

The Co-operative Movement



**Union of Consumer
Co-operative Societies**



**International
Co-operative
Alliance**



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& the Arab World**

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IN THE NAME OF GOD,
MOST GRACIOUS,
MOST MERCIFUL

**“HELP YE ONE ANOTHER IN
RIGHTOUSNESS AND PIETY,
BUT HELP YE NOT
ONE ANOTHER
IN SIN AND RANCOUR”**

QUR'AN V:2

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The Co-operative Movement in Kuwait

334(5368)
ICA.



HIS HIGHNESS
Sheikh Jaber Al-Ahmad Al-Jaber Al-Sabah
EMIR OF KUWAIT



HIS HIGHNESS
Sheikh Sa'd Al-Abdallah Al-Salem Al-Sabah
CROWN PRINCE AND PRIME MINISTER

FOREWORD

**By His Excellency Talal Al-Ayyar
Minister of Social Affairs & Labour**

It is my pleasure to express gratitude and appreciation to the founders of the Cooperative Movement and to those who have faithfully contributed to it, paving the way for its speedy and commendable development.

The Cooperative Movement has deservedly been accorded due Government attention and support. The time is now ripe for the Movement to play a tangible role in alleviating the Government's burdens by contributing to national development and rendering public services.

The Movement had a small-scale start, yet it was strong and forward looking. However, despite the great achievements so far realized, our aspirations are still greater. The Movement should be assessed in the light of the accomplishments and contributions to social development.

We should endeavour hard to smooth over the difficulties that may still block the road towards further achievement of our set goals. The pioneering role so far played by the Movement in economic and social development has always been admired and lauded by citizens and visitors alike.

History will forever stand in witness of the illustrious

role the Movement played in support of the struggle of the Kuwaiti people against Iraq's occupation troops until Allah Almighty made us emerge victorious.

We pray that Allah Almighty may bless our beloved country and enable the Movement to achieve more national goals under the leadership of H.H. Sheikh Jaber Al-Ahmed Al-Sabah and H.H. Sheikh Saad Al-Abdullah Al-Salem Al-Sabah.

FOREWORD

**By Talaq Sager Al-Haim
Chairman of the Board of Directors**

Cooperation has always been a social phenomenon associated with human societies. With the passage of time, it has developed and taken on an economic dimension. Later, it became a system based on a crystal-clear philosophy with set objectives and firm principles. However, different countries have chosen to adopt the cooperative system that can be most responsive to their problems and adaptable to the nature of their political, economic and social realities. Therefore, the cooperative experience differs from one country to another in a unique but interesting fashion. Hence, the notion developed for issuing this book about the cooperative experience in Kuwait, which the International Cooperative Alliance (ICA) will soon honour by choosing the Union of Consumer Cooperative Societies (UCCS) as a pioneer in cooperation work and by honouring the Kuwaiti Cooperative Movement for having best implemented the Rochdale principles. Moreover, this movement has made numerous achievements through its different members around Kuwait. It has become a landmark for development and emerged as a key economic asset. It has established strong relations both on Arab and international levels. This made Arab members of the ICA encourage me to nominate myself for the ICA Board membership in order to represent the Kuwaiti Cooperative Movement and consequently achieve a political gain for my country.

The cooperative system officially received attention as worthy of implementation in its modern economic and

social sense in Kuwait since Act 20 was adopted in 1962. After the first cooperative pioneers had felt the need for implementing this system to improve the economic and social conditions of the members; especially since the cooperative organizations are deemed popular institutions that help support citizens' creative initiatives and conditions citizens to practise democracy and deal with problems and difficulties, which is considered an active participation in promoting and developing national economy.

In the light of this concept, the government has adopted a number of cooperative laws, emphasizing the articles of the constitution on promoting cooperation. Thus, the government officially recognized cooperatives after it has been proven beyond doubt that cooperatives provided reliable services in meeting citizens' needs for supplies and services and in marketing national products.

Despite the importance of the cooperative sector in Kuwait, it still has not received adequate attention from writers, who can shed light on its organizations, activities, problems and ways and means to further develop it. Thus, many citizens and some of the cooperative staff are poorly educated about cooperation.

We have undertaken the task of publishing this booklet, taking care to expose the ideas in a simplified manner commensurate with the different thinking levels. This allowed us to delineate the different aspects of the Kuwaiti Cooperative Movement.

This booklet is dedicated to all those interested to learn about the main aspects and different activities of the Kuwaiti Cooperative Movement.

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INTRODUCTION

The Cooperative Movement in Kuwait in its current form is the natural product of innovative matter-of-fact cooperation bequeathed by fathers and forefathers to the present generation. This generation later developed it in accordance with specific laws and legislations to make it more responsive to their needs, in the light of religious and traditional values.

The Cooperative Movement owes so much for its success and prosperity to the generous support and patronage of His Highness Sheikh Jaber Al-Ahmed Al-Jaber Al-Sabah, Amir of the State of Kuwait, and His Highness Sheikh Saad Al-Abdullah Al-Salem Al-Sabah, Crown Prince and Prime Minister. It also receives support from the Government's different ministries inasmuch as they relate to the Cooperative Movement. This is administered in line with Article 23 of the Kuwaiti Constitution, which states that the Government promotes cooperation and savings.

The Information Committee at the Union of Consumer Cooperative Societies has put out this booklet to shed light on the establishment and fast development of the Cooperative Movement. It also underscores the effects of the Movement on the different economic and social activities as well as its bright look towards the future.

THE COOPERATIVE MOVEMENT IN KUWAIT IN BRIEF

The first attempts at consumer cooperation in Kuwait were made at the Mubarikiya School back in 1941. A small school-type cooperative society was founded. It became so successful in meeting its set objectives that other schools started following the example, such as Salahideen School in Shamiya in 1952.

In 1955, attempts began taking on a new trend with some consumer cooperative societies being established in some government departments; such as the ones at the Social Affairs and Education Departments. Those societies were subject to the rules and regulations of the social clubs and centers, since no cooperative laws were yet developed then.

Consumer cooperation did not start in its organized form until after law no. 20 was issued in 1962. The provisions whereof provided for the establishment of cooperative societies and for the membership: its management, supervision, dissolution and liquidation. Consumer cooperation, out of other form of cooperation, took the lead. In 1962, the first official consumer cooperative society was established in Kifan. Other cooperatives followed on. Now, the total number of coops is in excess of 45.

In 1971, the Union of Consumer Cooperative Societies

(UCCS) was established to lead the collective work at the consumer cooperative sector, protect the interests of its members and represent them at Arab and international levels.

Based on the firm belief by the government and people in the role of the Consumer Cooperative Movement and the profits it has accumulated while seeking to provide adequate supplies of commodities and services through the increasing number of its members societies, the government has assigned the UCCS to the task of distributing subsidized commodities to citizens as of 1975. Moreover, the Council of Ministers issued a decision in the same year revoking the licences of shops in modular residential areas, except for laundries and bakeries. The decision assigned the consumer cooperative societies to provide all remaining services through its central markets and related branches.

In the early eighties, the Consumer Cooperative Movement started opening up to Arab and international movements. The UCCS applied for membership with the International Cooperative Alliance (ICA) and became a member in March 1981. In August of the same year, the UCCS made a significant contribution to the establishment of the Arab Cooperative Federation. It endeavoured hard to strengthen relations with international cooperative organizations through exchanging visits.

