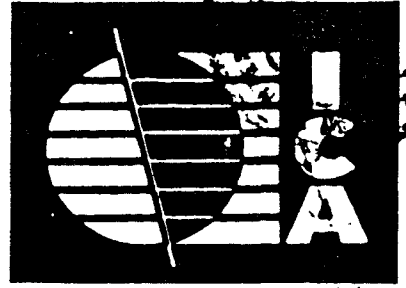


ICA

International Co-operative Alliance
XXVIII Congress, Hamburg
15-18 October, 1984



Congress
Summary

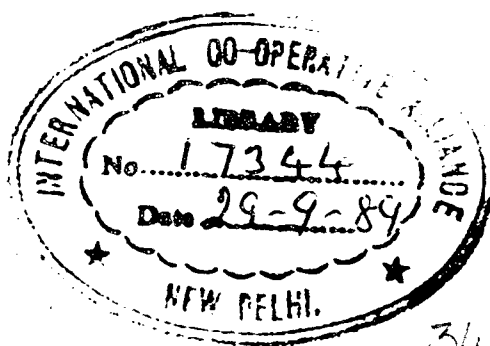
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International Co-operative Alliance

15 route des Morillons, 1218 Le Grand-Saconnex, Geneva - Switzerland

**Twenty-Eighth Congress
Hamburg (FRG)
15th October — 18th October, 1984
Congress Summary**



344 (100) (063)

The 28th ICA Congress Summary is an edited and shortened report of the major debates of the ICA Congress held in Hamburg in 1984. The English text is followed by resumes in French, German and Spanish for the benefit of non English speaking readers.

Acknowledgements

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A copy of the draft verbatim report can be obtained from the ICA Secretariat. A small fee will be charged for duplication and postage.

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Editor: M. Treacy

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Vice President: - vacant -

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- Volksfürsorge Lebensversicherung AG;
- Volksfürsorge deutsche Sachversicherung;
- Gesamtverband gemeinnütziger Wohnungsunternehmen;
- Bank für Gemeinwirtschaft;
- Coop Aktiengesellschaft.

Past Congresses

1.	LONDON	1895	15.	PARIS	1937
2.	PARIS	1896	16.	ZURICH	1946
3.	DELFT	1897	17.	PRAGUE	1948
4.	PARIS	1900	18.	COPENHAGEN	1951
5.	MANCHESTER	1902	19.	PARIS	1954
6.	BUDAPEST	1904	20.	STOCKHOLM	1957
7.	CREMONA	1907	21.	LAUSANNE	1960
8.	HAMBURG	1910	22.	BOURNEMOUTH	1963
9.	GLASGOW	1913	23.	VIENNA	1966
10.	BASEL	1921	24.	HAMBURG	1969
11.	GHENT	1924	25.	WARSAW	1972
12.	STOCKHOLM	1927	26.	PARIS	1976
13.	VIENNA	1930	27.	MOSCOW	1980
14.	LONDON	1934			

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INTERNATIONALER GENOSSENSCHAFTSBUND

XXVIII CONGRESS - HAMBURG, 15 - 18 october 1984

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FEDERACION ARGENTINA DE COOP. DE CREDITO
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L. SCHUJMAN

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J. KLEMEN

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OPHACO
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J. ZAHRADNIK

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ALLEMANDE

DEUTSCHE DEMO-

KRATISCHE REPUBLIK

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DEUTSCHEN DEMOKRATISCHEN REPUBLIK

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W. SEIBT

(accompanied by Mrs WINDICH)

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TURKEY

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(accompanied by I. TODOROVIC)

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XXVIII CONGRESS - HAMBURG, 15 - 18 October 1984

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PROCEEDINGS OF THE XXVIIIth CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

15-18 October 1984, Hamburg, Federal Republic of Germany

Section I – Opening of Congress

More than 443 delegates representing 124 organisations in 56 countries, and over 322 observers and guests, attended the opening of the 28th Congress of the International Co-operative Alliance held at the Congress Centre, Hamburg, on Monday 15th October 1984.

Mr. Roger Kérinec, President of the Alliance, welcomed the participants and especially the Mayor of Hamburg, Mr Claus von Dohnany, whom he invited to take the floor.

Welcome by the Mayor of Hamburg

Mr. Von Dohnany reminded delegates that it was the third time that an ICA Congress had been held in Hamburg, which had a long connection with the co-operative movement. The fact that so many participants from all parts of the world shared a common economic approach, whether they operated within the capitalist or the so-called state-controlled system was one of the important features of Cooperation.

He mentioned the various cooperative and labour movements which had been connected with the City of Hamburg, and their concern for the moral aspect of economic development.

This Congress would deal with the question of change, which would affect the entire cooperative movement. There had already been organisational changes brought about primarily by increased international competition, and it was valid to ask to what extent these would affect cooperative aims and goals. He himself believed that participation was the basis of their work, and that the triangular relation between competition, size and participation, should always be kept in mind.

Finally he hoped that this exchange of ideas in the City of Hamburg would give them the opportunity to learn from each other. He hoped they would enjoy their stay in Hamburg, and looked forward to seeing them that evening in the City Hall, one of the jewels of the City of Hamburg.

In thanking the Mayor, the **President** commented on the informality of his speech, which showed how much he knew about their Movement. He felt the spirit that inspired the City of Hamburg was very close to that which

inspired the Cooperative Movement.

He then introduced Dr. Oswald Paulig.

Welcome on behalf of the host organisations

Dr. Paulig, welcomed participants on behalf of the German cooperative movement, and also as President of the **Bund deutscher Konsumgenossenschaften**, which is the leading organiser of the German member organisations of the ICA, and in the name of the Executive Boards of **Bank für Gemeinwirtschaft, Volksfürsorge Group, Gesamtverband gemeinnütziger Wohnungsunternehmen** as well as **co-op AG...**

The organisers had made every effort to provide the organisational and technical conditions for the smooth running of the 28th Congress and to provide social occasions where delegates could meet and become acquainted with the city and the countryside. He hoped they would make full use of these and enjoy themselves.

Mr. Paulig then spoke about the past ICA congresses which had been held in Hamburg.

The 8th Congress of 74 years ago had been run very differently. For example, Congress finished each day at 1 or 2 p.m., leaving plenty of time for discussions. In 1910, 528 participants came to Hamburg, from Argentina, Austria, Belgium, Denmark, Finland, France, Germany, Hungary, India, Italy, Japan, the Netherlands, Norway, Romania, Russia, Sweden, Switzerland and the United Kingdom. Taking into consideration the travelling difficulties of those days, this represented quite a notable attendance.

Two main tasks of the 1910 Congress were the drawing up of new regulations, and the reduction of the Central Committee to 30 members. Hitherto seats had not been distributed to individual countries according to their financial contribution to the ICA, but according, more or less, to their participation in the debates on International Cooperative Days. If a country sent a large number of eloquent delegates, this was decisive in its representation on the Central Committee. A resolution concerning the present and future development of the cooperative system was also adopted unanimously.

The 24th ICA Congress was attended by 450 delegates from 54 countries and 500 observers and visitors. As at this present Congress, a detailed discussion of the rules was held. Dr. Paulig gave details of some of the resolutions adopted, and reminded delegates that it was at that Congress that the "International Declaration of Consumers' Rights" had been issued, and briefly described its contents which he considered to be "a document of solidarity with mankind, an affirmation of democracy and a proof of the farsightedness of cooperators."

Dr. Paulig then gave a brief account of the history of the German cooperative movement and stressed how the governments of both German States did everything possible to organise peaceful co-existence. Against this background, there was good cooperation between his own organisation and the Consumers' Cooperative Union of the GDR, in accordance with the objectives of the International Cooperative Alliance. He, therefore, took the opportunity of offering a particularly warm welcome to the delegation from the Verband der Konsumgenossenschaften (VdK) of the German Democratic Republic.

Dr. Paulig hoped it would be a successful Congress, and that delegates would enjoy their stay in Hamburg.

In thanking Dr. Paulig for his welcome, the **President** said the conditions provided were excellent, and they were thus in duty bound to have a successful Congress.

Inaugural address by the President

Mr. Kerinec said that as he had, on his election to the presidency, given notice of his intention to end his term of office with the present Congress, it would not be possible for delegates to pass a vote of approval or disapproval on him personally, concerning the policies of the past four years, but he declared his full support of the initiatives taken during that period. They had been difficult years, which could have left a legacy of



Roger Kerinec delivering the inaugural address

problems making it difficult for them to plan their future; the opening of the Congress could have been marked by anxiety, even disarray. This was fortu-

nately not the case, and he believed they were today in a better position than ever, thanks to an honest and clear analysis of the true situation, to define a policy, a work programme, the human and financial resources required, that would faithfully reflect the image they all had of the ICA. And this, without nursing illusory dreams, but in full awareness of the irreplaceable nature of the Alliance which would celebrate its 90th anniversary the following year. He continued:

“The question we must answer, today as yesterday, is: ‘What kind of ICA? to do what?’ Our reply must of course take account of the situation of the national movements, of their development, of the changing world in which we live; but it is up to us, to you, to answer this question, perhaps making more demands on the ICA, but also being fully committed, as responsible leaders which you all are, to give it your full support without any reservations.

“The danger that we have not always managed to avoid is the gap between the magnitude of the tasks we expect from the ICA, and the means at its disposal to carry them out. This gap is partly explained by the different view each movement has of the ICA’s role. But if we must today define our programme, bearing in mind the means we decided in Prague to make available, our aim must be to ensure that those means attain the height of our ambitions. And if we really succeed in defining a common policy, matched by the necessary resources, we shall have no excuse for not putting it into practice.

“The Central Committee, the Executive Committee, the Secretariat admirably managed by our Interim Director, Françoise Baulier, our friends Trunov, Daneau and Wilkinson have worked hard on our behalf. We owe it to them

to make this Hamburg Congress a great Congress, in the interests of us all."

Mr. Kerinec ended his speech with a special thank you to the Mayor of Hamburg.

Introduction of fraternal delegates and guests

The **President** then read the list of official guests who were honouring the ICA by their presence at the Congress. He hoped any of them who wished to join in the discussions would feel free to do so by putting in a request to speak in the ordinary way.

ILO: Mr. F. Wolf, Deputy Director General. Mr. L. Pickett, Co-operative Branch. United Nations (Vienna): Mr. M. Silbermann. UNIDO: Mr. M. Janjic. FAO: Dr. N. Newiger. EUROCOOP: Mr. A. Schöne. CIRIEC: Mr. G. Quaden. International Confederation of Free Trade Unions: Mr. E. Horii. World Confederation of Labour: Ms. D. Aguessy. World Federation of Trade Unions: Mr. A. Morosov. COGECA: Dr. H. Kellner. World Veterans' Federation: Mr. J. Wabitsch, Mr. H. Lüdeke. Women's International Democratic Federation: Ms. J. Hund. COPAC, Mr. J. Shaffer. Swedish Cooperative Centre: Mr. A. Carlsson.

Apologies had been received from: UNESCO, UNDP, the Royal Norwegian Society for Rural Development, DANIDA, the International Federation of Plantation & Agricultural Workers (IFPAW), and the World Bank.

The President said there had been several greetings, one from the new President of the Organisation of the Cooperatives of America (OCA), Sr. Armando Tovar Parada, which would be read out

at the end of this session, gave news of the situation of the cooperative movement in Latin America another from Dr. Hector Polino, Secretary for Cooperative Activities in the Argentine Ministry for the Economy, which emphasised the new democratic system in Argentina, and a third from M. Francis Blanchard, Director-General of the ILO, stating that Mr. Wolf, his Legal Advisor and Deputy Director General, would represent him at the Congress.

The President said he did not need to stress the importance of the privileged relationship which the ICA had always enjoyed with the ILO since the creation of the ILO Cooperative Branch, and they were now, of course, close neighbours in Geneva. It gave him great pleasure to introduce Mr. Francis Wolf.

Greetings from the ILO

Mr. Wolf, Deputy Director General of the ILO:

"It is an honour to address the representatives of more than 360 million co-operators in the name of the International Labour Office and of its Director General, Mr. Francis Blanchard.

Relations between the ICA and the ILO have always been of a privileged character. As the Director General of ILO stated at your 26th Congress in 1976: "the principles which guide us are very similar; they are based on social reality and the permanent needs of the working man."

Our two organizations are pioneers of the ideals of social progress, solidarity and liberty at international level, and we have a long tradition of collaboration and concerted action. Allow me to remind you of the initial decisive boost

given to our relationship by Albert Thomas, first Director of the ILO and a militant co-operator. In March 1920, only a few minutes after the creation of the ILO, the co-operative branch was opened. Albert Thomas had foreseen the role which the co-operative movement could play as an instrument of economic and social change. I also remember here his friend Edgard Milhaud, the companion of Charles Gide and George Fauquet.

From 1920, the co-operative programme of the ILO has developed in parallel with the co-operative movement. The programme has passed through three successive phases:

1. From 1920 to 1951, it gave indirect support to co-operatives through studies, research and dissemination of information, and tightened links between co-operative organizations.
2. After the Second World War, with the political emergence of a number of Third World countries, the ILO opened several consultative departments to serve its new members, and from 1952 – 1968, more than 200 projects took place in 65 countries. These projects were mainly concerned with elaborating co-operative legislation, organizing co-operative management and structures, training senior personnel, forming specialized financial institutions and organizing the co-operatives into national unions.
3. In 1966, the General Assembly of the ILO adopted a recommendation concerning the role of co-operatives in the economic and social development of the developing countries, especially in regard to agrarian reform. Since 1969, the co-operative programme of the ILO has continued

to expand and send teams of experts into the field. Today there are 35 technical projects ongoing in 25 countries.

ILO has also undertaken studies in different areas:

- the improvement of co-operative management
- the role of co-operatives in agriculture
- the participation of women in co-operatives
- multiple-purpose rural co-operatives
- co-operatives at the service of the urban poor

The relationship between the ILO and the Alliance has continued uninterrupted since 1921 and is becoming stronger. The Alliance is one of seven international organizations which has a consultative status with the ILO and is permanently entitled to attend ILO meetings.

In this way our collaboration takes place at all levels and the ties between the ILO co-operative branch and the ICA Secretariat are becoming closer; the same development is taking place between the ILO overseas offices and ICA regional offices.

The ICA and ILO work together through the Committee for the Promotion of Aid to Co-operatives (COPAC), together with the United Nations, Food and Agricultural Organization (FAO), International Federation of Agricultural Producers (IFAP), International Federation of Plantation, Agricultural and Allied Workers (IFPAAW) and the World Council of Credit Unions (WOCCU).

But the richness of our common experience is drawn, above all, from deep thought and from our work in the field.

Among the recent accomplishments of the ICA I wish to single out the publication of "An ICA Policy for Co-operative Development", which recalls the objectives and principles of the Alliance and defines its priorities.

You have chosen to deal with two fundamental questions during this Congress:

- The first concerns the ideological and political orientation of the co-operative movement. How can co-operatives survive when faced with fierce economic competition? How can the movement adapt to the realities of today and the requirements for change?
- The second is the role of the co-operative movement in regard to current world problems. How can the movement be in a position to reply to the needs of millions of men and women in developing countries, especially the poorest among them? Has the time come to define the final objectives of the movement as envisaged by Laidlaw in "Co-operatives in the Year 2000"? It is true that for some time there has existed a "crisis of values within the world co-operative movement" to quote Mr. Yvon Daneau. We at the ILO do not doubt the future of the movement. A recourse to the "Welfare State" does not appear as the panacea to all problems anymore. There is not a realistic solution which does not call for more participation and motivation of individuals.

In this regard, co-operators appear more than ever as instruments of great value in development of human resources. They play an important role in safeguarding liberty, democracy, equity, solidarity, the respect of human rights and world peace. The report on

the promotion of the co-operative movement, presented at the General Assembly of the United Nations in January 1983 by the Secretary General, Mr. Perez de Cuellar, supported this theory.

In order to play an even greater role, the co-operative movement should certainly continue to diversify its activities, its roots in diverse cultural and socio-political contexts, and its openness – in particular vis-à-vis youth and the poorest and most vulnerable members of society, and continue to modernize while, at the same time, preserving its specificity.

There is a large identity of views between the Alliance and the ILO. In particular, both organizations consider it absolutely necessary to tackle the global world problems with which we are faced today: rural and urban poverty, malnutrition, unemployment, desertification, while conciliating material progress with cultural values and the safeguarding of the environment.

The ILO programme for the period 1984 – 1987 covers three principle areas:

- the promotion of the application of recommendation 127 by the member states;
- reflection, study, research and publication of information on co-operative development, with priority on analysing the conditions favourable to co-operative development, analysis of banking and credit in rural environment, the revision of the workers education manual, and the deepening of research into urban co-operatives for those most in need, in particular in the area of housing;
- the third area is co-operative technique, and ILO co-operates closely with the United Nations agencies

(High Commission for Refugees (HCR), United Nations Development Programme (UNDP) International Fund for Agricultural Development (IFAD) and World Food Programme (WFP)), the World Bank and regional development banks. Priorities are the creation and promotion of employment, the fight against poverty, the development of co-operatives serving the most vulnerable members of society, i.e. women, youth, the handicapped, landless peasants, the unemployed, refugees and migrant workers. In this area emphasis is placed on:

- the diffusion of appropriate technology;
- the promotion of co-operative education and management training. On this last point the ILO has a project called MATCOM (Material and Techniques for Co-operative Management Training) which is concerned with improving the education techniques and material for co-operative managers. This project is complemented by ICA's CEMAS (Co-operative Education Materials Advisory Service) which is concerned with improving co-operative education materials and methods in developing countries. The ILO also works closely with the International Co-operative University.

Finally, another priority is the amelioration of conditions of commercializing agricultural products. The ILO has initiated a project financed by SIDA (COOPTRADE) to promote inter-co-operative trade in certain Asian countries and in the industrialized countries.

In conclusion, allow me to thank you for the quality and warmth of the welcome I received from the German co-operative movement and the town of Hamburg, and to express my sincere

wishes that your work here will further consolidate the international co-operative movement. I underline once again the exemplary character of our mutual co-operation and express the wish to see this collaboration develop.

The **President** thanked Mr. Wolf for attending the Congress, and asked him to convey his personal regards to Mr. Blanchard.

Greetings from the United Nations

Greetings were presented by **Mr. M. Silbermann**, Chief of the People's Participation in Development Section, Centre for Social Development and Humanitarian Affairs, Vienna, who brought greetings from Mr. Shuaib Yolah, Under-Secretary-General of the Department of International Economic and Social Affairs, and Mrs. Leticia Shahani, Assistant Secretary-General of the Centre for Social Development and Humanitarian Affairs.

He stressed that the United Nations had a long record of commitment to the ideals and practices of co-operatives. Early on, it had recognised the important role cooperatives perform in promoting the welfare of their members and strengthening the development process. This view had been reflected in resolutions by the United Nations General Assembly and the Economic and Social Council. He commended the ILO, FAO and UNIDO, for the yeoman work they have been doing to assist co-operatives. The Secretary-General of the UN, Mr. Javier Perez de Cuellar, in a recent address, had paid tribute to the UN Specialised Agencies for the major contribution they have made to the alleviation of

global problems. One such important contribution was in cooperative development.

The United Nations itself had helped focus attention on co-operative activities at international level through its biennial reports on **National Experience in promoting the Co-operative Movement**. These reports were the subject of much interest and attention in the General Assembly and the Economic and Social Council (ECOSOC).

The United Nations had also been an active member of the *Committee for the Promotion of Aid to Co-operatives*.

A much neglected area in development, particularly in Africa was the production and marketing of food. The UN felt that co-operatives could help narrow the gap between production and consumption of food.

Much attention had been focused by the ILO and FAO on what co-operatives could and had done to assist the poor in developing countries. This was also a matter of great concern to the entire family of United Nations agencies and organizations.

No less important was the need to help such population groups as women, youth, disabled persons and the elderly. Co-operatives could benefit these long neglected elements of society. In 1983 the United Nations International Year of Disabled Persons Trust Fund had provided a grant to COPAC to conduct a study on ways to promote co-operatives of disabled persons. The Voluntary Fund for the United Nations Decade for Women had also provided a grant to COPAC to conduct a study on ways of strengthening women's involvement in co-operatives.

The United Nations was mindful of the long record of the ICA in promoting cooperative development on a global scale. True to its mandate, the ICA had been particularly supportive of co-operatives in developing countries where the need for expert and disinterested assistance was greatest.

Greetings from the FAO

A telex was received from **Mr. A. Regnier**, Director of the Office for Inter-agency Affairs, FAO recalling that almost 40 years ago the ICA had been granted consultative status with FAO marking the beginning of four decades of constructive collaboration between two organisations committed to alleviating rural poverty in the Third World. In view of the challenging task ahead and the growing sense of urgency in meeting this challenge it was mandatory to share experiences. The World Conference on Agrarian Reform and Rural Development (WCARRD) of 1979 marked a milestone when, for the first time, national governments made a political commitment towards policies of agrarian reform and rural development with the firm objective of growth with equity, through improved access to resources and people's participation.

FAO's mandate was enshrined in the 'Peasants' Charter' which considers people's participation in the institutions and systems which govern their lives as essential for realignment of political power in favour of the disadvantaged groups and for socio-economic development.

Participation should be embodied in cooperatives and other grassroots organisations and in well-defined linkages with government institutions,

allowing the people opportunity to voice their views. Cooperatives may need support by governments in their infancy, in order to become self-reliant and self-governing people's organisations.

The ICA Policy for Cooperative Development would provide an excellent base for the further promotion of the cooperative idea in the Third World. Mr. Regnier welcomed the continued interest of the ICA in the programmes and policies of the FAO and other Specialised Agencies of the UN, and the emphasis on innovative new programmes designed to stimulate participation of men and women at grassroots level.

In conclusion, he wished all participants success in their deliberations and their efforts to help the disadvantaged of this world to help themselves.

Message from the President of the Organisation of the Co-operatives of America (OCA)

The message gave a brief account of the Situation in Latin America which was going through a period characterised by uncertainty, inequality and increasing social instability.

Mr. Parada said that the great inequality which existed between nations and within society undoubtedly encouraged social conflicts, which were dangerously aggravated by East-West polarisation and the intervention of the great powers as is the case in Central America today.

The problem of foreign debts was another factor which dramatically

affected their fragile structures and threatened the stability of the few authentic democratic regimes that still survived in the region, impeding understanding and peaceful coexistence between peoples.

The nature of this economic crisis, originating in the highly developed countries but then transferred with all its negative consequences to Latin America, highlights the structural vulnerability of our economies, and our dangerous dependence on external factors.

Mr. Parada stressed that commitment and universal solidarity of cooperators were necessary to create a "new order" which would make it possible to surmount the present crisis.

The cooperative movement fulfilled the requirements demanded by such change because: it was rooted in the people, it operated on a basis of democracy and participation; it undertook economic activities which fulfilled an important social function despite the hostile environment prevalent in some countries; it had shown a great deal of entrepreneurial efficiency with the careful management of technical factors, and had maintained a healthy balance between economic and social aspects, thus encouraging a more humanitarian economy.

The report continued: "We take this opportunity of proposing to the ICA, an idea long cherished by Latin American Cooperation, that it establish a regional office in Latin America, similar to those already existing in other continents, for which OCA offers its full collaboration and support, thus putting into practice real global integration, in the certainty that the establishment of such an office would strengthen the links of collaboration and the unity of our movement."

The report also proposed that the Congress approve a resolution to honour the memory of Mr. Jerry Voorhis, a cooperator emerito, defender and supporter of integration at continental and world level.

Appointment of the Congress Committee

The **President** presented the names recommended by the Central Committee and said the Congress Committee had to ensure that the Congress proceedings were in accordance with the ICA Statutes, and was also responsible for coordinating and finalising the wording of the various motions.

The constitution of the Congress Committee was as follows: the President and Vice-Presidents, 3 members elected by the Central Committee, and 3 by the Congress, making 9 members in all. The ICA had at the moment only one Vice-President, and the Central Committee had, therefore, suggested that the Congress should elect 4 members.

The Central Committee had elected: Mr. Mathimugan (Malaysia), Ms. Itkonen (Finland), Mr. Trunov (USSR). The persons suggested by the Central Committee for election by the Congress were: Ms. Deverick (USA), Mr. Dibba (Gambia), Mr. Kaminski (Poland) and Mr. Lacroix (France).

There were no other nominations, and the Congress approved the list as proposed.

Appointment of Tellers

The Congress approved the 8 names proposed by the Central Committee: Ms. Lindström (Sweden), Mr. Heinen

(FRG), Mr. Haari (Switzerland), Dr. Schujam (Argentina), Mr. Ouglev (USSR), Ms. Bunn (UK), Mr. Cechvala (Czechoslovakia) and Mr. Catalano (Italy).

Obituaries

The **President** said that, seldom had there been so many deaths of eminent officials within their ranks. They included: his predecessor, Mauritz Bonow (Sweden), Andreas Korp (Austria), Glenn Anderson (USA), Valdo Magnani (Italy), Alex Laidlaw (Canada), Charles-Henri Barbier (Switzerland), Jerry Voorhis (USA) and Ms. Gertrude Polly (UK) former General Secretary of the ICA, Raymond Lemaire (Belgium), Chairman of the International Cooperative Insurance Federation (ICIF), and Stoyan Sulemesov (Bulgaria), Vice-Chairman of the Agricultural Committee. The list also included many who were members of Central Committee or active in the Regions: Mark Addo (Ghana), Emil Debrunner (Switzerland), Mikhail Denisov (USSR), Hans Handschin (Switzerland), Admad Hourmain (Malaysia), Alexander Jankauskas (USSR), Hans-Rudolf Muller (Switzerland), Karl Novak (Czechoslovakia), Okumu Odede (Kenya), Roland Pigeon (Canada), and more recently, Gunnar Christensen (Denmark) and Dr. Livio Malfettani (Italy), a longstanding member of the Central Committee and a former Chairman of the Agricultural Committee.

Section II

Report of the Central Committee on the Work of the International Co-operative Alliance 1980-1984 *

Introduction to the Debate

In presenting the report, **Ms. Baulier**, Interim Director, ICA, said that choosing the material for inclusion had been difficult. Also, as with everything done at the Secretariat during the past year, the report had to be written at top speed to allow time for translation. The President had said he would prefer ICA reports to concentrate more on important aspects, responding better to the information requirements of the co-operative world. But innovation without destruction required time for reflection, so they had decided to stick to a tradition which had proved its worth. Ms. Baulier was sure that innovation would come with the new Director and his team.

She wished to comment on certain weaknesses and omissions:

1. Relations between the secretariat and member organisations

These had been constrained by circumstances for the past several years. But if the Secretariat had been able to devote the vast amount of time spent on financial aspects – analysing the subscription position, chasing up payments

in arrears, incomplete and missing documents – to getting to know their members more thoroughly and setting up the services required by them, members today would be reaping sufficient benefits to convince them of the advantage of being affiliated to the ICA.

2. ICA financing and budget

The report was well documented, but she wanted to emphasise the need for members to assist the Secretariat to make better use of the funds they provided.

For example, if the Spanish-speaking delegates were able to read the Congress reports in their own language, they had several member organisations to thank for this: Centrosoyus provided its own report in two of the official ICA languages; the Central Cooperative Union (Bulgaria) had supplied Mr. Pramov's Case Study in all the official languages; the Desjardins Movement had offered the Secretariat the use of word-processing machines which reduced work and therefore costs; and the FNCC had printed the reports. This released funds which could then be used to cover the additional translation and distribution costs.

To many delegates accustomed to managing large budgets, this example might appear marginal, but as ICA's

* See Agenda & Reports, available in English, French, German, Spanish and Russian from ICA Publications Department – Price S.Fr. 9.80

budget barely allowed it to cover the costs of the statutory meetings, the fact of being enabled to provide an additional service was a cause for celebration. In the ICA budget, meetings were the second most costly item largely due to the expense of translation, interpretation and distribution of documents. As in certain UN organisations, it might become necessary to limit the length of reports in future.

3. Statistics

The statistics given in the report were dated prior to 1980. This was because the ICA had virtually ground to a halt in 1981, and it would obviously take time to get everything working smoothly again.

The Secretariat would have to make an unprecedented effort to carry out the research urgently required by members. Under present conditions, to expect the ICA to do this would be equivalent to trying to launch an intercontinental flight before building the runway. The Secretariat must be freed from the unproductive tasks previously mentioned, and member organisations must furnish all the information at their disposal, to allow it to re-establish its information base. In fact, this was a statutory obligation.

4. Follow-up of Congress Resolutions

Every four years the Secretariat asked member organisations and Auxiliary Committees to report on how they had implemented the resolutions adopted by the previous Congress. The eight organisations that completed the questionnaire could not be regarded as a representative sample, but the replies were

valid as examples, which was why they occupied an important place in the report.

Ms. Baulier felt that in this instance it was partly ICA working methods which were at fault. When the Secretariat acquired a computer, it would be able to take note of all information received from member organisations between Congresses, could produce its own analysis, and have this approved by the relevant organisations. However, this part of the Report was far from reflecting the reality of members' cooperative activities, especially with regard to technical assistance to the Third World.

On the other hand, one of the most remarkable phenomena in the history of the ICA was the dissemination of the Laidlaw Report in 14 languages, with a 15th to come, and perhaps others of which the ICA had no knowledge.

... This was perhaps the place to draw attention to another characteristic of this period, which was the increase in the number of meetings of the Executive Committee and its Sub-Committees. The problems facing the Executive Committee today were identical with those on the agenda of the so-called "Brainstorming Session" of the Executive Committee meeting in Versailles in March 1981.

She felt the ICA had a tendency to argue overmuch in terms of structures rather than practical objectives. The result was that the weight of its structures was stifling it and sterilising its activities, especially the regional programmes. The difficulties experienced by the central office over the past four years had prevented it from applying all the necessary correctives at the appropriate moment.

5. The Auxiliary Committees

Ms. Baulier had the feeling that at the present time the Secretariat demanded more of the Auxiliary Committees than it returned to them in services. When the Secretariat had still supported and assisted the activities of the Committees, their documentation was naturally available at the head office for use by the Secretariat; today, as there was no continuous link with some Committees, the Secretariat received very spasmodic information, or none at all.

At the risk of increasing the workload of the Committees, she would like to suggest that the Secretariat should figure on all their mailing lists until it was in a position to provide them with genuine service.

In conclusion, Ms. Baulier said she had come to the end of the mandate entrusted to her. She wished to thank the President for enabling her to live that experience, and for his advice and support; the members of the Executive

Committee who had unreservedly given her their support; the translators of the reports, some of whom had worked day and night or during their holidays, to get the texts out on time; and especially Robert Davies for his friendship and his accessibility at all times.

She wanted above all to thank the Secretariat staff, both in Geneva and the Regional Offices – they had been superb. She assured delegates that while most of the staff might be new to the cooperative movement, their motivation was authentic. They needed to be encouraged, because after two difficult years, there would probably be one or two more. But today they deserved the applause of the Congress, and she thanked them for their support, their trust, and their friendship.

Debate on the Report

The first speaker was **Mr. Ishikawa** (Japan), Chairman of the National Feder-



Mr. Beasley, ICA's incoming Director, working with one of the Auxiliary Committees.

ation of Agricultural Co-operative Associations (Zen-Noh).

Speaking on section **2.1.1. Collaboration between Co-operatives**, he said Zen-Noh had played a key role in promoting collaboration between the agricultural co-operatives (Zen-Noh) and the consumers' cooperatives (the JCCU) in Japan with a view to cutting distribution costs.

The report on Global Problems mentioned trade imbalances caused by the different degree of economic recovery in various countries. In Japan there had been a tendency to offset the imbalance caused by the large export trade in industrial goods, by increasing imports of agricultural products, which was becoming a threat to Japanese farmers. His view was that every country should be self-sufficient in basic agricultural products.

However, he did not advocate protectionism. Zen-Noh tried to promote "collaboration between co-operatives". They had a licensing agreement with SODIMA (France) to produce Yoplait yogurt, an agreement with Centrosoyus (USSR) to exchange textiles for timber and had installed a grain elevator in Louisiana, USA, to facilitate grain exports. Zen-Noh also had a long-standing association with the All-China Federation of Supply and Marketing Cooperatives and was helping them with the setting up of a meat research laboratory near Peking.

They also exchanged personnel, technological know-how and trade, with many other cooperatives of different types in different countries.

Agricultural producers were against the indiscriminate liberalisation of trade in agricultural products. Instead, farm

producers should be allowed to respond to the genuine needs of consumers, and supply them with the best food available in any given climate or geographical area.

Mr. Kaminski (Poland) said the period 1980-84 had been particularly difficult. He reminded the Congress that the Executive Committee, the President, Mr. Kerinec, and the Vice-President, Mr. Søiland, had devoted considerable attention to reorganising the ICA to work more effectively. Among the actions taken, he mentioned:

- the revision of the ICA Rules, aimed at defining the tasks and responsibilities of the various ICA bodies;
- new bases for calculating member subscriptions, with a view to balancing the ICA's budget;
- the final decision concerning the change of location of the ICA headquarters, appointment of new personnel and the new director;
- the preparation of Mr. Daneau's and Mr. Trunov's reports.

