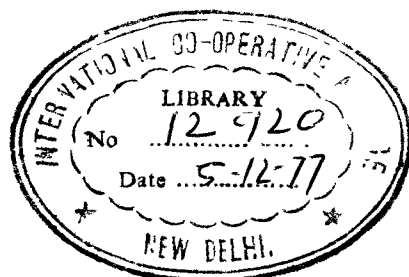


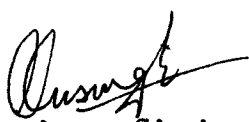
International Cooperative Alliance

National Seminar on "Integrated Approach to Agricultural Cooperative Development in Nepal" 5-14 December, 1976, Kathmandu, Nepal.

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Gurcharan Singh
Seminar Secretary

International Cooperative Alliance

DRAFT REPORT

of the

N A T I O N A L S E M I N A R

ON

INTEGRATED APPROACH TO AGRICULTURAL
COOPERATIVE DEVELOPMENT IN NEPAL

held by the

Department of Cooperatives,
His Majesty's Government of Nepal

in collaboration with

INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre for South-East Asia,
"Bonow House" 43, Friends Colony, New Delhi - 110024, India.

DRAFT REPORT
OF THE
NATIONAL SEMINAR ON "INTEGRATED APPROACH TO
AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL"

5 - 14 December, 1976, Kathmandu, Nepal.

The National Seminar on "Integrated Approach to Agricultural Cooperative Development in Nepal" was held by the Department of Cooperatives, His Majesty's Government of Nepal in collaboration with the International Cooperative Alliance Regional Office & Education Centre for South-East Asia from 5th to 14th December 1976 at the Cooperative Training Centre, Arniko Raj Marga, Baneshwor, Kathmandu. The Seminar was inaugurated on the 5th December 1976 by the Hon'ble Mr. Khadga Bahadur Singh, Minister of Food, Agriculture and Irrigation and Land Reform of H.M.G. of Nepal. In his inaugural address the Hon'ble Minister said that the Sajha programme should be geared to enabling the farmers to receive the fruits of their labour and the enthusiasm generated by the programme should reach them. He said that the farmers should be convinced of fact that the Sajha programme was designed for their welfare. The farmers who benefit by the programme should be encouraged to take local leadership in developmental activities. He emphasised the need for seeing that the inputs needed for agricultural development are available to the farmers at the required time. Mr. Narendra K. Basnyat, Registrar of Cooperative Societies delivered the welcome address at the inauguration ceremony. Mr. Lionel Gunawardana, Joint Director and Specialist in Agricultural Cooperation of the International Cooperative Alliance Regional Office & Education Centre for South-East Asia, addressing the inaugural session said that in view of the launching of the Sajha Programme which envisages providing, especially to the small farmers, services that are necessary for agricultural production such as credit, marketing and other agricultural inputs in a co-ordinated manner, the theme of the seminar, namely Integrated Approach to Agricultural Development was very timely. The distinguished guests attended the inaugural

session included Hon'ble Mr. D.B.Malla, Assistant Minister of Food and Agriculture & Irrigation, Hon'ble Dr. M.M.Sainju, Member, National Planning Commission, Mr. D.R.Koirala, Secretary, Ministry of Food and Agriculture, Mr. B.D.Pyakurel, Secretary, Ministry of Land Reform, Mr. Randhir Suba, Chairman, Sajha (Cooperative) Society Ltd, and many other senior officers of His Majesty's Government. 25 participants from the Department of Cooperatives, Land Reform Department, Sajha Society Ltd, Central Sajha Development Committee, Agriculture Inputs Corporation participated in the seminar. The seminar programme (annexe-1) and the list of participants and resource persons (annexe-2) are attached at the end of the Report.

Objectives of the seminar were:

- i) To better understand and appreciate the present Sajha (Cooperative) Programme.
- ii) Identify problems and issues of integrated approach in implementation.
- iii) To suggest and recommend ways to the policy makers.

The seminar was directed by Mr. Lionel Gunawardana and Mr. Narendra K.Basnyat. Mr. Shiro Futagami of the Central Union of Agricultural Cooperatives of Japan gave a talk on Japanese agricultural cooperative experience to the seminar at the invitation of the International Cooperative Alliance. Other resource persons who lectured at the seminar in addition to the seminar Directors were Hon'ble Dr. M.M.Sainju, Member, National Planning Commission, Mr. B.D.Pyakurel, Secretary, Ministry of Land Reform, Mr. N.B.Shah, Joint Secretary, Ministry of Land Reform, Mr. L.B.Bista, General Manager, Agricultural Development Bank, Mr. K.P.Adhikari, Member Secretary, Sajha Society and Mr. S.K.Upadhyaya, Deputy General Manager, Agricultural Development Bank.