By this time, the Consumer Cooperative Movement in Kuwait has turned into a pioneering movement with significant economic goals. It has substantially contributed

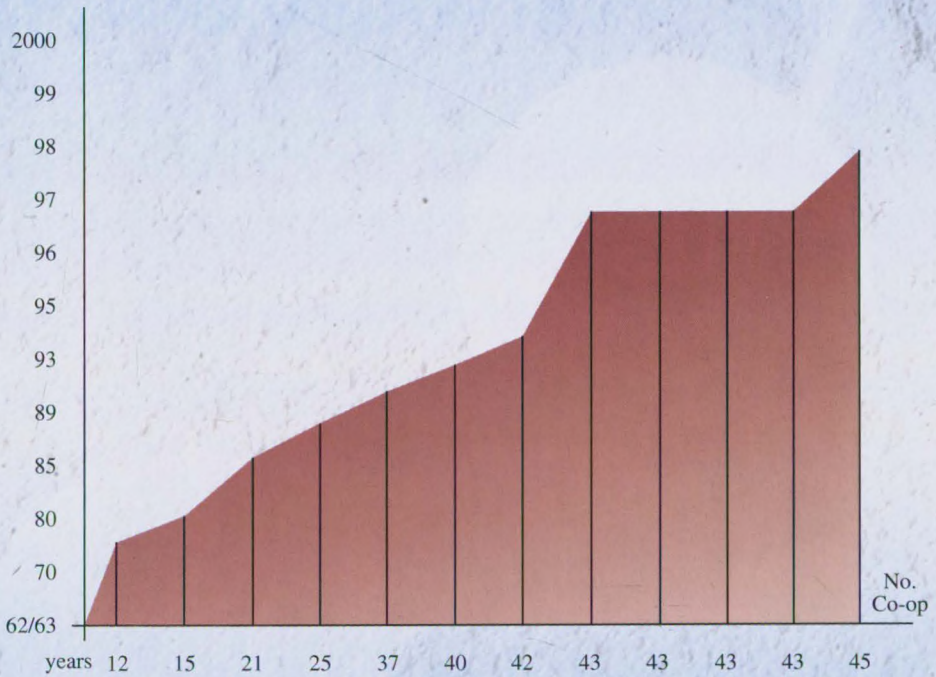
to the development of national industries, promoted domestic and foreign trade and reacted positively to economic problems. In 1981, the UCCS endorsed a policy for collective foreign purchases and imports of certain commodities under the cooperative trademark for the sake of finding alternatives for the commodities whose prices go high in the market in a bid to rationalize the prices of these commodities.

The UCCS adopted a price control policy to fight false rise in prices. The policy imposed restrictions on raising the prices of essential consumer and food items as of 1980. In 1985, the UCCS established a packaging center for grains and spices, which were made available in economical packages commensurate with consumers' needs and income. The idea was to rationalize the prices of essential consumer items.



The following table shows how fast the Consumer Cooperative Movement developed since 1962 up to 2000. The figures given in the tables show the multiplication of the number of cooperative societies over that period.

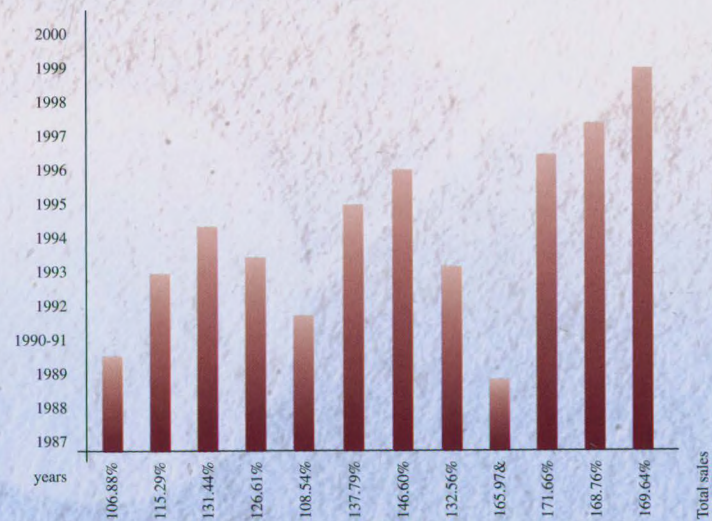
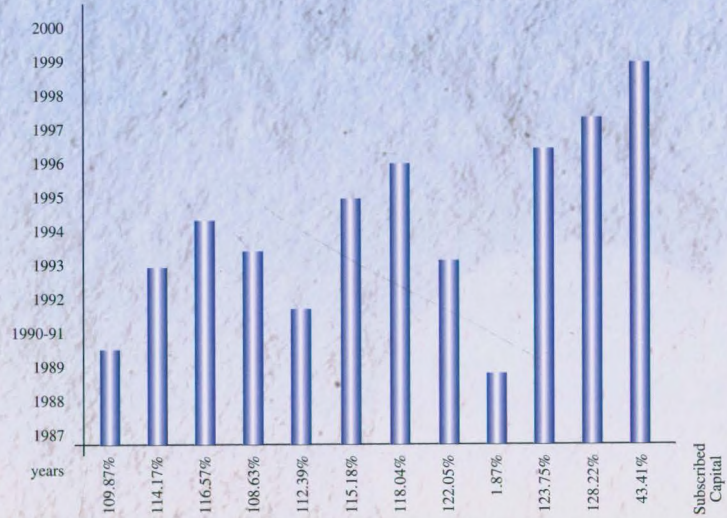
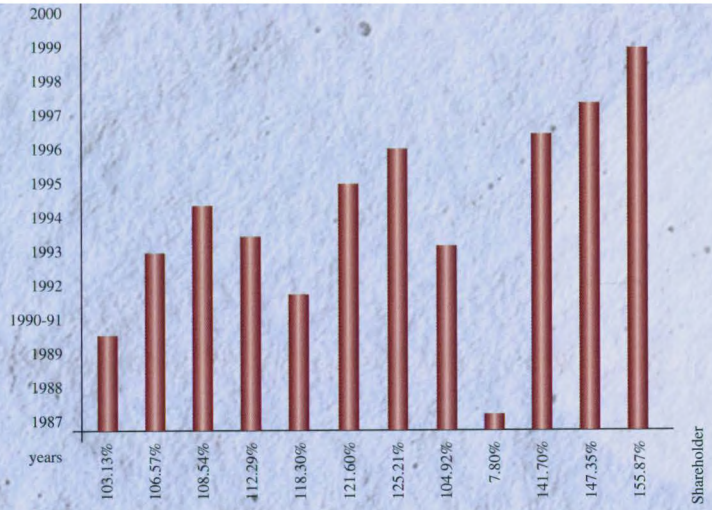
Year	62/63	70	80	85	89	93	95	96	97	98	99	2000
Number of Coops	12	15	21	25	37	40	42	43	43	43	43	45



It is worth mentioning that more and more coops will be established in the years to come. The following table shows how successful coops have been in meeting consumers' needs.

Year	Shareholders	Subscribed Capital (KD)	Total Sales (KD)
1987	158,023	6,414,297	199,112,757
1988	162,976	7,047,347	212,808,052
1989	168,405	7,323,067	229,557,512
1990-91	171,512	7,476,927	261,710,194
1992	177,450	6,967,659	252,104,381
1993	186,938	7,209,035	216,108,729
1994	192,155	7,387,912	274,351,198
1995	197,862	7,571,208	291,905,637
1996	165,801	7,828,550	263,944,822
1997	12,329	120,410	330,484,044
1998	223,036	7,938,246	341,813,614
1999	232,855	8,224,897	336,023,526
2000	246,325	2,785,082	337,776,320





AN UNFORGETTABLE STAND

On August 2nd 1990, Kuwait was invaded by Iraqi occupation troops. The UCCS and member societies all over Kuwait played a significant national role, maintaining contacts with the legitimate Kuwaiti government in Riyadh, Saudi Arabia. The UCCS provided so many services to both citizens and residents in support of steadfastness and resistance against occupation.