While the Report of the Central Committee also detailed other activities, he had mentioned these few items to remind them of what had been done in relation to what was still lacking.

Mr. Kaminski expressed his thanks for the way in which the work of leading the ICA had been carried out during a very difficult period.

Mr. Leite (Portugal) said his organisation, Instituto "Antonio Sergio" do Sector Cooperativo (INSCOOP), approved the report, even though it was a report of "the possible" rather than "the desirable".

When only 8 out of 169 affiliated organisations had reported on the

implementation of resolutions adopted by the Moscow Congress, and when one heard criticism of the Secretariat's inefficiency expressed by numerous delegations, it was impossible not to ask oneself which side should bear the blame for this.

INSCOOP proposed to strengthen its links with the ICA and the specialised committees, and to promote increasing contact with other Portuguese-speaking countries.

His organisation did not take too seriously the omission of reference to the Seminar on Cooperation and Development, which they had held following the Laidlaw report, since it did appear in the ICA News, which complemented the report.

Mr. Leite said that all resolutions adopted by ICA were translated into Portuguese, published by INSCOOP, and then distributed at all meetings and conferences in which they participated. INSCOOP placed itself at the disposal of the ICA for the translation of cooperative teaching material, and hoped other movements would do the same.

Mr. Chigir (USSR) said Centrosoyus approved the Report which showed that, in spite of the difficulties during this period the ICA had done much useful work for its members and for the development of cooperation in the world, expanding the work of the Regional Offices and strengthening its links with the UN and its Specialised Agencies.

The report had been quite frank about the ICA's deficiencies. However, Mr. Chigir said that with regard to complaints by member organisations concerning the ICA Secretariat, many of its shortcomings were due to the members

themselves. He instanced the annual shortfall in membership subscriptions and the fact that, in spite of the decision of the Central Committee in Prague, in 1983, to increase the membership subscription by 10% in 1984, as part of a planned increase over three years, this increase had been paid by less than half the members. The rest had ignored it and Centrosoyus considered this attitude quite inadmissible, and felt that organisations should make every effort to meet their membership obligations as laid down in the ICA Rules.

Centrosoyus would like to see the ICA a more open and a more representative organisation, consistent and active in matters of principle such as the struggle for peace and disarmament, the protection of the workers' interests and the poorest groups of the population; cooperation with democratic people's organisations and movements; and the provision of greater assistance and support to the developing countries.

He hoped that the useful work done by the ICA during the past four years would be expanded and diversified in the future – and he believed the resources were available to do this.

Mr. Iwamochi (Japan) referred to section 5.1.1. which described activities of the **Regional Office for S.E. Asia** since the previous Congress. The first Top Leaders' Conference held by the Regional office in 1974, had done a great deal to promote a feeling of solidarity among the movements in the Region.

However, he hoped that the new project-oriented approach recommended by the Swedish Cooperative Centre's evaluation team, with its emphasis on technical management training, would not mean that the needs of cooperative education were ignored, and he won-

dered if they were not being a little short-sighted in stressing short-term objectives, since education was a long-term measure and did not show immediate results; Education was indispensable; they could not expect a strong Movement without it.

He sincerely hoped that the ICA would make every effort to improve the quality of cooperative education, and that education would still form an important part of the recommended project-oriented activities.

The **President** said they had now come to the reports on the activities of Auxiliary Committees and Working Parties.

Mr. Wilkinson (Consumer Committee – section 6.3) said his Committee had not been very active in the past 12 months; he hoped they would be more so in the years ahead, and also that the ICA Secretariat would make provision for servicing his Committee, as this made for better coordination of its work within the ICA framework.

He then informed delegates about a Japanese Consumer Co-operative Union (JCCU) initiative, which had recently brought together three of the largest consumer cooperatives in the world, Nada Kobe (Japan), Konsum Stockholm (Sweden) and Coop-Dortmund (Fed. Rep. of Germany) for a discussion on the future direction of large-scale consumer co-operatives. This was the sort of event the Consumer Committee hoped to encourage in the future, and he took the opportunity to congratulate the JCCU for their initiative in this field.

Ms. Jonsdotter (Women's Committee – section 6.8) said her Committee was the largest Auxiliary Committee with 70

members from 47 cooperative organisations in 36 countries, including 13 from Africa, Asia and Latin America and representatives of all co-operative sectors except Fisheries.

They had held four meetings in Hamburg: Executive, full Committee Women's Conference and a joint conference with AGITCOOP.

The Plenary session endorsed the policy statement "Educational Opportunities for Girls and Young Women – the Co-operative Contribution", which was their contribution to the UN Youth Year 1985, and as such had been presented to the ICA Executive Committee. Mr. W. Campbell, the ICA Permanent Representative with the UN, had spoken about the Women's Conference to be held the following year in Nairobi to review the UN Decade for Women, to which the Committee hoped to send a large delegation, obviously comprising mainly their very active women members in Africa.

The Women's Conference, held every Congress year, was devoted to discussion of the past, present and future of the Women's Committee. Raija Itkonen had presented an excellent paper, which was followed by 27 brief and pertinent interventions. The Conference endorsed the Committee's work programme up to 1988, which included a seminar in Sofia in the spring of 1985, by kind invitation of the Central Co-operative Union of Bulgaria, which was also paying for 20 representatives from Africa, Asia and Latin America to attend the seminar.

Part of the strategy of the Women's Committee was to hold joint meetings with other specialised committees. In Hamburg they had held a Joint Conference with AGITCOOP, devoted to dis-

cussion of the ICA's co-operative development policy. The Resolution adopted by the Conference had been submitted to the ICA Executive Committee. They had also been invited to hold a joint meeting on Member Participation with the ICA Consumer Committee in Japan.

Their future programme also included research: subjects suggested were (1) Women's Access to Credit, possibly in conjunction with the Banking Committee or the International Liaison Committee on Co-operative Thrift and Credit, and (2) The Membership Rights of Women in Agricultural Co-operatives.

Finally, Ms. Jonsdotter reminded delegates that the Women's Committee would be reconstituted after Congress. She said that in the Women's Committee they had devotion, collaboration and love – which was what some people would call Co-operation. They supported each other, so that they dared to stand up in the Congress, and in conferences and meetings back home.

Mr. Lindstroem (Housing Committee – section 6.5) said his Housing Committee was carrying out a study. "The situation of Housing Co-operatives between State and Market", which he hoped would be available to delegates at a later date.

Mr. Lindstroem said that, although the Housing Committee was small they were providing more than their fair share of the Alliance's financing. Delegates would have noticed from the Congress documentation that in many countries the housing cooperatives, were paying higher membership subscriptions than, for example, consumer cooperatives. The Housing Committee felt there was something wrong with the formula for calculating the contributions

of housing cooperatives. He would be meeting the Director in Geneva to try and find a solution to this problem.

Mr. Champeaux (Tourism – section 7.5)¹ said the Central Committee had only devoted 22 lines to the subject of tourism which concerned 286 million people, with a turnover of 100 billion dollars in the international sector alone. Tourism was a rapidly expanding consumer need, linked to the progressive reduction in working hours and improved living standards. An eminent futurologist believed that tourism would be the principal world industry in the year 2000, even though the Laidlaw paper had not mentioned it. In several countries tourism created more jobs than the heavy and processing industries, and in some countries it represented over 10% of the gross domestic product.

This was why the 26th ICA Congress in 1976 had adopted a resolution recommending the creation of a Working Party on Co-operative Tourism, and had devoted a Central Committee meeting to the discussion of leisure problems. The group, now the International Union of Co-operative and Associated Tourism (UITCA), comprised 40 co-operative organisations in 30 countries, including travel agencies and international co-operative societies.

By its very nature, tourism concerns many cooperative sectors: credit for its financing, insurance for travel and for buildings, housing (construction) and producer co-operatives for building and

1) See section 7.5 – the Working Party on Cooperative tourism was dissolved in 1983, to make way for the creation of the International Union of Cooperative & Associated Tourism (UITCA) which is not an ICA body, and at the date of Congress was not a member-organisation of the ICA.

equipping hotels etc., agricultural and consumer co-operatives for supplies, transport co-operatives, etc. Tourism could, therefore, be regarded as a model inter-co-operative activity, and UITCA was in touch with an ever increasing number of inter-cooperative groups.

He would not dwell on the increase in trade and jobs resulting from the creation of tourist facilities: they were an obvious factor in the development of certain countries, and UITCA provided practical advice and assistance.

Cooperative tourism could also make a contribution to the future work programme of the ICA, but it needed the support of Congress and the movements. Tourism was, above all, a sector of the future.

Not only did they have the technical means to be as efficient as the private sector, but the Charter of Tourism adopted by the 1980 Congress in Moscow committed the cooperative movement to provide a different kind of tourism concerned with young people, the environment, consumer protection, international peace: four subjects which had been discussed by Congress, and on which it had passed resolutions, over several years. An additional factor was that only cooperative tourism, social tourism, offered sufficiently low prices to meet the requirements of poorer families, which were also those most in need of holidays.

Mr. Fisher (International Co-operative Insurance Federation (ICIF) – section 6.7) wished to update delegates on developments since the preparation of the Report.

They had held an extremely successful pre-Congress 3-day seminar in Ham-

burg, attended by the ICA Director. They had discussed what should be the proper objectives of co-operative insurance companies, the techniques and strategic planning necessary to achieve them, the sharing of risks around the world, and how they could help emerging co-operative insurance societies.

There was obviously insufficient time for him to give a comprehensive report but he wished to mention the addition of two new regional affiliates: the American Hemisphere Association; chaired by Mr. Edwin Quinones of Puerto Rico and formed in 1983 to bring together the member societies in the Americas and provide for more involvement of the Latin American sector; and a new regional association to serve the members in Asia and Oceania, formed at the conference in Hamburg and to be chaired by Mr. Sachifumi Ochiai of Zenkyoren (Japan).

ICIF now had a total of 83 members in 37 countries and a gross premium income of over 13.4 billion dollars.

Mr. Ellis Wohlner of Folksam (Sweden) had represented ICIF in the last session of the UNCTAD Committee on Invisibles and Financing related to Trade (CIFT) in December 1982.

Mr. Hess (Banking Committee – section 6.2) mentioned the increasing collaboration between co-operative and commonweal banks, a symptom of the links being developed between the co-operative and other sectors.

To update the report: they had had an Executive meeting in Windermere (UK) in June 1984, and Executive and Plenary meetings a few days ago in Hamburg.

Mr. Saito (Fisheries Committee – section 6.4) said he had attended many ICA

Congresses over the past 18 years, but this was the first time he had been able to address them in his own language, and this opportunity gave him great pleasure.

To add to the report of his Committee's activities: they had held a pre-Congress meeting attended by 20 representatives from 10 countries and 2 international organisations.

He then briefly described their programme of activities for the coming four years. He said it must be recognised that the fishing industry should be primarily a provider of food for the people of its own country, whatever the type of fishery. Development aid to fisheries in the developing countries was not serving this purpose, but was being used to acquire foreign exchange through trade rather than for improving the country's living standards and eliminating poverty and hunger among its fishermen.

The Committee's main activity lay in education and training, and Zengyoren (Japan) had agreed to organise the Fisheries Co-operative Seminar for S.E. Asia, as it had done in the past. He hoped constructive projects would also be organised in other regions. The Co-operative Fishermen's Bulletin would continue to provide an invaluable forum for the exchange of information and experiences of co-operators.

The Committee was also discussing ways of carrying out feasibility studies and evaluation of development projects, and the best way of providing co-operative management advice.

He appealed for the support and co-operation of delegates for the Fisheries Development Fund.

Finally, he appealed for more support from the ICA Secretariat, such as the allocation of a Secretary to the Committee, which was essential for its effective functioning.

The following report was submitted in writing, but was not presented at the Congress due to lack of time:

Report of the Pre-Congress Meeting of the International Liaison Committee of Thrift and Credit Co-operatives.

Participants had discussed a report on a consultation: "The Mobilisation of Co-operative Institutions and Financial Systems in Favour of Rural Development" organised jointly by the FAO and the International Liaison Committee in Lomé (Togo), in June 1984. The consultation which was attended by some 60 representatives from 14 French-speaking African countries, pinpointed the irreplaceable role of thrift and credit co-operatives in obtaining an effective rural development policy appropriate to local structures.

Discussions had also taken place on preparations for the VI International Conference of Thrift and Credit Co-operatives to be held in Buenos Aires (Argentina) 13-19 May 1985, on the theme: "The National and International Role of Co-operative Credit Institutions in the Mobilisation of Resources for the Promotion, Development and Financing of the Co-operative Sector".

Finally, the report announced that a French version of the report of the fifth Conference in New Delhi was available from the secretariat of the ILC.

The **President** then asked Mr. Haapanen (Finland) to read the Resolution adopted by the Working Party on Co-operative Press and submitted to the ICA

Executive committee for transmission to the Congress.

Mr. Haapanen said the Resolution was the result of discussions held in the Working Party on Co-operative Press the previous week, and was a message from co-operative journalists to all cooperators in all countries. Its title was "**Recommendations concerning the Co-operative press**". He then read the Resolution:

"The ICA Working Party on Co-operative Press discussed the position of co-operative journals and editors, in Hamburg, on October 13th 1984. The group urges the leaders of the co-operative movements to focus attention on the competitiveness of its press within the framework of the fast changing environment (peoples' attitudes and applied techniques)".

The group stresses the possibilities of the co-operative press and emphasizes the importance of regarding the co-operative press as ordinary, serious media.

To achieve a status whereby the co-operative press successfully fights for and arrests the time and attention of its readers, the group points out that:

- 1) co-operation, being a mass movement, needs a strong, independent media with a large circulation, in order to be seen and heard.

The group recommends the principle of sending member journals to all member families and steady customers. The opportunities for large magazines to attract advertisements, even from outside their movement, should be used without prejudice. It is necessary to expect normal profitability from the co-operative press.

- 2) However, the co-operative press needs the status of being a permanent and main contact organ and advertising media of member families.

- 3) The co-operative press in all societies needs competent, skilled and well trained journalistic and entrepreneurial staff, in order to meet the competition of other media.

- 4) If the co-operative press is to be competitive, a clear division has to be made between editorial material and advertising and promotion. It is necessary for journalists both to gain the confidence of their readers and to freely follow the ethical and professional principles approved in their respective countries.

- 5) The atmosphere in successful press is creative and daring. Creativity increases when publishers and journalists can engage in frank and open discussion on the aims and tasks of the press.

In this way co-operative journals will be able to increase the number of people taking a positive attitude toward the co-operative movement and, at the same time, benefit its business activity.

The Working Party on Co-operative Press hopes that all leaders of the movement, especially in countries where the pressure for co-operatives to reform is high, remember to develop their own mass media, in order to convince members and customers of the new context of co-operation. Otherwise, we leave the field open to foreign information.

Reply to the Debate

Ms. Baulier commenced by thanking everybody who had expressed appreciation of the work of the Secretariat over what had been a difficult period for all concerned. She would not comment on points affecting the future, especially concerning the support to be given to the Specialised Organisations, which were matters for the new Director. She would like, however, to refer to two of the interventions:

1. **Mr. Iwamochi (Japan)** had complained about insufficient educational activities in the S.E. Asia Region, but she would remind him that nearly all of the work of the Regional Offices was educational, and in the case of S.E. Asia this had been so for the past 25 years. However, his intervention underlined the difficulty of evaluating the real impact of co-operative educational activities. In his report, **Mr. Daneau**

recommended a new approach which would integrate education policies with development programmes, and this was perhaps part of the answer to the problem.

2. When speaking on **Mr. Daneau's** report, **Mr. Aziz** had regretted the dismantlement of the ICA library – he was not the only one to do so. However, events which appeared negative, generally had a positive dimension: she was sure the ICA library and its Information Department would be reborn in a more dynamic form, thanks to new policies and modern methods of dealing with information.

She felt there was no point in prolonging further the debate on the past, and thanked delegates for the support they had given her.

The **President**: "It is I who should thank you."

Section III

ICA Work Programme 1985-1987

Objectives – Structures – Methods *

Presentation of the Report
by Mr Yvon Daneau



Delegates listening to the presentation of the Work Programme

Mr. Daneau said the report was the result of concerns expressed by the Central Committee and the Congress over a number of years.

In May 1980 in Montreal, the Central Committee set up a working group to look into the problem of geographical and sectoral representation in the Executive Committee. In June 1981, the President had asked him to initiate a study among the members of the Executive to determine the ICA's needs and outline

the task of its Director. Then, in July 1983, the President had asked him to draw up the broad outlines of a work plan for the Secretariat, and to define ways of putting it into operation.

The Central Committee in Prague enlarged his mandate: to go deeper into the values on which cooperation is based, and then use these as the basis for a work programme for the next three years.

Both the Executive and the Central Committees wished the report to deal with the ideological principles forming the basis of cooperation, and consider

* See Agenda & Reports, available in English, French, German, Spanish and Russian from ICA Publications Department – Price S.Fr. 9.80

ways of drawing up and disseminating a cooperative philosophy which would be enlightening and adapted to the time in which we live.

In Part II, Mr. Daneau had assumed that the work programme would be essentially the one approved by the 1976 Congress in Paris, which had never since been in question. He also thought it important to maintain the priorities defined by the Central Committee in Prague concerning the importance of research, communication, a new conception of education, and the development of relations with member organisations – and especially the auxiliary committees – and with the United Nations Specialised Agencies. He had taken all these into consideration when drawing up the work programme.

However, he had found clear evidence that the ICA would be unlikely to be able to balance its budget within the foreseeable future, in spite of the new subscription levels. The years 1980 to 1983 inclusive had been positive, even though projections for those years had also shown deficits, because jobs had been abolished and the technical assistance programme had been maintained at the expense of other activities, with increased support from some member organisations.

The first option posed several questions:

Was it reasonable to recommend a work programme which could never be realised, due to lack of financial resources? or to increase subscriptions still further, after the efforts demanded of member organisations in Prague?

If the programme were to be put into effect without increasing subscriptions the reserves accumulated over the years would probably soon disappear, leaving

the ICA in a very precarious financial situation?

He had sought for criteria to guide congress in choosing between the solutions offered:

1. the tradition of service to members;
2. the validity of the work programme approved by the Paris Congress in 1976 and confirmed in Moscow in 1980, bearing in mind the practical possibilities;
3. the implication that the work programme should be carried out within the limits of the anticipated revenue.

With these criteria in mind, he then drafted an alternative solution.

One of the difficulties to be overcome had been to decide which part of the programme it would be acceptable to amend.

He had evaluated the relative importance of the activities carried out within the Secretariat and discovered that the technical assistance activities, being mainly externally funded, had suffered least from the reduction in staff. In 1983, approximately 70% of the working time of the staff in the Secretariat, had been taken up directly or indirectly by technical assistance activities; at the expense of research, support to the auxiliary committees, and other activities.

It was essential to reduce this pressure on the ICA's central budget, without jeopardising development assistance to co-operatives in the Third World. The proposed "Specialised Development Committee", which would comprise member organisations particularly interested in development activities, might be able to do this. Freed from direct

responsibility for development aid, the Secretariat could provide services to the Committee, for which it would receive remuneration.

The second option proposed a change of method rather than of application, re-centring the work of the Secretariat on satisfying the regular needs of the main body of the member organisations.

There was quite a difference between the two options: Concerning the qualifications required by staff, formula 1 required an "entrepreneurial" approach, while formula 2 required the development of a new relationship with all the member organisations, in conjunction with a concern for "openness" to the non-co-operative world.

The second option was compatible with ICA's resources, but each option had its merits and its weaknesses.

The members of the Executive Committee, the Central Committee and the Congress should be fully aware of the difficult situation in which the ICA found itself, and fully understand Mr. Daneau's reasons for proposing a new formula for the organisation of the Secretariat. He hoped that now Congress was in a better position to determine the direction to be taken by the ICA, which was a matter of ensuring the continuity and strengthening the organisation in the best interests of all its members.

The **President** thanked Mr. Daneau for his presentation, and felt sure that the attention with which it had been received indicated the importance of the report.

Introduction to the Debate

The discussion was opened by **Mr. Søliland**, ICA Vice-President, who said Mr. Daneau's paper on the future work of the ICA should be regarded as a document of the same calibre as Dr. Laidlaw's paper on "Co-operatives in the Year 2000" which had been debated in Moscow in 1980.

He formally moved the adoption of the Motion on the ICA Work Programme 1985-87 on behalf of the ICA Executive and Central Committees.

The motion before Congress dealt with the objectives, structures and methods of the ICA; Articles 3 and 4 of the ICA Rules described the ICA objectives, and the methods to be used to achieve them; many of the other Articles dealt with ICA structures. Proposals to change the Rules would be discussed later in the Congress, and it would become apparent that many of the proposals for change were closely linked with the implementation of the Work Programme. However, the Motion spelt out the areas of activity to be covered in the period up to the next Congress.

A work programme must always operate within the framework of a budget. At the Moscow Congress in 1980, the Executive Committee had had to report that only a very few items in the Work Programme, adopted in Paris in 1973, had been implemented because of lack of financial resources. Mr. Søliland said this must not be allowed to happen again with the 1985-1987 programme. He was convinced that ICA member organisations were in a position to ensure that this present programme would be implemented.

He then gave details of some of the major changes in the Motion which had

been made by the Executive since it was sent out to delegates, and detailed five points to which particular attention should be paid during the period to the next Congress: to strengthen relations between member organisations; to be aware of the importance of research, the role of communications and the promotion of Co-operation; and to improve relations with the UN Agencies and other appropriate international organisations.

He considered this last point to be very important. If such contacts were handled in the right way, it would be possible to mobilise more resources for the promotion of Co-operation.

Referring to the Work Programme for the coming period, it was quite clear that it would not be possible to implement all its recommendations at once; it would take some time, because of the insufficiency of ICA resources. But the main lines of the Programme should be followed, and it was stated in the Motion that the Executive and Central Committees could adjust the Programme according to the resources available at any one time.

He thought there was cause for optimism. The ICA had a new leader; the Secretariat had excellent working conditions; they had a very dedicated staff; they had a new Director; and there would be new Rules which would probably help to make their work more effective and more efficient. Interest in the co-operative system was growing all over the world, and he was quite sure that this would inspire all of them to fulfil their obligations and "do the job they had to do".



Debate on the Report

Twenty-six speakers commented on the paper, its intelligent approach and detailed description of aims and methods. With only 5 minutes each, it was obviously not possible, as some speakers said, to present their reactions to the whole paper. They therefore tended to concentrate on a few aspects, most of which were mentioned by several speakers.

Co-operative Principles – Creation of an independent Commission to reformulate the Co-operative Principles

Many speakers stressed that, although the practical application of the Principles might have changed over the years, their underlying concepts were still valid.

Mr. Lindstroem (Sweden) said he supported the recommendation "these principles could (still) serve as a basis when assessing whether co-operatives, within their specific economic and legal framework, had, in practice, applied them in their business activities; and how the various co-operative sectors actively contribute to the progressive and democratic development of society".

Some delegates were worried about the possibility that the Principles might be changed:

Mr. Leite (Portugal) said any changes must not result in principles which worked one way for the rich and another way for the poor.

Mr. Krashennikov (USSR) felt that there should be no excessive haste in

revising them again, as they still formed the practical basis for most movements to work on.

Mr. Vainstok (Argentina) was concerned that some phrases in the report might lead people both inside and outside the Movement to believe that ICA was abandoning the Rochdale Principles: it was important to up-date techniques and technological approaches, but this did not mean that the underlying principles needed to be changed: the Rochdale Pioneers did not intend to write Rules which would last for ever, but they did intend that the spirit of solidarity, self-supporting activities and mutual assistance should last for ever, so it was necessary to think about the concepts underlying this spirit.

Mr. Briganti (Italy) also felt that the principles were still a valid guiding spirit "of this social experiment which is the co-operative movement"; he expressed concern that the proposed commission might contain members who were not in fact co-operators, and thought it would be better to set up a series of seminars which would allow co-operators from all sectors to participate in the process of re-evaluation.

Mr. Pickett (ILO) welcomed the emphasis on the need to interpret the principles in the light of changing conditions and their application in practice, but it was important not to reappraise the ideology purely as an academic exercise. ILO supported the recommendation on the creation of an independent Commission to reformulate the Co-operative Principles; various enquiries into the Co-operative Principles were at present being carried out, but ICA, with its millions of members, was in the best position to do this, and to co-ordinate all the work on the subject.

ICA's Policy-making Structures

There was general agreement that the procedures and methods of the Congress and Central Committee meetings were in need of change. They had been appropriate when numbers were smaller, but were now out of date.

Mr. Catalano (Italy) proposed Regional Congresses, to take place prior to the ICA Congress, to prepare policies on themes which would meet local requirements. This would mean that delegates to the ICA Congress would be better informed and better prepared for the solution of contemporary problems.

Mr. Moreau (France) felt that in some cases Mr. Daneau had not gone far enough: In the case of Congress, he said Article 4 of the Statutes stated that the first object of Congress was to allow the exchange of experiences between member organisations; this was no longer possible and it was absolutely vital to set up the proposed committee to revise procedures. "But how are we to study its conclusions? if we proceed as we have done in the past, I can tell you what will happen – there will be a debate, as today, which will end with the unanimous adoption of a well-phrased resolution. But we shall not achieve anything unless we place the theory against practical experience." He said it was essential to use the vast wealth of experience present at Congress, but this was at present impossible because the Agenda was too full, and there were too many delegates. He felt that the work of Congress should be carried out in separate working groups, where people would have the opportunity to exchange their personal experiences and those of their movements. "What remained in the mind after Congress was not the eloquent orations from the platform, but

the individuals one met in the corridors, who told one about their experiences". He hoped that the proposed committee would not allow its efforts to be hampered either by conservatism or by theoretical considerations.

Mr. Kimbui (Kenya) supported the co-option of extra members to the Executive Committee, to improve representation. He felt that direct voting might work against the weaker members from developing countries and against sectoral interests.

Mr. de la Rosa (Puerto Rico) mentioned the lack of representation of the Latin American countries on the Executive.

Sectorial Policy

Mr. Ramaekers (Belgium) felt it was important to have non-co-operative members on the specialised committees – even public enterprises – but this representation must not become so strong that the committees lost their co-operative identity. The specialised committees fell into two categories: those grouping **enterprises** in the same sector – these were self-funding, sometimes had larger budgets than the ICA itself, and the ICA needed them more than they needed the ICA; the other type were the specialised committees which grouped **interests** – women, youth, consumers, etc. – which could not be self-supporting, they needed the ICA and they needed administrative assistance – and should perhaps have a different title.

Mr. Briganti (Italy) said there were many new economic sectors (data-processing, social services, information, agro-industry, bio-chemistry), and he thought ICA should encourage the development of new co-operative sec-

tors and not just stand by passively: perhaps working groups should be set up to promote such sectors.

Mr. Kaminski (Poland) felt that the specialised committees should expand their activities, if necessary with new Rules, and should promote development of economic activities between co-operatives. There was a need for strengthening agricultural and food-production co-operatives; the latter, in particular, created jobs (this point was also covered in Paper 3).

Mr. Catalano (Italy) said that the co-ordination of sectoral policy and structures and the work of the specialised committees was the central point of the development of a modern image for the ICA.

Two speakers mentioned the idea of the Third Sector:

Mr. Briganti (Italy) felt this should still be the aim of the co-operative movement.

Mr. Leite (Portugal) said his country's constitution provided for a co-operative sector which owned the means of production: he asked, why not a European Intersectoral Liaison Committee? This idea could be extended to other Regions and to the ICA.

Regionalisation Policy

Mr. Ramaekers (Belgium) emphasized that the Regionalisation Policy should not be confused with development. There were many areas of the world where the ICA should have direct representation (Latin America, Central America, COMECON, EEC) to facilitate co-operative trade (in fact, 7 co-operative sectors had created their own Euro-

pean secretariats, and co-operatives might begin to think their own economic organisations were more useful to them and that they no longer needed the ICA).

Mr. Briganti (Italy) thought the role of Regional Offices and Regional Councils needed to be considered in depth. He too felt that ICA should have a presence in other parts of the world and mentioned the Arab countries, North Africa, China, the Indian Ocean countries, as well as the industrialised areas. On the question of a European ICA Office, he thought this might be difficult, but there might be a Regional Council of states belonging to the EEC, to provide a clearing house for the exchange of ideas on developing co-operative institutions.

Mr. Catalano (Italy) agreed with Mr. Briganti but said he would also include representation with relevant NGOs.

Mr. Wahab (Malaysia) supported the recommendations on the Regionalization Policy and the four lines of action referred to under the heading "Balance-Sheet of Activity". The participation of Regional Offices in fostering development was important, but he felt that, in the S.E. Asian region, resources were not distributed equitably: e.g. in 1983 S.E. Asian countries (according to the subscriptions received for 1983) contributed £90,828 to the ICA budget, only 30% of which (£30,000 – Audited accounts for the four years ending 31st December 1983) was returning to the Region. He wondered whether the ICA could be really effective without the support of SCC and SIDA.

Mr. Buckman (Ghana) felt that Regional Offices should give more encouragement to inter-co-operative trade; movements should give preference to trading with co-operatives in

other countries, through negotiations between their governments. Co-operatives in the developing world should not continue indefinitely to receive funds from such organisations as CIDA, DANIDA, Zengyoren, SIDA, Centrosoyus, etc. Regional Offices and ICA should carry out research in recipient countries to explore what these countries could contribute in raw materials to the donor countries for processing, etc. which could generate funds for more development. He thought this would also assist the poorer countries to pay their membership fees, thus benefiting ICA.

Mr. Buckman also believed that all national organisations affiliated to ICA, which paid their subscriptions regularly, should sit on the Regional Council Executive, to help monitor the decisions of Central Committee, etc.

Mr. Kheir (Egypt) thought a successful regionalisation policy should make provision for a regional office for Middle East countries.

On the question of funding, **Mr. Kimbui** (Kenya) agreed that the Regional Offices should be funded externally, but felt that the Regional Directors should remain on the ICA payroll, as the representatives of ICA.

This point was ably made by **Ms. Lindstroem** (Sweden), who felt that otherwise organisational and management difficulties might arise because "it is impossible to sit on two chairs".

ICA Work Programme & Secretariat

Mr. Kaminski (Poland) and **Mr. Mazzola** (Italy) believed all ICA activities should be aimed at affording assistance

to its member organisations, in the way of information, which would help them to use the experience of other organisations.

Mr. Ramaekers (Belgium) felt ICA should not be directly involved in technical assistance and co-operative development, although, if funds permitted, it could set up a separate body for this purpose. Its main task should be to expand and deepen the knowledge of its members as responsible co-operators, and develop a general co-operative culture which went beyond the limits of sectoral specialisation and national frontiers. ICA should provide information which could not be obtained elsewhere. He instanced a continuously up-dated co-operative "who's who", material for leaders and also for members – all based on systematic research on co-operative reality and its most recent developments. ICA should be a clearing house for ideas and the exchange of experiences, and should organise meetings to carry out this function.



A delegate commenting on the report during the debate

Mr. Sielanko (Poland) said ICA should do more to co-ordinate the work done

in the field of education and training and more could be done to secure the participation of the UN specialised agencies in such educational programmes. He felt it was a pity that UNIDO was not represented at Congress, and also that the voice of ICA had been lacking at the last UNIDO General Conference in Vienna to uphold the need for strengthening the co-operative sector in the economies of the developing countries.

Mr. Kheir (Egypt) also emphasised the need for co-operative education, to ensure the development of co-operative activities in the Third World at a modern level, based on new technology and high efficiency, which would, in turn, increase co-operative productivity.

Mr. Leite (Portugal) felt that modern technology would also increase democracy when every co-operator had a computer terminal in his home, to maintain links with his co-operative and its leaders (but this was a distant prospect!).

On technical assistance, he made a plea for more attention to be given to those countries, such as his own, which fell halfway between development and under-development, which tended to get the worst of both worlds and to be forgotten by other movements intent on providing assistance to the Third World.

Mr. Krasheninnikov (USSR) agreed that, as regards the ICA, Secretariat, all staff should be paid out of the ICA budget in the long term, but in the short term it was foolish to refuse offers made by various organisations (Sweden, France, Japan and USSR in the past, and an offer from USA) to second staff to ICA. This would not only save considerable costs, but would allow ICA to expand its work.

Recommendations to the New Executive

Mr. Fahrenkrog (GDR) said that in order to uphold co-operative principles and, at the same time, take account of financial means, all recommendations in Mr. Daneau's report should be carefully examined before any decision was taken. Sub-Committees and Working Parties should be created to assist in this process, to help in reaching a unilateral position.

Mr. Buckman (Ghana) insisted that everything possible should be done to make ICA more effective. "The ICA is a powerful, tall giant but prefers to walk with ineffective short dwarfs". ICA Rules should be rigidly applied, especially with regard to the payment of subscriptions and budget controls.

Professor Aziz (Malaysia) hoped that the new Executive would either initiate research or persuade universities in Europe and the Third World that co-operation is not just something belonging to history, but worthy of research and study. In this connection, a research working group was a poor substitute for sustained research. Prof. Aziz also regretted the dissolution of the ICA library, and hoped it would be possible to restore it as it contained much important research material.

