallage  
Assistant Commissioner for Coop Development  
Kurunegala

INDIA

4. Mr. Amarappa Patel  
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5. Mr. Y.B. Deshpande  
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9. Mr. K. Parameswaran  
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  10. Mr. Mohd Thani bin Zalanal Abidin  
Department of Cooperative Development  
Bukit Mertajam, Province Wellesly  
Penang
  11. Mr. Thiam Hock Lim  
Jabatan Kemajuan Kerjasama  
Tapah  
Perak
- NEPAL
12. Mr. Pradyumna Lal  
Deputy Registrar of Cooperative Societies  
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13. Mr. Orlando N. Pagulayan  
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16. Mr. N.G. Raju  
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17. Mr. Suparp Sevasasai  
Cooperative Officer  
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  18. Mr. Payunsak Petjamroensuk  
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