The coops provided safe meeting grounds for Kuwaiti citizens throughout that critical period of Kuwait's history. They used to gather inside the coops, discuss latest developments, exchange news and share their suffering.

The UCCS and coops made available their stocks to the public. They meted out consumer items in equal shares and maintained steady prices. Thousands of Kuwaiti volunteers worked day and night in all coops and related branches. Their role throughout the ordeal was illustrious.



CONDITIONS FOR ESTABLISHING COOPERATIVE SOCIETIES

A cooperative society is defined under law 24 for 1979 as: every society established by ordinary citizens or citizens with honorary status based on the provisions of this law for a limited or unlimited period, with a view to promoting the economic and social level of its members through the implementation of cooperative principles stated under the related executive by-laws.

Following are stipulations stated under this law for the establishment of consumer cooperative societies:

1. The title given to the society shall indicate its cooperative nature and basic purpose.
2. The society shall be established in accordance with the provisions of this law, under the supervision of the Ministry of Social Affairs and labour.
3. The shares of the society shall nominal and indivisible; the share price shall all be from KD 1 to 5.
4. A member of the society shall not own more than one fifth of its total capital.
5. No membership shall be suspended pending subscription for more than five shares.
6. No one shall have the right to subscription in more than one society working in the same line of business. The responsibilities of its members shall be outlined

in accordance with the value of subscribed shares.

7. The number of those wishing to establish a society shall not be less than 15.
8. All members shall be adult Kuwaitis no less than 21 full years of age. A Kuwaiti adult less than 21 years of age shall have the right to join the society only.
9. A member of the society shall not be convicted of a felony or offence against honour or honesty, unless otherwise he has been reinstated.
10. The Ministry of Social Affairs and Labour stipulates that members shall be permanent residents of the neighbourhood where the society is located.
11. The founding members shall gather in an Assembly to sign the foundation contract and the Articles of Association, as per the provisions stated under this law. The foundation contract shall contain the signing date and location, name of the society, scope of its activity, location of branches, value of paid-up capital, share price, name of founders, their occupations, residential addresses, names of their proxies and the measures needed to register and launch the society.
12. The Ministry of Social Affairs and Labour shall consider the registration of the society based on a request presented by the founders along with the documents stated in the executive bylaws under this law, which are:
 - a. copy of the foundation contract signed by the founders

- b. two copies of the Articles of Association signed by the founders.
- c. list (original) and a copy of the names of founders, their occupations, addresses and age of each.
- d. two copies of the minutes of the founding Assembly meeting.
- e. names of people authorized to take registration and launch measures. In case the number of founders should be in excess of 15, it shall be sufficient that only 15 members affix their signatures.

The Ministry shall launch a registered society by publishing its foundation contract and a summary of its Articles of Association in the official Gazette.

It is noteworthy that the Ministry of Social Affairs and Labour may reject an application for registration within a month from the date of submission, stating the reasons for the rejection. The Ministry may also introduce the modifications deemed necessary into the Articles of Association for public interest. The founders shall have two weeks from the date of rejection or modification to lodge their complaint before an ad-hoc ministerial committee comprising the following members:

- | | |
|---|----------|
| 1. Under Secretary | Chairman |
| 2. Ass. Under Secretary for Cooperation | Member |
| 3. Ministry's Legal Advisor | Member |
| 4. Representative of the UCCS, if any | Member |

The ad-hoc committee shall look into the complaint within 15 days from the date of submission. Its decision shall not be irrevocable unless otherwise it has been endorsed by the Minister of Social Affairs and Labour. The founders shall invite the General Assembly to convene within three months from launching the society and offering its shares for subscription. This is aimed at electing the first Board of Directors. The founders shall together be responsible for honouring the obligations generated by the establishment of the society till the society funds are delivered to the first Board of Directors. If, however, it has proven difficult of establish the society, they shall have no right for a refund from the subscribers. If the society is established, they shall be refunded in accordance with a decision to this effect by the General Assembly.



MANAGEMENT OF COOPERATIVE SOCIETIES

The subject of how cooperative societies are managed can be summed up in the following:

A. BOARD OF DIRECTORS.

- Every cooperative society shall have a Board of Directors to manage its affairs. The Board shall consist of a number of members not less than 6 and not more than 9. It will be elected by the General Assembly through a secret balloting from amongst the adult (21 full years of age) members of the working subscribers to the society.
- The Board of Directors' term of office shall be three years. One third of its members shall automatically go out every year. Replacements shall be elected. The General Assembly may re-elect a member after dissolving his membership. The Board of Directors shall elect its chairman and deputy chairman at its first meeting. At the same meeting a treasurer, secretary and a representative of the society to the UCCS shall be elected as well.
- The Board of Directors shall seek to achieve the objectives set for the society. It shall draw up policies and plans needed for this purpose. It shall also appoint qualified personnel in key positions and maintain

effective control over work progress.

- A veritable meeting held by the Board of director shall be convened with the majority of members attending, amongst whom shall be the chairman or his deputy. Decisions adopted shall be based on the total majority of votes.
- The Board of Directors may appoint a manager from within or without the society's members to manage its administrative and financial affairs. The manager shall not be a member of the Board of Directors. His duties and salary shall be defined by the Board, which shall be accountable for his actions before the General Assembly. The Board shall send a copy of the decision appointing the manager and outlining his responsibilities to the Ministry of Social Affairs and Labour.
- The Board of Directors may appoint ad-hoc sub-committees from within or without his members to undertake a special task; such as the ad-hoc subcommittee for administrative and financial affairs, ad-hoc committee for purchases, ad-hoc sub-committee for social services and others. The Board shall define the duties and terms of office of those committees.
- The Board shall present the general budget and final accounts for the outgoing fiscal year to the auditor appointed by the General Assembly, as per the provisions of the law. Copies of the same documents

shall be dispatched to the Ministry of Social Affairs and Labour.

- By an Assembly decision, bonuses may granted to the Board members based on their managing performance, provided that the total amount shall not be in excess of 10% net profit up to the maximum limit endorsed by the Minister of Social Affairs and Labour.
- The Board of Directors shall invite nominations for the Board membership for one full month during the period from the end of the fiscal year till the date set for holding the General Assembly meeting. This shall be announced in at least two local newspapers.
- The auditor shall review the society accounts and prepare an inventory of its treasury, stocks and final accounts. He shall submit all data and clarifications required by the Ministry of Social Affairs and Labour.

DUTIES OF THE CHAIRMAN

- represents the society in courts of law and elsewhere;
- carries out all decisions issued by the Board of Directors;
- invites the Board of Directors to convene at least once a month;
- chairs the Board sessions;
- signs minutes of meetings and cheques;
- chairs the General Assembly and management and
- signs all society letters and correspondents

Note that the deputy chairman shall replace him in his absence or emergency failure to perform his duties.

DUTIES OF THE SECRETARY

- prepares invitations for the Board and Assembly to convene. Assists the chairman prepare the meeting agenda;
- writes up the Board and Assembly meeting minutes and co-signs them with the chairman;
- prepares, receives and submits the Board's correspondences and
- supervises administrative files and records and dispatches documents meant for the Ministry of Social Affairs and Labour to their right destination.

DUTIES OF THE TREASURER

- supervises accounting work and records;
- co-signs cheques and bank transactions with the chairman;
- keeps a regular amount of petty cash specified by the Board for emergency expenses;
- supplies needed data to the auditor and the Ministry of Social Affairs and Labour;
- holds in safekeeping all financial guarantees, contracts and documents and
- collects the society's debts and due payments on time.