Mr. Krashennikov (USSR) said that, at its first meeting, the Executive should look at the practical recommendations in the report, and define ways of implementing them.

Mr. Hansen (Norway) said the subscription formula should be reconsidered: many large organisations from big countries at present pay too little compared with small organisations from

small countries. If the former were to pay a reasonable amount, "this would establish an ICA which could live up to the ideal which we have of it".

General Comments

Mr. Siemens (Canada) considered the most important part of the report to be section I, where it spoke of co-operative goals and values. The fundamental role of the ICA was well summarised in two phrases - "The custodian of co-operative values" and "a catalyst for co-operative development". Neither goal required the ICA to build a large staff structure beyond its financial means.

Mr. Lacroix (France) thought it important that the programme outlined should provide a practical guide for the officers of the future. He supported the 2nd option as he realised that it might be many years before they could think about carrying out the first. He also rephrased Mr. Daneau's "underlying causes of an apparent unease" as the "apparent causes of an underlying unease" and he was not sure that the concept of equity could ever be really operational.

Dr. Rauter (Austria) said that, although the restructuring of ICA was important for the future, the new structure would be ineffective unless it contained the spirit of co-operation expressed in the practice of the co-operative principles.

Mr. Laks (Argentina) commended the methods proposed, which would allow discussion of the programme to be both technical and theoretical, and linked the organisational problems of the ICA with the general debate on the future being carried out within the Movement.

Mr. Hansen (Norway) commended the report, but thought perhaps Mr. Daneau should have created a third alternative which included all the demands made by member organisations over past years; he should then have calculated the cost of such an organisation, which might be three or even four times that at present envisaged.

Mr. Uribe (Columbia) said it was necessary to use the past in order to plan the future.

Mr. Mazzola (Italy) felt it was important to bring in co-operative organisations at present outside the ICA in order to increase its effectiveness. He also agreed that ICA should be more widely represented, to help in the promotion of development programmes, etc. More active participation of members was necessary to produce a more dynamic movement, which would make the Alliance more "visible". If ICA was to develop new directions, it must be managed by leaders who were themselves convinced of the need for change and had clear ideas about the targets to be attained.

Mr. Fleisman (Argentina) felt the report was intelligent, moderate and reasonable, although it appeared in general terms to be referring to the industrialised countries. Individual countries would need to make their own studies, based on the report, in order best to develop their own movements.

With the exception of Centrosoyus, all speakers preferred Mr. Daneau's second option.

Reply to the Debate on the ICA Work Programme 1985-87

Mr. Daneau first thanked the Congress for the reception given to his report. He would not attempt to reply to all the points raised during the debate – for one thing, he was himself still too "close" to the report and could not judge it impartially. However, he understood the reservations and doubts expressed by some delegates, but would ask them not to form hard and fast opinions at this stage. He repeated that his recommendations were not the only possible ones, but should provide a basis for further reflection, taking into account the new material contained in the report.

Mr. Daneau explained that the terms used to define the two options could be reversed. The **first option**, so-called **expansion**, was mainly on the financial level; it was also a formula for continuity, to the extent that it attempted to formalise the programme which they had been trying without success to carry out since 1976. The **second option**, so-called **continuity**, reflected the original mandate entrusted to the ICA, but concealed a greater potential for future expansion than did the first. He expressed three wishes:

1. He would be satisfied if, after this Congress, delegates looked further at the report, treating it as a form of interrogation – addressed to the ICA, but perhaps also to every co-operative enterprise.
2. Besides being a work programme for the secretariat, the report also aimed at providing a master plan for the Congress, the Central Committee

and the Executive. He defined a work programme as a global and integrated view of the direction to be taken (the **what?**), the strategy (the **when?**), the action plan (the **how?**), and the human and financial resources (the **how much?**), which an enterprise defined for itself to achieve certain specified results. His second wish was that they could reach a level of agreement that would enable the ICA to achieve realistic objectives.

3. Another concern was the demands and ambitions they all entertained with regard to the ICA. They tended to expect the sort of services from the ICA that they would expect from one of the large UN inter-governmental organisations, forgetting that the ICA was a "private" organisation, funded by cooperatives whose resources had nothing in common with those of governments. His third wish, therefore, was that the Congress and Central Committee should be more pragmatic in decisions as to the tasks to be carried out by the ICA, and that their ambitions, however commendable, should remain realistic.

Concerning the **resolution**: **Mess. Mohn, Catalano and Dietrich** had proposed certain amendments, to which he had no objection.

Mr. Daneau closed on a more personal note. He said he owed it to the memory of Alexander Laidlaw to write this report. The latter was deeply concerned about the future of the ICA, and they had exchanged many ideas on this subject during the year when Dr. Laidlaw was writing his report on "Co-operatives in the Year 2000"; through these exchanges, Mr. Daneau had come to realise Dr. Laidlaw's great faith in Co-operation. His own report, although more modest, was an attempt to extend Dr. Laidlaw's work on a subject which he had so much at heart, but did not have time to deal with. He hoped his work would have met with Dr. Laidlaw's approval.

Finally, he thanked all those who had assisted him, and in particular the Interim Director, **Ms. Françoise Baulier**, and the Secretariat staff who had given him indispensable and constant support.

Section IV

Global Problems and Co-operatives

*Before requesting Mr. Trunov to introduce his report, the President welcomed Dr. Hans Fahning, General Director of the Landesbank in Hamburg and President of the national Federation of Public Banks, who had kindly agreed to give up some of his time to address them on **The World in the Year 2000 – Trends and Development Patterns.***

Dr. Fahning said the future was a subject which stirred the imagination and acted as a challenge. He referred to the discussions at the Moscow Congress in 1980, based on Dr. Laidlaw's "Co-operatives in the Year 2000", and said he would like to present his own personal ideas on this theme. He hoped to draw together the basic currents and changes of our not-so-peaceful times, and then to analyse their probable effect on the future.

Economics was so closely linked with forecasts for the future that an economist could easily make a wrong prediction. His predictions were based on the assumption that things would continue more or less along the same lines as at present, without any drastic policy changes; that the planet would still exist in the year 2000, essentially undamaged; that there had been no conflagration between the superpowers, that there had been no worldwide economic crises; and that global regional conditions remained virtually the same.

In the '60s and the early 70s, the emphasis had been on technical improvements and quantitative growth, which was considered as synonymous with progress, in both Eastern and Western countries and in the Third World. It was not until the publications of the

Club of Rome, in particular Dennis L. Meadows' "Dynamics of Growth in a Finite World", that rethinking began to take place. However, the oil crises gave practical demonstrations of limitations on growth, in a world of scarce resources and a vast population.

The almost naive belief in growth was replaced by a policy of crisis management on the part of governments and international organisations – short-term measures without long-term perspectives, and with little consideration for future generations, or the future of other countries and peoples. One example was the catastrophic effect on the Third World of the USA's economic and financial policies. What was needed was a policy for solving present problems, such as international debts, international political tension and unemployment, while bearing in mind long-term needs and perspectives.

For example, unemployment could not be fought either by the previous growth strategy, or simply by renouncing it. A comprehensive strategy to deal equally with all factors was needed for the western industrialised countries, with shorter working hours coupled with qualitative improvement and an emphasis on investment, saving of non-renewable energy and raw materials, and protection of the environment. The

possibilities of science and technology were there to be used. At the same time, work alienation should be reduced and work so organised that employees could again recognise their share of the total process.

He then outlined the technical possibilities envisaged by futurologists for the year 2000:

- A world of robots, especially in the car industry, used for their precision rather than for saving wages. This would spread; it was purely a question of time, marketing and costs.
- A world of telecommunication. On-line data banks were already commonplace; the spread of data-transfer systems was only restricted by shortage of facilities. Various operations at present carried out in offices would be possible by employees working at home with their television screens, and security and protection of data would become a central question:
- A world of silicon chips, with solar energy as the main source of power in many parts of the world, and large factories in the Sahara and other desert areas, powered by solar energy, producing their own quartz and silicon cells from the desert sand, resulting in new and ever newer solar cells. This would go a long way to solving the energy problems of the Third World.
- A world of fantastic transport possibilities, with new concepts, many of them learnt from today's space programmes.
- A world in which raw materials and fossil energy would be obtainable from the Arctic regions and the oceans, using new techniques.

- A world free from hunger, with larger harvests due to biological research and improved agricultural techniques.

According to the technical experts and scientists, the world in the year 2000 would be a sound world, because, technically, almost everything would be possible. Whether such a world was really worth striving for was another question, because it would mean increased unemployment, isolation with people working at home on computers, and increasing North-South tension.

However, although there would be technological evolution during the next 15 years, the world in the year 2000 would bear a close resemblance to today's world – even with technology, trees did not grow in the sky! The Club of Rome's predictions had led to more economical use of raw materials and increased recycling, as a result of which, supplies were lasting much longer than originally anticipated. Changes in human behaviour could reverse trends which had previously remained unchanged for centuries.

There were not only shortages on the planet, but also surpluses. Some of the problems of the year 2000 could be overcome through social and political change rather than technology. The "Global 2000" report of the American President in 1980 predicted: population increase, especially in the poorest countries; increased productivity in the developing countries, but lower per capita share of GNP; increased food production, but mainly in those countries with high per capita food consumption; increase in arable land of only 4%, therefore, food increases dependent on higher yields; the continued dependence of agricultural inputs (fertilisers,

pesticides, etc.) on natural gas and oil; global oil production to reach its peak in the 1990s, accompanied by a steep price increase; the resulting difficulty of the developing countries in meeting their energy requirements, especially as firewood requirements would by then exceed available supplies by 25%; non-renewable fuels were expected to last another century, but they were unevenly distributed, raised economic and environmental problems, and there was considerable variation in their mining potential; other mineral supplies were adequate; regional water supplies would become increasingly unpredictable, due to severe deforestation; forest areas would be further depleted to meet the demands for wood products and firewood, with 40% of today's forest areas in the developing countries expected to disappear by the year 2000; deterioration of agricultural land surfaces (and thereby food supplies) due to erosion, desertification, salt damage, alkalinisation and marshification; changes in the climate and the upper atmosphere due to concentration of carbon dioxide and ozone-extracting chemicals; the threat of acid rain and of radioactive and other harmful materials to the health and safety of an increasing number of countries.

Further developments gave further cause for anxiety, including increased desertification in the Sahel area, the loss of forests in Central Europe, the dioxin content of refuse heaps and exhaust gases, and the problems stemming from the external debts of the Third World, which had only come to light since 1980.

Dr. Fahning then dealt with various structural and regional changes caused by:

1. the change in the earlier division of labour between the industrialised

and the developing countries, which had adversely affected industry in the developed countries;

2. economic developments in the developing countries, leading to increased domestic trade, followed by export trade and growing competition, etc.;
3. the new information technology with its effects on production and markets. These changes, he believed, would reinforce the trend towards service industries in the developed countries, with a correspondingly reduced share of secondary industries in the composition of the GNP of those countries, especially in the area of manufacturing, processing of raw materials, and also in labour-intensive industries. Parallel with this development in the industrialised countries, a corresponding capacity would be built up in the developing countries, leading to improved revenues and a better living standard, and resulting in an intensified interchange of commodities and increased world trade.

It required a general change in national political attitudes, if the problems of the future were to be solved. The essential elements of a **global** policy were:

1. the promotion of detente and reduced expenditure on arms in favour of a worldwide development policy;
2. the opening of markets, with the gradual removal of trade barriers and import duties;
3. the creation of an appropriate economic order for the developing countries;

4. the formulation of generally binding rules for fairer international money and capital transfers, with flexible exchange rates and a lasting solution of the international debt crisis.

The requirements for solving **regional** problems in the developing countries were, in his view:

1. improving the quality of life, through birth control, the securing of food supplies, and the satisfaction of energy requirements;
2. securing the necessities of life such as water and fuel supplies;
3. the constructing of production facilities for supplying basic needs and for utilising national resources;
4. the transfer of know-how and the provision of training facilities;
5. the renunciation of "prestige objects", and of the use of inappropriate technologies.

This provided almost unlimited scope for the work of the International Co-operative Alliance. Co-operatives could not only influence present developments, but could help to decide on the path we should follow into the second millennium.

Dr. Fahning then touched on questions not previously discussed. The co-operatives in the industrialised countries stood at a turning-point: the earlier aims of supplying a wider population with value-for-money, better quality food had been overtaken; however, they still acted as competitive correction factors, which was an important task in a market economy. They were also branching out into new activities, for example in the field of alternative work, cultivation and

processing methods in agriculture, the handicrafts trade, the search for new ways of living, the developing leisure market. At the same time, their experience and know-how could greatly help to strengthen co-operatives in the Third World countries, enabling them to avoid the earlier mistakes of the developed countries. Co-operative organisations were in a position to contribute to successful development in the world, whereby man and the environment would come into their own.

Finally it was necessary to consider the work and role of international organisations: not only in the sense that their resources should be increased, but also their capacity to compel national governments to gradually undertake the changes required to meet the requirements of today and of the future. Whether the present political regimes would accept such international compulsion, or whether individual governments were in a position to carry out the necessary measures, were matters for doubt, but this was the only possible solution. Many critics believed it was not possible and had raised various objections. The only one on which he would comment was the objection that a democratic government was at a disadvantage in such a context, as against a totalitarian government, because its decisions had to be ratified and its dealings were open to scrutiny. He felt this objection was not valid, because there were always circumstances, indications and causal factors which came to light, regardless of the type of government.

Thus far the solution of these problems was technically possible. Dr. Fahning said he was no fantasist, so that his belief in the understanding of national governments as to what was required, was not very great. But if enough people wanted it, then policies would change.

And only such a change in the global policy of our planet could give us the courage to hope for a better future.

The **President** thanked Dr. Fahning for his most interesting address, which had clearly indicated the contours of tomorrow's world and their implications for the world of today. This led quite naturally to their discussion of Global Problems and Co-operatives.

He went on:

"At first sight this subject would seem to be outside the day-to-day concerns of co-operatives, but we cannot remain detached from the world in which we live. We are not alone in the world and the world is not co-operative. It is still marked by a spirit and attitudes which are not ours. But this is no reason for remaining apart, for not trying to change it and impregnate it with our spirit, while we ask ourselves what we can do to contribute to solving the serious problems of our time."

Mr. Kerinec then illustrated this co-operative spirit by an example: the report under discussion, as printed in the **Agenda & Reports**¹, had made two references to Zionism, equating it with racism. He had received an assurance that morning from Mr. Trunov that Centrosoyus wished to withdraw these references; they would, therefore, be omitted from all future editions of the paper. Mr. Kerinec thanked Mr. Trunov most sincerely for this gesture, and felt that this demonstrated the spirit in which the ICA worked and that it was a genuinely co-operative meeting-place.

He then asked Mr. Trunov to present the report.

Presentation of the Report on Global Problems and Co-operatives

Mr. M.P. Trunov (USSR) stressed the link between the discussions on "Co-operatives in the Year 2000" and the present theme. The question now was to find realistic ways in which co-operatives could contribute to the solution of current problems which affected both the present and the future of mankind.

In determining which problems to select for consideration, Centrosoyus had sent out questionnaires to movements all over the world, and had received replies from more than 42 countries which had been an important contribution to the study.

Having summarised all the material, it was evident that co-operators were almost unanimous in their definition of global problems and their order of priority. The great majority of co-operatives believed that the co-operative movement is capable of exerting influence to speed their solution, but there was also a minority opinion to the effect that co-operatives are first and foremost economic organisations, whose duty is to serve their members; they should not get involved in public issues, and even on the question of peace, this was purely a personal matter for individuals. Centrosoyus felt that this went against the very essence of the International Co-operative Alliance; there was no doubt at all that co-operatives could not stand apart from the campaigns for peace, security and social progress.

On the question of peace, Mr. Trunov believed that co-operative support for the idea of a complete ban on nuclear, chemical and other mass-destruction

¹ Pages 206 and 213 of the English version.

weapons could make a powerful contribution to strengthening security in Europe and all over the world.

Mr. Trunov then touched briefly on the other main problems, of which the most important was **food**, or rather the problem of eliminating the causes of the hunger and chronic malnutrition suffered by hundreds of millions of people: FAO data showed that some billion people in the world did not receive the necessary minimum of food. It was not enough to blame this on the demographic explosion. What was needed was radical land reform to eradicate outmoded structures of ownership, and to make better use of the land. Agricultural co-operatives had proved to be one of the most important elements of agrarian reform, and the reforms being carried out in many of the newly independent countries did in fact encourage the development of different forms of co-operation.

It was also important to mention the efforts of co-operatives to resolve the problems connected with living in the industrialised countries, where they were trying to ensure more equitable distribution of resources and to combat unemployment, poverty and need. In many of these countries co-operatives were doing much to raise the standards of living, not only of workers in all sectors, but also of the middle strata of society. The co-operative movement should work more closely with the trade unions, political parties and other organisations which set as their goals the attainment of social justice, the creation of an anti-monopolistic front, and the progressive socio-economic transformation of society, for these organisations were its natural allies.

On **energy** Mr. Trunov said that even the small contribution made by co-

operatives to this problem helped to make easier the work and life of millions of ordinary people in various areas of the world. He mentioned the part played by agricultural, consumer and rural electrification co-operatives, as well as by the International Co-operative Petroleum Association (ICPA).

On **environmental protection** he said that the efforts of co-operatives were being applied in many fields of activity connected with the preservation and increase of natural resources. Co-operatives were taking measures to prevent contamination of water and soil by industrial waste, helping to check soil erosion by reforestation, draining marshes, preventing increased desertification, etc. Co-operatives should also use their influence to arouse public awareness of the need for environmental protection.

Mr. Trunov said that the developing countries possessed 40% of the world's known material resources, 70% of all arable land, and two-thirds of the world's able-bodied population, but produced only 9% of the world's industrial output and one-third of its agricultural output. They had to contend with exploitation by international corporations (neo-colonialism) and the protectionist measures of many developed countries. Although the solution to these problems was certainly beyond the power of the co-operative movement, in the developing countries it could help to lessen the power of monopolies, capitalists and big landlords, and to meet the needs of the national economy by expanding and improving the situation of small producers.

Mr. Trunov felt that the main contribution of co-operatives in the developed countries should be to train and share

their experience, to help co-operatives to make better use of their own resources. During the past two decades Centrosoyus had trained some 3,000 people from 56 countries in Asia, Africa and Latin America, and they were prepared to continue this support in the future. He also wanted to reiterate their position in favour of rebuilding international economic relations on a just and democratic basis, and establishing a New International Economic Order to ensure complete sovereignty of the developing countries over their own material resources.

Finally, Mr. Trunov repeated the recommendation made in the Report, that ICA should determine the forms in which it and the national co-operative organisations could more actively collaborate with the United Nations and its special agencies in measures for solving the food and energy problems of the world, protecting the environment, accelerating progress in science and technology, improving the level of education and knowledge of peoples in developing countries, and developing public health services. In accordance with their longstanding traditions, co-operatives should also come out more vigorously for the maximum expansion of peace, international co-operation in trade and agriculture, the diffusion of science and technology without any form of discrimination, and measures to build up confidence in international economic relations.

He concluded:

"There is indeed no doubt that co-operators of the world, together with other democratic movements, will make their contribution to the solution of the most acute problems of our time, to the maintenance and strengthening of peace, and to the creation of conditions

for human civilisation to march onwards to greater development. Thank you."

Mr. Marcus (Sweden) said that it was understandable in the present difficult conditions that a minority of co-operative organisations believed that co-operatives were purely economic organisations and should not become involved in global issues. However, unless society as a whole functioned effectively, locally, nationally and globally, co-operatives would not in any case be in a position either to make profits or to serve their members. Thus global problems affected co-operatives and, in the commercial sense, co-operatives had everything to gain in a better world.

Some fears had been expressed that a report from colleagues representing "one of the Great Powers" might be too controversial. Mr. Marcus said all co-operators were primarily citizens of their respective countries and proud of their nationality. Centrosoyus had its roots in what the Report defined as "the Socialist countries". Nevertheless, readers of the Report would find that this fact was not hidden but added to its quality. "The Report is open, it is clear and sometimes candid. It presents the Centrosoyus view on global problems." The Executive felt that it made an excellent starting point for the Congress debate.

The five main headings in the report must surely be generally recognised as global threats. There were others: the population explosion and unemployment to name but two. Nevertheless, the Executive accepted the selection made by Centrosoyus, together with their proposal for a plan of action and Mr. Marcus, therefore, recommended that Congress approve the motion presented by the Central Committee on this issue. It was based on the Centrosoyus

report, but formulated in a way that made its approach more general and more representative of the wide spread of opinion that constituted the ICA melting-pot.

Approving the motion would mean that Congress asked the ICA to draw up a programme of action, and to work more closely with the UN and its specialised agencies. Above all, it would mean that Congress felt that co-operatives could make a significant contribution to resolving global problems.

Mr. Marcus was unwilling to advocate that co-operatives should give less time to economic aspects, but they should listen to their members, who would surely not mind if they knew that their own co-operative had a wider perspective than mere profit.

Finally Mr. Marcus felt that a Congress such as this was a proof and a challenge. "It proves that people can meet, talk and decide on action together. We can set a good example. It challenges our countries and governments to go deeper into similar efforts. In a modest way I believe that the International Co-operative Alliance and its members offer leadership in this matter."

Mr. M. Janjic (UNIDO) briefly described UNIDO's work on behalf of industrial co-operatives and its collaboration with the ICA, in particular with the ICA International Committee of Workers' Productive and Artisanal Societies (CICOPA). This collaboration had covered various activities, including the joint organisation of seminars, workshops, training programmes and two world conferences on industrial co-operatives. UNIDO provided technical assistance to co-operatives in developing countries, in close collaboration with co-operative organisations in the

developed countries, both East and West.

His main point concerned the development of **food self-sufficiency in the developing countries**, in which UNIDO believed the world co-operative movement had an important role to play, through the development of the co-operative food-processing industry, and through the promotion of concrete forms of collaboration in trade, financing, management training and technology transfer. Such collaboration would also help to undermine the heavy domination by transnational corporations in the food-processing sector, but this could not be achieved without the close collaboration of agricultural, industrial, banking, consumer and other co-operatives.

Mr. Janjic promised the continued support of UNIDO for the involvement of co-operatives in the industrial development of developing countries and for promotion of collaboration between co-operatives from developed and developing countries, in favour of North-South and South-South co-operation and closer collaboration with the United Nations and its Specialised Agencies.

Mr. E. Horii (International Confederation of Free Trade Unions) stressed that ICFTU would do all in its power to encourage collaboration between trade unions and co-operatives at local, national, regional and world level. Membership of the two organisations often overlapped, particularly in urban centres. He mentioned ICFTU's efforts over the past ten years to encourage the setting up of co-operatives sponsored by trade unions among the underprivileged people of the Third World; these efforts had been assisted by the ICA through its regional offices and spe-

cialised committees. Such sponsored co-operatives had in turn strengthened the co-operative movement, nationally and internationally.

Concerning **Global Problems**, ICFTU had expressed concern over these problems at its 1983 World Congress which had been followed by regional forums in Africa and Latin America.

Summary of the Debate

Safeguarding Peace

Although a large number of requests to speak had been received, there was only time for 20 delegates to intervene. Participants unanimously agreed that the most important global problem was the threat of war. World Peace was the prerequisite for the solution of all other global problems and the co-operative movement had a responsibility and obligation to its 500,000,000 members to do its best to achieve disarmament and peaceful co-existence. Many delegates emphasized that the resources spent on armaments could be used for development.

Ms. B. Deverick said that Peace was obviously the only environment in which co-operators, co-operatives and all humankind could truly realise their aspirations.

N. Saito (Japan) spoke about the campaign run by the Japanese Consumer Co-operative Union (JCCU) against the threat of nuclear war. JCCU organized various activities such as peace meetings, photo exhibitions, film shows, local festivals and parades. The highlight of these activities was the World Conference Against the Atom and Hydrogen

Bombs held every year on 6 - 8 August. Mr. Saito reminded delegates that 1985 would be the 40th anniversary of the dropping of atomic bombs on Hiroshima and Nagasaki and appealed to all ICA member organizations to send delegates to Japan to take part in the 1985 World Conference Against the Atom and Hydrogen Bombs. He said that JCCU had sent delegates to the UN Second Special Session on Disarmament in 1982 and to a European Conference on Disarmament.

Mr. Mathimugan (Malaysia) said the tragedy was that, in the final analysis, the security of the world was vested in the hands of a few individuals, who could not afford to repeat the mistake of 40 years ago.

Dr. L. Schujman (Argentina) said that the Instituto Movilizador de Fondos Cooperativos, of which he was President, had recently collected 15,000 signatures after an appeal for nuclear disarmament and peace by 100 leading Argentinian citizens.

Mr. I. Tarachiu (Romania) said the Romanian co-operative movement supported the initiatives for peace taken by the Romanian government and its collaboration with the Balkan states for transforming the region into a nuclear-free zone. He said the strength and prestige of the ICA depended, not only on the cohesion and unity of its members, but also on their powers to persuade governments and politicians to pursue a policy of understanding and detente.

Dr. H. Fahrenkrog (GDR) said the historical development of man had reached a stage in which further industrial, technical or scientific development would be dangerous without corresponding social development. The solution to global problems required the



Listening to the debate

combined efforts of all peoples, and a climate must be created in which joint effort was possible, through strengthening international links and renouncing war as a means of settling international differences.

Mr. K. Boczar (Poland) commented that mankind was entitled to peace and stressed that co-operatives could not remain neutral or indifferent on this question. Therefore, they must fight anything which could bring war nearer, including economic sanctions, zones of influence, and other measures which led to increasing hunger and wretchedness and other problems.

Dr. K.H. Abul-Kheir (Egypt) said that one of the main points to come out of Mr. Trunov's report was that popular institutions, led by the co-operative movement, should mobilize public opinion to bring pressure to bear on the world's politicians and statesmen to induce them to seriously consider the

pressing problems of our time, especially "just and fair peace, which is a prerequisite for prosperity and welfare". In this connection he mentioned a conference held in Egypt the previous March and attended by the apex co-operative organizations of 14 Arab countries, which had issued a resolution in favour of world peace.

Mr. Idris (Egypt) said the report on global problems had omitted two important elements which could prove as menacing to peace as time-bombs. The first was that the North-South dialogue was declining at a time when it had never been more important. Its revival depended on the firm establishment of peace and a more just economic and social order. However eloquently worded, resolutions were useless unless matched by continued and united effort. He supported the motion on International Co-operative Trade which would pave the way for North-South reciprocal trade on more favourable

terms. He felt that such trade should include agricultural commodities and raw materials. The second menace to world peace was the ceaseless unjustified armed intervention in some parts of the world. The ICA should call for an end to such intervention wherever it took place. Mr. Idis said that funds expended on armaments and warfare could have done much to rescue the famine victims of Africa. Bullets, he concluded, should be replaced by bread.

Mr. V. Skoulas (Greece) said that the national leaders of the world seemed unable to learn the lessons of history, and continued to waste the world's resources on armaments and war-machines, in spite of poverty, hunger and misery of thousands in the so-called Third World. Co-operators, under whichever socio-economic system they lived, must react energetically to this immature behaviour of their leaders, by making ICA a forum for peace, friendship, mutual understanding and solidarity. Mr. Skoulas said the great majority of Greeks, and especially its one million co-operators, had a deep belief in world peace and disarmament and the peaceful existence of all peoples of this planet. He reminded delegates of the Greek government's initiatives in this cause, and called upon national co-operative movements to press their governments to take similar action. He said that the substantial resources expended on the arms race could be used for the economic and social development of the developing countries and their co-operative sectors.

Mr. F. Ceballo (Spain) stressed that, throughout its existence, co-operation had shown itself to be a movement which did not aspire to achieve power by force and operated on principles of liberty and democracy, and it had demonstrated that people could work

together peacefully in spite of political, religious or racial differences.

Ms. Fanelli (Italy) pointed out that without peace there was no possibility of co-operation between peoples, nor of economic and social development. She also pointed out that armaments diverted resources from development in all countries. She called on the ICA to play a more active role by calling on the movements of all countries to express the will of co-operators for peace and the need for a balanced and bilateral reduction of armaments as the first concrete step in this direction.

The Food Problem and Co-operation

There was a general consensus that the problem of feeding the world's hungry could only be solved through international solidarity, a more just distribution of resources, and co-operation between co-operatives:

Mr. J. Zahradnik (Czechoslovakia) said that food was obviously the second most important problem after Peace, since the right to live was irrelevant without the food to sustain that life. In Czechoslovakia the State provided various forms of assistance to agricultural co-operatives in the interests of society as a whole.

Mr. M.M. Dibba (The Gambia) said the food crisis particularly affected 24 drought-stricken countries in Africa and was accompanied by widespread deterioration of the environment over a large area of the continent. It was only right that this should concern, not only Africa, but the ICA and the international community as a whole. If food production was to be improved, resources must be extended, not only to the small farm-

er, but also to medium and large-scale agricultural producers. He urged ICA to draw up a strategy for assisting Africa's agriculture and food production which would necessitate massive mobilization of resources and co-operation between governments, international organizations and multinational corporations. ICA should appeal for increased contributions from larger member organizations and press for increased resources from such bodies as IDA, ILO, WFP, UNDP and the African Development Fund. Africa needed an invasion – but not a military one – an invasion of food, technology and financial resources.

Mr. Saito (Japan) said that the lack of food, even in the absence of war, was a form of structural violence. Many countries could not solve their problems through their own resources and a spirit of international solidarity and mutual assistance through co-operatives was necessary.

Mr. I. Szabo (Hungary) believed that humanity should be able to feed itself, given increased food production and a more just distribution of resources.

Mr. I. Pramov (Bulgaria) said that his movement was convinced that there was enough land and other sources of food to conquer hunger, if people would only join together, using existing scientific and technological achievements and if the resources currently being used in the arms race were diverted to food production. Co-operatives could help in solving these problems. Given the level of production now achieved, Bulgaria could feed two countries its own size.

Mr. S. Iwamochi (Japan) said that international organizations, governmental and non-governmental should collaborate to establish common

objectives for agricultural development, and especially for increasing food production in the developing countries. ICA should present forward-looking proposals to promote such collaboration and provide member organizations with practical and detailed information on international situations and trading conditions for presentation to their respective governments. It could advise its members on the type of assistance they could expect from their governments and promote mutual assistance between member countries. He stressed that countries must aim at self-sufficiency in food production, and that trade in farm produce should be encouraged only where self-sufficiency was not possible. The Japanese agricultural co-operative movement requested the ICA to collaborate with the International Federation of Agricultural Producers (IFAP) in proposals for long-term solutions to food problems.

Many interventions stressed the need for the efforts of co-operators to be directed to helping people to help themselves:

Dr. H. Fahrenkrog (GDR) "if you give the hungry man a fish, he will eat for a day, but if you teach him how to catch fish, he will eat for the rest of his life."

Ms. B. Deverick (USA) said that technical assistance must be designed so that it assisted the local people to undertake their own programmes for economic development, which would eventually become self-supporting and operated without foreign assistance.

Mr. R. Mathimugan (Malaysia) said the principles of self-help and mutual help became meaningless if those who had a loaf did not wish to share the loaf, let alone the know-how to make the loaf, but also if those who did not have

any bread wanted the whole loaf and were not interested in having the know-how to make it.

Mr. G. Pezzino (Italy) said that shortages in certain countries appeared more serious when set against the surpluses in, for example, the EEC, which sometimes had to be destroyed. It was obvious agricultural systems would have to be reorganized in the coming years. He felt a country would never truly develop unless it could find the means for developing its own resources.

Mr. K. Boczar (Poland) said that because of their importance in food production, co-operatives could be a great and important form for development in the developing countries.

The Environment and Energy

Ms. B. Deverick (USA) gave examples of the growing awareness of the need for energy conservation in the USA. She said American co-ops were leaders in the field of environmental protection and were encouraging recycling of materials, bulk buying, and the growing of organic produce. Much of this experience would be transferable to other countries.

Mr. G. Pezzino (Italy) spoke about the threat of desertification, deforestation and uncontrolled industrial development, acid rain and the dispersion of oil, radioactive products and dangerous minerals.

Mr. K. Boczar (Poland) said that while co-operatives were not involved in mining, or heavy or atomic industries, they did run thousands of industrial enterprises in all fields and were, therefore, able to affect the countryside and man's environment. He said that, although co-

operatives were doing much to protect the environment there was not enough exchange of experience at international level and he suggested that ICA should provide for such exchange in the pages of the Review of International Co-operation and through the Research Group and Consumers' Committee.

General Comments

Delegates also spoke about the need for establishing a new world economic order, the external debt problems of many countries, bridging the gap between the developing and developed countries, preventing the brain drain from the developing countries, and the further involvement of women in co-operatives.

Mr. V. Skoulas (Greece) emphasized that the co-operative system, based on international co-operative principles, constituted a progressive step forward for all mankind, leading to a more humane society, characterised by peaceful coexistence, brotherhood, collaboration and solidarity for the whole human race. Co-operatives, he insisted, could not but contribute to the advancement of humanity from its present immaturity to an adult and serious approach to the problems of the world.