The seminar reviewed the development of cooperative from the inception to the present day. It noted the present efforts for providing integrated cooperative services especially to the small and under privileged farmers and felt that the subject chosen for the seminar i.e. Integrated Approach to Agricultural Cooperative Development is very timely. It discussed the introduction and functioning of present Sajha Programme. The Sajha programme was started in May 1976 in response

to a command issued by His Majesty the King in his new year message (2033) to develop programmes to assist especially the small and under privileged farmers in providing agricultural inputs including credit, consumer goods and marketing facilities in addition to providing irrigation facilities to ensure that they receive the fruits of development. Presently the programme is being implemented in 30 districts of the country with the following main objectives:

1. To increase the GNP (Gross National Product) and thereby the income of the farmers through improved system of farming by providing the facility of institutional loan to rural small farmers and group of small occupations in the village level and by marketing the agricultural inputs.
2. To mobilise the rural savings and capital and invest them in development works by providing the rural farmers the banking facility in the villages.

820 additional societies have been organised in these districts in addition to the 206 societies that have been already existing. The functions of the societies will include the following:

- i. To provide both Production and Consumption loans to farmers;
- ii. To arrange marketing of agricultural inputs and agriculture products;
- iii. To market the goods of daily necessities;
- iv. To mobilise capital by accepting deposits from farmers of the rural sector; and
- v. To make available membership certificate to the concerned farmers by transferring the compulsory savings to be collected and deposited by the Sajha (Cooperative Sub-Committee) into share capital.

The societies will also act as a sole dealer of Agriculture Inputs Corporation, National Trading Ltd, Salt Trading Ltd, Nepal Oil Corporation, Jute Development and Trade Corporation, Tobacco Development Company, Dairy Development Corporation, and Nepal Food Corporation in the village level.

Role of Cooperatives in Social and Economic Development.

Nepal is predominantly an agricultural country. 96 per cent of the population depends upon agriculture and more than two third contribution of our G.N.P. is made by the agricultural sector and the income it generates through external trade is equivalent to 80 per cent. The size of land holding is very small and that too is highly fragmented. Small farmers constitute about 80 per cent of the total farming population. Agriculture is the leading sector in our economy but farmers are traditional in their thinking and the method of cultivation is primitive which results low production. The low production results low income and savings and thereby investment economic and social services sector cannot be made. Hence the need for increasing agricultural production arises in order to uplift the rural economy.

In order to raise the agricultural production and to develop economic and social condition of the rural masses in an effective way cooperative can play a major role. The role that the cooperatives play may be enumerated as follows :-

- (1) Cooperatives can effectively mobilize the people's participation in decision making process and thereby increase the mutual understanding and develop a sense of social service among the members with the motto of "each for all and all for each".
- (2) It mobilizes the small savings and accumulates the surplus which helps capital formation.
- (3) The plan and programme formulated by the cooperatives is more practical because it takes into account the local conditions and needs.
- (4) It provides the various services such as credit, supply of agricultural inputs and consumption goods, marketing facilities, extension services at reasonable cost and time.
- (5) Consolidation of land holdings and thereby better utilization of resources and adoption of modern techniques for better production becomes easier.

Sajha (Cooperative) programme under the institutional arrangement for rural development has recently been implemented in thirty districts of the Kingdom. The seminar feels that this Sajha (Cooperative) programme will definitely help in improving agriculture in order to uplift the rural economy thereby raising the standard of living of the small and underprivileged farmers.

Suitability of Multipurpose Cooperatives for
Agricultural Cooperative Development in Nepal.

While discussing the suitability of the multipurpose type of cooperative society in the present context of Nepal, the following obstacles may be taken into consideration:

- (1) The needs of the farmer are multiple in nature and varied.
- (2) Lack of well developed infrastructure i.e. adequate and timely supply of inputs, credit, consumer goods and marketing facilities.
- (3) Lack of knowledge in regard to modern agricultural techniques.

In order to overcome these constraints, multipurpose cooperative society is most suitable and is recommended.

(a) The multi-functional activities of different national agencies could be channelized and co-ordinated at the village level through a single unit the multipurpose Sajha (Cooperative).

(b) As all the services are geared through a single unit. Considerable cost reduction (over-head cost and price of the commodity) is possible.

(c) Members will get the goods and services at reasonable price under one roof and it saves members' time and money.

(d) As it handles multi-farious activities it is easier to make a cooperative economically viable.

(e) As the members receive all the services from one unit at reasonable rate and on time, this boasts the loyalty of members towards the society which results in their active participation in the activities of the societies.

(f) Social programme like population education, family planning, basic health services can be provided through the multipurpose cooperative society right at the village.

Criteria of Viability of a Primary Cooperative Society.