B. GENERAL ASSEMBLY

The General Assembly consists of shareholding members in the previous fiscal year. Registered invitations to meet shall be sent to the members 15 days before the meeting. Attached shall be the meeting agenda and Board and auditor's reports. The meeting shall be chaired by the Board chairman. The deputy chairman shall replace the chairman in case the latter should fail to be present. In the case of the failure of both to show up, the eldest member of the Board shall preside over the session. The Assembly shall hold its ordinary session on an annual basis during the four months following the end of the fiscal year at the invitation of the Board of Directors to look into the following matters:

1. approve the general budget;
2. endorse the annual, Board and auditor's reports;
3. discuss issues on the agenda;
4. appoint an auditor for the society's accounts and set his remuneration and
5. elect new members to the Board

The General Assembly may be called to hold an ordinary session at any time at the request of

- the Ministry of Social Affairs and Labour
- one tenth of the society's working members
- the majority of Board members

The invitation to convene this session shall be published in at least two local newspapers at least one week

before the meeting is due. The invitation shall outline the issues to be discussed at the meeting.

The Assembly meeting shall hold if attended by the majority of working members. However, if the number of attendants is less than the majority, the meeting shall be postponed to another time set in the invitation letter 15 days after the first meeting. The second meeting shall hold if attended by at least 25 members. Decisions shall be adopted by a majority of votes.

The Board of Directors shall invite the General Assembly to hold an extraordinary session at the request of any of the following:

- one fifth of the society's working members
- the majority of the Board of Directors
- the Ministry of Social Affairs and Labour
- the Auditor

The Assembly's extraordinary session shall not hold unless two thirds of the society's working members are present. Such session shall be devoted to doing the following:

1. revise the society's Articles of Association
2. merge the society with another
3. dissolve the society before the date due

ACTIVITIES OF THE CONSUMER COOPERATIVE MOVEMENT

Based on our earlier definition, a consumer cooperative society undertakes to perform the following:

1. purchases all commodities needed by its member societies and sells them back to them in cash and at going prices, with a reasonable marginal profit and supplies subsidized commodities to citizens through its markets;
2. reduces the prices of commodities through direct supply from the sources at wholesale prices;
3. shortens the distance between supplying producers and the consumers by eliminating the role of brokers as much as possible to enable consumers to save their money;
4. undertakes projects and provides services aimed at enabling members improve their living standards both economically and socially;
5. facilitates the acquisition of all needed items by members and consumers with ease;
6. raises cooperative awareness and widens the circle of membership through involving citizens residing in the neighbourhood and
7. organizes training courses to workers in the society to improve performance and services.

To achieve the aforementioned objectives, the Consumer Cooperative Movement in Kuwait has well employed all latest techniques in the field of trade, supply and distribution in general. Besides their central markets, cooperative societies have opened branches in their respective neighbourhoods to meet the requirements of whole area.

It is noteworthy, that the great majority of central markets are characterized by spaciousness, with many exceeding 1000 square meters in space area. This provides ample room to display commodities in proper assortments.



ROLE OF THE COOPERATIVE SOCIETIES IN ECONOMIC AND SOCIAL DEVELOPMENT

Cooperative societies play a vital role in economic and social development. This is best seen in the following:

ECONOMICALLY

1. Impact on Domestic Trade

Due to their tremendous marketing power, cooperative societies play a vital role in promoting domestic trade. This makes all suppliers and producers take into consideration the key role that cooperative societies play in marketing and advertising their products.

2. Impact on Foreign Trade

This is best manifested in the huge amount of imported goods brought into the country by the UCCS and cooperative societies; even if the ultimate aim is to provide consumers with alternatives to commodities whose prices undergo sharp rises.

3. Generation of Income and Investment Growth

According to the 2000 statistics, the total number of workers and employees working at the cooperative societies reached approximately 11602. Those also get their shares of the distributed benefits of shares and purchases.

4. Impact on Banking , Deposits and Liquidity

Daily deposits and various banking transactions required by cooperative societies affect liquidity percentage in the banking system. These transactions require a huge amount of banking work.

5- Impact on Production and the Supply-and-Demand System

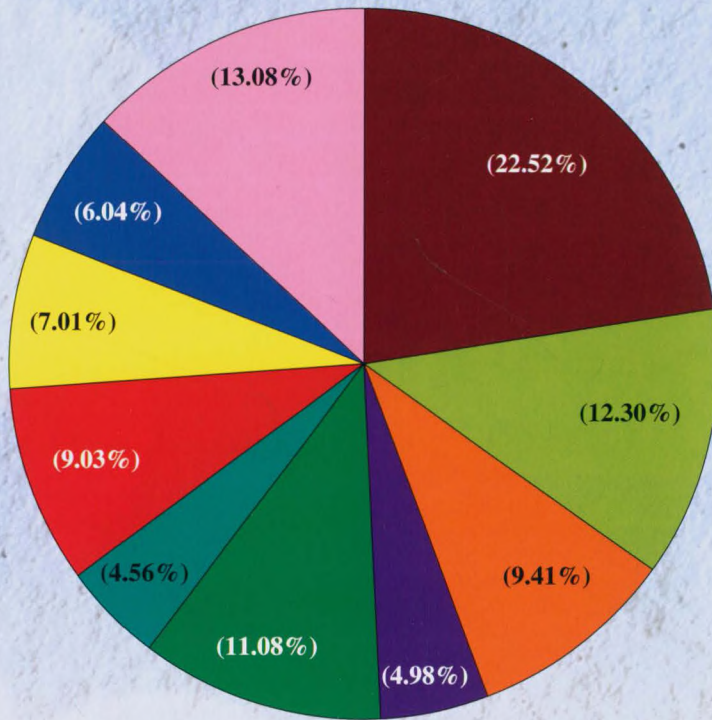
This is shown in the production of national agricultural and industrial products. The assortment shelves at the cooperative societies have a powerful marketing effect. Hence, the cooperative system has a strongly affected the supply and demand system.

SOCIALLY

Cooperative societies substantially contribute to serving their respective neighbourhoods by earmarking 25% of their annual profits for social aid. Such allocations are utilized in funding educational, health, religious, sports, recreational and environmental services. Other services include extending family aid and services, funding national and social celebrations, offering donations to public welfare institutions and funding the construction of nurseries, communal halls, landscaping and development projects.

The following table shows in figures the amounts spent in funding social services. Such figures differ from one year to another. They are used here as an example.

Serial	Description	Amount (KD)
1	Educational Services	1116132
2	Religious Services	609813
3	Sports and Recreation	466600
4	Health Care	246649
5	Neighbourhood Families	549051
6	Security, Gas & Cleaning Services	226140
7	Public Welfare Institutions	447586
8	Celebrations	347409
9	Construction	299226
10	Others	648389
	Total	4956995



-  Educational Services
-  Religious Services
-  Sports and Recreation
-  Health Care
-  Neighbourhood Families
-  Security, Gas & Cleaning Services
-  Public Welfare Institutions
-  Celebrations
-  Construction
-  Others

The Government of Kuwait has realized that the Cooperative Movement is playing a key role in the economic and social life. Therefore, full government support has been extended to the Movement to act as an active partner sharing the burdens of national development. The government's support is clearly seen in the following:

1. Construction of buildings for supermarkets and cooperative branches and leasing them to the cooperative societies for token rents.
2. Assigning cooperative societies to dispense food items and subsidized items by rations and
3. Enhancing the cooperative management system to steer, supervise and guide the Cooperative Movement.