Reply to the Debate on Global Problems and Co-operatives

Mr. Trunov said that the debate on the paper "Global Problems and Co-operatives" was evidence of the interest and topicality of the subject chosen by the Central Committee for discussion at this Congress. Some very interesting comments had been made, and a great

number of speakers had expressed agreement with the basic ideas contained in the paper which had been prepared by Centrosoyus and expressed the views of the Soviet co-operative movement.

The various contributions revealed much common ground, principally on the need to seek ways of solving the serious problems which hinder progress and threaten the peace of the world and the safety of its peoples.

Before dealing with particular questions, Mr. Trunov referred to the widely expressed feeling that the paper had given insufficient details of the work already being done in these fields by some dynamic national organisations. However, the report had merely intended to present an overall view of the problems in order to provide a basis for discussion.

He then turned to some of the questions raised by individual delegates:

1. Some speakers expressed views concerning the superpowers and their contribution to the tensions in international relations. As had already been stated in the report, the Soviet Union and other socialist countries had expressed their willingness to carry out positive measures directed at averting a third world war. But it seemed to him that the search for the root causes of war and for ways of influencing the political forces which appear to directly threaten world peace, were tasks to which the international co-operative movement should urgently be directing itself.
2. When discussing the extremely precarious situation of the former colonial countries, some speakers laid their main emphasis on the importance of aid from foreign govern-

ments, but the problem was much wider than this. The present international economic situation had developed in accordance with existing distribution systems and the mercenary interests of imperialistic monopolies. At the same time, it should not be assumed that international aid and the establishment of a new international economic order would directly solve all the problems of developing countries. The struggle for economic independence involved overcoming backwardness and the introduction of social and economic reforms. Once achieved, economic self-sufficiency and a fundamental social transformation would enable the developing countries to solve their problems. The task of the ICA and of the national co-operative movements was to do all they could to reinforce this trend.

3. The Centrosoyus paper detailed ways in which co-operatives could help to solve the problems of the poorer sectors of the population, particularly through increased food production, conservation of energy and the protection of the environment. Co-operatives could have an influence on solving global problems by developing their economic and socio-political structures. It was important to strengthen the position of co-operatives in relation to the large capital and supernational corporations and to strengthen collaboration with workers' organisations, trade unions, and all other organisations and government institutions working for democracy and co-operation.

In conclusion, Mr. Trunov thanked the national co-operative organisations which had contributed material and taken part in the discussions.

Section V

Changes in Co-operatives

The **President** said that the Executive Committee had felt that Congress should do something to try to help the national movements with the solution of their problems. In the context of a world in the process of undergoing profound changes they had commissioned four Case Studies from four different sectors and countries, to indicate the measures some movements were taking in order to adapt to the new conditions. It was hoped that delegates might find in this material something which could be adapted to help in solving similar problems in their own movements. He then called on **Mr. Rantala** (Finland) to present the first Case Study.

1. The Finnish Position*

The Finnish Consumer Co-operative Movement had carried out some far reaching changes recently, so perhaps they had something of general interest to offer to an international audience.

Consumer co-operation had begun in Finland at the beginning of the century, the first society being established in 1900. In 1916 the Movement split in two, and since then there had been two consumer co-operative movements in Finland, the 'E' Movement and the SOK organisation.

The 'E' Movement

The 'E' Movement, comprising KK and OTK, had experienced some very fundamental changes the previous year. In October 1983, 39 local co-operative societies merged with their central organisation, OTK, to form one single enterprise, EKA-Coop, with a membership of 492,000. OTK also owned the HAKA Construction Co-operative and the KANSA (Insurance) Corporation, and

these two organisations came together with the EKA-Coop to form the EKA Corporation, which is the third largest company in Finland. The EKA Corporation's sales amount to almost 3,000 million US dollars, exports are over 200 million dollars, the balance sheet total is about 2,000 million dollars and the number of employees almost 27,000. EKA Corporation's operations include domestic trade and industrial production, construction, insurance and overseas trade.

Since 1917 the structure of the 'E' movement had been the traditional one of local self-financed societies, their central society, OTK, and KK as the ideological and consumer policy organisation. In 1948 there were 130 local societies, but by 1983 they had declined to 40.

During the 1960s Finnish society was in a state of flux. The former agricultural predominance was giving way to industry and services. Rapid urbanisation had led to a restructuring of retail trade. But the 'E' Movement had been slow in improving services to meet this challenge, and in the 1970s the societies were losing sales, which affected OTK's profitability and financing structure. Productivity had also developed more slowly than that of their competitors.

* Presented by Mr. E. Rantala, Chairman/CEO, EKA Corporation, Finland

An analysis of the societies and OTK brought to light some of the reasons for this decline. The societies were juridically independent, and each relied on its own resources, although in the 1960s OTK had begun to subsidise the weaker societies. The weaker societies were unable to modernise their services and outlets. Each society was a multi-product enterprise which required equally diverse skills from management, which made it difficult to meet competition from specialist chains. The large number of societies made necessary a multitude of administrative functions and operations in dealing with the central society, leading to excessive bureaucracy when compared to competitors. The development of professional skills was uneven and the dispersed overall structure held no interest for specialists outside the Movement. Decision-making was a bureaucratic process, unable to respond promptly to the challenge of change in the various fields and geographical areas. As a result the morale of the managers, staff and elected representatives was declining.

This was the situation when the first major effort to place the whole 'E' Movement on a healthier footing began in 1981, the year I was appointed General Director of OTK. This involved relinquishing certain branches of industry, pruning fixed costs, and strengthening co-operation between the societies and OTK. We also began altering the structure of the 'E' Movement to:

1. facilitate administration by eliminating duplicated functions and costs;
2. streamline the business organisation by introducing branch specialisation, improving work skills, and increase work motivation by transferring decision-making to local units and making operations more flexible; and

3. reform member administration to give members an equal opportunity to exert their influence and enjoy the benefits of membership.

A decision was taken to create a nationwide co-operative society, by amalgamating the societies with OTK. The Councils of Representatives were asked to vote on this in the autumn of 1982, and 39 out of the 40 accepted the 'one co-operative' model. Out of the 1,600 members only 70 (4%) voted against and the strongest societies were unanimously in favour.

Part of the restructuring programme involved defining the role of the HAKA Construction Co-operative and the KANSA (insurance) Corporation within the new organisation. The merger meant that these enterprises became subsidiaries of the EKA-Coop and part of the EKA Corporation. A holding company, Kantawa, was formed in 1982, in which 75% of the shares are held by the EKA Corporation and 25% by the trade unions and their central organisation.

In all these changes the status of KK was not affected, although the number of member societies was drastically reduced.

The corporate structure of the EKA Corporation has recently been changed. The Corporation's Chairman / CEO is also the Chairman of the Boards of Directors of the EKA-Coop, the HAKA Construction Co-operative and the KANSA Corporation, meaning that I am personally involved. The Corporation's Management Group consists of the Presidents of the subsidiaries, plus two other directors, under the chairmanship of the CEO. The Group is responsible for the profitability, financial soundness and development potential of the Corporation, and its foreign trade and public relations.

EKA-Coop

The EKA-Coop comprises the following divisions: retail trade, department stores, hotels and restaurants, industry, agricultural trade, warehousing and transport, hardware and car trade, and petroleum products. These divisions were created by grouping the business operations of the co-operative societies and of the central organisation into independent enterprises. The turnover of the EKA-Coop is expected to be about 1,800 million US dollars, and the number of employees is about 18,000. The aims of the divisional organisation are to allow for branch specialisation and to combine the advantages of chain-marketing with employment of local skills. Each Division's operations are directed and controlled by its own Board of Directors, whose authority has been delegated by EKA's Board of Directors. Each Division is responsible for the acquisition and marketing of its own goods, investments, profitability and personnel development.

Restructuring has meant the transfer of the decision-making authority right down through the organisation, to the outlet itself. Decisions can now be taken quickly and independently to meet local conditions. The aim is to raise the quality of services in all divisions and outlets using three methods: personnel development¹, modernisation of outlets, and improving member benefits. Increased productivity and saving in costs have already been achieved through the reorganisation of administrative functions; e.g. centralisation of administrative functions use of electronic data processing for administrative functions, etc.

EKA-Coop Divisions

The **Retail Trade Division** has almost 1,000 outlets. Hundreds of shops have been modernised within the past two years and a new chain of discount stores, offering limited ranges, and integrating retail and wholesale trade has been developed. The Division also owns 30 bakeries and operates a coffee-roaster. The turnover for the division this year is expected to be almost 700 million US dollars and its market share has risen to 14%, after a 20-year downward trend.

The **Department Store Division** owns 12 EKA Hypermarkets, with an average sales area of 5,000 sq.m., 26 central department stores and 40 furniture and other specialist shops. Turnover for the division is expected to be almost 300 million US dollars this year, with a market share of 20%. Wholesale and retail trade are integrated in this Division.

EKA-Coop operates the largest chain of **hotels and restaurants** in Scandinavia. (235 restaurants, 60 staff canteens and 16 hotels). The market share for licensed restaurants is about 18%, and for the hotels about 10%. Division turnover is forecast at over 150 million US dollars this year.

The **EKA Industrial Division** comprises 11 factories producing food, clothing, cosmetics, toiletries, building materials and joinery supplies. It exports to East and West Europe, Japan and the USA. This year production value is expected to be 100 million US dollars.

The **Agricultural Division** has some 50 outlets, consisting of agricultural centres and combined hardware and

¹ More money was spent on staff training in 1983 than during the whole of the 70s.

agricultural stores for agricultural machinery and supplies, fertilisers and seeds. Sales are forecast at 100 million US dollars this year. The division operates a feedmill to supply feed for fur and fish farms, and also for export.

The Warehousing and Transport Division operates a central warehouse and 5 distribution centres, and sells its services to the other divisions.

The Hardware and Car Division, RENLUND, is responsible for the hardware, building materials and car trade. It operates more than 100 hardware stores, and also an import unit for the car trade. RENLUND's sales are expected to reach 300 million US dollars this year. The market share of the hardware trade is about 25%, and of the car trade about 10%.

The Service Station Division, FINNOIL, manages the petroleum products trade and a service-station network. FINNOIL is owned equally by EKA and the State oil company, NESTE. It operates more than 200 service and filling stations, with four or five new stations being opened every year. FINNOIL's sales are expected to reach 300 million US dollars this year. Its market share has been rising steadily and is now about 14%.

Membership

The EKA-Coop has almost 500,000 members, including an increase last year of about 30,000 and some 10,000 new members during the first half of this year. Never since the war have we reached such high figures, and this without any special membership drive.

EKA held its first elections this April, with a 30% vote; 603 representatives

were elected to the 19 District Councils, which elected the members to EKA's highest decision-making body, the 151-strong General Assembly. The term of office of the District Councils and the General Assembly is 4 years. The District Councils also nominate candidates for EKA's Administrative Board, appoint members' committees, and direct and control the local activities of the co-operatives. Some 7,000 persons are active on the members' committees which function in collaboration with the department and retail trade stores.

HAKA Construction Co-operative

The HAKA Construction Co-operative is the parent company of the HAKA Group. It is the second largest construction company in Finland and the leading builder of houses and apartments. The group has over 30 subsidiaries throughout the country. It is involved in new building, restoration, civil and marine engineering, pre-fabricated building units, ship-building and the machine industry.

The HAKA Group also has subsidiaries in Sweden, Switzerland, Holland, the UK, West Germany and Saudi Arabia. HAKA is currently running projects in the Soviet Union, Bulgaria, Libya, Saudi Arabia, India and other countries. Export contracts for complete industrial plants are a major growth area. Numerous take-overs have extended operations into new fields and have increased turnover.

Through its purchases of other enterprises HAKA has a guaranteed sufficiency of sites for future building. Plans for the immediate future are concerned with increasing the volume of its construction exports. HAKA turnover is

expected to reach 550 million US dollars year, and its share of the house-building market in Finland is about 10%.

KANSA (Insurance) Corporation

The KANSA Corporation deals in general, life, and pension insurance, reinsurance, financial and legal services. KANSA has subsidiaries in the USA, Bermuda, Panama and the UK, and partnerships in the USA, Canada and Hong Kong. Domestic insurance has been very successful and KANSA's market share has increased. A major success has been the joint marketing of insurance in collaboration with the trade union movement. The continued crisis in the international insurance market has somewhat affected KANSA's overseas operations, but the overall development of the group has been satisfactory. KANSA's turnover is expected to exceed 300 million US dollars this year, with an 8% share of the market in life, pension and general insurance.

The EKA Corporation

The EKA Corporation also deals in advertising, travel, engineering and architectural services.

Since the reorganisation, the EKA Corporation has done well internationally, and its products have been exported to some 30 different countries. The value of exports is expected to reach 200 million US dollars this year, with imports at about 120 million dollars. EKA's major exports are building activities, insurance operations, food products, furniture and clothing; building materials are also exported. The main export markets are the Soviet Union, Sweden and West Germany. Other important areas include the Middle East and North Africa, Japan, the USA and Australia.

Because of the differing backgrounds, there have been considerable differences in growth and profitability of the companies and divisions within the Corporation. However, the new organisation provides the potential for utilising and developing internal structures to provide for operational co-operation between its different units. Compared with the stagnation over 20 years the EKA Corporation is now a modern, dynamic enterprise. It still has problems, but the outlook for future development is positive.

One of the problems is that losses over several years are included in the consolidated financial statements; there is also a shortage of capital. The acquisition of risk capital by co-operatives is difficult, although modern Finnish legislation is reasonably favourable to co-operatives.

The members' contribution is extremely modest. The share capital of about 8 million US dollars is 1.5% of EKA-Coop's balance sheet total. This problem has been partially solved by restructuring. Overall productivity in the EKA-Coop, in contrast to that in HAKA and KANSA, is still low although developments this year indicate a change for the better: economic problems have been solved, productivity is improving, and our members are showing increasing interest in our activities. The change in structure and methods will gradually show increasing benefits, although the corresponding change in corporate outlook cannot be expected to occur suddenly. However our customers and members are beginning to realise the possibilities. We wish to become a multi-purpose co-operative enterprise which serves its members, who are also its owners, as our present slogan states: "At your service, Finland".



Delegates...

My colleagues from **Suomen Osuuskauppojen Keskuskunta (SOK)**, have asked me to briefly inform you of the structural changes in their organisation.

On account of reduced market shares and growing financial problems, the SOK board made a thorough analysis and prepared a development programme, which aims to improve competitiveness and profitability by streamlining the group's structure and increasing its effectiveness. The group will still have a wholesale society and separate co-operative societies, although the number of societies will be reduced to about 30 regional societies. Traditionally the implementation of mergers has been slow, but under the new strategy, structural change is proceeding rapidly, and 24 regional societies have already been formed. During this year the number of societies will decrease from 180 to about 100.

Another important change will be in the division of functions between the

wholesale and the retail societies. Co-operative societies have previously been involved in too many fields, with the result that resources were not sufficient for their effective development. According to the new model, regional societies will concentrate on everyday needs as well as on agricultural produce and requisites. The large department stores, hotels, and some specialised stores, will be organised into national chains, owned and controlled by the HOLAS wholesale society.

To finance the changes and create a sound operational basis, a certain amount of property has been sold, mainly in the sphere of industry.

The group's administrative pattern will also be restructured. In addition to the SOK Representative Assembly and Administrative board, the regional societies will have local committees. The number of members on the SOK Administrative Board will be increased from 18 to 36, which will allow rep-

resentation of all the regional societies on the Board. An important change will be that the principle of 'one society, one vote' will be replaced by a proportional form of voting.

The SOK Group hopes to complete these changes by the end of 1986.

2. What Strategy should Co-operative Insurance Adopt to Face Changes in the Future ? *

Change is a continuous process. We have only to look at our respective organisations today and compare them with what they were and what we were doing in them twenty years ago. Such a comparison will reveal many differences. The jobs that people are doing will probably be very different, the product that they are dealing with will be different, and the tools that they use will certainly be different.

We have all survived these changes without too many problems, and during this period many of the member societies of the ICIF have become established as leading insurers in their own countries.

The pace at which we may have to change during the next twenty years will be much faster, particularly in connection with the introduction of new technology. Those societies that rise to the challenge of new technology will survive – those that ignore or respond too

slowly to the signs will find that the market and their members will leave them behind.

Before identifying the changes which will affect insurance, let us identify what distinguishes co-operative insurers from insurers in the private sector. Insurance companies try to satisfy the need for insurance protection, whether on lives, providing for retirement, for periods of sickness, to safeguard against loss of property, or to indemnify against claims from other people. But co-operative insurers regard this as a purpose in itself and not, as companies from the private insurance sector do, as a means of making a profit for shareholders. There are, of course, other objectives. For example, many co-operative insurers see themselves as the natural insurers for other sectors of the co-operative movement. But the principal object of most of the members of the ICIF is to satisfy the insurance needs of ordinary men and women. Consequently a co-operative insurance society's development will be influenced by the needs of its customers and its desire to realise social aims and changes are not likely to change our principal objectives.

Last week the ICIF held its quadrennial Conference in Hamburg, preceded by a Seminar during which the discussion centred on the strategy for the future. I am indebted to the authors of the various papers that were presented and to the many contributions made during the open discussion of those papers. Many of the points which I will make are not my own but have been identified from these papers and discussion.

* Presented by Mr. P.W.D. Smith, Co-operative Insurance society (CIS), UK

What are the main changes we have to face?

These can be grouped into two areas: social changes and technological changes.

In the developed countries, people will have more leisure time, they will be better educated, they will live longer, their expectations will increase, and their attitudes will probably change. They will expect a better return on their savings, and they will be more cost-conscious and inclined to make comparisons in order to ensure that they are getting a good deal. Those changes are welcome, but we have to recognise that there may be other, less welcome, changes. In many countries unemployment will be high, and coupled with the increase in the number of retired people, that will mean a greater burden being placed on workers to provide the wealth needed to sustain the unemployed, the old and the sick.

There will be changes in the workplace too. People working for insurance companies will have to be more adaptable and flexible and be willing to retrain in new skills and working techniques. Whilst unemployment is likely to be high, the proportion of people employed in the service industries will increase. The role of women will become more important, with more women assuming responsibility, either partially or wholly, for providing the family income.

One effect of the emergence of women as full and equal partners with men in both working and home life, will probably be a smaller family unit, with both parents sharing the responsibility, not only of caring for the children, but also of providing for their material needs.

Parallel with the changes in social trends and attitudes will be swift dramatic changes brought about by **technological** advance, particularly in the field of communications. There will be the electronic transfer of funds and the introduction of TV shopping in the home. Tomorrow's customers will be better educated, have greater expectations and be more discerning. The technological revolution in electronic communication will provide customers with all they need to compare what is being offered by competing insurance companies; using a domestic TV set, not only will it be possible to compare the competing products, but also to place an immediate order, be granted immediate cover, and have a bank account immediately debited with the premium. I am not saying that this form of selling will replace the more traditional types of selling, but it will certainly come and the competition will use it, and we co-operative insurers must also use it if we are not to fall behind. Most of the contributors to our discussions in the Seminar agreed that competition will be intense and come, not only from other insurance companies, but also from other financial institutions, such as banks which offer insurance as part of their service package to customers. The concept of "one-stop" financial shopping is not far away, and we are seeing the traditional boundaries of financial institutions broken down as they try to offer a wider range of financial services. The marketplace will change, and we shall have to adapt.

The technological revolution will also provide new opportunities for insurance companies. The speed and flexibility of the computer in live on-line direct-access applications will dispense with many of the traditional clerical jobs.

What effect will these changes have on co-operative insurance societies?

First, **new types of products** will be needed. Our more educated customers will probably require insurance policies tailor-made for their own personal needs. The pressure brought about by customer comparisons could lead to more standardisation of competing products between companies, with possibly a modular approach which will allow a prospective client to build up a personal tailor-made policy from a number of available options and extensions. In determining what the needs of people will be, co-operative insurance companies have an advantage over their competitors. Co-operatives are closer to their policyholders than other companies; in many co-operative insurance societies, policyholders play a part in the decision-making process. We must find out what people want by tapping this information resource.

Co-operative insurers will also have to re-examine their **selling methods**. The future will probably require a variety of selling methods. A diversification of sales outlets will be needed. Co-operative insurers will face competition from one-stop financial shops, where all types of financial service can be obtained, not just insurance. That, together with the competition from the other financial institutions, will mean that co-operative insurers will have to extend their range of financial services in order to compete: if they cannot do it themselves, they will have to work with other sectors of the movement, such as the co-operative banks, in order to provide the facilities. Insurance is sold, not bought. We must be customer-oriented, not product-oriented. We cannot rely on having a range of separate products

which we hope will individually appeal to potential customers – we must build our marketing around the customers.

The **quality of service** will be increasingly important. Customers will become more service conscious. Buying insurance by calling at the financial shop or pressing the button of a TV set may sell business, but only good service is going to keep it. Prompt attention to claims and changes in requirements will be expected and it is in this area, again because of the closeness of co-operative insurers to their policyholders, that insurance co-operatives have an advantage which they should build on.

How are co-operative insurers going to handle the **effects of technological change**? A high capital outlay will be required to take advantage of the new technology. The competition will invest in new technology and if we are to compete we must do the same. New technology will bring new opportunities, but it could also bring problems of job losses, retraining. We must ensure that we act as caring employers – absorbing job changes without redundancy where possible, and carefully selecting people for retraining.

How do we apply our co-operative difference to this changing situation?

Much of what I have said applies to all insurance companies, whether co-operative or not. As co-operative insurers, we have certain advantages, and I hope that I have given some indications as to how we should build on our strengths. First, our closeness to our policyholders, through the democratic structure of our organisations or through the personal contact which agents and sales outlets will make: we must

become customer-oriented not product-oriented. I have in several places referred to market trends and the need to keep up with changes in the social and technological world. But it is we who must take the lead. We must be at least as efficient as our competitors, but ideally we should be more efficient. If we are efficient and give good service, we can give better value, through lower premiums, better benefits, or increased social and welfare work. Many ICIF member societies are recognised in their countries as leading and progressive companies which care for their policyholders and for society, and I see no reason why that should change in the future.

Despite our firm belief in the principles and benefits of co-operation, we must not rely simply on our customers' loyalty to those beliefs. People will only come to us for their insurance needs if we provide better quality products and services. We must also adopt the same attitude to the service we give other sectors of the co-operative movement. We must not only rely on their loyalty, we must give them better quality products and service than they can obtain elsewhere.

Preparing for the future

It is evident that the insurance sector of the worldwide co-operative movement is preparing for the future, and is doing so bearing in mind the principles of co-operation on which all our organisations are based. The process of planning for the future is a continuous one and it has been going on in the member societies of the ICIF since they were first founded. But all organisations have to look at what they are good at doing. Co-operative insurers are good in two main areas:

1. providing a comprehensive insurance service for the other sectors of the co-operative movement;
2. providing for the insurance needs of ordinary men, women and children.

However, although these two main tasks will not change, planning will become even more important than it has been because of rapid change in the fields I described earlier. If we are slow in preparing for the changes, or if we are wrong in our planning, we are bound to suffer a market disadvantage. As one contributor to our discussions said, "In the insurance business, if you do the right thing too late or the wrong thing too early, you will not be faced with the real consequences until many years later."

3. America's Agricultural Co-operatives in the '70s and '80s *

In recent years we have lived in a good news/bad news environment, as typified by the man who went to his dentist for his annual dental check-up and was told by the dentist, "I have good news and bad news for you – the good news is that your teeth are perfect; the bad news is that your gums are falling out." Like that man, American agricultural co-operatives appeared to be in excellent health in the mid-1970s, but there were problems ahead and few people anticipated how serious those problems were.

* Presented by Dr. Lavern A. Freeh, Vice President, International Development and Governmental Affairs, Land O'Lakes, Inc.

An article published this summer in **Business Week** magazine described the situation like this:

"During the 1970s – a golden decade for American agriculture – farmer-owned co-operatives seemed unstoppable, they were on the verge of capturing dominant shares of both ends of the farm market – the supplies the farmers bought and the crops they sold. But instead, falling revenues, soaring interest rates and the strong dollar have caused huge operating losses for even the largest and healthiest of co-operatives – and this downturn has touched off a scramble to cut overhead costs, sell manufacturing assets, and merge operations."

That's the bad news. For many of our co-operatives the past several years have marked the end of an era, and indeed an end to their operations. Inflation, high interest rates, ineffective management, and the deepening recession caused co-operatives like the Tri-County Co-operative Oil Association in Rushford, Minnesota, and scores of other similar co-operatives in small communities to cease operations in the late 1970s and early 1980s. Some of our largest regional co-operatives were forced to merge with other co-operatives to protect member investments and to continue needed services. Even large interregional co-operatives like C.F. Industries experienced operation problems – and Energy Co-operative, Inc., a jointly-owned co-operative refinery, went bankrupt, leaving debts in the tens of millions of dollars.

While these names may not be familiar to you, they represent the depth and breadth of American farmer-owned co-operatives, and their problems reflect the difficulties experienced by all American agricultural co-operatives in recent

years, difficulties from which they are just now beginning to recover.

Overall, the good news is that the margins of America's farm co-operatives increased 25% last year on total sales of almost 67 billion dollars. The bad news is that the total number of farm co-operatives dropped below 6,000. Total farmer membership also declined by 3.6 per cent to just under 5 million.

Measures to overcome the recession

To overcome the effects of an extended recession, surplus production, fluctuating trade policies, the strong dollar, high interest rates and radical changes in farm programmes, our agricultural co-operatives have had to use a variety of measures to trim costs and increase earnings, including:

- closing plants, selling assets and leasing rather than owing some of their equipment and facilities;
- merging or forming partnerships or joint ventures with other co-operatives;
- reducing staff and realigning jobs;
- initiating strong cost-cutting programmes;
- streamlining operations and focusing only on top priorities;
- reducing inventories, minimising the cost of borrowed money, deferring capital expenditures and delaying expansion plans;
- reassessing the goals and direction of the co-operative.

At Land O'Lakes, we have used each of these methods in the past two years to put our house in order. After showing an operating loss for the first time in 1982, Land O'Lakes reported a 10 million dollar gain this past year. We believe

we've turned things around, but we are proceeding cautiously and with restrained optimism.

What have American co-operatives learned?

Co-operatives have fought diligently, paid dearly and learned a lot from the struggle which has taken them from booming expansion through a crushing recession to a new period of moderate growth and a renewed respect for the fundamental values of co-operatives.

First, we relearned that our strength is in our members, our relationship to those members and the economic benefits we provide for them. We must never become so big or grow so rapidly that we neglect to provide a needed product or service to our members, efficiently and effectively. Our bottom line is to market the farmer's product so as to add value and produce reasonable returns.

We learned that if we are to keep third and fourth generation farmer members as strongly committed to their co-operatives as those who struggled to establish them, we need to find new, effective and meaningful ways to involve and communicate with them.

The economic recession of the early 1980s taught us that we need to place much heavier emphasis on the development of sound strategic and operational plans and the hiring of highly qualified management and staff. American co-operatives have traditionally lagged behind their investor-owned counterparts in the area of strategic planning and in the hiring, training and development of qualified managers. Recognising this, many co-operatives have accelerated their training programmes and have looked outside the co-operative circle to private industry for new management. Managers unfamiliar with co-operatives, and frequently unfamiliar with agriculture, have had much to learn, but they bring special talents and



...from many lands...

knowledge that was unavailable to us in the past. We need to employ the very best management and staff possible if we wish to achieve anywhere near our full potential.

Another thing we have learned in recent years is the importance of working with other co-operatives. American co-operatives have competed with each other for decades. The result has often been duplication of services and the doubling (or tripling) of members' investment. Recession-squeezed margins have forced co-operatives to look inward to increase their operating effectiveness, and outward to their co-operative competitors for possible allies.

Co-operation between co-operatives

The formation of a large new American soybean processing co-operative just one year ago illustrates the willingness on the part of co-operative members and management to look at innovative methods for solving operating difficulties. As competition in the oilseed-crushing industry grew more intense in the late '70s and early '80s, several co-operatives, operating small soy-processing facilities, watched as their margins gradually eroded and finally disappeared. They established a joint committee to study the situation. The results were clear – either merge operations or get out of the business. Land O'Lakes joined with Farmland Industries and the Boone Valley Co-operative Processing Association consolidating their seven soy-processing plants into a new co-operative, Ag Processing, Inc.

The vision was clear and the results have been immediate. After its first year of operation, this co-operative is profitable and has exceeded its goal of improv-

ing margins to producers by five cents per bushel. In addition to its regional co-operative members, Ag Processing Incorporated now has 325 local co-operative members. And other US co-operatives which operate soy plants are looking closely at this venture.

The difficulties of recent years have caused American co-operatives to renew their support for vertical integration and the development of a total co-operative system – linking the farmers' local co-operative to regional and inter-regional co-operatives, and ultimately to an international co-operative. Our larger regional co-operatives are beginning to get more involved internationally, both in the sale of member products and in development activities. CLUSA and its recently established Co-operative Business International Unit is playing a major role in these efforts, and we look to the ICA to play a vital role also.

The events of recent years have also taught our agricultural co-operatives the importance of becoming much more involved in the process of developing and influencing governmental policies and actions – not only farm policies but foreign policies, trade policies, monetary policies and fiscal policies as well. Our agricultural co-operatives are working hard to unify the voices of their farmer-members to ensure the development of effective food and agricultural policies and programmes, and there is an ever-increasing level of co-operation between co-operatives to amplify the influence of co-operative members. Again, CLUSA is playing a major role in these efforts.

Where do we stand today?

What are the good news trends and bad news trends still facing America's agricultural co-operatives?

America's agricultural co-operatives will continue to encounter serious problems in the years immediately ahead. For example, finding ways to finance the co-operative's growth in the years ahead and still pass ownership to the actively employed member.

The good news is that the adversity and struggles of recent years have made us do some serious thinking and some better planning to build co-operatives which are stronger and more responsive to member needs than ever before. Our goal and our challenge today is to:

- improve member earnings and our debt-to-equity ratio;
- find new ways to raise equity;
- make full use of our resources - members, staff, facilities, capital and information;
- manage effectively in a period of highly volatile commodity markets: this involves strategic and innovative thinking, contingency planning, effective execution of plans and strategies, effective appraisal of staff and management performance, and rewarding those who perform well;
- intensify our research and investigation of:
 - what our future co-operative structure should be (total system)
 - agricultural information systems
 - new ventures and expansion activities, domestically and internationally;
- maintain and strengthen the viability of agriculture in our region of the country;
- influence legislation regarding food and agricultural policies and actions with special emphasis on the 1985 US farm bill.

These are exciting times for co-operatives in the United States and all over the

world. In America, we look forward to the years ahead with anticipation and enthusiasm. The first item on our agenda is to find effective and meaningful ways of joining our co-operative resources and talents with those of co-operatives all over the world, in order to activate the tremendous strength and potential of the world's co-operative movement, not only for ideological purposes, but for trade and development purposes as well.

I hope that at this Congress, and through the new efforts of the Co-operative League of the United States (CLUSA), we can take a giant step towards making that a reality.

4. The Changing Role of Co-operatives in the Development of the World Socialist System *

As his Report had already been distributed to delegates, **Mr. Pramov** confined his presentation to outlining briefly some of its main points.

This report outlines the picture of some co-operative changes and reveals the prospects for the development of the co-operatives in the socialist countries. No less important for the adaptation of co-operatives is the expansion of international co-operation within the framework of the International Co-operative Alliance. The further improvement of its functions and structure, in keeping with the expected changes in the world, is of major significance for the

* Presented by Mr. I. Pramov, Central Co-operative Union, Bulgaria

future success of co-operatives in the socialist countries and the rest of the world.

In the socialist countries, co-operatives are actively involved in socio-economic development.

The progress of the socialist system has been paralleled by outstanding successes in the co-operative sphere. The co-operatives seek new ways and score new successes, leaning on the scientific and technical revolution and intensive development. They develop constantly, diversify their structure and methods and expand co-operative democracy.

This report is concerned with some general and specific changes in the aims, functions, tasks, management and organisation of co-operatives in the member countries of the Council for Mutual Economic Assistance (CMEA).

4.1. General trends in the development of the socialist system and co-operative changes

The co-operative movement is an inseparable part of the national economic complex of each socialist country. It inevitably shares the characteristics of this system and functions under the influence of social relations and its short-term laws.

It is also linked with the advancement and improvement of the socialist system, which has gone through the transitional period of establishing the material and technical base of socialism, and is now building a developed socialist society.

Socialist production relations, which are based on state and co-operative ownership, change the character of co-operatives in comparison with their nature under different social relations. The co-operatives in the socialist countries exclude the exploitation of man by man and epitomise the principles of mutual assistance, genuine equality, comradeship and co-operation. The planned character of the socialist economy determines that of the co-operative movement, serving the interests of society, the co-operatives' workforces and each co-operative member. The aims and tasks of the co-operatives overlap with the objectives of the socialist society and the socialist state.

Co-operatives have a share in establishing the material and technical base of the new social system. Co-operative ownership has been declared and recognised as a form of socialist ownership and the progress of co-operatives has become state policy. Co-operatives are involved in all spheres of political, social, economic and cultural life. They have extensive rights and legislative functions, and work out their own co-operative policy, which is co-ordinated with the interests of society. Through their investment, production, scientific, technical, import-export and distribution policies, the co-operatives make their contribution to the development of productive forces, multiplying economic potential, solving the social problems of each individual country and the world socialist system as a whole. In return the socialist countries' increasing economic capability opens wider prospects for the prosperity of the co-operative movement.

Prior to the socialist revolution, the economy of most CMEA countries was at a very low level of development. Within a short time they have traversed

a road of economic growth which took the capitalist countries more than a century to cover. Bulgaria was one of the most backward countries in the Balkans, with primitive small-scale agriculture and semi-artisanal enterprises accounting for more than three-quarters of the industrial output. Hungary was also a backward country, and feudal-type relations prevailed in Romania. The Second World War caused considerable damage to the economies of Czechoslovakia, Poland and the German Democratic Republic and severely crippled the economy of the Soviet Union, but today these countries have a powerful economic potential. Although their population makes up barely one-tenth of the world population, they account for one-third of the global industrial output, one-quarter of the international income and one-fifth of the world agricultural output. This means that they have created powerful scientific, technical, industrial, import/export and consumer potential.

The capacity of the world socialist market is continually rising. They have the necessary energy resources, raw material and manpower. Their economic growth rates, since the establishment of the CMEA, have been twice as high as those of the developed capitalist countries. All this creates favourable conditions for the development of co-operatives, which have acquired possibilities for a broader participation in production and in augmenting the socialist countries' national wealth. Co-operative industrial output is growing steadily, as is the volume of co-operative farm produce. The net produce, or the so-called national income, created by the co-operatives is increasing, the volume of co-operative trade is expanding, and import/export possibilities are greater than ever before. The co-operatives are trustworthy part-

ners in foreign economic relations.

In the sphere of co-operative activity, our countries are free from the difficulties experienced by other states, especially those from the European Economic Community, in the organisation of production, trade, marketing, prices, etc.

All this speaks in favour of enhancing the role of co-operatives in building a developed socialist society in each CMEA member-state and in boosting the economic growth of the socialist community as a whole.

At the same time, both the world socialist system and its co-operatives have to tackle new tasks which call for a new approach, a better structure and organisation, incentives, etc. For instance, the socialist countries are switching over from extensive to intensive development. This is a new strategy, demanding a higher level of fixed production assets and their more rational utilisation.

Another important factor is the economical and rational utilisation of fuel, energy and raw materials. Programmes for economising these resources have been drawn up and put into effect in all the European socialist countries. The co-operatives have joined in the drive towards intensive development. An ever increasing portion of the gross and net produce of co-operatives will be created by labour economy. Co-operatives are taking urgent measures to elevate the educational and qualification level of their managerial and executive personnel to meet the requirements imposed by the advance of science and technology. Every year many co-operative managers take refresher courses to brush up their knowledge and learn the latest methods of management, plan-

ning, etc., to bring their qualifications abreast with the latest technical progress. Work places are being automated and heavy physical and unattractive labour is being reduced to a minimum. Robots are already used in some countries (the GDR, Hungary, etc.).

Co-operatives in the socialist countries have adapted rapidly to the amalgamation of production, commerce and other activities. Among the most typical changes are integration between co-operatives and between co-operatives and state-owned enterprises from other sectors of the national economy. These are new phenomena and an expression of the co-operative changes, which correspond to the modern tendencies in socialist production and trade. This is also paralleled by reverse processes linked with the decentralisation of management and the establishment of small and medium-size enterprises for some specific activities. For some regions of the country, small enterprises have proved to be more flexible and effective, as they respond more quickly to the needs of the population and to market demand.

Obviously, the structural changes in the development of the co-operative system should not damage co-operative democracy – on the contrary, they must expand and enhance it. In this sphere, too, co-operatives in the CMEA countries are characterised by progressive changes. The co-operative members enjoy more rights – they participate in the adoption of the counter plans and in the election, not only of the management bodies of the co-operatives, but also of their directors, work-team leaders, etc. Their rights as citizens are also expanding – they participate in the utilisation of the social funds, i.e. they are entitled to free education, free medical

care, social insurance, pensions and other benefits.

New, more comprehensive, laws on co-operatives have been adopted in almost all the CMEA countries, where governments protect the interests of the co-operatives and provide conditions for enhancing their role in the national economic and social life. The law puts them on an equal footing with other economic organisations with regard to the state budget; co-operatives sometimes receive tax privileges, especially in connection with revenues from activities assigned to them by the state plan.

A serious problem is the rapid change in the territorial distribution of productive forces and population migration. The rapid industrialisation of the CMEA countries and the improvement of the material and technical base of agriculture have engendered a tendency towards a migration of the rural population to urban areas and the newly created industrial regions and communities, and towards urbanisation of the population. As a result, many co-operatives have also moved into the urban areas, where they have set up industrial enterprises and opened big department stores, supermarkets, public catering establishments and communal service facilities.

The changes and the adaptation of the co-operatives to the new requirements are closely linked with the investment policy. The choice of effective capital investments is a condition for the establishment of co-operatives as a socialist form of economic activity. Their capital investments are instrumental in building the material and technical base of the co-operatives on a regional level.

A common feature of co-operatives in the socialist countries is the continuous

improvement of planning in management and the expansion of co-operative democracy. Another common tendency is the growing role of low-level organisations and of the initiative of co-operative members in the management and planning of their activity.

The above are some of the general trends and changes in the co-operative movement in the socialist CMEA countries. But it should not be forgotten that each socialist country chooses freely the ways and means for the development of its co-operatives. This is confirmed by socialist reality. What all socialist countries share in common is that their co-operatives are actively involved in the realisation of the principal aims and tasks of the socialist society. The successful adaptation of the co-operatives is largely a result of the free exchange of experience and the fraternal co-operation between them on a bilateral and multilateral basis within the CMEA. All this is based on the principles of voluntary membership, non-interference in internal co-operative affairs, mutual advantage, etc.

United within the framework of the CMEA, the co-operatives from the socialist countries react more quickly, not only to the changes in the socialist community, but to those in the whole world as well. The socialist community provides the most favourable political, scientific, technical, economic, financial and other conditions for the further advancement, adaptation and improvement of co-operatives.

Plans for the continuous adaptation of co-operatives under socialism include structural and organisational changes, the diversification of produce, and the orientation to more luxury goods, so as to satisfy growing consumer requirements. In this connection we should

also mention the introduction of the latest achievements of science and technology, energy, conservation, the increased educational and occupation level of cadres, integration, the establishment of associations, better planning, the expansion of democracy, wider co-operation within the socialist community and increased solidarity and mutual assistance with co-operatives all over the world.

All these general tendencies are manifested with their own characteristics in the development and activity of the different kinds of co-operatives.

4.2. Changes in the different co-operatives in the socialist countries

4.2.1. Consumer co-operatives

The consumer co-operatives are socio-economic organisations occupying an important place in the economy of socialist countries. By carrying out production and commercial activity, and by promoting public catering and communal services, the consumer co-operatives contribute towards a more effective balancing of commodity stocks and purchasing funds, raising the well-being of the people, consolidating the economic links between town and village and overcoming the substantial difference between them. Their participation in foreign economic relations is also increasing.

In order to successfully perform these functions and tasks, the consumer co-operatives in the socialist countries build their own material and technical base, form their own cadres and improve the mechanism of management. Mr. Pramov then gave some data showing

evidence of the importance of the consumer movement in CMEA countries.

In order to respond to the increased requirements of the socialist market, the consumer co-operatives have expanded their activity to include the purchasing and processing of farm produce, industrial communal services and foreign trade. These changes allow the consumer co-operatives to increase the volume and share of their products sold on the home and international market. They can more quickly organise the production of goods in accordance with consumer and socialist market demands. They can quickly cease manufacturing outdated goods or items which are no longer in demand and rapidly ensure the production and sale of better quality and luxury goods which conform to higher consumer demands and requirements and are more profitable.

Consumer co-operatives are successfully implementing the policy towards a transition from extensive to intensive development, and are working towards a better utilisation of the intensive factors of economic growth. For this purpose the central co-operative unions from the CMEA countries have implemented programmes for the overall rationalisation of the consumer co-operatives' activity. These programmes envisage large-scale introduction of the latest achievements of science and technology, and provide for the more rational utilisation of fixed assets, materials, labour and financial resources. By and large, they ensure faster growth of production and commercial activity than of funds. In other words, this is being achieved by the rapid increase in labour productivity. The co-operatives are credited with considerable success in this respect. For instance, during the tenth 5-year plan period (1975-1980)

the Soviet co-operatives ensured the bulk of their economic activity's growth at the expense of intensive factors; in the field of trade it amounted to 73 per cent, in public catering – 68.3 per cent, in industry – 93.4 per cent and in industrial construction – 97.5 per cent. The question of intensification is being successfully tackled in the other socialist countries as well, and further improvements are expected during the current 5-year plan.

More rational and effective use of fixed assets is expected to boost trade by an average of 15-20 per cent, and public catering by 20-25 per cent, over that of 1980. This is to be achieved through the reconstruction, modernisation and technical re-equipment of the existing commercial network and through the specialisation of shops.

The policy for an economically viable concentration of activities plays a particularly important role in intensification and in raising the effectiveness of the use of the co-operatives' fixed assets. Yet this picture is not the same in all socialist countries. In some, priority is given to small co-operative organisations and enterprises requiring smaller investments. In other words, the concentration of co-operatives is carried out within reasonable, economically rational limits.

Consumer co-operatives in the socialist countries have implemented a system of measures for expanding direct contacts between the co-operative organisations and industry, centralising the delivery of goods from the manufacturing enterprises, and more rational use of existing wholesale facilities. They are based on modern equipment, including electronics, for optimising commodity stocks, their distribution and the quick liquidation of unsold goods.



... listening with keen attention.

An inseparable part of the above-mentioned line is the structural changes in the organisational hierarchy and functions of co-operative organisations and the reduction in the number of management levels, including those in the field of commodity resources. Thus, in the Soviet Union, Bulgaria, Romania, and other countries, the regional unions of consumer co-operatives have taken over the functions of wholesale suppliers of low-level co-operatives, built medium-size enterprises for the processing of raw materials, opened repair and assembly facilities, and set up centralised trucking bases.

Economic interest pushes the consumer co-operatives in the socialist countries towards integration with agricultural co-operatives and state-owned industrial enterprises. The tendency towards interaction and co-operation is also deepening the form of association being used. This makes it possible to couple integration with the preservation of co-operative property,

the protection of statutory rights of co-operative members and their elected management bodies, and the boosting of economic results.

The consumer co-operatives' functions are not confined to the purchasing and trade in food-stuffs; they also organise the production of foodstuffs and agricultural raw materials.

The consumer co-operatives study the growing requirements of consumers. They employ economic means, and influence manufacturing enterprises outside the co-operative sphere, to improve the quality of consumer goods.

Consumer co-operatives in the socialist countries have also been improving management and planning. In their search for a higher socio-economic effect in every co-operative activity, they have enhanced the role of material and moral incentives and linked pay with end results. The interests of each co-operative member have been linked

ever more closely with those of the respective workforce and the whole of society.

4.2.2 Agricultural producer co-operatives

In the socialist countries co-operatives have been accepted as the most appropriate way of carrying out agrarian reform, socialising small-scale private farming and raising the level of its material and technical base to modern scientific standards and requirements, in addition to solving the social problems of small farmers.

After the socialist revolution, the socialisation of small-scale commodity farming became an objective necessity and a law-governed process. The collectivisation of farming in the CMEA countries was carried out on the basis of Marxist-Leninist theory and Lenin's co-operative plan, whose underlying principles are of world significance. The place and role of the agricultural producer co-operatives (co-operative farms, kolkhozes, agro-industrial complexes, etc.) in the national economy of the European socialist countries is evidence of this. They have created a highly developed material and technical base and cover large tracts of arable land.

The agricultural co-operatives also have a large amount of agricultural machinery at their disposal. This technical progress has been achieved with the help of the state and through the yields of agricultural co-operatives themselves. While the percentage of collectively worked land differs from country to country, the greater part of the land is tilled in this way. The agricultural producer co-operatives are popular in the true sense of the word. The small and

middle farmers are united in large, economically powerful co-operative organisations in most CMEA countries. Science and technology has permitted the construction of improved facilities and increased mechanisation and chemicals are being introduced.

As a result of the activity of the agricultural co-operatives with the active assistance of the state and the whole of society, agricultural production has improved considerably and CMEA countries are now among the most developed in the world. In the different socialist countries the output of the agricultural co-operatives has increased 2-4 fold, while the acreage of arable land has remained unchanged. There is no problem marketing this output because of the increasing needs and purchasing capacity of the population and of the world socialist market.

Analysis has shown that the agricultural co-operatives in the socialist countries have undergone changes which correspond to the changes in the economic development of each of these countries and of the community as a whole.

A tendency towards integration between mutually related branches, activities and enterprises is being observed under the influence of the deepening social division of labour and the objective trends of production concentration and specialisation. A process of integration between agricultural production and the food and other industries is also taking place in the socialist countries. The agro-industrial integration proceeds in different forms in each country. In some, the integration between farming and industry takes place on the basis of equitable contracts between the agricultural co-operatives and the industrial enterprises, with both

sides retaining their full organisational, economic and juridical independence, while in others inter-co-operative enterprises are set up. In the Soviet Union, Bulgaria and some other countries, the agricultural co-operatives have their own processing facilities.

An important prerequisite for further development is the utilisation of the latest scientific and technological achievements, and the transition to an overall intensification of agricultural production. For this purpose, advanced machinery, industrial technologies and the scientific organisation of production and labour are being introduced, and all farming processes are being gradually industrialised. Agricultural production growth will be achieved as a result of higher labour productivity. In both absolute and relative terms, the numbers engaged in farming will decrease, while its gross and net product will increase. The feasibility of intensifying the activity of agricultural co-operatives is confirmed by the fact that labour productivity has increased manifold in comparison with small-scale private farming.

Large-scale, mechanised and highly effective farming is also characterised by changes in its social functions. The growing economic and financial strength of the agricultural co-operatives provides better possibilities for solving the social problems of members, and of society as a whole. The agricultural co-operatives provide grants for personnel training, maintain community cultural centres, and engage in educational, art and sports activities. In addition to their state pensions, retired farmers often receive cash benefits or reduced price agricultural produce and canteen facilities from their co-operative. The agricultural co-operatives also build cultural centres, schools, health establishments, etc.

4.2.3 Industrial (artisanal) co-operatives

In the socialist countries, part of the functions of small-scale manufacture and the cottage industry have been taken over by local industries and communal services. The rest have been organised by (artisanal) co-operatives which make better use of some raw and primary materials and waste materials from large-scale industry. They render services to the population and preserve and enrich national crafts and folk art. By providing employment, the artisanal co-operatives occupy an important place in the economy of the countries of the world socialist system.

The development of production, the full use of manpower, the growing material affluence of the working people and the increased use of house-hold appliances, opens up broad possibilities for the growth of industrial co-operatives. On the other hand, the requirements of these co-operatives for improvement of their material and technical base and of the quality of their activities are increasing.

One of the problems which is being solved by the artisanal co-operatives is the replacement of manual labour by machines. This is a condition for intensifying their activity and for raising labour productivity and the profitability of their operations.

Another significant change is the introduction of market research, the changing structure of production and efforts to satisfy the individual taste and preference of customers.

For the purpose of securing the necessary supply of raw and primary materials and full employment for co-operative members and workers, the industrial co-operatives join forces with state-

owned industrial enterprises and set up small workshops. This also enables them to produce goods for external markets.

Choosing the optimum size of industrial co-operatives and their production facilities is of constant concern. In this field there is a tendency towards the establishment of smaller production units and the territorial location of the co-operatives' branches, bringing them as close as possible to the consumers. Even though of an ad hoc character, this form of organisation has proved to be more effective. At the same time, they often take on some of the operations of large scale industry which necessitates the opening of small and medium-size factories.

The socialist state provides favourable possibilities for the development of industrial co-operatives, including greater freedom in planning their activities and finances.

Industrial co-operatives for people of reduced working capacity aim to readjust the handicapped to suitable jobs. These co-operatives produce mainly arts and crafts and luxury goods, and render communal services. They are engaged in activities which improve the health and social status of invalids. For operations which require special skills, or which invalids are unable to perform, the co-operatives may hire a limited number of fit people.

4.2.4 Housing construction co-operatives

Having a home is one of the essential human needs. In most of the socialist countries, housing construction co-operatives appeared at the beginning of the century, but it was after the socialist revolution that they grew most rapidly,

and today they are part of the revolutionary changes in these countries. Under socialism the housing problem is primarily a concern of the state, but the housing construction co-operatives are also actively involved in implementation of the housing policy and have a share in solving the housing problem.

The activity of the housing construction co-operatives is based on the underlying principles of co-operation, and they carry out their activity on the basis of a statute and settle all matters on the basis of internal co-operative democracy.

In 1982 the socialist countries had a total of 61,000 different housing construction co-operatives with 15 million members (excluding the USSR and GDR). They are concerned with the construction of new residential buildings, their exploitation, modernisation, reconstruction and repair, and also render services in connection with other housing requirements.

The housing construction co-operatives also try to involve the population in building new homes with their own labour and funds. In Bulgaria, for instance, the housing construction co-operatives are engaged only in the building of new homes, after which they are handed over to the co-operative members.

In some socialist countries the housing construction co-operatives set up organisations for the management and repair of co-operative residential buildings. In Czechoslovakia and Poland up to 70 per cent, and in Hungary 40 per cent, of the repairs are done by the co-operatives' own repair organisations. In other instances the repairs are contracted out to house-repairing organisations. In Czechoslovakia, Hungary and

the Soviet Union the housing construction co-operatives maintain close contact with the production enterprises and offices at which the co-operative members work. In a number of instances these enterprises have a stake and help the housing construction activity of these co-operatives by supplying them with transport, machines, etc.

Co-operative housing construction in the socialist countries enjoys state support. The co-operative members deposit a percentage of the cost of their home, while the state grants them long-term loans at low interest for the remainder. Housing construction co-operatives are often allotted building sites on advantageous terms. Enterprises often grant interest-free loans to young married employees from their social welfare funds.

4.3. Improvement of management, planning and co-operative democracy

The strengthening of the planned economic development of the socialist countries is paralleled by an improvement in co-operative management and planning.

The management of co-operative activity has been enriched by long-term forecasts, comprehensive purpose-oriented programmes and long-term plans. The role of cost accounting is being enhanced in co-operatives from the CMEA countries. This demands that each co-operative covers its outlay and winds up with a profit. The economic units within each co-operative also operate on the basis of cost accounting. This has a stimulating effect on the organisation of labour and production,

economises raw materials and energy and improves quality. In a number of countries the team organisation of labour and team self-accounting are widely used.

The economic approach calls for a distribution of income within the co-operatives so as to increase production and make the co-operative members interested in the final results.

The expansion of the co-operatives' rights in the sphere of management and planning goes hand-in-hand with increased responsibility.

The improvement of co-operative management and planning in the socialist countries is accompanied by the promotion, expansion and consolidation of co-operative democracy. It is based on the unity between the interests of the co-operative members and on their common goals. Special attention is devoted to the direct participation of the co-operative members in management. The general meetings play an increasingly important role, as do the elective bodies. The latter solve a number of questions and report to the co-operative's general meeting. Modern possibilities are created for the co-operative members to exercise their rights through the local co-operative councils and control bodies. The participation of members in the elaboration and adoption of plans, distribution of income, formation of funds and in the election of managing bodies is in unison with the expansion and enhancement of democracy in all socialist countries.

4.4. Internationalisation of economic life and changes in the development of co-operatives in the socialist countries

The internationalisation of economic life and the expansion and intertwining of economic relations between states with different social and economic systems constitute a global tendency within which the co-operatives must function.

The co-operatives of the socialist countries respond, above all, to the changes brought about as a result of the increase of scientific and technical co-operation and integration within the CMEA. This is also proved by the institution of a Conference of the Presidents of the Central Co-operative Unions and Councils in the CMEA countries. They co-ordinate the processes of co-operation and integration in the economic, scientific, technical and other spheres. This activity is based on the principles of voluntary membership, mutual economic advantage, equality, etc. All this guarantees supplies of machines manufactured in the CMEA countries, as well as of certain raw and primary materials. At the same time, the world socialist market for the co-operatives' output is also expanding and experience and advanced technologies are exchanged. However, each country is free to decide whether to use the achievements of the co-operatives from the other socialist countries or not.

The Conference of the Presidents of Central Co-operative Unions and Councils is an open system, which can be joined by co-operative movements from other countries as full members or observers.

The co-operatives from the CMEA member-states have established multi-lateral links resulting in the steady growth in inter-co-operative trade. Relations are maintained both on a bilateral and a multilateral basis. Co-operative trade between the border areas of neighbouring countries is developing successfully in a variety of forms. This is conducive to a mutual exchange of goods, to the disposal of goods which exceed the needs of the national markets and to a diversification of goods. The effectiveness of trade is increasing, thanks to the advantages of the world socialist division of labour and of the world socialist market.

International scientific conferences concerned with different co-operative problems are organised for the purpose of promoting scientific co-operation. Future co-operation in this field is also mapped out. The central co-operative unions and councils of the CMEA countries have adopted a programme of co-operation, which covers the elaboration of concepts on the development of consumer co-operatives, on the production of applied art objects and goods, on studying the gathering and processing of wild fruit and plants, etc. Another sub-programme promotes collaboration in using the latest achievements of science and technology, production facilities, and raw materials, and the introduction of low-waste technologies. Matters related to the rationalisation of co-operative activity in solving other problems up to the year 2000 are also included in these programmes.

Within the framework of the International Co-operative Alliance, the socialist co-operatives also react to the changes in the activity of co-operatives from the capitalist and developing countries. Co-operation in this field is confined mainly to the study and exchange

of experiences, assistance to co-operatives from the developing countries, and promotion of foreign trade.

There are still many unexplored possibilities necessitating studies in collaboration with the ICA, as well as the adoption of bilateral and multilateral, comprehensive, purpose-oriented prog-

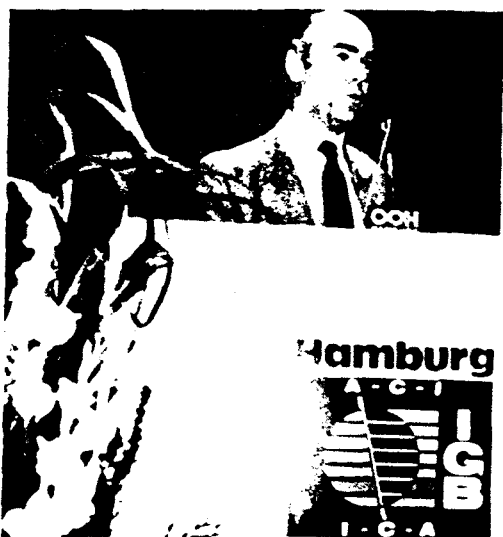
rammes for the development and deepening of co-operation.

The **President** thanked the speakers and said that the Studies underlined the importance of research, which alone made it possible to keep up with changing conditions and technical advances. The ICA could play an important role in this field.

Section VI

Amendments to Rules*

The **President** asked Mr. Wilkinson, who had been a member of the drafting committee appointed by the Executive Committee, to introduce the proposed Rules on behalf of the Executive Committee.



D. Lloyd Wilkinson at the rostrum

Mr. Wilkinson (UK) outlined the process which had resulted in the amended Rules which delegates now had before them. The Executive Committee had decided at its meeting in July 1983 that there was a need to bring the Rules up to date and more in line with current practice, to clarify various Articles, and to provide appropriate wording as a working guideline for the future. A small drafting committee was appointed to undertake this task, comprising the President, the Vice-President Mr. Søjland, Mr. Marcus (Sweden), Mr. Krashenin-

nikov (USSR) and himself. The final draft had been circulated to affiliated organisations for comment and amendments, and had been approved by the Central Committee the previous Sunday. There were still some discrepancies with the Standing Orders but they obviously had to wait for the new Rules to be approved before they could start on revising the Standing Orders. The Congress documentation consisted of two papers: the draft Rules prepared by the Executive Committee, and the amendments submitted by the affiliated organisations.

In revising the Rules, the Executive hoped to achieve certain objectives: clarification of the membership criteria; clearer definition of the obligations of member organisations, and of the powers and responsibilities of Congress, the Central Committee, the Executive Committee, and of the Director and the Administration; also of the Specialised Organisations (formerly called Auxiliary Committees and Working Parties). There were new provisions for Regional activities, for the enlargement of the Executive Committee, for the formation of an Auditing and Control Committee, and for the status of the Alliance in Switzerland. Finally there was provision for future changes in the Rules, not allowed for in the present Rules.

They had deleted the Congress Reception Committee (present Art. 26), from the text, since all the arrangements for Congress could be effected satisfactorily between the Secretariat and the host organisation. The provision for Trus-

* The new Rules, as adopted by Congress, are given in Appendix 2.

tees (present Art. 36) which had been compulsory under British law when the ICA was based in the UK was no longer necessary and had also been deleted. Most of the functions of the former Trustees had, under the new Rules, been taken over by the Executive Committee. Mr. Wilkinson then went into detail over some of the more controversial changes (his comments are included under the various Articles).

Mr. Krasheninnikov (USSR) said that during the two decades of his association with the ICA there had been a continuous process of revision of the Rules and Standing Orders, and this was natural in a changing world. Each of the previous Congresses had adopted various amendments which had dealt more with current problems than with long-term aims. The situation today was different: they had a complete set of Rules to consider, which had taken account of the views of member organisations, the Auxiliary Committees, and the Regional Councils. All proposals had been given due consideration, and had been incorporated where the Drafting Committee unanimously agreed that this was advisable. Many of the existing Rules had remained unaltered because they had not lost their significance at the present time, but adoption of the new Rules would make the ICA simpler, more logical, better structured, and more flexible in its response to problems.

Voting Procedure

The host organisation had made provision for computerised voting. The **President** reminded Congress that a two-thirds majority was required for alterations to the Rules, and therefore voting by show of hands could be accepted only where there was complete unanim-

ity, since votes were unevenly distributed among delegates. In cases where there were objections and/or abstentions, they would use the computer.

For voting purposes the Rules would be divided into three groups:

1. Rules which were unaltered, or had very slight modifications and were non-controversial – to be voted as a group en bloc:
2. Rules which, although non-controversial, did have amendments and would be discussed individually and then voted as a group en bloc:
3. The remaining Rules which were controversial and would be voted individually.

Congress approved this procedure.

The Debate and Vote

(1) Rules which were unaltered, or had very slight modifications and were non-controversial – voted as a group en bloc:

- | | | |
|-------------|-----------------------------------|----------------------------------|
| Article 1. | Name | Existing Art. 1 – unchanged |
| Article 3. | Objects | Existing Art. 3 – minor changes |
| Article 5. | Official languages | Existing Art. 5 – minor changes |
| Article 6. | The Seat of the ICA | Existing Art. 6 – minor changes |
| Article 7. | Independence | Existing Art. 7 – minor changes |
| Article 9. | Application for membership | Existing Art. 9 – minor changes |
| Article 11. | Rights of members | Existing Art. 12 – minor changes |
| Article 13. | Financial year | Existing Art. 14 – unchanged |

- Article 14. **Income** Existing Art. 15 – minor changes
- Article 16. **Authorities** Existing Art. 18 – minor changes
- Article 19. **Representation at Congress** Existing Art. 22 – minor changes
- Article 20. **Voting at Congress** Existing Art. 23 – unchanged
- Article 21. **Congress convocation** Existing Art. 19 – rearranged
- Article 22. **Motions** Existing Art. 24 – minor changes
- Article 23. **Congress Committee** Existing Art. 25 – unchanged
- Article 24. **Central Committee** Existing Art. 27 – minor changes, rearrangement
- Article 26. **Meetings of the Central Committee** Existing Art. 29 – except for final paragraph (incorporated in new Art. 25)
- Article 29. **Meeting of the Executive Committee** Existing Art. 33 – except for final paragraph (incorporated in new Art. 28)
- Article 33. **Regional activities** minor changes
- Article 35. **Expenses incurred in attending ICA meetings** Existing Art. 35 – reworded and clarified

Three new Rules:

- Article 37. **Status of the ICA in Switzerland**
- Article 38. **Amendments to the Rules**
- Article 39. **Definitive text of the Rules**

All articles in Group (1) were unanimously approved as drafted by the Executive Committee.

(2) Rules which, although non-controversial, had amendments and were discussed individually and then voted as a group en bloc:

- Article 4. **Methods** Existing Art. 4 – minor changes & amendment by FNCC (France) – unanimously approved
- Article 10. **Cessation** Existing Art. 11 – minor changes & amendment by FNCC (France) – unanimously approved
- Article 12. **Obligations of members** Existing Art. 13 – rearranged, amendments by Finnish Organizations and FNCC (France) – unanimously approved
- Article 15. **Subscriptions** Existing Arts. 16.-17 – new provisions, amendment by FNCC (France) – unanimously approved
- Article 17. **Powers of the Congress** Existing Art. 20 – new provisions, minor changes, amendment by Co-operative Union (U.K.) unanimously approved
- Article 25. **Powers of the Central Committee** Existing Art. 28 and part of Art. 29 – rearranged, new provisions, amendments by Finnish organizations and Co-operative Union (UK) – unanimously approved
- Article 28. **Powers of the Executive Committee** Existing Art. 32 – rearranged, new clauses, amendment by Co-operative Union (U.K.) – unanimously approved
- Article 31. **President and Vice-Presidents** New article with amendments by FNCC (France) – unanimously approved with FNCC amendment

Article 32. **Director and Secretariat** Existing Art. 34 – rearranged, and minor changes, amendments from FNCC (France) rejected, UCS (Tanzania) rejected – unanimously approved as drafted by the Executive Committee

Article 34. **Regional Councils** New article, amendments FNCC (France) opposed by Executive Committee & withdrawn, & Sugar Mills Development Institute of the Philippines opposed by the Executive Committee and subsequently withdrawn – unanimously approved as drafted by the Executive Committee

Article 36. **Auditing and Control Committee** New article – unanimously approved

There was also an amendment to retain existing Art. 26 – Congress Reception Committee

(3) Rules which were controversial and were voted individually:

Article 2. Constituent Members

Existing Article 2, with deletion of “associations of persons or organisations” as a category of membership: organisations other than national and international co-operative organisations were covered by Article 8.

Amendment submitted by Instituto Antonio Sergio (Portugal) to add “organisations which have as their aim the promotion of the co-operative movement” – opposed by the Executive Committee.

This Rule was discussed in conjunction with Article 8 (Eligibility).

Mr. Briganti (Italy) spoke in favour of the amendment, because he felt it was important for the Alliance to admit organisations concerned with the promotion of the co-operative movement. The Alliance should not close its doors to study and research institutions, which could help the co-operative movement to clarify its aims and discover its true nature in the world of today. He understood that it would allow entry to purely governmental organisations but this could be prevented by adding “provided such organisations can prove they are under the democratic control of co-operators”.

Mr. Lacroix (France) said the amendment might cause problems:

1. it might not always be possible to tell whether such organisations were democratically controlled by co-operators;
2. which fields of action – (some were academic, some combined theory and practice, some provided technical or financial support) – would merit membership of the ICA?
3. how would subscriptions be calculated?
4. promotion institutions might prove to be the thin end of the political wedge. An additional factor was that their numbers meant that the Central Committee could find itself swamped by promotion institutions.

Mr. Hess (FRG) argued the new Rules might prohibit membership of organisations currently affiliated to the ICA, such as his own Bank für Gemeinwirtschaft, on the grounds that their legal status did not fit the new definition. He believed that the amendment would allow the ICA to admit organisations which were

not legally co-operatives but which displayed the co-operative spirit.

In reply, **Mr. Wilkinson** stressed there was no intention of excluding any organisation at present in membership of the Alliance. The object of the Executive had been to clarify a rather vague rule. The final decision was in the hands of the Executive Committee, but the text of the Rules should provide sufficient guidance to enable it to make a decision.

The amendment was rejected (computerised vote).

Article 2 as drafted by the Executive Committee – approved by the necessary majority (computerised vote)

Article 8. Eligibility (discussed in conjunction with Article 2)

Existing Article 8, with deletion of "associations of persons" as eligible for membership unless "recognised as a co-operative society"; deletion in 2nd paragraph of "irrespective of its legal constitution"; simplification of the list of organisations eligible for membership, with emphasis on members being national or international organisations, except in cases where no national organisation exists.

Amendment submitted by Instituto Antonio Sergio (Portugal) to add new clause (g) identical to that proposed for Article 2 (see above) –

Mr. Søliland (Norway) proposed a revised text for clause (d) to deal with the objections raised under Article 2 that the new wording of Articles 2 and 8 might prohibit membership of organisations at present affiliated to the ICA:

"(d) National co-operative and other business organisations which promote co-operatives, such as wholesale societies, banks, insurance societies, oil societies."

This would provide for organisations which promoted co-operation but were structured as stock companies rather than co-operative societies.

Mr. Wilkinson, after consultation, said the Executive Committee approved the revised clause (d).