UNION OF CONSUMER COOPERATIVE SOCIETIES

The cooperative societies launched in 1971 have collectively established the Union of Consumer Cooperative Societies (UCCS), which was the prelude to organized collective cooperative work. The UCCS became the official spokesman of the Kuwaiti Consumer Cooperative Movement. The UCCS combines all the cooperative societies operating in the consumer service field in Kuwait. By law, the decisions adopted by the UCCS are binding to all cooperative societies.

THE UCCS UNDERTAKES TO PERFORM THE FOLLOWING DUTIES:

1. Represents all members before official and non-official local, Arab and international agencies;
2. steers the Consumer Cooperative Movement in Kuwait and protects and defends the material and moral interests of its members;
3. raises consumer cooperative awareness in Kuwait and endeavours to enhance the Movement's membership;
4. regulates the Movement's activities and coordinates and harmonizes the work of all of its members;

5. endeavours to optimize performance level in member societies to ensure better consumer services;
6. performs local and external purchases, funds the construction of productive units, endeavours to reduce costs and improve service level
7. controls price rises of consumer commodities, protects consumers and seeks to unify prices in all cooperative societies.

IN ORDER TO ACHIEVE ITS OBJECTIVES, THE UCCS UNDERTAKES TO PERFORM THE FOLLOWING:

1. carries out studies and research in all fields related to its field of operation.
2. Extends counsel and technical advice to member societies.
3. Explores all possible means to solve problems and rectify mistakes in member societies.
4. Settles differences arising between member societies. The decision taken by the UCCS is binding to all.
5. Organizes and supervises the implementation of training courses for cooperative workers, holds symposia and presentations aimed at instilling cooperative thought.
6. Undertakes information and publication tasks to help disseminate the objectives of the Cooperative Movement.

7. Establishes a funding portfolio from the contributions of cooperative societies to cover the economic services presented by the UCCS in accordance with the portfolio's code.

Having played an increasingly pioneering role in Kuwait's social and economic life, the Cooperative Movement contributed to the development, promotion and optimization of domestic and foreign trade, lending support to national companies. This has been manifested in the UCCS drawing up a policy aimed at controlling fake price rises of consumer items. The policy was endorsed by the Board of Directors in late 1979 and was later put into force in early 1980.

This policy aims to achieve the following objectives:

1. reassure consumers that there is an authoritative agency - UCCS, which inspects prices. Any considerable increase in prices can not be caused by local fake factors, but rather by international factors that cannot be controlled.
2. Maintain control of consumer items prices for the longest time possible.
3. Unify sale prices of all consumer items covered by this policy in all cooperative societies.

The economic phase of the UCCS life was distinct in the sense that it was closely related to consumer interests. The UCCS adopted a direct collective purchase-import policy in 1980, with a view to achieving the following:

1. provide alternative commodities bearing the “Cooperative” sign at comparatively less prices than other similar items on the market in a bid to rationalize the prices of items of similar form and quality.

The following is a demonstrative table

Serial	Item	Package	Price per carton to Coop	Price per Item
1	Cream Cheese Spread/large (cooperative)	240/12	10,145	465
2	Cream Cheese Spread / mini (cooperative)	140/24		
3	Thick Cream	170/48	6,765	0,155
4	Jam (cooperative)	450/12	2,945	0,270
5	Tissue (cooperative)	200/40	7,300	0,200
6	Tissue	150/6/6	5,410	0,990
7	Tuna White Meat	40x200 gm	12,900	0,295
8	Basmati Rice	40x10 kg	15,930	4,380
9	Basmati Rice	8x5kg	16,080	2,210
10	Quality American Cardamom	20x250gm	28,635	1,575
11	Coffee	20x1kg	13,545	0,745

2. The provision of food items by the UCCS represents the corner stone of the government's policy on food security, which can come in handy in the case of emergencies where a special plan for the provision and distribution of food can be set up and implemented.
3. This policy also represents a vital aspect of support and promotion to national economy and national industries with which contracts are concluded for the purchase of large quantities of their products bearing the sign " Cooperative ", achieving in the process the following advantages:
 - a. The sign "Cooperative" has become so famous and known to all consumers, which has increasingly promoted the marketing of national products in the local markets.
 - b. This sign has gained the consumer's trust in quality and price, which guarantees faster distribution of commodities bearing this sign.
 - c. The prices of all cooperative commodities are the same in all cooperative societies, which protects the consumer against the manipulation of prices.

Based on the conviction that cooperation is the key to social and economic development and due to mounting government support, the Consumer Cooperative Movement has come to play an increasingly vital role in consumer's life in various walks of commercial life in a fashion similar to that pursued by counterpart move-

ments in advanced countries, such as Sweden, Hungary, Finland, the UK and Japan.

Furthermore, the policies of purchasing in bulk pursued by the UCCS conduce to plenty of benefits firstly to consumers and secondly to cooperative societies. This due to the large bulks of goods purchased. Another sign of the success made by these policies is the growing trend in the Gulf States towards buying essential consumer items in bulk; such as medications and rice. As a result, suppliers and dealers have been very active in looking for new sources to buy cheaper and better quality items.

In addition, the UCCS undertakes to supply consumer commodities from local sources. Compared to its total purchases, the UCCS's direct import percentage is low.

As a result of its successful policy of purchasing in bulk, the UCCS established a Packaging Center to re-pack certain essential food items; such as rice, sugar, spices and others in economical packages commensurate with consumers' taste and income.

The current phase of the UCCS's progress is characterized with focus on cooperative training, being one of the essential requirements for developing human resources; mainly the national work force. This is shown in the following:

1. The UCCS's organization structure combines a special section concerned with developing training programmes for different levels; such as the levels of Upper and Executive Management. Many pro-

grammes have so far implemented.

2. The UCCS's General Assembly earmarks a portion of its annual net profits for cooperative training.

3. The UCCS's Board of Directors has adopted a decision compelling cooperative societies to benefit from the training programmes offered by the UCCS, based on carefully studied working hours.

4. The UCCS also sends its staff and the staff of cooperative societies to attend training courses held abroad, whether in Arab or foreign countries.

5. The UCCS has also adopted a decision compelling all cooperative societies to offer Kuwaiti students interim employment for token wages during the mid school year holiday and the summer recess, in an attempt to polish their skills and qualify them for cooperative work.

6. The UCCS has taken care to utilize the experience of Kuwaitis operating within the Consumer Cooperative Movement in implementing some of its training programmes in various fields.

The UCCS is publishing a monthly magazine entitled "Al-Taa'woon" since 1979. It has on countless occasions been a guest on many radio and TV programmes on cooperation and prepared many footages on the Consumer Cooperative Movement in Kuwait.

The UCCS has a library specialized in cooperation rich in books and references which aims at optimizing cooperative thought and develop cooperative awareness and education.

THE UCCS DEPENDS ON THE FOLLOWING FINANCIAL SOURCES:

1. Non-refundable subscription fees estimated at KD 500. The UCCS's Board of Directors may exempt wholly or partially a cooperative society from paying the subscription fees.
2. Contributions by the member societies as decided by the Board of Directors.
3. Government or private contributions or any other resources accepted by the Board of Directors.

UCCS MEMBERSHIP

According to its Articles of Association, the UCCS consists of all the cooperative societies in Kuwait launched in line with the cooperative law. The Board of Directors comprises one representative of each and every member society chosen by the Board of the society from amongst its members. It also chooses a proxy to sit for him in the case of his absence for one year renewable for similar periods unless the society informs the UCCS otherwise.

The society's Board of Directors may in cases of maximum emergency replace either or both. Each society shall have to inform the UCCS of its representative.

The Board of Directors of the UCCS elects from amongst its members a chairman, a vice chairman, a secretary and a treasurer for one year renewable for similar periods. The chairman is the ex officio president of the UCCS. However, the vice chairman shall represent him before the law and other official agencies in the case of his absence.