Amendment proposed by Instituto Antonio Sergio was rejected (computerised vote)

Article 8, with amended clause (d) – approved by the necessary majority (computerised vote)

Article 18. Constitution of the Congress

Existing Article 21 unchanged.

Mr. Catalano (Italy) proposed that for the sake of consistency "and representatives of the Specialised Organisations" should be added at the end of the first paragraph.

Mr. Søliland (Vice-President) said that the Congress could only consist of affiliated members which paid subscriptions to the ICA, and the Specialised Organisations were not members of the Alliance but only ICA committees. Special provision had been made for them to nominate members to the Central Committee with full voting rights, and also to submit motions to the Congress and to the Central Committee. But a situation under which non-members of the ICA could send delegates to the ICA Congress would never be acceptable.

In reply, **Mr. Catalano** pointed out that, under Article 24, the Central Committee also comprised "one nominee from each of the specialised organisations, elected by the Congress" and he did not see how such a nominee could be elected by the Congress unless he/she participated in the Congress; nor did he see how the Specialised Organisations could submit motions to a Congress at which they were not represented. The other alternative was to assume that, because they were created by the ICA, the Specialised Organisations were in fact members of the ICA. If so, it was not necessary to mention them as a separate category in Articles 22 and 24.

The amendment proposed by Mr. Catalano was put to the vote under Congress Standing Orders para. 14 and was rejected.

Article 18, as drafted by the Executive Committee – approved by the necessary majority.

Existing Article 30 repetitive – included in Article 25.

Article 27. Executive Committee

Existing Article 31, with provision for filling vacancies occurring between Congresses at a subsequent meeting of the Central Committee, the number of places held by any one country (or union of countries) reduced from two to one, and the insertion of a new clause (b) empowering the Executive Committee "to co-opt up to three persons, being members of the Central Committee", such appointments being "valid up to the next Congress" and to be notified to the Central Committee.

Amendment submitted by the Finnish organisations, Co-operative Union (UK), Volksfürsorge Deutsche Sachversicherung (FRG) and Volksfürsorge Lebensversicherung (FRG) to delete new clause (b).

Amendment submitted by FNCC (France) expending new clause (b): stating that the purpose of the clause was to enlarge the "geographical and sectorial representation" of the Executive Committee, that such co-opted members should have consultative status only, that any co-option should have the agreement of a two-thirds majority of elected Executive Committee members (with a subsequent addition that it should be ratified by the following Central Committee meeting). Supported by the Executive Committee, as altered.

Amendment submitted by FNCC (France): new clause (e) to give the President the casting vote in the case of a tied vote.

All speakers concentrated on the new clause (b): there were no references to new clause (e).

Mr. Wilkinson said they had been aware for some time of pressures to enlarge the Committee, in view of the increasing membership of the ICA and its broader geographical and sectorial spread. However, they had a very large representative committee, the Central Committee, whose very size required the existence of a small but effective working executive. The election of additional members to the Executive Committee would not necessarily improve its geographical and sectorial spread, and tended to reduce its efficiency. The Committee's decision to propose co-option meant that up to three persons could be invited to participate in the meetings without voting powers. If this

Article were approved, the Committee would, at its next meeting, decide to co-opt members to provide this broader geographical and sectorial representation until the end of the following Congress.

Mrs. Itkonen (Finland) said the Finnish and Danish organisations had proposed the deletion of the new clauses (b) because they felt that was undemocratic. However, the Executive was entitled to use consultants to ensure that the interests of the various sectors and geographical areas were fully taken into account.

In reply, **Mr. Lacroix** said he did not believe co-option to be undemocratic. The FNCC amendment stated clearly that such co-opted persons should have purely consultative status with no voting powers.

Mr. Syrjanen (Finland) agreed that, according to democratic principles, the members of an organisation elected those who should govern the organisation and report back to those who had elected them. Under the present Rules, the Central Committee elected the Executive Committee. If part of the Executive were appointed by someone else, to whom should these persons report their activities and how could the members of the ICA control their activities? If this first step away from democracy were taken, what would the next step be? If part of the members' rights were to be taken away, would a Central Committee be needed in the future at all?

There was nothing to prevent the Executive Committee inviting suitable persons to sit with them, on a permanent basis, but this did not mean that they should be made members of the Committee.

Mr. Aziz (Malaysia) said the ex-colonial countries had suffered from co-option for too long, with those in power choosing people agreeable to them, and "token members", to serve on public bodies. This was completely contrary to the principles of democracy, one of the fundamental pillars of co-option which he expected the ICA to support. It was very easy to nominate people who supported your views, while giving the illusion that you were speaking for minority groups. In the case of specific representation of women, he said that this should not be necessary in a democratic system; he appreciated that women in European countries might have special problems of "male chauvinism", but in his country women did not need any "tokenism" to put them in positions of power.

If the members of the Executive Committee could choose who sat on the Committee with them, it was unlikely that such people would be "representative".

Mrs. Jönsdotter (ICA Women's Committee) warned Congress that she was going to be very "female chauvinist". The question of general representation on the Executive Committee had already been raised prior to the 1980 Congress, with the result that the Chairman of the Women's Committee had been invited to sit in at meetings of the Executive Committee, without a vote. The Women's Committee had tried, unsuccessfully, to get this situation made permanent. However, they were not going to accept the suggestion of their friends from Finland and the UK that they should now go backwards.

Their representative would report to many very active women in the co-operative world, who needed to have

their voices heard. She believed this was also democracy.

Mr. Mason (UK) said the UK delegation believed that if the Executive committee needed advice, it could call on the relevant organisation, or the Women's Committee, as it did now.

However, **Mr. Williams** (USA) was in favour of the rule change which would allow the Executive Committee to co-opt three additional members. Such an addition to the Executive Committee was an important step to enlarge and expand the structures and operation of the ICA. If the ICA were to take its rightful place in the world as a strong and effective international organisations it needed:

1. a new programme – which was what the Daneau Report was about;
2. a strong secretariat – and this would be the task of the new Director;
3. new leadership – large co-operative organisations were joining the ICA, and this would lead to major shifts of leadership in terms of the Executive Committee; and
4. new structure – which was one of the main objectives of the Rule changes under discussion. An ICA dominated by European countries and by consumer co-operatives did not allow it to be a world organisation representing co-operatives from all countries and from all industrial sectors. Organisations did not like to pay subscriptions and then find there was insufficient provision to participate. The only way to improve the ICA's financial position was to increase the number of affiliates – which meant that the ICA must have the total support of all the industrial co-operative sectors.

He had constantly heard the complaint, especially from industrial sector, that the ICA was a closed organisation. Two thirds of the Executive Committee came from Europe, which had perhaps been appropriate in the past. But when one realised that it included no representative from Central or South America, only one from the whole continent of Africa, and only two from Asia, this did not give the appearance of a world organisation. If the ICA was to expand and be more effective, if it wanted to say to the United Nations and the UN specialized organisations that it represents the co-operative business of the world then it must do so in reality. The actual size of the Executive Committee should be increased to allow more countries to help with solving many of the tough problems faced today. However, most of the Executive Committee members did not want to increase its size at the present time. So the new clause (b) was a compromise. It was not undemocratic since, under the FNCC amendments, co-option needed a two thirds majority of the elected members and would have to be ratified by the Central Committee. But it would allow the Executive to look at itself and decide what areas were not represented because ICA needed their voice and participation.

Mr. Kimbui (Kenya) believed that the Executive Committee should be empowered to co-opt a limited number of additional members, because democratic election might not give small institutions and developing countries satisfactory representation.

Mr. Szabo (Hungary) said his delegation had not intended to ask for the floor because Hungary had a small co-operative movement, was not a member of the Executive, was not seeking co-option to the Executive, and considered itself neutral on this issue. However if

the ICA wanted to work for the future, then it needed new structure, new forms, and new experiments. They proposed that this idea should be tried out for one congressional period, and then discussed and evaluated at the following Congress, after which a decision could be taken as to whether or not to continue with it.

Mr. Suomela (Finland) said his organisation had proposed deletion of clause (b), but the Hungarian proposal was interesting.

Mr. Wilkinson agreed that the Hungarian suggestion was sensible and was sure that the new Executive Committee would want to follow it up. Certainly if Congress approved co-option, and the new Executive Committee exerted this power, it would wish to review the situation and report back to the next Congress.

Simply increasing the number of elected members would not guarantee that a member from a particular part of the world or a particular sector would be elected. It was not really a question of democracy.

The Executive Committee was prepared to accept the FNCC amendment, which clarified the basis on which co-option could take place.

The Finnish amendment to delete clause (b) was voted by computer and rejected.

The alternative clause (b) proposed by FNCC (France) was voted by show of hands and approved by the necessary majority, as was additional clause (e).

Article 27 as drafted by the Executive Committee with amended clause (b) and additional clause (e) was voted by

show of hands and approved by the necessary majority.

Article 30 Specialised Organisations

A new Article designed to meet the need for the Rules to be more specific concerning the international specialised organisations (formerly called Auxiliary Committees).

Amendment submitted by FNCC (France) altering the second paragraph of the Executive Committee draft (additions in italics): "Non-members of the ICA, not eligible to apply for membership of the ICA, may on the recommendation of a specialised organisation and with the approval of the Executive Committee become members of a specialised organisation provided they accept the objects of the ICA."; the amendment was opposed by the Executive Committee.

Mr. Wilkinson said the Article had been drawn up to deal with a de facto situation for which the existing Rules made no provision, and he believed its proposals were quite straightforward. The Executive Committee felt that the second paragraph satisfactorily covered the situation in which some of the auxiliary committee had members who were not members of the ICA, perhaps they did not yet qualify. Nevertheless, the intention behind accepting such organisations was obviously to encourage their membership of the Alliance in due course, and the removal of whatever restrictions currently prohibited such membership.

Ms. Pinkas (Bulgaria) had earlier expressed her delegation's appreciation of the provision made for the permanent representation of the specialised organisations (see Art. 4)

Mr. Fisher (USA) said that as Chairman of the ICIF, he was against the amendment proposed by the FNCC. Although the ICIF was one of the specialised organisations, it had not been created by the ICA but had been founded spontaneously by its members, which affiliated with the ICIF voluntarily, and then with the ICA; thus the ICIF had its own constitution, raised its own subscriptions, and drew no notable services from the ICA Secretariat.

The ICIF took great pains to establish the co-operative credentials of new applicants, which affiliated to it generally with the concurrence of the ICA and of the apex organisation of the country concerned. But the application of co-operative principles to insurance varied from country to country, and a co-operative insurance organization might necessarily be constituted in a form which made it ineligible for ICA membership, in spite of the proposed changes in eligibility discussed earlier.

The FNCC amendment called for the specialised organisations to recommend admittance of their members to the ICA, even where they were not eligible, but with the approval of the Executive Committee. If the amendment proposed by the FNCC were adopted, the rules of the ICIF and of the ICA would not be out of step and it would be possible for the ICIF to continue its affiliation with the ICA.

He felt that the implications of the FNCC amendment should be clarified before it was voted upon.

Mr. Lacroix (FNCC) said the aim of their amendment had been to enable the specialised organisations to take advantage of the experience of non-member organisations working in the same sector, which for legal or other

reasons were not eligible for full membership of the ICA. At the same time the amendment guarded against the risk of having the specialised organisations overrun by organisations which were eligible for ICA membership but preferred to take advantage of the specialised organisations without paying ICA subscriptions.

However, he now felt that perhaps the wording of the amendment was too rigid and did not take sufficient account of the variety of situations that existed. He, therefore, proposed a less restrictive text which omitted the reference to the Executive Committee but gave clearer guidelines than the original draft:

“Organisations which are not members of the ICA may become members of a specialised organisation on condition that they accept its rules, conform to the objects of the ICA, and that the specialised organisation commits itself to facilitating the membership of this organisation in the ICA unless legal regulations make it impossible.”

Mr. Catalano (Italy) considered the term “specialised organisations” too vague, because most organisations were “specialised organisations”; he proposed inserting in the first paragraph the words “which shall be called Specialised Committees”, with consequent changes in the rest of the Article. Most “specialised organisations” had “statutes” rather than “rules” and the text should also be changed accordingly.

Mr. Wilkinson said it was too complicated to alter the title of the specialised organisations at this stage; the matter had been fully discussed in the Executive Committee, and the wording of the whole text was geared to the use of the word “organisation”. Concerning the use of the words “statutes” and “rules”,

these were purely linguistic differences depending on the language being used; they were in fact identical.

Mr. Lindström (Sweden) asked whether clause (b) of Art. 30 which stated that the specialised organisations would "draw up their own budgets including subscriptions to cover their own activities", implied that the specialised organisations would obtain no material support whatsoever from the ICA Secretariat. **Mr. Wilkinson** replied that this was not the intention.

Replying to the debate, **Mr. Wilkinson** said that the points made by **Mr. Fisher** had already been put to the Executive Committee, which felt that the text of the second paragraph, as set out in their original draft, was adequate since it was assumed that the Director, in establishing his relations with the Specialised Organisations, would emphasize the need for the coordination expressed in Mr. Lacroix's revised amendment.

The revised amendment to the second paragraph, as proposed by FNCC, was rejected.

Article 30 as drafted by the Executive Committee – approved by the necessary majority.

Article 26 Congress Reception Committee

This Article had been deleted because the Executive Committee believed that the normal channels of communication between the Secretariat and the Congress host organisation were adequate to cover arrangements for the Congress and the Article was an unnecessary formality.

Speaking on behalf of the Gesamtverband Gemeinnütziger Wohnungsunternehmen (FRG), which had submitted an amendment to retain this Article, **Mr. Heinen** said that in many countries there was regrettably little contact between the national organisations of the various co-operative sectors, which tended to follow their individual paths. A congress reception committee provided a structure, which not only facilitated Congress arrangements, but could also lead to closer links between national organisations.

Before moving the adoption of the new Rules, as individually approved, **Mr. Wilkinson** expressed his appreciation to all the member organisations which had sent in general proposals and specific amendments, and to Mr. Søiland, ICA Vice-President and member of the drafting committee, and Mr. Davies, former ICA Deputy Director, who had spent much time and effort in trying to bring the various views together. He added that it would always be possible to find something which needed changing – although this was a temptation to be resisted – but he believed that the new Rules were a substantial improvement on the existing ones. He felt that the Congress endorsed this belief.

The new Rules, as amended and approved, were adopted unanimously.

On behalf of the President, **Mr. Davies** (ICA) later announced that a protest had been received from the Instituto Antonio Sergio (INSCOOP) and the National Consumer Co-operative Federation (FENACOOOP), both of Portugal, to the effect that during the discussions on Rules 2 and 8, a verbal amendment worked out between FENACOOOP and INSCOOP, and the Lega Nazionale (Italy), of which notice had been given, was in fact not called.

The President had authorised him to say that this had certainly not been intentional. There was always this danger when amendments were proposed verbally during the course of a debate and not confirmed in writing, and in this particular instance a number of suggestions

had been made, which caused a certain amount of confusion. The protest had however been noted.

Mr. Davies' statement was accepted by the organisations concerned.

Section VII – Resolutions

Resolutions proposed by the Central Committee

1. Peace

The XXVIIIth Congress of the International Co-operative Alliance meeting in Hamburg from 15th - 18th October 1984, representing 365 million co-operators, referring to Peace Resolutions adopted, since the Moscow Congress by the Central Committee Meetings in Helsinki and Rome:

RECALLS that in its Rules the ICA has stated amongst its objectives to "work for the establishment of lasting peace and security",

NOTES WITH DEEP CONCERN that the persistence of armed conflicts in numerous regions of our planet and the tense international political climate, as well as the acceleration of the arms race, affect economic and social progress and create a real danger of world crisis.

The Congress:

DRAWING on the powerful strength represented by Co-operators throughout the world who demonstrate their capacity to help to jointly construct the democratic institutions necessary for the establishment of a more just economic and social order,

UNDERLINES that this disarmament would allow for the readjustment of the growing imbalance between the rich and poor countries which constitutes one of the most evident risks of conflict,

ADDRESSES all Heads of State, particularly those of the two superpowers,

to entreat them to resume negotiations on the limitation of nuclear arms and to successfully follow-up the progress made during the conferences of Helsinki, Madrid and Stockholm towards a progressive and controlled disarmament,

REAFFIRMS its support to the United Nations and requests each member organization of the ICA to circulate these initiatives among as wide an audience as possible and to make known its commitment to contribute to the establishment of a genuine climate of detente between all the Nations of the world and actively to work to influence public opinion to this end,

ASKS its member organizations to engage themselves in the preparations for UN Peace Year in 1986.

Debate on the Resolution

The **President** said that the importance attached to peace had been reaffirmed several times during the Congress and it was in this context that the Iraqi delegate had asked the ICA to support efforts to end the war between Iraq and Iran. It was a Congress tradition that a Resolution on Peace which had been approved by the Central Committee should not come under discussion, but he understood why the Iraqi delegate had spoken as he did. The ICA was regularly asked to make representations to the United Nations; for example, he had received a letter from the Co-operative Development Society of Eire, stating



Voting by show of hands

that there was a war in that country, which had never been considered by the United Nations, and asking if the ICA could help.

He reminded the Congress that interventions on the part of the ICA had shown little result in the past. The ICA's part in the establishment of peace lay more in the fact that the free development of the co-operative movement in each country, and at world level, made a specific, irreplaceable contribution to establishing the social, cultural and economic basis essential for lasting peace. Their main task was to be good co-operators and so help to achieve this essential basis. He was happy that Congress had before it a resolution which came from the Central Committee with unanimous support. Because if it was not unanimous it had no significance

whatsoever, indicating that even co-operators could not agree on peace.

The Resolution was unanimously approved.

2. Global problems and Co-operatives

The XXVIIIth Congress of the International Co-operative Alliance:

EXPRESSES gratitude to the Centrosoyus for the preparation of the report "Global problems and Co-operatives", after consultation with a broad circle of member-organizations,

REAFFIRMS the deep interest of Co-operatives in resolving the global prob-

lems of all peoples, that have emerged in the last third of the 20th century, an interest which ensues from the very essence and aims of Co-operation, and from the fundamental principles and provisions laid down in the rules of the International Co-operative Alliance,

BELIEVES that the practical contribution of Co-operatives to the resolution of global problems is determined first of all by their role as democratic socio-economic organizations which operate in the interests of their members and of all people,

STRESSES that, at the present moment, the main danger lies in the deepening threat of war, which indisputably necessitates priority being given to the problem of preventing a world thermonuclear war which is the principal present-day problem facing humanity,

EXPRESSES its faith in the future,

RECOGNIZES that the further development of the Co-operative movement and its support by millions of people and taking advantage of progress in science, technology and human relations can make a substantial contribution to the solution of many economic and social problems, including those of a global character,

ASKS the ICA Executive Committee to present a Programme of Action for inspiring Co-operatives to commit themselves to resolving global problems,

STATES that the major guidelines of the Programme of Action must be:

in the sphere of the struggle for peace:

a role of our own in the peace movement; support for the actions of the UN and its agencies in defence of peace and

security; intensification of propaganda among Co-operators of the ideas of friendship and struggle for peace; support for the peace initiatives of states and parliaments, aimed at freezing and then reducing nuclear arsenals and at ending the arms race by progressive disarmament,

in the sphere of helping the development of the less developed countries:

the strengthening of Co-operatives of all types as set out in the ICA's Co-operative Development Policy,

in the sphere of food, raw materials and energy supply:

the strengthening of agricultural Co-operatives as set out in the ICA's Co-operative Development Policy; to intensify the opposition to monopoly enterprises; to encourage the creation of international Co-operative business organizations; active participation in carrying out the national and regional food, energy and other programmes of ensuring vital activity,

in the sphere of environmental protection:

assistance in raising the level of ecological thinking among the members and personnel of Co-operatives; diffusion of nature-conservation knowledge; support for the UN Environment Programme (UNEP), and for the activities carried out within its framework; participation in implementing national and international projects of protection of the environment,

CALLS upon the ICA and its member-organizations to further strengthen relations with the UN and its agencies, particularly with those such as UNESCO, UNIDO, ILO, FAO, UNDP, and others,

in order to help their activity, related to the vital interests of Co-operatives and directed at promoting Co-operation among the states and peoples and implementing a more equitable international economic order which is of great importance for the resolution of global problems,

ASKS the member organizations to make significant contributions to resolving the above mentioned problems, and to inform the Central Committee periodically of their actions in this field.

Debate on the Resolution

Before putting the Resolution on Global Problems to the vote, the **President** announced one request to speak on the motion.

Mr. I. Subhi Behnam (Iraq) spoke briefly about the Iraqi co-operative movement which had been set up in the 1940s, with the first co-operative legislation in 1944. It had initially received little or no support from the government, which feared that the spread of co-operatives might lead to improved living conditions, thus endangering its hold on the economy. After the 1968 revolution, the new government's aim was social transformation in all areas, a policy in which co-operatives were to play their part. In 1982, after a new law was promulgated there had been a period of rapid growth, both in activities and numbers: the movement at present comprised productive, consumer, housing and service activities, each with its own specialised independent union, with the General Co-operative Union representing the whole movement.

In spite of its preoccupation over the past 4 years with the war against Iran,

Iraq was carrying out an ambitious educational, cultural, economic and social development plan, nor did it forget its duties to the Third World and to international Arab solidarity. Iraqi co-operators, likewise, had been trying to fulfil their international co-operative obligations and their duty to other Arab co-operatives.

Mr. Subhi confirmed the sincere belief of Iraqi co-operators in the goals of the ICA, especially in world peace and the cessation of regional conflicts, in developing the role of women to give them equality in all fields, in utilising the ability of the new generation, in the need for assisting the co-operative movements in the developing countries through education and training at all levels and financial aid. They, therefore, supported the motion on Global problems.

But as had been stated, the gravest problem was the maintenance of peace. He was mandated by Iraqi co-operators, officially and publicly to call on the international community through the 28th Congress of the International Co-operative Alliance to do all in its power to put an end to this destructive war in which his country was involved.

Mr. R. Ramaekers (Belgium) said that co-operative problems were so serious that he did not feel the ICA should waste its time on what he would call propaganda, often unilateral.

The Resolution was approved with one abstention.

3. ICA Work Programme 1985 - 1987 – Objectives, Structures, Methods

The XXVIIIth Congress of the ICA:

EXPRESSES its gratitude to the Canadian Co-operative Movements and more specifically to the Desjardins Movement, for having made Mr. Daneau available to prepare a report on the working methods in the ICA, and its approval of the report and recommendations.

APPROVES the decision taken by the Central Committee in Prague to raise the subscription over a period of three years with a view to the progressive restoration and stabilisation of the financial situation of the ICA, with beneficial effects on the conditions in which it operates,

CONSIDERS nevertheless, that should this remain an isolated decision, it will not resolve the fundamental problem now facing the ICA, and that in order to make it fully efficient, a series of measures is needed to deal with the operating framework and working methods of the ICA,

RECALLING that in his report on co-operatives in the year 2000 approved by the 27th Congress in Moscow, Alex Laidlaw pointed out the weakness of the co-operative movement at the international level and suggested that the Central Committee should examine the implications for the ICA of the changes that had taken or foreseeably would take place in its member organizations,

CONSIDERS that the ICA today needs to be equipped with organs enabling it to define clearly the course to be followed by the movement as a whole and then to translate this perception into an

appropriate structure and programme of work,

URGES the Executive Committee to adopt planning as a tool of management for the activities of the ICA and to examine the implications of the introduction of this tool for the authorities of the ICA so that:

1. the Congress can make an informed judgement on the programme of work to be carried out between congresses in full awareness of the aims of the programme, the stages of its implementation, the budgets to be approved and the resources required,
2. the Central Committee can determine annual plans and budgets as submitted by the Executive Committee related to the priorities,
3. the Executive Committee can implement the programme and make provision for any necessary adjustments,

RECOMMENDS furthermore the Executive Committee to review and clarify the responsibilities of the various functional branches of the ICA: the Secretariat, the Specialised Committees, and the Regional Councils and Offices, in order to provide the necessary co-ordination and identify their respective responsibilities,

REQUIRES the Director of the ICA to draw up an annual and long-term budget based on the various aspects of the world co-operative movement.

INSTRUCTS the Central and Executive Committees,

1. to continue the study of the institutional structure of the ICA and, if

required, to recommend changes in the Rules that would strengthen the structure of the ICA,

2. to draw up the work programme ensuring that the following elements are the basis for its content, as outlined in the Report:

- relations with member organisations,
- the importance of research and education,
- the role of communication,
- the promotion of co-operation,
- relations with the United Nations Agencies, and other appropriate international organisations.

EXPRESSES the conviction that only such a concerted approach will be able to strengthen confidence at all levels of the ICA and allow the necessary evolution to take place.

Debate on the Resolution.

The **President** said that before voting on the Resolution, they had two amendments to consider, both of which had been accepted by Mr. Daneau. The first proposed by Mr. Catalano, supported by other movements, appeared quite straightforward. It was to the effect that they should add the words "approves the report presented by Yvon Daneau, and its recommendations".

This was unanimously approved.

The second amendment, on the question of specifically including education in the resolution, raised the problem of whether it should be linked with research or with communication. It seemed more logical to link it with research, therefore they would vote on whether to add the words "and educa-

tion" in the second line of the penultimate paragraph of the resolution, to read "– the importance of research and education".

This was unanimously approved.

The vote was then taken on the whole resolution as amended, which was unanimously approved. The President therefore declared the Resolution on the ICA Work Programme 1985-87 adopted by the Congress.

Resolutions Proposed by Affiliated Organisations

(Proposed by the Swedish Co-operative Organizations and CLUSA (USA). A revised text prepared by the Congress Committee combining two separate resolutions)

1. Co-operative Research

The XXVIIIth Congress of the International Co-operative Alliance,

RECOGNISING that adequate research is vital to generate co-operative knowledge and progress,

CALLS FOR the ICA Central and Executive Committees to take appropriate steps to develop a long term policy and programme for research and to that end,

ASKS that the Central Committee direct Specialized Organisations and member organisations to undertake research in fields in which they are active and in close collaboration with the Secretariat,

URGES collaboration with appropriate research centers at academic and other

institutions where there is interest and activity in co-operatives,

RECOMMENDS that an ICA Research Conference be held in 1986 or 1987 and that a report on developments in co-operative research be submitted to the 29th Congress in 1988,

REQUIRES the ICA Director to draw up annual and long-term research plans and budgets.

Debate on the Resolution

Mr. Sven Akke Böök (Sweden) said his task was to present and explain the Resolution on Research, as submitted by the Swedish delegation and amended in subsequent discussions.

1. The spirit of the resolution came from Dr. Laidlaw's "Co-operatives in the Year 2000" which strongly emphasized the need for knowledge and understanding when drawing up long-term plans and areas of priority. This need was apparent in co-operative education, communication, and all fields of co-operative practice; as the basis for explaining the co-operative message to governments, international organisations and the general public; and in exploring the possibilities of a co-operative contribution to a better world.
 2. The intention of the resolution was to take a small step forward in using research to generate co-operative knowledge for the coming decades.
 3. The tasks relating to research at ICA level had been dealt with in the Daneau report. Mr. Böö
- Mr. Böö
- (a) the need for continuous coordination;

- (b) the need to link with the growing interest in co-operative research outside the co-operative movement – universities, colleges of further education, etc., because this interest was a growing source of knowledge for the future;

- (c) the need to identify important areas where additional knowledge was required, to initiate and encourage research efforts in these areas and to collect the results:

- (d) the most important need was to convert research findings into useful and usable forms for co-operative education. Co-operative opinion-forming and co-operative practice.

4. the measures to be taken: co-operative resources should be directed to the following:

- (a) a secretary for research or a research officer at the ICA;

- (b) a long-term programme for research, specially directed at the tasks mentioned in (3) above;

- (d) small seminars, with a larger conference in 1986 or 1987, for the purpose of: reviewing existing research; providing a basis for discussion and analysis of urgent needs for new knowledge; highlighting some essential areas for co-operative development and research in those areas.

The Swedish delegation regarded three of these areas as particularly important:

- (i) the question of co-operative relevance in the areas of priority in the resolution adopted by the Moscow Congress;

- (ii) the impact of socio-economic structural changes in society on co-operative development;
- (iii) co-operative behaviour in situations of crisis, its relation to co-operative principles – there was a need for more case studies.

Finally they proposed that the results and experiences in the development of co-operative research should be reported at the 1988 Congress.

The first speaker on the Resolution on Research was **Mr. S. Fukuda** (Japan), who wanted to touch on the future direction of consumer co-operatives: as Mr. Rantala had pointed out, the world consumer co-operative movement was at a crucial turning point.

The situation was the same in Japan, and structures had to be reorganised to keep up with socio-economic and technological changes. The Japanese Consumer Co-operative Union (JCCU) had been engaged on this task since 1978: small consumer co-operatives had merged, so that 43% of total turnover in Japan came from 10 large consumer co-operatives. However, there were still over 400 consumer co-operatives in existence, and the JCCU was also trying to set up a consolidated purchasing policy.

With the increased size of co-operatives, business had improved; present turnover was 6 billion US dollars, a 12.2% increase over the previous year. They were getting many new members, and membership stood at 8.5 million.

However, Mr. Fukuda stressed that with the new larger co-operatives, it was more than ever important to maintain democratic operations and active participation of members. Otherwise co-operatives would lose their identity as

organisations of individuals, and this would also affect their business performance. Japanese consumer co-operatives members were involved particularly in the field of product development, elimination of unnecessary food additives, market testing of co-op. brand products, group study courses. Member activity had recently expanded in the field of sports, leisure, cultural activities and children's education, in addition to peace activities. These activities were initiatives by members, which was regarded as important: a Japanese slogan said: "One small step by a hundred people is better than a hundred steps by one person".

Nevertheless, there was the danger that busy staff might concentrate on management to the neglect of members' needs. Management and efficiency were important, but if the consumer co-operative movement could continue to respond to the needs of its members, and to support its members' initiatives, then it had a bright future ahead. Determining the needs of consumers was one of the important fields of research.

It was also crucial to get the positive participation of members in the activities of the co-operative.

Mr. Fukuda said co-operatives must learn from each other's experience. If they did this, he was sure they would find ways and means of expanding the movement even in this difficult social and economic climate.

Ms. Itkonen (Finland) said the Finnish member organisations supported the new version of the motion on Research. She pointed out, however, that there already existed much good research material, such as the reports presented at this Congress, which merited not only praise but also action, and

could form a good research basis for the immediate work of the movement.

The Resolution was unanimously approved.

2. ICA Collaboration with the United Nations

(Proposed by CLUSA (USA) and subsequently withdrawn, as this subject was covered by other Motions.)

3. Promotion of Co-operatives

(Proposed by CLUSA (USA))

The XXVIIIth Congress of the International Co-operative Alliance:

RECALLING that it is the responsibility of the co-operatives in the developed nations to assist in the development of co-operatives in the Least Developed countries (LLDCs),

EMPHASIZING that broader extension of peoples' participation in building up their future through the exercise of democracy is in the interest of the economic well being of peoples,

DEEPLY CONVINCED that the promotion of free and independent co-operatives contributes to giving maximum effectiveness to efforts in reaching such goals,

DECLARES that every effort must be made throughout the world co-operative movement to help people to help themselves by helping each other through co-operatives; and by urging governments to support appropriate

provisions and policies for development of the co-operative movement,

AND REQUESTS the Secretariat to stimulate the work of the national co-operative organisations in order to carry out the development of free and independent co-operatives around the world.

Debate on the Resolution

Mr. Williams (USA) said this motion dealt with efforts to develop the co-operative form of business enterprise in the developing countries. The co-operative form of business enterprise could make a substantial contribution to individuals, to society, and to countries and regions: co-operatives provided houses and jobs, raised and distributed food, provided education and health care, as well as loans and credit.

However, co-operatives were not easy to start, to develop or to run. Co-operatives in the developed countries had had to adapt to changing conditions and many had died. So the development of co-operatives in the Third World was not easy: but CLUSA believed it was an effective, long-term answer. So they felt that it was very important that the ICA and its members reaffirm their commitment to helping to develop genuine, effective, long-term, growing co-operatives in the Third World.

Many at this Congress had urged that co-operatives should become involved in working for peace; there had been those who talked about expanding relationships and trade operations between countries, those who were humanitarians and believed in the importance of individuals and the development of their talents, those who

were interested in having more wealth in the world so that all could enjoy a better life – to all these he would say, go and help start co-operatives in the Third World. Otherwise, their cries for peace, to help people, to promote human development, all had a rather shallow ring.

He believed all co-operative leaders should urge their own governments to put more into this area, because although co-operative development was funded mainly from government sources, he believed much more could be made available.

He believed they should ask their co-operatives to put more into this area – because very meagre amounts of money actually went from co-operatives themselves to help build co-operatives in the developing world.

He believed world organisations could put more into this area, and could also change some of the rules which hindered economic development and the development of co-operatives.

And he believed that the ICA could do much more. His movement was convinced that many world organisations would provide support and funding to enable the ICA to play its proper role in this area, if the secretariat were more effectively organised to apply for and use such funding.

It had been suggested that this Motion should be withdrawn, as development was included in other Motions, but CLUSA did not want to withdraw it because they felt that one of the most important things in the world at the present time was to help develop those countries that needed assistance.