THE BOARD OF DIRECTORS SETS UP FROM AMONGST ITS MEMBERS THE FOLLOWING COMMITTEES:

A. An Executive Council empowered under the Articles of Association to run daily working affairs or any other works assigned to it by the Board of Directors. The Council shall regularly submit reports to the Board of Directors. It shall consist of the following nine members:

1. UCCS president as chairman
2. UCCS vice president as vice chairman
3. UCCS secretary as secretary
4. UCCS treasurer as member
5. Heads of the three main committees mentioned in the Articles of Association; namely: the Administrative and Organizational Affairs Committee; the Finance Committee and the Information and Public Relations Committee.
6. Two members elected by the Board of Directors from amongst its members at its first session after the General Assembly's annual meeting.

B. The Board of Directors shall form permanent or tem-

porary committees from amongst its members with no less than two men on its membership and no more than 5, provided that the member should not share the membership of more than two committees.

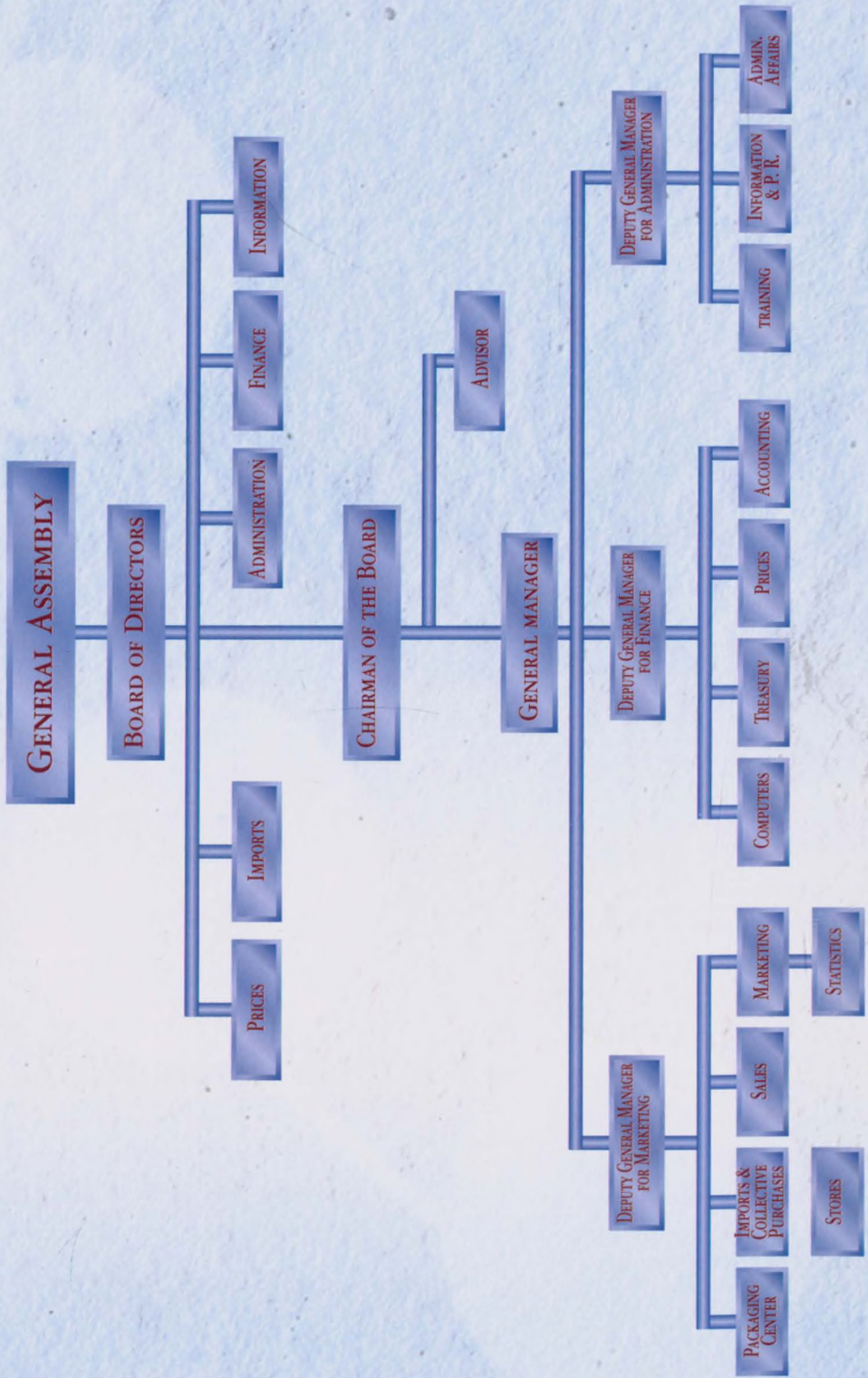
THE UCCS'S PERMANENT AND TEMPORARY COMMITTEES

1. The Administrative and Organizational Affairs Committee; proposes administrative regulations, working directions and UCCS by-laws.
2. The Finance Committee; controls the UCCS financial affairs.
3. The Information and Public Relations Committee; undertakes to draw up an integrated plan for information and public relations aimed at projecting key UCCS and cooperative societies activities and their role in communal development.
4. Imports and Purchases Committee; implements the policy approved by the UCCS's Board of Directors, based on the powers invested unto it by the Board.
5. Pricing Committee; undertakes to implement a price control policy to curb local fake price rises; subject to approval by the Board.

The Board of Directors has also appointed a manager for the UCCS to follow up the day-to-day progress of work, oversee the implementation of the UCCS's working policies and sees to the achievement of its objectives through proper management of its staff.

Following is a chart illustrating the Organizational Structure of the UCCS

ORGANIZATIONAL STRUCTURE OF THE UNION OF CONSUMER CO-OPERATIVE SOCIETIES



THE GOVERNMENT'S SUPPORTIVE ROLE OF THE COOPERATIVE MOVEMENT

It is commonly known that the government is playing a significantly supportive role in the development of the Cooperative Movement in Kuwait. Hence, the Movement has been increasingly successful in achieving its national objectives and attaining a prominent position at the Arab level. It has also become an active member of the International Cooperative Alliance, thanks to the special support and attention accorded to the Movement by H.H. Sheikh Jaber Al-Ahmed Al-Jaber Al-Sabah, Amir of the State of Kuwait, and H.H. Sheikh Saad Al-Abdullah Al-Salem Al-Sabah, the Crown Prince and Prime Minister.

Forms of Support Rendered by the Government to the Cooperative Movement:

I. CONSTRUCTION OF COOPERATIVE SOCIETIES AND RELATED FACILITIES

The government takes special care to allocate considerable land space for the construction of cooperative societies and branches when plans are laid for residential areas. Such land allocations are usually not less than 1000 square meters in area after the fashion of the most advanced central markets, allowing for potential expansion requirements. These facilities are leased to the Cooperative Movement for token rents, which tremendously contributes to the successful implementation of

cooperative work and activities. The site allocated for a cooperative society combines the following facilities:

- a. Large Central Market
- b. Post Office
- c. Public Library
- d. Public Services
- e. Management Offices

The government pays the bill for all those facilities. Moreover, the government allocates additional land space to meet potential needs for construction of branches or expansion of existing facilities. This is an advantage that is unique to Kuwait. Unlike most cooperative movements in the world are completely dependent on funding the construction of their buildings from their own purse without government help or support.

2. CUSTOMS FACILITIES

Another important aspect of government support to the Cooperative Movement is the Cabinet decision to exempt some or all cooperative societies from some or all customs charges. Such exemptions give cooperative societies the advantage of obtaining goods at reduced prices, which grants them the power to control prices and fend off competition.