The Co-operative League of the USA

was working in Anand, India, in the development of dairy co-operatives. This project was making an important impact on the standard of living of those people.

He urged delegates not only to support the resolution, but to go back to their countries and ask their governments to do more, ask their co-operatives to do more, and do more themselves, because there was much to be done. A beginning had been made, and he hoped it would be possible in 20 or 30 years' time to look back and say that the world's co-operative business structure had done its fair share in helping to contribute to the economic development of the world.

The Resolution was unanimously approved.

The Congress Committee had been asked to try to combine the two Motions on Youth, but had found this impossible because they dealt with entirely different aspects. They were therefore taken separately, although many of the speakers dealt with both in their interventions.

4. Future Leaders for Co-operatives and International Youth Year

(Proposed by FNCC (France))

The XXVIIIth Congress of the International Co-operative Alliance:

CONSIDERING that there is a fundamental relationship of cause and effect between the two questions put to the co-operative movement by A. Laidlaw in his report approved by the 27th Con-

gress of the ICA on co-operatives in the year 2000:

Where are those who will inspire and guide the co-operative movement of tomorrow?

What will be the relevance of co-operative ideas and achievements in the future?

NOTING that the co-operative movement does not possess sufficient appeal to the general public, and to youth in particular, and often to co-operators themselves,

PROFOUNDLY CONVINCED that the values of solidarity and mutual commitment, equality in the exercise of democracy, service, equity and education inherent in co-operation still represent, especially for young people, one of the hopes of today's civilisation;

CONSIDERS that it is essential for the international co-operative movement to proclaim its message and ethical standards unambiguously, as they can and should be lived at all levels in the evolution of the co-operative structure in order to demonstrate in what ways and how co-operation is a means towards other ends and in particular towards social change,

REGRETS that in too many countries, relations between co-operatives in various branches of economic activity and the schools and universities, even in countries where school and university co-operatives are in process of development, do not reflect a political choice designed to pave the way for the future,

RECALLS that school co-operatives, when organised and run by their pupils, are an excellent apprenticeship in the exercise of democracy, joint decision-

making, responsibility in management as well as social matters, and are also a practical form of self-education and preparation for post-school life and a career,

REQUESTS the member organisations of the Alliance to involve young people in a far-reaching review of the nature of the values of co-operation in the context of a rapidly changing world, of the role of co-operatives in the service of the well-being of the community at all levels, – from the local to the international, from the economic and social to the cultural – and of the part that youth might wish to play in carrying out an ambitious co-operative project

RECOMMENDS adult co-operative movements to implement a recruitment policy for young people, even before their commitment to co-operative ideology, in the practice of school and university co-operatives,

URGES the Secretariat of the ICA to take the initiative in reviewing the current state of co-operative research into the relationship between co-operatives of adults, co-operatives of young people and young co-operatives, and to submit the conclusions to an international meeting of young co-operators organised in connection with International Youth Year, in collaboration with the governmental and non-governmental international organisations concerned,

AUTHORISES the Director to seek the necessary financial and human resources from the specialised agencies of the United Nations to carry out this task and requests him to communicate the result of his investigations at the meeting of the Executive Committee due to be held in the Spring of 1985.

Amendment proposed by Hevrat Ovdim (Israel), accepted by FNCC: To insert between the paragraphs commencing "RECALLS" and "REQUESTS" the following two paragraphs:

"STRESSES the importance of preparing a new generation of co-operators to sustain and expand agricultural and producer co-operatives as a major factor in the development of the developing countries on one hand and for the alleviation of social and economic problems such as youth unemployment in the developed world on the other hand,

RECOMMENDS that co-operative movements take an active role in preparing this new generation by initiating and supporting special educational projects within the existing school system as mentioned above, but also by creating and assisting youth organisations that motivate their members to self-realisation through co-operative life; through undertaking the apprenticeship and education of youth groups within the co-operatives and by other similar means designed to meet both the ideals of the co-operative movement and the needs of society;"

In connection with this motion, the **President** commented on the large number of school co-operatives in France, Poland, Hungary, Argentina, etc. He announced the recent formation of an **International Alliance of School Co-operatives**, which could one day present the ICA with the problem of formal affiliation as "an international organisation involved in preparing the co-operators of tomorrow".

The Resolution, as amended, was unanimously approved.

5. International Youth Year – Participation – Development – Peace

(Proposed by CENTROCOOP (Romania))

The XXVIIIth Congress of the International Co-operative Alliance:

REAFFIRMING the aspiration of the 365 million members of the International Co-operative Alliance (ICA) towards work in conditions of social equity, towards peace, good understanding and collaboration among peoples, irrespective of the level of development and the economic and social systems of the countries in which they carry out their activity,

RECALLING that, in its Rules (Article 3), the International Co-operative Alliance has set itself, among other targets, to propagate throughout the world co-operative principles and methods, to promote friendly relations among all kinds of co-operative organisations, nationally and internationally, to contribute to the establishment of lasting peace and security and to support the promotion of economic and social progress of the workers of all countries,

RECALLING also the provision in its Rules (Article 7) according to which the International Co-operative Alliance considers co-operation as a ground on which peoples of the most varied opinions and beliefs can meet and act in common,

RECONFIRMING the Peace Resolution endorsed by the ICA – 28th Congress whereby all peace resolutions endorsed by the previous congresses were reiterated and emphasis was placed on the ICA determination to back the United

Nations' efforts for the development of constructive programmes of international peace and co-operation,

APPRECIATING that the international life now traverses a complex stage where mankind has to cope with special problems that youth are faced ever more acutely with such serious phenomena as unemployment, starvation, diseases, illiteracy, the limitation in numerous countries of the world of access to education and of participation in social and political decisions,

EMPHASIZING the fact that young people now wish to participate directly in the carrying out of renewing national and international change, making their contribution to the building of their own future, in which they are called to live and to work,

ACKNOWLEDGING AND APPRECIATING the efforts deployed at various levels for the settlement of the issues facing the contemporary young generation, through the development of youth policies and programmes in numerous states of the world, as well as the UN efforts in this field,

APPRECIATING as very important, to all ICA co-operative organisations, the resolutions of the UN General Assembly No 34/151 of December 17, 1979 and 35/126 of December 11, 1980, whereby it was decided that the year 1985 be marked as "International Youth Year" under the motto "Participation, Development, Peace", as well as other UN resolutions and documents referring to this event,

CONVINCED of the importance of mobilizing the energies, enthusiasm and creative capabilities of co-operative youth towards the targets of every country's national construction, as well as of

the direct contribution that co-operative youth can make to the promotion of the economic, social and cultural peoples' progress, to the maintenance of peace, understanding and co-operation, to the shape of mankind's future,

REQUESTS all ICA member organisations to take action in specific ways in order to contribute to training co-operative youth in the spirit of the ideals of peace, mutual regard and understanding, of human solidarity and channelling the young people's creative energies towards the targets of progress, development and co-operation on national and international levels,

EXPRESSES the conviction that the preparation and observance in 1985 of "The International Youth Year: Participation, Development, Peace" will contribute to the rallying of youth's forces on the local, national, regional and international scale for more involvement of the young generation and more active participation in an innovative transformation of human society,

CALLS ON all ICA member organisations to back by every means they find proper, the accomplishment, on local, national, regional and international levels, of the recommendations included in the "Concrete programme of measures and activities related to the IYY" endorsed at the 37th session of the UN General Assembly (A/37/348),

APPEALS to all member organisations to seek out the most suitable ways and means and take practical action designed to spur the national authorities and international organisations in the promotion of the fundamental rights and responsibilities of young people, in the development of their awareness to the need for international peace and understanding, to the halting of the arms race

and towards disarmament, first of all in nuclear arms, thus securing conditions for the eradication of the economic imbalance and the establishment of a new international economic order, relying upon new type relations of full equality and equity among all nations,

CALLS ON all member organisations to pay due attention to the young co-operative members' training and education in the spirit of humanist ideals of peace and friendship, and respect for the assets of world culture and civilisation,

RECOMMENDS all member organisations to mobilize co-operative youth in the actions taken on local and national levels, prior to and during the International Youth Year and to organize their own manifestations under the motto "Participation, Development, Peace" and "Youth's attraction and participation in the principles and activities of co-operatives – an important factor of development of the international co-operative movement and of the peaceful collaboration among peoples" – while co-ordinating their activity with the National Committees for the IYY or other similar bodies, where they have been created and operate,

SUPPORTS as concrete and possible accomplishments of the IYY, the calling in 1985 of a World Youth Conference under the UN aegis, the drafting of a declaration of young people's rights and responsibilities as a platform document regarding the status of the young generation in today's world, the foundation of a body (Council, committee) of the UN on youth affairs with the aim of promoting international co-operation and coordination of the actions of the UN and its agencies related to young people, the foundation of international institutions

of research and documentation on youth affairs,

REQUESTS the ICA Central Committee to take into account the fact that the attraction and involvement of young people in co-operatives' activities are consequential to the development and the future of the world co-operative movement and to elaborate in this sense a long-term strategy that should set the guidelines for the ICA assistance in the training and education of young people in the spirit of work, of application of the co-operative principles, of peace and collaboration among peoples,

REQUESTS the Executive Committee to take the necessary steps in order to ensure the ICA's collaboration with the UN bodies and the matters regarding the preparation and observance in 1985 of the International Youth Year.

Debate on the Resolution

Ms. Gillan (Israel) spoke about educational opportunities for girls and young women in connection with International Youth Year 1985. In order to improve such opportunities in both developed and developing countries, it was necessary to achieve universal state education for all children between the ages of 5 and 18, and to subsidise higher education so that every boy and girl, regardless of social background, could receive a full education. In a world which still had a high rate of illiteracy, this was a gigantic task; according to "Literacy and Development" (Phillips) published by UNESCO, the number of illiterates in the world today was estimated at 824 million, which exceeded the figure of a decade ago. Literacy programmes in the developing countries had proved to be effective only in the presence of economic and social motivation.

Under these conditions it was the task of all individuals, in addition to promoting and broadening general universal education, to try to ensure that girls and young women received equal educational opportunities with their male counterparts. In addition, women's organisations, in collaboration with state and civic educational authorities, should plan and provide networks of vocational training schools for teenage girls, covering general and technical studies of various types as well as more advanced courses for working girls in order to improve professional skills and expertise in various fields.

So far as co-operatives were concerned, Dr. Laidlaw had declared that a co-operative society should be an educational as well as a business organisation in order to play its full role in society. She quoted Dr. Laidlaw:

"A co-operative in which the talents and capabilities of women are given full play will enjoy great advantages in the future.

"In certain parts of the world there is evidence that some types of co-operatives, housing for example, are very much influenced by the leadership of women.

"Participation in all aspects of co-operatives should be on equal terms between women and men. A special and separate role for women should be continued only where cultural and religious conditions dictate it."

In order to widen the range of activities for young co-operators, the Co-operative Movement, in concert with UNESCO and other organisations, must draw up a practical plan to provide ways and means of helping young people of both sexes to further their education and develop vocational skills, as well as providing employment oppor-

tunities based on co-operative principles.

In conclusion, modern educationalists were convinced that the earlier the age of educational investment, the better its results. The richest natural resource of any country would always be the human element. The basis for educational achievement in any field was a state structure consisting of a network of schools at all levels. This might look like a dream, especially in a developing country, but it could be achieved through joint national and international effort, as an economic and social necessity.

If the co-operative movement wished to achieve its goals, it should act in concert with other world organisations (a) to achieve basic and universal education, and (b) to strengthen the performance of co-operatives by investing in young people and preparing them for their future roles as leaders in co-operative enterprises. Co-operative women's organisations, at national and international level, must take additional educational measures in order to equip the young girl and adult woman with the education and training necessary to take her rightful place in the co-operative and in society.

Ms. J. Peck (UK) said the Co-operative Union of the UK supported both the motions on youth. The Union had passed a resolution to support International Youth Year 1985 at its own Congress. 1985 also coincided with the 60th anniversary of the UK's own co-operative youth and children's organisation, the Woodcraft Folk, which had an impressive record of international work.

The FNCC resolution asked: "Where are those who will inspire and guide the co-operative movement of tomor-

row?", commenting that the movement held little or no attraction for young people. It was necessary to harness the energies of youth and to make them aware of the "co-operative difference", so that they were encouraged to participate at all levels of the co-operative movement. She suggested that the message for the 1985 International Co-operative Day celebrations be directed to youth and young people.

She hoped they would not again have to read in the report to the 1988 Congress that ICA youth activities had been frozen. She concluded by saying: "Let us use the next four years, and 1985 in particular, as the opportunity for the ICA to re-establish itself as an organisation interested in and caring for youth and young people."

Mr. J. Paluch (Poland) said the Polish co-operative movement had always devoted much attention to youth participation. School co-operatives, of which there were now more than 12,000, had been in existence for 85 years, educating young people in the co-operative spirit through economic and cultural activities, and instructing them in decision-making and the organisation of teamwork.

They also had a tradition of co-operative schools, financed out of co-operative funds, preparing young people for work in co-operative societies; there were 276 such schools.

University students' co-operatives came into existence in the 1918-1939 period; all Polish universities now had such co-operatives which enabled the students to earn some extra income while developing the co-operative spirit.

The number of co-operative departments in high schools and state universities had increased over the past few years, as well as the number of post-graduate departments offering co-operative studies.

A new development in Poland since 1980 was the the creation of youth service co-operatives and youth housing co-operatives. There were about 1,000 of these, and their chief objective was to prepare young people for professional work and voluntary activities in society.

Thanks to intensive co-operative educational activities over the past few years, about 15% of the members of the statutory bodies of co-operatives and co-operative unions were now young people. An increase had also been noted in the number of co-operative sports clubs, artistic ensembles, cultural centres etc. There were also several periodicals aimed at young co-operators.

In the context of the UN International Youth Year, Mr. Paluch said that the Polish co-operative movement would be organising a youth seminar on the theme, "Training youth for the co-operative movement through rational education", and would be pleased if it could take place under the auspices of the ICA; he asked the ICA Authorities to consider this proposal. The Polish movement also supported the proposals aimed at the involvement of the ICA and the national co-operative organisations in the observance of International Youth Year, believing that it provided a perfect opportunity for making the concern of the co-operative movement with education and vocational training for young people more widely known, as well as attracting young people to co-operative ideas.

Ms. Jonsdotter (Women's Committee) said her Committee tried to match words with action, and she reminded the Congress that, as mentioned on the first day, the Women's Committee had issued a policy statement entitled "Educational Opportunities for Girls and Young Women – the Co-operative Contribution" which had been passed to the ICA Executive Committee with a request that it be considered as part of the ICA contribution to the UN International Youth Year.

The Resolution was approved, with some abstentions.

6. Equality for Women in the Co-operative Movement

(Proposed by Centrosoyus (USSR))

The XXVIIIth Congress of the International Co-operative Alliance:

RECALLING the resolution of the 27th Congress "Women in the Co-operative Movement" which appeals to member organisations to continue their efforts towards attaining women's equality in political, social and economic life,

NOTES that, despite certain progress in the matter of ensuring legal and actual equality of women and raising their role in the life of society as a whole, the tasks and goals of the UN declared Decade for Women (1976-1985), and expressed in its motto "Equality – Development – Peace", are still far from being resolved,

CALLS FOR a more effective implementation of the concrete recommendations contained in the policy statement of the ICA Women's Committee "Women as Equal Partners in Third World Co-operative Development",

RECOMMENDS the maximum utilization of the mass media, particularly of the co-operative press, for focussing the attention of public opinion on the problems of ensuring women's employment, equal payment for equal work, mother-and-child care, access for women to all types of education, vocational training, etc.,

APPEALS to ICA member organisations to promote in every way the role of women in the co-operative movement, to increasing the number of women in leading positions in co-operatives, expanding women's representation in the Central Committee and specialised organisations of the ICA,

NOTES the intensification of anti-war actions by women co-operators in all countries, their increasing activity in the struggle to avert the threat of nuclear war, for an end to the arms race, and for the slashing of military expenditures and their rechanneling to meet peaceful needs,

DECLARES its resolute support for actions in defence of peace, for peace is the crucial condition for resolving all problems of women's equality.

Debate on the Resolution

Ms. Bunn (UK) said her delegation supported the motion, but felt certain comments were needed.

In placing the motion on the agenda, Centrosoyus was obviously urging all members of the ICA to declare their solidarity with their co-operative sisters in the developing countries and in countries with male-dominated cultures; Centrosoyus wanted to underline the urgent need to integrate women in the

democratic structures of co-operative organisations. And of course this aspiration had the wholehearted support of her delegation.

It was an anachronism to consider women in any other way than as absolute equals. Equality should be pursued in the first instance through co-operative rules and procedures. It was the great achievement of co-operatives that in many countries they were the first to establish constitutional equality for all members, and women who were unable to discard their sense of sexual identity on joining a co-operative movement. Women were people, they were members: all members differed from each other in one way or another, physically and temperamentally, but to argue a case for special provision for any one category was to destroy the sense of solidarity with the members of that category. Solidarity could only come from equal rights and equal treatment under the rules, the constitution and the procedures of the co-operative.

Women really did not want special places allocated on boards and committees. They did not want token recognition, nor would they stand for a patronising half-hearted acknowledgement of their existence. They were not a fringe organisation, a special group trying to make out a case for recognition; they were people, they made up over half the population of this planet. Women must stop thinking of themselves as a separate sector, but take their place shoulder to shoulder with their colleagues who made up the other half of the population. The dreadful inequalities suffered by men and women at the present time throughout the world had to be fought against and overcome together. There were no men's problems or women's problems – there were problems which affected all people. Millions of men and

women were unemployed, did not receive a fair reward for their labour, were homeless and deprived of the necessities of life. Above every other issue was their common fear about the polarisation of the big powers, the build-up of weaponry and the horrific prospect of nuclear war.

There were enormous tasks for all to carry out immediately within the co-operative movement. There was neither the time nor the energy to spare for separating out women or advocating positive discrimination for women. The full potential of women's talents and capabilities had not yet by any means been tapped to the full; nor had women taken up the educational training opportunities which would equip them for leadership. But if, in any co-operative, women were excluded from membership, that was a contradiction of co-operative principles, and co-operatives must work together to regulate that problem.

Ms. Bunn ended by recommending the adoption of the resolution, but at the same time she appealed to all her "lady friends" not to dissipate their energies but to take up their proper democratic place within society in general and the co-operative movement in particular: that was the way to uplift the status of women. Here all were co-operators, so let them act like co-operators.

Ms. Lagerqvist (Sweden) said her first ICA meeting was the Women's Conference in Warsaw, where they had discussed the role of women and resolved to work to promote the election of women at all levels, and to go back to their respective countries and make plans to enable women to reach equality in the co-operative movement.

It would not be true to say nothing had happened since then: for example, the Central Committee had just elected a woman to the ICA Executive Committee, and she congratulated both Ms. Itkonen and the Executive Committee. Nevertheless, although she agreed with Ms. Bunn that men and women were equal, she still felt that it was necessary to give women special treatment, because this was what men had always had in the past and continued to have at the present time.

So there was still much to do and she asked the Congress to adopt the resolution. Furthermore, all delegates should go back home and work for the fulfilment of the resolution so that there could be new positive reports at the next Congress.

Ms. Jonsdotter (Women's Committee) said she was glad they had had the opportunity to discuss the possibility of better representation within the ICA, and her Committee would welcome Ms. Bunn's presence at their meetings to discuss these matters.

Ms. Bunn had said there were no men's problems, no women's problems, there were just problems – of unemployment, housing, etc. But why, then, was there higher unemployment among women than among men?

They had the right to speak, and the right to support each other, which they needed in their sector. They now had one woman on the Executive Committee, and one woman chairman, Françoise Baulier, chairman of AGITCOOP – about both of which they were very happy. Hopefully they would have more examples in the future.

The **President** said they would all have noticed that Ms. Itkonen was the

Executive member who received the most votes, which proved that her quality was recognised.

The Resolution was unanimously approved.

7. International Co-operative Trade

(Proposed by the Co-operative Union (UK))

The XXVIIIth Congress of the International Co-operative Alliance:

EXPRESSES its regret that the development of international trading links between co-operatives is frequently inhibited by barriers imposed by governments and other agencies, through controls and regulations of various kinds,

CALLS UPON all ICA member organisations to work towards the removal of all such barriers in the interests of developing international co-operation in a practical way.

Debate on the Resolution

In moving the adoption of this Resolution, **Mr. Wilkinson** (UK) said it was the only motion before Congress dealing with co-operative trading; it was also the shortest! He read out the motion, which he said highlighted the economic objective of co-operatives, but in the international rather than the purely national framework. By definition, a co-operative was an economic form of organisation; by developing international co-operative trade, co-operatives developed the co-operative idea while at the same time they hoped to improve their economic base and the economic 'lot'

of their members. Such trade already took place extensively through long-established bilateral, multilateral and other links, and INTERCOOP, the Agricultural Committee and other bodies within the ICA played an important role in furthering it, yet barriers certainly existed.

They had three reasons for submitting this motion:

- (a) to draw attention to the existence of trade barriers;
- (b) to urge member organisations to work in their own countries for their removal;
- (c) to encourage the further development of practical co-operation (co-operation between co-operatives).

There were also three basic requirements for the development of international co-operative trade. These were, in order of priority;

1. Willingness on both sides: trade was often one of the first questions discussed when co-operators visited each others' countries.
2. Ability and expertise: thanks to the substantial international co-operative trade already being carried out, the know-how was available, and it was part of the co-operative tradition that they were willing to share that knowledge with fellow co-operators around the world.
3. Removal of external restrictions/barriers: here the motion referred to those imposed by governments and other agencies. The restrictions had been the subject of many studies in various parts of the world, but still existed and frequently inhibited the prospects for co-operative trade.

Despite these barriers, international co-operative trading could and did exist, although the Co-operative Union

believed that the opportunities would be much greater if they could be reduced or removed. In asking Congress to adopt this Resolution, they not only sought to draw attention to the problem, but hoped the Resolution would commit every member organisation of the ICA to work in its own country towards the removal of such barriers.

Mr. Williams (USA) said the Co-operative League of the USA supported the motion. Most delegates knew of the League's work in this area, and CLUSA believed that business links between co-operatives around the world would be even more important in the future than in the past. They were starting a new organisation, **Co-operative Business International**, for the benefit of co-operatives all over the world. They hoped it would be a step forward. It was important that they should all work together, and the co-operatives in the developing countries particularly needed this support if they were to be successful.

It must also be remembered, however, that the restrictions on inter-co-operative trade were not always governmentally imposed: they were sometimes set up by co-operatives themselves. It was therefore important for co-operatives to expand their horizons and their vision, to become internationally minded and think in terms of building a world co-operative business network. This was one of the most difficult problems that co-operatives had to face, particularly in the USA because of the size and opportunities of the home market. However, US co-operatives were struggling out of these narrow confines, and they hoped those in other countries would do the same and that many opportunities for inter-co-operative business connections would be developed.

Mr. Buckman (Ghana) said his organisation fully endorsed the motion. Barriers limited trade between the co-operatives of different countries. For example, there were foreign vessels fishing for tuna in Ghanaian waters; if they had trade links with these countries, the Ghana Co-operative Fisheries could trans-ship this tuna to wherever it was required, and thus generate some funds to help pay their subscription to the ICA.

He suggested that the ICA Regional Offices should carry out research into this matter. It might then be possible to eliminate some of these barriers through negotiations between the ICA Head Office, the Regional Office and the respective governments. He was sure that governments in the developing countries would support such proposals. He hoped by this means that his organisation could develop trade links with other organisations in developing countries, or at least in West Africa.

Another result of such research could be to find a way of assisting co-operatives in the developing countries to process their plentiful raw materials to enable them to generate foreign exchange.

Mr. Hollela (Tanzania) urged delegates to do everything possible to foster and promote movement-to-movement trade in the developing countries, both nationally and internationally, through their respective apex organisations. Such collaboration was more effective, both socially and economically, if arranged directly between co-operatives, since it enhanced friendship and co-operation between the co-operators in the countries concerned and eliminated bureaucracy.

It was necessary to strengthen the financial and technical capabilities of the apex organisations in developing countries to enable them to make a success of movement-to-movement co-operation. But such co-operation would improve their financial viability, and eventually enable them to provide such services as research, communications and education for the members of the co-operative societies.

They fully supported the motion.

The Resolution was unanimously approved.

Section VIII

Final Session

The outgoing President, **Mr. Kerinec**, said they had come to the final session. "Do not be surprised, dear friends, to see me again in the chair – it is purely provisional. We have a new President, and he yesterday asked the Central Committee to respect an old tradition which allowed the person who had chaired the rest of the Congress to continue right until the end – although not entirely to the end, as the last speaker will be your new President, Mr. Lars Marcus."

He announced a Press Conference at 12.30, after the close of Congress, and asked Miss Baulier to give the results of the elections.

Elections

The Central Committee

*The list of nominations for the new Central Committee had been circulated to all delegates the previous day, and the new Committee had been **elected unan-***
imously.

The Executive Committee

On behalf of the President, **Ms. Baulier** (ICA) announced the results of the ballot for the new Executive Committee held by the new Central Committee at its first meeting the evening before. The tellers were: Ms. Bunn (UK), Mr. Cechvala (Czechoslovakia), Mr. Catalano (Italy), Mr. Heinen (FRG) and Mr. Schujman (Argentina). The number

of possible votes was 289; the number of votes registered was 289, of which 6 had to be declared invalid for various reasons (incorrectly filled in, deletions, etc.), leaving a total of 283 valid votes.

The results were as follows:

President: Mr. Marcus (Sweden)

Vice-Presidents: Mr. Trunov (USSR)
Mr. Daneau (Canada)

Executive Committee Members:

Ms. Itkonen (Finland)	277
Mr. Wilkinson (UK)	272
Mr. Iwamochi (Japan)	267
Mr. Kaminski (Poland)	264
Mr. Paulig (Fed. Rep. of Germany)	258
Mr. Lacroix (France)	257
Mr. Prandini (Italy)	256
Mr. Dibba (Gambia)	250
Mr. Zahradnik (Czechoslovakia)	249
Mr. Thygesen (Denmark)	248
Mr. Williams (USA)	248
Dr. Rauter (Austria)	239
Mr. Mathimugan (Malaysia)	129

The following had not been elected:

Mr. Musundi (Kenya) 84

Mr. Kerinec thanked Ms. Baulier, and congratulated the members of the new Committee. The ICA now had a new team – a new President, new Vice-Presidents, and a new Executive Committee, who would start work immediately. He

personally believed the ICA was in good hands.



Counting votes during the Central Committee Meeting preceding the Congress

Mr. Williams (USA) said his delegation believed it had been a very important Congress. Global problems were tough, and the restructuring of the ICA and the future work programme was needed if they were to be effective in dealing with global problems. From informal talks with other delegates he had received an impression of power and good will, and the desire for a strong ICA; there were resources that must be translated into an effective international organisation for all countries, for all co-operatives, a true world organisation. And this was what he would fight for, as a member of the Executive Committee.

They all needed the Alliance to be an organisation where co-operative leaders could come together to talk about co-operatives, and through which they could promote the co-operative structure and philosophy. But they wanted the Alliance to get involved in international co-operative development, in education, training and research, and to be an effective spokesman on the world scene. To this end they would support the new

ICA President, Mr. Marcus, the two new Vice-Presidents, the new Executive Committee, and particularly their new Director, Mr. Beasley. The US co-operatives were proud to have him in that position; they supported him 100 per cent, and Mr. Williams thought he could do an effective job: he was a trained co-operative leader, he was mature, had judgment, and had a vision of what the ICA and the world co-operative structure could be.

But nothing could be done without much more income. They would need new professional staff – who must be paid; they would need new work programmes, new rules, new structures, and other changes. It had been said that some of the ICA Rules still in use belonged in a museum, not in a world organisation trying to be effective.

So he felt it was necessary to move ahead quickly. This was a watershed, a moment in history; this was their chance to build a strong ICA and, if they lost it, it might not come again for a long time. So they needed the support of all ICA members, and their money and ideas, and they needed to attract the many co-operative organisations that were not yet members. So let them join together and put some action and money behind their words. They owed it to the world to make this work, and they must begin now.

Mr. Hollela (Tanzania) said his delegation had brought a small gift for Mr. Kerinec and Mr. Marcus in recognition of the services they had rendered to the international co-operative community.

It was two cloths joined together, which in Tanzania were traditionally presented to the incoming and outgoing leaders jointly, to represent continuity; so the outgoing leader was reminded that

they were all one family, of which he was still a part, and the new leader was reminded of his continuing obligation to make it a success – because eventually they would separate the cloths and put one in each of their offices for remembrance. They had also brought some special Tanzanian tea, because good leaders would sit at a table to take tea together, to exchange ideas for solving the problems of the international community. *(Applause)* Mr. Marcus and Mr. Kerinec expressed their great appreciation of these symbolic gifts.

Date and Place of Next Congress

Mr. Kerinec said the date had yet to be notified and asked the Congress to formally accept the invitation of the Folksam Insurance Group of Sweden to hold the next Congress in 1988 in Stockholm. *(The invitation was accepted by acclamation.)*

Close of Congress

Votes of thanks and address by the retiring ICA President, Mr. Roger Kerinec

Mr. Kerinec said he thought it had been a very rich Congress – so rich, in fact, that it caused some disorder in the agenda, for which he apologised. They had had to change the Rules, which was a feat in itself with over 400 delegates in the hall, and with prior discussions over many months in the Executive Commit-

tee and Central Committee. But perhaps the prime victim of the disorder was Yvon Daneau's report, on which the exceptionally large number of speakers made it necessary to take the discussion in instalments – 50 speakers: but perhaps this at least had the advantage that it formed the 'leitmotif' of each day, and reminded us that whatever other subjects we discussed, our main task was to draw up a work programme.

Mr. Kerinec felt that they had taken decisions which pledge the future. He stressed that the spirit of Co-operation had pervaded all the meetings. He asked the Kenyan representatives to convey the esteem, thanks and best wishes of the Congress to John Musundi. *(Applause)*.

He thanked the interpreters – without whose skill they would have been unable to understand one another. *(Applause)* and the Secretariat team, who managed to keep smiling under all the services demanded of them. They were people who had been described as young, new and lacking in co-operative experience. But this team had brilliantly demonstrated that it was perfectly competent and ready to respond to the demands of members – which was one of the main priorities of Congress. *(Applause)*

He thanked the new Director, Robert Beasley, who would officially take up his duties in a few hours' time. He had already been working in this position for a month. He would take his task seriously, and work very hard to put into effect the decisions of Congress. He thanked the outgoing Interim Director, Françoise Baulier, – "it is not for me to sing her praises, first of all because I know her too well: I also, of course, know her faults. I would prefer the new President to thank her for all her work during a very difficult year during which it was necessary to maintain the con-

tinuity of the ICA while at the same time thinking about the future. *(Applause)*

"I now want to add a brief personal word of thanks to my friend Robert Davies, who is extremely modest, but who made a very important contribution to the day-by-day work of the ICA over very many years, often behind the scenes, and who has also, out of the goodness of his heart, allowed us during this past year to benefit from his very great experience. *(Applause)*

"Thank you also, most warmly, to all the individuals in the BdK Secretariat who have given us so much assistance; also to our hosts, the various co-operative sectors of the Federal Republic of Germany. More personally, perhaps, to Oswald Paulig whom I can now congratulate on his re-election to the Executive committee, and a big thank you for this last manifestation of friendship which we enjoyed together last night – it really was a great occasion." He then asked the host organization to convey thanks to the Mayor of Hamburg and the City Authorities for the magnificent reception. *(Applause)*

"Thank you also to our main speakers, who shared their experience with us and participated very actively in the Congress – Messrs. Daneau, Trunov, Wilkinson, Rantala, Freeh, Pramov and Smith. And the team of tellers, and the members of the Congress Committee.

"And finally, before we come to the end of my term of presidency and his of vice-presidency, one word to my friend Peder Søliland, who was a very supportive vice-president. Before asking him if he wants to say a short goodbye, I would like to thank him for the continuous support which he gave me during all the years we worked together, and his active participation in all the meetings."

He said the Norwegian co-operative movement had made it possible for Mr. Søliland to make his exceptional contribution within the International Co-operative Alliance. *(Applause)*

Mr. Kerinec said he would not succumb to the temptation of signalling the end of a career, especially when it is one's own, as an event: if only to avoid the risk of discovering that this past did not really merit a lot of attention. In a world organisation all successes were collective; it was only serious failures that could be attributed to individual officers. Fortunately he did not think they had suffered any serious failures, since the ICA today was more alive, more representative and better equipped than ever before. The President whom they had just elected would continue the activities which he had carried out and, as he had, would benefit greatly from their confidence and support.

His greatest wish was that every co-operative movement in every country would integrate the international dimension of co-operation within its own ideology, and would actively support the efforts of the International Co-operative Alliance to build up the unity of the co-operative movement.

"In conclusion, let me say a big 'thank you' for all the kindness and consideration shown me: I shall retain from my years as President a memory of incalculable friendship, which has moved me deeply.

"Thank you – I am deeply touched."

Address by retiring Vice-President, Mr. Peder Søliland.

Mr. Peder Søliland thanked Mr. Kerinec for his kind words. They had worked together for a great many years, and more closely in the last ten years as President and Vice-President, and this decade of collaboration had given him many pleasant memories. He hoped it had also been fruitful for the ICA.

When he started his working life early in the 1930s, the world had been very different from the world of today. Nations and ordinary people were very isolated; it was only the privileged few who could travel to other countries and get to know people of different nationalities.

After the war, big changes started to take place: Many international organisations were founded. Technical developments and higher living standards made it possible for ordinary people to get around, to get to know other peoples and other countries.

In 1948, at the Congress in Prague, he had been elected member of the ICA Central Committee and acquaintance with the international co-operative movement had given his life a new dimension. He expressed gratitude and thanks to all the fine people he had met over twelve international Congresses. He thanked the Central Committee which elected him as a member of the Executive Committee in 1965, and Vice-President in 1975. It had been wonderful to get to know so many people from so many countries, and their friendship and understanding had enabled them to work together. He hoped that he had been of some use in pushing forward the work of the ICA.

He said he would be still be active in co-operative work with one of the ILO's projects dealing with training systems for managers and staff of co-operative societies and would be travelling extensively in the Far East.

Closing address by the incoming ICA President, Mr. Lars Marcus

Mr. Marcus said that serving the ICA was a privilege and an honour. The problems and difficulties it brought were compensated for by the satisfaction of working for a worthy cause. Nevertheless, they owed gratitude to those who had added ICA work to their ordinary workload and had now retired from office. They also owed a great deal to their organisations, which not only made it possible for them to be available but also bore the costs.

"Roger Kerinec and Peder Søliland both became active in ICA work during the late 1940s. I would like to mention them together because they were a team, they carried the burden jointly. And they can now look back at a period which had its difficulties but certainly had a happy ending-witness this Congress. Membership has continued to increase; today we have some 165 members, of which 24 were admitted since the last Congress. We have our finances under better control than they have been for a long time. Co-operative development efforts are strong. We have a new work programme. We have accepted an improved set of Rules. We have good staff and a new modern office".

Mr. Marcus said that Roger Kerinec and Peder Søliland were "the foremost representatives of a long tradition of international co-operative leadership going back to 1895, worthy to stand side by

side with such people as Mauritz Bonow, Marcel Brot, Lord Rusholm." (*Applause*)

In Prague last year Françoise Baulier had been given the extremely difficult job of interim Director. The competence she had shown was evident. There would be an expression of gratitude from the Executive Committee and the Central Committee, which, on behalf of the Congress, he would ask her to accept at a later date.

He then congratulated Ms Baulier on her election as Chairman of AGITCOOP and member of the ICA Central Committee. (*Applause*)

Mr. Marcus said the atmosphere of friendship that was always present in Committee meetings had been evident in the Central Committee and Congress. Important decisions had been made and they had gained inspiration. He had drawn conclusions from what he had experienced in Hamburg, and his first conclusion was that they were on their way.

But at the same time they had heard evidence of crises: co-operatives had not always adapted adequately to changes in the surrounding world. His second conclusion was that they must care more about those members who in the past had always been strong.

Co-operative development remained a top priority, and in this connection he had been aware of strong support for the proposed structural changes to enable them to make better use of their limited resources, and of existing knowledge and research. This was his third conclusion.

His fourth was that: ICA membership represented East, West, South and North. It was conservative, and radical; poor and rich. Contrasts such as these

generally led to conflict but there was very little evidence of this conflict in Hamburg: "The ICA stands for co-operation. It has once again been proved that a strategy for economic self-help for our 366 million members, combined with a vision of social generosity, is a strong one. The ICA is strong; the ICA is stronger even than we think – that is, if we continue to stick together. And to ensure this is probably the greatest challenge facing any ICA President. I need your full support."

Mr. Marcus said he wished to give participants a personal message to take back to their members.

He had seen people like them change Sweden. Co-operation was one of their tools. They all shared the same responsibility. What they worked for was passed on from one generation to another. It was not only a dream – today it was an enormous economic power built over the years by the many millions and millions of members.

"As leaders, we have one job above all – we must never let our members down. And if we prove worthy of the confidence they place in us, no one could serve them better. Because co-operatives are the future – co-operatives cannot but win. Now let us start work." (*Applause*)

(Mr. Marcus announced the first meeting of the new Executive at 2.30 that afternoon.)

The Congress was declared closed by Mr. Kerinec, as Chairman of the final session.

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Tel. 602066 Cables PELLERVO

FINLAND (cont.)

Pohja Yhtymä

(Runeberginkatu 5) POB 10180, 00101 Helsinki 10.

Suomen Osuuskappojen Keskuskunta (S.O.K.)

(Finnish Co-operative Wholesale Society)

(Vilhonkatu 7) POB 460, 00100 Helsinki 10.

Tel. 650611 Cables KESKUSKUNTA Telex 12-456

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.)

(General Co-operative Union)

Vilhonkatu 7 00100 Helsinki 10.

FRANCE

Caisse Nationale de Crédit Agricole

91-93 Boulevard Pasteur, 75015 Paris.

Tel. 273-90-00 Cables AGRICREDIT Telex CANAGRI 25-971

Confédération Générale des Sociétés Coopératives Ouvrières de Production (SCOP)

37 rue Jean-Leclaire, 75017 Paris.

Tel. 627-89-58 Cables COOPRODUC

Confédération nationale de la Mutualité de la Coopération et du Crédit

Agricoles

129 Bd. St. Germain, 75279 Paris.

Tel. 033-93-31

Confédération nationale du Crédit Mutuel

88-90 rue Cardinet, 75017 Paris.

Tel. 766-01-51 Telex CCCMU 640373

Confédération des Organismes du Crédit Maritime Mutuel

41 Avenue Hoche, 75008 Paris.

Tel. 227-50-46

Fédération Nationale des Coopératives de Consommateurs (F.N.C.C.)

La Maison de la Coopération, 27-33 Quai le Gallo,

92517 Boulogne, Billancourt

Tel. 604 91 78 - Cables FEDECŒOP

Telex FEDCOP BLSGN 260846

Volksfürsorge deutsche Sachversicherung AG

(Besenbinderhof 43) Postfach 10 64 29, 2000 Hamburg 1.

Tel. 28 651 Cables VOLKSACHHMB Telex 21 61 740

Volksfürsorge Lebensversicherung AG

An der Alster 57-63, 2000 Hamburg 1.

GHANA

Ghana Co-operative Fisheries Association Ltd.

POB 149, TEMA Tel. 2197 Cables CO-OPFISH

GREECE

Pan-Hellenic Confederation of Unions of Agricultural Co-operatives

41 Sophocleous Street, Athens 112.

Tel. 32535-11 Cables PASEGES Telex 218348 PASEGR

HAÏTI

Caisse Populaire Dominique Savio

(75 rue Rigaud) C. P. 15011, Pétiön-Ville.

HUNGARY

National Co-operative Council

(Szabadság tér. 14) POB 616, H. 1373 Budapest V.

Tel. 113-600

National Council of Agricultural Co-operatives (TOT)

Akademis ucta 1-3, 1361 Budapes V.

Tel. 113-600

National Council of Consumers' Co-operative Societies (SZOVOSZ)

(Szabadság tér 14) POB 616, 1373 Budapest V.

Tel. 113-600 Cables SZOVOSZ

National Council of Industrial Co-operatives (OKISZ)

(Thököly ut 58-60) POB 172, 1146 Budapest 70.

Tel. 188-800 Cables OKISZ

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer

Modéré (H.L.M.)

14 rue Lord-Byron, 75008 Paris.

Tel. 563-17-31

Société Générale des Coopératives de Consommation

La Maison de la Coopération, 27-33 Quai le Gallo, 92517 Boulogne
Billancourt.

Tel. 604.91.78 Cables EMDEGE Telex 27094 EMDEGE

Union du Crédit Coopératif

33 rue des Trois Fontanot BP 211 92002 Nanterre Cédex

GAMBIA

Gambia Co-operative Union Ltd.

POB 505, Banjul.

Tel. Serrekunda 2580

GERMAN DEMOCRATIC REPUBLIC

Verband der Konsumgenossenschaften der DDR

(Stresemannstrasse 128), Postfach 1269, 108 Berlin.

Tel. 22-38-0 Cables KONSUMZENTRALE Telex 011-2831

GERMANY, FEDERAL REPUBLIC OF

Bank für Gemeinwirtschaft AG

Theaterplatz 2, 6000 Frankfurt A/M 1.

Tel. 2581 Cables HAUPTBANKWIRT Telex 41.22.122

Bund deutscher Konsumgenossenschaften GmbH

Adenauerallee 21, 2000 Hamburg 1.

Tel. 249006 Cables COOPBUND Telex 21-62.521

Co-op AG

Hahnstrasse 72, D-6000 Frankfurt-am-Main 71

Tel. 0611/6683-1 Telex 418.93.48 coop d

Gesamtverband gemeinnütziger Wohnungsunternehmen e.V.

Bismarckstrasse 7, 5000 Cologne 1.

Tel. 52-50-01

ICELAND

Samband Isl. Samvinnufélagi

Samband House, POB 180, Reykjavik.

Tel. 28200 Cables SIS Telex 2023

INDIA

National Co-operative Land Development Banks' Federation

Shivshakti (2nd Floor), B. C. Kher Road, Worli, Bombay 400018

Tel. 395349 Cables BHUMIUIKAS

Indian Farmers Fertiliser Co-operative Ltd. (IFFCO)

34 Nehru Place, New Delhi 110019.

National Agricultural Co-operative Marketing Federation of India Ltd.

Sapna Theatre Building, 54 East of Kailash, PB 3580, New

Delhi-110024.

Tel. 631416 Cables NAFED Telex ND 3254

National Co-operative Consumers' Federation Ltd.

3 Siri Institutional Area, Panchsabila Marg (behind Hauz Khas),

New Delhi-110016.

Tel. 635387 Cables KONFED

National Co-operative Union of India (NCUI)

3 Siri Institutional Area, Panchsabila Marg (behind Hauz Khas),

New Delhi-110016.

Tel. 66 2751 Cables COPUNION

National Federation of Industrial Co-operatives Ltd.,

204 Prabhat Kiran, Rajindra Place, Pusa Road, PBN 6052,

New Delhi 110008.

Tel. 569535

National Federation of State Co-operative Banks Ltd.,

Garment House (2nd Floor), Dr. Annie Besant Road, Worli Naka,

Bombay 400-018.

INDONESIA

Dewan Koperasi Indonesia (The Indonesian Co-operative Council)

Jalan Jendral Gatot Subroto, Komplek PUSDIKOP, Djakarta.

Tel. 74081-88

IRAQ**General Co-operative Union**

POB 5764, Baghdad.
Tel. 86520 Cables COOPEDRA
Telex 2685 UNCOOP

IRISH REPUBLIC

Co-operative Development Society Ltd.
35 Lower Gardiner Street, Dublin 1.

ISRAEL

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel
(47 Nachmani Street) POB 622, Tel-Aviv.
Tel. 62-32-78

General Co-operative Association of Labour in Israel "Hevrate Ovdim"

(Hisstradut Building, 93 Arlosoroff St.) POB 303, Tel-Aviv.
Tel. 43.11.11 Cables OVDIM

ITALY**Associazione Generale delle Cooperative Italiane**

Viale Somalia, 164, 00199 Roma.
Tel. 859198

Confederazione Cooperative Italiane

Piazza dell'Esquilino 5, 00184 Rome.
Tel. 47-28-11 Cables CONFCOOPERATIVE

Legg Nazionale delle Cooperative e Mutue

Via A. Guattani 9, 00161 Rome.
Tel. 841371 Cables LEGACCOOP

IVORY COAST

Chambre d'Agriculture de Côte d'Ivoire
(11 Ave. Lamblin) POB 1291, Abidjan 01.
Tel. 32-16-11

JAMAICA**National Union of Co-operative Societies Ltd.**

2-2a Manhattan Road, Kingston 5.
Tel. 92-95 360 Telex JACUL JA 2231 Cables NUCS KINJA

JORDAN**Jordan Co-operative Organisation**

POB 1343, Amman.
Tel. 23101/3 Cables ALOUN

KENYA

Kenya National Federation of Co-operatives Ltd.
(Plantation House, Haile Selassie Ave.) POB 49768, Nairobi.
Tel. 21487 Cables MUUNGANO

KOREA**National Livestock Federation**

YPO Box 87, Seoul, Korea.
Tel. (783) 0050-0059
Telex K23517 NALICOF Cables: NALICOF, SAOUL

National Agricultural Co-operative Federation

75, 1st Street, Chung-jong-Ro, Jung-ku, Seoul.
Tel. 73-0021 Cables KONAFKO

National Federation of Fisheries Co-operatives

88 Kyung Wun-Dong, Chongro-ku, Seoul 110.
Tel. 70-6211-20 Telex FISHCO K24359 Cables FISHCO

KUWAIT**Union of Co-operative Societies**

POB Safat 1836.
Cables ESTEHLAKIA

LESOTHO**Co-op LESOTHO Ltd.**

P.O. Box 146, Maseru 100, Lesotho
Tel. 22492 Cables BACOBU

MALAYSIA**National Union of Co-operatives (ANGKASA)**

103 Jalan Tempier, Petaling Jaya, Selangor.
Tel. 771258

Co-operative Central Bank Ltd.

(29 Leboh Ampang) POB 685, Kuala Lumpur 01-19.
Tel. 26531/4

Federation of Housing Co-operatives Ltd.

c/o Railway Co-operative Multi-Purpose Society Ltd., POB 2528,
Kuala Lumpur 04-04, Tingkat 2, No. 20, Lorong Bunus
Enam off Jalan, Mashid India
Tel. 423813

JAPAN

Norinchukin Bank

(Central Co-operative Bank for Agriculture and Forestry)
8-3 1-chome, Otemachi, Chiyoda-ku, Tokyo.
Tel. 03 279 0111 Cables CCBFAF Telex J.23918

Zenkoku Nogyokyodokumiai Chuokai

(Central Union of Agricultural Co-operatives)
8-3 1-chome Otemachi, Chiyoda-ku, Tokyo.
Tel. 270 0041 Cables CHUOKAI

Ie-No-Hikari Association

No. 11, Funagawara-cho, Ichigaya, Shinjuku-ku, Tokyo.
Tel. 260-3151 Cables IENOHIKARI
Telex 2322367 IENOHI J

Nippon Seikatsu Kyodokumiai Rengokai

(Japanese Consumers' Co-operative Union)
1-13 4-chome Sendagaya, Shibuya-ku, Tokyo.
Tel. (404) 3231 Cables CONSUMUNION

National Federation of Agricultural Co-operative Associations (ZEN-NOH)

8-3 1-chome, Otemachi, Chiyoda-ku, Tokyo.
Tel. 03 (279) 0211 Cables ZENNOHREN
Telex ZENNO 222-3686

National Federation of Fisheries Co-operative Associations (Zemgyoren)

Co-op Building (7th floor), 1-1-12 Uchikanda, Chiyoda-ku, Tokyo 101.
Tel. 2949611 Cables NAFDEFISH
Telex ZENGYO J TOKYO 222-6234

National Federation of Forest Owners' Co-operative Associations

Co-operative Building (8th floor), 1-1-12 Uchikanda, Chiyoda-ku,
Tokyo 101.

National Mutual Insurance Federation of Agricultural Co-operatives (ZENKYOREN)

7-9 Hirakawa-cho 2-chome, Chiyoda-ku, Tokyo 102.
Tel. (265) 3111

Co-operative Union of Malaysia Ltd.

29 Leboh Ampang, Kuala Lumpur
Tel. 26531

Malaysian Co-operative Insurance Society Ltd.

(36 Jalan Ampang) POB 817, Kuala Lumpur 01-16.
Tel. 87915/6 Cables MCIS

National Land Finance Co-operative Society Ltd.

2 Jalan Sultan Suleiman, Peti Surat 2133, Kuala Lumpur 01-02.

MAURITIUS

Mauritius Co-operative Union

Co-operative House, Dumas Street, Port Louis.
Tel. 2-2922

MEXICO

Confederación Mexicana de Cajas Populares

of/ Sr. Florencio Eguià Villaseñor
Apartado Postal No 1040 Sucursal H, 78250 San Luis Potosi SLP Mexico
Tel. 546 57 23

MOROCCO

Union Nationale des Coopératives agricoles laitières

Rue Patrice Lumumba, B.P. 569, Rabat-Chellah.

NETHERLANDS

Dutch Federation of Workers' Productive Co-operative Societies (ABC)

Nieuwe Gracht 5, Utrecht.
Tel. 331 331

NIGERIA

Co-operative Federation of Nigeria Ltd.

c/o Co-operative Bank Ltd., Co-operative Buildings, New Court Road,
PMB 5101, Ibadan.
Cables NICOOFPED

NORWAY

Landbruksamvirkets Felleskontor

POB 3723, Gamlebyen, Oslo.

NORWAY (cont.)

Norges Kooperativ Landsforening (NKL)
(Revierstredet 2) POB 1173 Sentrum, Oslo 1.
Tel. 20 62 90 Cables KOOPENGROS Telex 19 450 HQ

Norske Boligbyggelags Landsforbund (NBBL)
Trondheimsveie 84-86, Oslo 5. Tel. 35 75 20

Samvirkebanken a/s
(Kirkegt. 5) Postboks 289 Sentrum, Oslo 1.
Tel. 42-71-80 Cables SAMVIRKEBANKEN Telex 16604

Samvirke Forsikring
(Henrik Ibsensgt. 9) Postboks 778 Sentrum, Oslo 1.
Tel. 20-80-30 Telex 19430 COOPAN

PAKISTAN

Mercantile Co-operative Finance Corporation Ltd.
197-A The Mall, Rawalpindi. Tel. 3754

National Co-operative Union of Pakistan
5 Court Street P.O. Box 2234 Lahore I
Tel: 54 674/21 17 49/21 18 12

PHILIPPINES

Co-operative Union of the Philippines
Rm 301B 3rd Floor, ND. de la Merced (Delta) Building
West Avenue, Quezon City

National Association of Training Centres for Cooperatives (NATCCO)
Pleasant Homes Subdivision, Punta Princesa, POB 950, 6401 Cebu City.
Tel. 7-16-15

Sugar Co-operatives Development Institute of the Philippines
Rm. 211-213 Cuenca Gonzaga Bldg., San Juan St., Bacolod City 6001.
Tel. 20666

POLAND

Central Agricultural Union of Peasant Self-Aid Cooperatives,
Kopernika 30, 00-328 Warsaw.
Tel. 26-36-69 Cables CENTROLNA

UNCAP (National Union of Agricultural Producers' Co-operatives)
Bv.N Balcescu 17-19, Bucharest.

SIERRA LEONE
National Co-operative Congress
Department of Co-operatives, Ministerial Building, Freetown.

SINGAPORE
Singapore Amalgamated Services Co-operative Organisation Ltd
(3-J/K Clifford House) POB 366, 9007 Singapore.

SOMALIA
Union of Somali Co-operatives Movement
POB 1272, Somali Street, Mogadishu.
Cables UDHIS

SPAIN

Unión Nacional de Cooperativas de Consumo de Espana
General Oraa 70, 2^a dcha., Madrid-6.
Tel. 262 17 23

Union Nacional de Cooperativas del Campo
Gran Via 19, Madrid 14.
Tel. 448 60 54 Telex 46015 COOPE

SRI LANKA

National Co-operative Council of Sri Lanka
(Co-operative House, 455 Galle Road) POB 1669, Colombo 3.
Tel. 85496 Cables NACOSIL

Sri Lanka Fisheries Co-operative Federation Ltd.
127 Grandpass Road, Colombo 14.
Tel. 25057 Cables CO-OPFISH

SUDAN

National Co-operative Union Ltd.
PO Box 2492 Khartoum (Yafazaa) Tel. 73431

SWAZILAND

Central Co-operative Union
POB 551, Manzini

Central Union of Building and Housing Co-operatives
Ul. Marchlewskiego 13, 00-828 Warsaw.
Tel. 20-90-29

Central Union of Work Co-operatives
Surawia 47, 00-680 Warsaw.
Tel. 28-51-86 Cables CZESP

"Spolem"—Union of Consumer Co-operatives
Grazyny 13, 02-548 Warsaw.
Tel. 45-32-41 Cables SETESES

Supreme Co-operative Council
Ul. Jasna 1, 00-013 Warsaw.
Tel. 26-72-21 Cables ENERES

PORTUGAL

AGROSCOOP Federação das Cooperativas Agro-Silicícolas Das Beiras
Rua Alexandre Herculano 83 3502
Viseu Codex Portugal
Tel: 2 3441/9 2232
Telex 53550 ASCOOP

Instituto "Antonio Sergio" do Sector Cooperative (INSCOOP)
Rua D. Carlos de Mascaranhas No. 46, Lisbon 1.

Federação Nacional das Cooperativas de Consumo (FENACOOOP)
Rua da Guine 8 R/c Dto., 1100 Lisbon 1.
Tel. 84-69-69

PUERTO RICO

Co-operative League of Puerto Rico
458 Fernando Calder, Apartado 707, San Juan 00936
Tel. 764-2727

ROMANIA

CENTROCOOP (Central Union of Consumer Co-operatives)
Str. Brezoianu 31, 70711 Bucharest.
Tel. 14 48 00 Cables CENTROCOOP Telex 11591

SWEDEN

Folksam Insurance Group
(Folksam Building, Bohusgatan 14) POB 20500,
S-104 60 Stockholm 20.
Tel. 743-60-00 Cables FOLKSAM Telex 190.84 FOLKSAM S

HSB:S Riksförbund ek för
POB 8310, S-100 21 Stockholm 18.
Tel. 785 30 00 Cables HAESSEB Telex 11.724 HSB COOP

Kooperativa förbundet
POB 15200, S-104 65 Stockholm 15.
Tel. 44-90-60

Kooperativa Konsumtngilliesförbundet KF
Box 15200, S-104 65 Stockholm 15.
Tel. 44-90-60

Lantbrukarnas Riksförbund (Federation of Swedish Farmers).
(Klara O Kyrkogata 12) Fack, S-105 33 Stockholm 33.
Tel. 14-16-00 Cables LANTFORBUNDET Telex 11098 Lantek S

Oljekonsumenternas förbund (OK Union)
S-113 87 Stockholm.
Tel. 736-60-00 Cables OLJEKONSUMENTER Telex 17610

Svenska Riksbyggen
(Hagagatan 2) POB 19014, S-104 32 Stockholm 19.
Tel. 34-05-20 Cables RIKSBYGGEN

SWITZERLAND

Genossenschaftliche Zentralbank AG
Aeschensplatz 3, CH 4002 Basel.
Tel. (061) 23-84-00

Coop Lebensversicherungsgenossenschaft Basel
Aeschenvorstadt 67, CH 4002 Basel.
Cables COOPLEBEN

Coop Schweiz
(Thiersteinerallee 12) POB 2550, CH 4002 Basel.
Tel. (061) 20-61-11 Cables COOPSUISSE Telex 62 133

Verband Schweizerischer Produktivgenossenschaften
c/o GBH, Sihlfosfach, 8021 Zürich.
Tel. 01/242 7133

TANZANIA

Union of Co-operative Societies Ltd.
POB 2567, Dar es Salaam.
Cables WASHIRIKA

THAILAND

Co-operative League of Thailand
4 Pichai Road, Dusit, Bangkok.
Tel. 811414

TURKEY

Türk Kooperatifçilik Kurumu (Turkish Co-operative Association)
Mithatpasa Caddesi 38A, Yenisehir, Ankara.
Tel. 18 82 44

Yol-Koop (Union of Consumers' Co-operatives of the Road Construction and Building Workers of Turkey)
Selanik Cad. 23, Kat. 4-5, Yenisehir, Ankara.
Tel. 17 30 94 Cables YOL-KOOP
Kent-Coop, Atatürk
Bulvarı No 7 Yenisehir, Ankara
Tel. 31 34 00

UGANDA

Uganda Co-operative Alliance
POB 2215, Kampala.
Tel. 56984/6 Cables ALLIANCECOOP

UNITED KINGDOM

Co-operative Bank Ltd.
(1 Balloon St.) POB 101, Manchester M60 4EP.
Tel. (061) 832 3456 Telex 884 533/4

Co-operative Insurance Society Ltd.
Miller Street, Manchester M60 0AL.
Tel. (061) 832 8686 Cables COLLECTIVE
Telex 66 86 21 CIS G

Co-operative Union Ltd.

Holyoake House, Hanover Street, Manchester M60 0AS.
Tel. (061) 832 4300 Cables CONGRESS

Co-operative Wholesale Society Ltd.

(New Century House, Corporation Street) POB 53, Manchester M60 4ES.
Tel. (061) 834 1212 Cables WHOLESale
Plunkett Foundation for Co-operative Studies
31 St. Giles, Oxford OX1 3LF.
Tel. (0865) 53960

URUGUAY

Federación Uruguaya de Cooperativas de Ahorro y Crédito
(18 de Julio 1485, piso 7) CP 1667 Correo Central, Montevideo.
Tel. 41 44 17 Cables FUCAC

U.S.A.

Co-operative League of the U.S.A.
Suite 1100, 1828 L Street, NW, Washington, DC 20036.
Tel. (202) 872-0550 Cables CLUSA

U.S.S.R.

Central Union of Consumer Societies—CENTROSOYUS
B. Tcherkassky per 15, 103626 Moscow.
Tel. 221 7253 Cables CENTROSOYUS MOSCOW K-3 Telex 7127

YEMEN ARAB REPUBLIC

Confederation of Yemen Development Associations
POB 2198, Sana'a.

YUGOSLAVIA

Zadružni savez Jugoslavije FNRJ
Bul. Revolucije 70/III, 11000 Belgrade.
Tel. 454-842 Cables ZASA

ZAMBIA

Zambia Co-operative Federation Ltd.
POB 33579, Lusaka.
Cables ZAMCOOP

INTERNATIONAL ORGANISATIONS

Confederación Latinoamericana de Cooperativas de Ahorro y Crédito (COLAC)

Apartado Postal 3280, Panama 3.
Tel. 27-3322 Cables COLAC Telex 379 3592

International Co-operative Bank Co. Ltd. (INGEBA)

(Aeschengraben 12) POB 363, CH 4010 Basel, Switzerland.
Tel. 23-58-27 Cables INGEBA

Université Coopérative Internationale

Hotel de Valbelle, 24 rue Lisse Saint Louis, 13100 Aix-en-Provence, France.
Tel. (42) 23 20 56

International Co-operative Petroleum Association (ICPA)

30 Montgomery Street, Jersey City, New Jersey 07302
Tel. 201451-8330 Telex 219246 Cables INCOPEP

Nordisk Andelsförbund

Vester Farimagsgade DK-1606 Copenhagen V, Denmark.
Tel. 15.15.3 Cables NORFORBUND Telex 27 111 NAF

Organisation of the Cooperatives of America (OCA)

Avenida 46 Nro. 17 21, Aptdo. Postal 241263, Bogota, Colombia.
Cables OCAMERICA

Sociedad Interamericana de Desarrollo y Financiamiento Cooperativo

(SIDEFCOOP)
(Reconquista 365, 2° piso) POB 4311, Buenos Aires, Argentina.

World Council of Credit Unions Inc.

(5910 Mineral Point Road) POB 391, Madison, WI 53705, U.S.A.
Tel. (608) 238-5851 Telex 910-296-2725 CUNA MUT MDN

**Members of the ICA Executive Committee
Elected at Congress**

President: Lars **MARCUS** (Sweden)
Vice-President: Yvon **DANEAU** (Canada)
Vice-President: Mikhail **TRUNOV** (USSR)

M. **DIBBA** (Gambia)
Raija **ITKONEN** (Finland)
Shizuma **IWAMOCHI** (Japan)
Jan **KAMINSKI** (Poland)
Jean **LACROIX** (France)
R. **MATHIMUGAN** (Malaysia)
Oswald **PAULIG** (Fed. Rep. of Germany)
Onelio **PRANDINI** (Italy)
Anton E. **RAUTER** (Austria)
Jorgen **THYGESEN** (Denmark)
Lloyd **WILKINSON** (United Kingdom)
Morgan **WILLIAMS** (USA)
J. **ZAHRADNIK** (Czechoslovakia)

EAST, SOUTHERN AND CENTRAL AFRICA						
178,538	Personnel	21,378	24,293	91,007	75,729	212,407
10,494	Office Rent and Expenses	814	1,586	17,146	10,869	30,415
41,057	Travel	7,293	15,858	9,233	30,434	62,820
36,649	Regional Council	4,326	7,139	7,914	-	19,379
458,854	Educational activities	293,303	244,898	236,108	131,018	905,327
243,209	Sponsored activities	41,076	10,624	14,489	3,231	69,420
26,563	Contract activities	-	-	-	-	-
56,290	Other charges	21,203	20,003	6,595	11,870	59,671
<u>1 051,654</u>		<u>389,395</u>	<u>324,401</u>	<u>382,492</u>	<u>263,151</u>	<u>1 359,439</u>
(559,482)	less met by - Swedish Co-operative Centre and SIDA	(308,351)	(272,471)	(236,108)	(131,018)	(947,948)
(275,062)	- Sponsors and SCC Administration	(41,701)	(10,624)	(115,483)	(95,511)	(263,319)
(6,053)	- Sponsors (Contract Activities)	-	-	-	-	-
(8,099)	- Member Organisations in East, Southern and Central Africa	-	-	-	-	-
(23,334)	- Charge to Supplementary Fund	-	-	-	-	-
(32,420)	- Charge to Development Fund	-	-	-	-	-
<u>147,204</u>		<u>39,343</u>	<u>41,306</u>	<u>30,901</u>	<u>36,622</u>	<u>148,172</u>

WEST AFRICA						
-	Personnel	-	-	22,461	31,328	53,789
-	Office Expenses	-	-	6,373	10,504	16,877
-	Travel	-	-	9,591	1,204	10,795
-	Meetings	-	-	1,860	13,058	14,918
-	Sundries	-	-	1,843	3,256	5,099
-	Educational Activities	-	-	88,786	129,557	218,343
-		-	-	-	-	-
-	less met by - Norway	-	-	130,914	188,907	319,821
-	- Sponsors	-	-	(88,786)	(129,557)	(218,343)
-		-	-	(27,128)	(44,350)	(71,478)
<u>1 333,773</u>	TOTAL EXPENDITURE for the year	<u>447,987</u>	<u>397,525</u>	<u>412,990</u>	<u>448,933</u>	<u>1 707,135</u>

PROVISIONS FOR EXPENDITURE, partly attributable to year:						
17,000	Headquarters - maintenance	13,000	-	-	-	13,000
4,000	- Equipment	-	-	-	-	-
-	Congress - 1984	-	25,000	20,000	25,000	70,000
45,000	Congress - 1980 (Provision Released)	(45,000)	-	-	-	(45,000)
(31,000)	Congress - 1976 (Provision Released)	-	-	-	-	-
(5,590)	75th Anniversary Book Provision Released	-	-	-	-	-
5,525	75th Anniversary Book Stock Written Off	-	-	-	-	-
3,000	Doubtfull Debtors (written back)	8,000	(11,000)	-	-	(3,000)
<u>1 371,708</u>	TOTAL EXPENDITURE AND PROVISIONS	<u>423,987</u>	<u>411,525</u>	<u>432,990</u>	<u>473,933</u>	<u>1 742,135</u>
43,077	Charge for UK Taxation on Interest Receivable at 40%	35,466	32,642	28,630	4,263	101,001
(78,787)	Surplus (Deficit) for the year after Taxation	30,518	10,510	34,104	7,294	82,426
<u>1 335,998</u>		<u>489,991</u>	<u>454,677</u>	<u>495,724</u>	<u>485,490</u>	<u>1 925,882</u>



NOTES

1. Since 1980, costs and profits on Publications are shown as a separate item in the Revenue Account. The figures were previously included under the heading "Communications".

2. The Accounts are prepared under the Historical Cost Convention.

The annual charge credited to the Property Sinking Fund was increased in 1979 from £ 5,000 to £ 10,000 and has been continued at this latter rate. This charge is to be reviewed periodically, with the expectation that the Sinking Fund and its co-related investments may provide for the purchase of suitable premises for the Alliance.

3. Foreign currency balances have been converted to Sterling at the rates ruling on 31st December 1980, 1981, 1982 and 1983 for each of these years, transactions during the year being converted at the average remittance rate. The gains on conversion up to the Balance Sheet date are carried forward as a provision against losses.

	Reserve		Currency Conversion gain
Movement of Balance, December 1979	100,048		134,490
Surplus for the four years	75,132	Net gains on conversion for the four years	28,582
Balance, December 1983	175,180		163,072

SCHEDULE 1

Sale of Lease of 11 Upper Grosvenor Street, London

Sale proceeds		565,000
Sale costs		9,724
		355,276
<u>Deduct :</u>	Original cost of Lease	35,000
	Estimated Capital Gains Tax payable	50,000
		85,000
<u>Gain on disposal of property</u>		270,276
<u>Deduct :</u>	Costs of removal to Geneva (including redundancy costs and supplementary compensation to staff £ 61,054.22)	77,746
		192,530