3. SALE OF SUBSIDIZED ITEMS THROUGH COOPERATIVE SOCIETIES

In a bid to keep prices balanced and steady, fend off

monopoly, encourage people to shop at cooperative societies and join in their membership, the government has assigned cooperative societies to sell subsidized consumer items at specified per capita rates and shares. This because cooperative societies are well distributed all over the countries and are as such easily accessible to the public.

4. CURBING COMPETITION

Another form of support made available to the cooperative societies by the government is setting the stage for them on their location to dispense commodities and services without competition. Hence, the government has banned the opening of shops, shopping centers and companies operating in the same line of business as cooperative societies. A Cabinet decision issued on 8/1/1978 banned the opening of shops modular residential areas, low-income neighbourhoods and private residential districts. However, the cooperative societies shall extend all those services.

5. USE OF THE HELP OF EXPERTS

In its endeavours to improve the performance of the Cooperative Movement and optimize its contribution to economic and social development , the government will occasionally seek the assistance of cooperative experts worldwide. Moreover, the government encourages the

Movement to hold scientific conferences and host cooperative meetings of Arab and international caliber to facilitate the exchange of expertise and utilize the know-how of other countries in the field.

6. SETTLEMENT OF DISPUTES

Through the Ministry of Social Affairs and Labour, the government undertakes to settle any differences arising between the cooperative societies and other institutions with direct or indirect relation to the cooperative societies. Other roles played by government institutions in furtherance of the Cooperative Movement are described as follows:

• The Ministry of Social Affairs and Labour:

incorporates a special organ assigned to register cooperative societies, supervise their operations, inspect and control their activities, vets their accounts and extend professional counsel to ensure optimum contribution to economic and social. Such responsibilities are shouldered by the 'Cooperative Department'.

• The Ministry of Commerce and Industry:

plays a significant role in facilitating the operation of cooperative societies. It issues needed import and practice licences for branches and central markets and gives

instructions on prices and per capita shares of subsidized commodities. The Ministry will offer some free storehouses and refrigerated spaces based on a Cabinet approval. Together with the UCCS and member societies, the Ministry provides consumer protection and control over prices, quality and specifications to ensure compatibility with Kuwaiti standards.

• **The Ministry of Finance;**

leases buildings, markets and administrative offices to cooperative societies and related installations for token fees.

• **The Ministry of Public Works;**

Undertakes to prepare the designs for the cooperatives societies and related buildings, along with the National Housing Authority following the allocations of needed funds in the public budget.

• **The Ministry of Information;**

licenses cooperative societies to open public libraries with audio-visual cassette recording facilities; cooperates with the Cooperative Movement in disseminating cooperative education and raising awareness through

the daily press, radio and TV programmes and covers all scientific conferences and symposiums hosted by the Movement.

• **Kuwait Municipality;**

extends great support to the Cooperative Movement being in charge of allocating the land spaces needed for the construction and expansion of cooperative societies and facilities; maintains steady inspection and control over commodities sold at cooperative societies to ensure compatibility with public safety standards; issues health licences to workers; makes sure that hygiene, ventilation and safety conditions are met and undertakes to carry out required lab testing for items sold at cooperative societies.

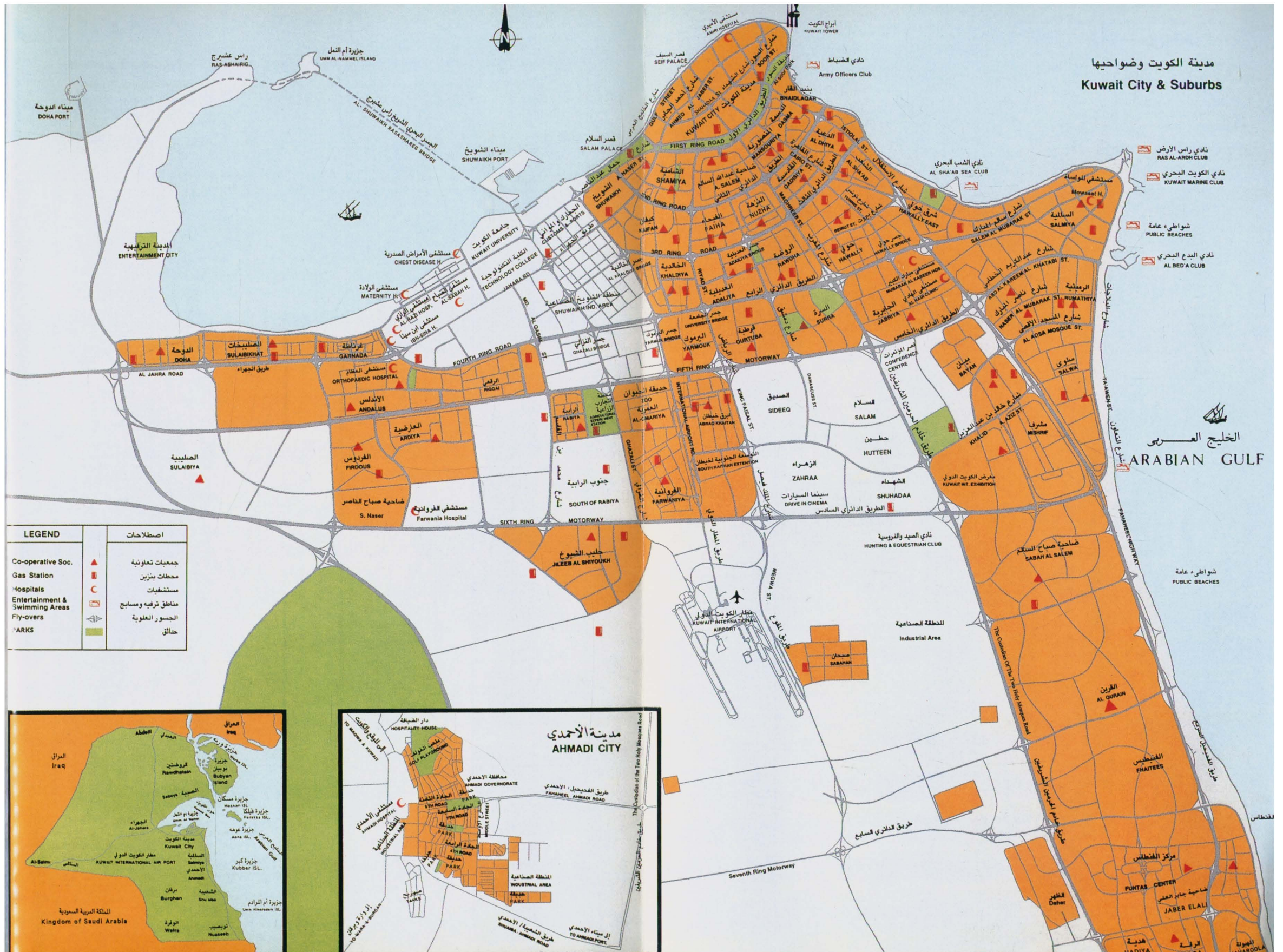


LOCATIONS OF COOPERATIVE SOCIETIES AND CONTACT DETAILS

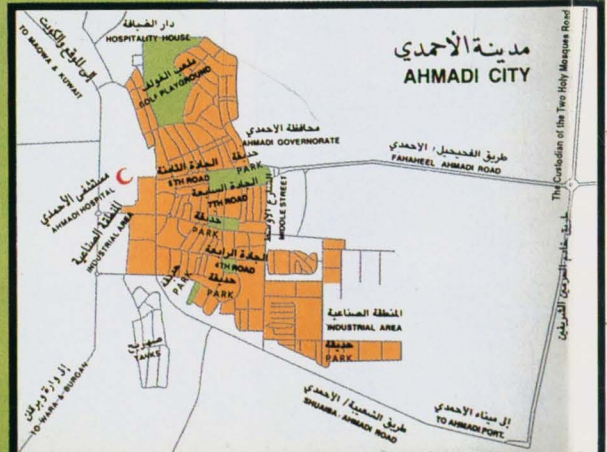
A map showing the different locations of cooperatives societies and their branches in Kuwait is hereto attached for easy reference purposes. There is also a table giving their addresses and contact numbers.



مدينة الكويت وضواحيها Kuwait City & Suburbs



LEGEND	اصطلاحات
Co-operative Soc.	▲ جمعيات تعاونية
Gas Station	■ محطات بنزين
Hospitals	Ⓢ مستشفيات
Entertainment & Swimming Areas	Ⓜ مناطق ترفيهية ومساح
Fly-overs	Ⓜ الجسور العلوية
ARKS	Ⓜ حدائق



الخليج العربي
ARABIAN GULF

GENERAL DETAILS ON COOPERATIVE SOCIETIES & DETAILS OF CONTACT ADDRESSES

SERIAL	COOPERATIVE SOCIETY	LOCATION	LAUNCH DATE	PO BOX	POSTAL CODE	TELEPHONE	FACSIMILE
1	Kifan	Kifan Industrial Area	11/11/1962	2720	13028	4815100	4845880
2	Al-Shamiya & Al-Shuwaikh	Al-Shamiya/Al-Shuwaikh/ Al-Qibla/Al-Salhiya/Al-Granada	29/11/1962	12165 - Shamiya	71052 Kuwait	4842090 - 4845061	4847518 - 4842000
3	Al-Dasmeh & Bneid Al-Gar	Al-Dasmeh & Bneid Al-Gar	1964	11266	35153	2531188 - 2533055	2520721
4	Al-Faiha	Al-Faiha Area	6/1966	3044	13031	2510284 - 8	2542928
5	Al-Qadsiya	Al-Qadsiya	1977	16001	35851	2515870	2546846
6	Al-Sulaibikhat & Al-Doha	Al-Sulaibikhat & Al-Doha	2/7/1967	31595	90806	4879057	4871132
7	Al-Daiya	Al-Daiya	28/4/1968	2774 - Safat	13028	2521183	2560918
8	Al-Khaldiya	Al-Khaldiya	5/5/1968	17001	72451	4822913/4/5	4841509
9	Al-Rumathiya	Al-Rumathiya & Al-Buda'	19/5/1968	32521	25556	5640099 - 822221	5626376
10	Al-Adaliya	Al-Adaliya	22/6/1969	34905	13066	2529164	2519363
11	Al-Sha'eb	Al-Sha'eb	29/1/1969	35143	36052	2617658	2617155
12	Al-Farawaniya	Al-Farawaniya	17/8/1969	18338	81004	4769656	802772
13	Al-Rawda & Hawally	Al-Rawda, Hawally & Al-Nugra	27/1/1969	33599	73456	2572035/6/7	2521398
14	Khitan	Abrag Khitan - Al-Dahiya	2/1/1970	19104	83802	4734591	4723159
15	Al-Salmiya	Al-Salmiya	1970	8085	22051	5755721 - 5755854	5755687
16	Dahiyyat Abdullah Al-Salem	Al-Dahiya, Al-Mansouriya, Om Sadda & Al-Mirqab	9/5/1971	5821	13059	2515479	2521038
17	Al-Nuzha	Al-Nuzha	24/2/1972	39132	73052	2520617	2547570
18	Al-Jahra	Al-Jahra	1973	40009	1751	4572129	4572130
19	Al-Sharq	Al-Sharq	3/2/1974	121 Dasman	15452 Kuwait	2414549	2413952
20	Al-Omariya & Al-Rabiya	Al-Omariya & Al-Rabiya	29/9/1974	49009	85151	4721496	4740657
21	Al-Sabahiya	Al-Sabahiya & Al-Ahmadi	20/10/1977	48001	5455551	3617436-7	3620500
22	Al-Raqqa	Al-Raqqa	30/10/1977	51023	53451	3941364	3941201
23	Jleeb Al-Shiyukh	Jleeb Al-Shiyukh / Al-Odailiya	10/6/1978	41155	85852	4340580-1-2	4337150
24	Al-Fahaheel	Al-Fahaheel / Al-Mangaf	1/10/1979	46538	64016	3925287	3914337
25	Mishref	Mishref	11/11/1981	77-Mishref	40151	5389000	5390765

SERIAL	COOPERATIVE SOCIETY	LOCATION	LAUNCH DATE	PO BOX	POSTAL CODE	TELEPHONE	FACSIMILE
26	Bayan	Bayan	10/5/1982	66344	43754	5388931	5394264
27	Al-Firdous	Dahiyat Al-Firdous	1981	67 Firdous	92351	5382101-2-34	4894149
28	Al-Adalus & Al-Raqqi	Al-Andalus / Al-Riqqa	11/9/1982	41846	85859	4890011 - 4895138	4884332
29	Al-Sulaibiya	Al-Sulaibiya	1982	150	93352	4802797 - 4898615	4679944
30	Dahiyat Sabah Al-Salem	Dahiyat Sabah Al-Salem	1982	555	44000	4671830 - 4670077	5521703
31	Al-Ardiya	Al-Ardiya	5/6/1983	133-Ardiya	92400	5521700 - 4893845	4882039
32	Al-Jabriya	Al-Jabriya	23/6/1984	1958 Hawally	32020	5330056-7	5335592
33	Al-Yarmouk	Dahiyat Al-Yarmouk	8/5/1985	18586	72456	802525	5336449
43	Al-Zahar	Al-Zahar	1958	198 Hadiya	52851	3830944	3839928
35	Al-Fintas	Al-Finta, Al-Mahboola, AboHalifa, Fumaites, Ogaila, & Coastal Road	1986	98	51001	3901406 3903762	3903841
36	Al-Surrah	Al-Surrah & Southern Surrah	16/6/1986	909	45710	5332182-3-4	5320263
37	Hadiya	Hadiya	29/11/1987	10 Hadiya	51852	3946734	3946582
38	Dahiyat Sabah Al-Naser	Dahiyat Sabah Al-Naser	2/7/1989	32 Firdous	92351	4887923	4803174
39	Salwa	Salwa Area	1990	5550 Salmiya	22066 Kuwait	5632894-5	5627061
40	Qurtoba	Qurtoba	26/10/1991	24858	73259	5327691-2-3	5327695
41	Dahiyat Jaber Al-Ali	Dahiyat Jaber Al-Ali	1992	43	51701	3840881-2-3-4	3830600
42	Al-Qurain	Al-Qurain Area	24/7/1993	1333	74000 Qurain	5423923 - 5423723	5421442
43	Al-Rihab	Al-Rihab, Southern Rabiya 270	17/9/1994	Farawaniya	01032	4340335	4340339
44	Al-Naseem	Al-Naseem , Block 2	1/1/1999	3030	61010	4551127	4559140
45	Al-Ahmedi	Al-Ahmedi	1/1/2000	9986		3989824 - 3985513	3989817

CONCLUSION

The relationship between cooperation work and people is one of mutual trust rather than one of commercial interests. Cooperation has been a prominent trait of the Kuwaiti society since the time of ancestors. It has become a solid pillar of social cohesion and a manifestation of its prosperity.

With continued support from the government, cooperation has been increasingly successful in achieving major economic and social objectives with its various services enjoyed by citizens and residents alike. It has truly become Kuwait's source of pride on Arab and international levels.