In order to fulfil the above mentioned objectives, Sajha units have been established in various panchayats in accordance with the local needs and aspiration. Although the units established so far have not been able to perform all the functions stated in the programme, still the basic function of supplying credit and inputs have been undertaken by all the units of the primary level society. Apart from these two functions, the marketing aspect along with the consumer store programme has also been initiated in a selective basis and will gradually ^{be} extended to other units in due course of time. Although the nature of the programme indicates the facts that the primary level units are to function more or less like a business units, still the basic principle of cooperative does not justify this notion of operation. Therefore the profitability should not be taken as an absolute criterion for determining the viability of society. The other factors which effectively contribute in making the societies viable are as follows:-

(1) Scale of Operation: The scale of operation is the function of (i) wide capital base (ii) potentiality of the area (iii) receptivity of the clientele group (iv) availability of the technical as well as physical inputs (v) managerial efficiency and (vi) supervision and control mechanism. These prerequisites, if not met adequately may scale down the operation of the society and the services which are to be channelized for the rural development may be greatly divided. In the present context the following measures have to be taken:-

(1) Because of the transfer of the compulsory savings into the share capital the Sajha society will have a strong capital base. At the same time, availability of credit from the Agricultural Development Bank Sajha society does not seem to lack working capital. This will have positive impact on the viability of the Sajha Society.

(2) Potentiality of the Sajha Society in terms of areas to be covered under present arrangement seems to be sound.

(3) One of the important factors for a society being viable is the active people's participation in the activities of the society. To obtain active public participation the requirements of the share-holders should be properly fulfilled.

(4) Technical services as well as physical inputs should be made available through the society to improve agricultural production. In order to provide better price to the farmers the Sajha society should also arrange marketing facilities. This will result in the increased volume of business of a society and will ultimately help to increase the income.

(5) Efficient management of a society is one of the very important factors for the successful working of Sajha society. For this, the Sajha society should be provided with trained personnel.

(6) An appropriate supervisory and controlling mechanism should be developed. Timely supervision and effective follow-up measures should be adopted for the efficient working of the Sajha society.

Member Participation and Democratic Control

Sajha Society is an economic organisation based on among other things the noble principles of democratic control and members' active participation in its affairs. In order to ensure these elements in the Sajha Society, the following measures have been suggested for consideration.

1. It is of vital importance that the shareholders feel that the Sajha Society is their own affairs, and completely geared to the fulfilment of their requirements and aspirations. In order to arouse this feeling of owners and attachment, massive educational programme must be carried out through the local leaders, officials and other appropriate agencies. This educational programme should cover board members committee members and personnel down to the general shareholders. The educational programme is also necessary in view of the need of imparting managerial and other skills for the efficient functioning of the Sajha Society.
2. There is a tendency that people believe much in deeds than in words. The Sajha programme has promised to provide necessary agricultural inputs and services along with other necessities of daily consumption. We, therefore, must see to it that the shareholders are getting the services as have been promised to them in the Sajha programme. This is so far the **surest** way to arouse active participation.
3. Some sort of incentive schemes such as rewarding the active member's and shareholders can be introduced. This will help create a sense of healthy competition among the members and shareholders for greater participation in the affairs of the society.

4. Cooperative society should also provide social as well as recreational services in order to get better member participation.
5. Meetings such as Board and General should be conducted in a more attractive ways.
6. The system of nomination of two members in the ward sub-committee should be replaced by the election method among the shareholders of the respective wards.

As for democratic control over a Sajha Society by its shareholders it is necessary that some concrete steps should gradually be taken to ensure this concept to prevail fully in the long run. This is very important in order to develop the cooperatives as a truly people's movement. In the meanwhile, some measures consistent with the present scheme of things can be undertaken.

1. Effective check and control over managerial personnel by the managing board, and over the managing board by executive Sabha.
2. There are some provisions in the existing by laws under which shareholders can exercise some control and check over the affairs of the society. Procedures should be developed strengthened and side by side simplified to facilitate the exercise of control and check.
3. Presentation of the financial statement should be simple and intelligible so that ordinary member can understand.
4. A committee consisting of an appropriate number of persons to be elected from among the share holders is suggested to be constituted to look over the day to day performances of the society and to report to the managing board and the general body.

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Marketing

The objective of the cooperative marketing is to market on a more profitable basis agricultural products produced by its members.

- (a) Problems;
- i) Transportation, storage and processing.
 - ii) Problem of regular and guaranteed delivery of credit and inputs.
 - iii) Price fluctuation and market information.
 - iv) Mal-practices and unhealthy competition from the private sector.
 - v) Absence of secondary and apex level cooperatives.

The following measures are suggested to overcome the above mentioned problems.

- (1) A sound organisational set up at different levels is of vital importance. For ensuring efficient and successful working of cooperative marketing. The agricultural produce collected at the farm level by the primary cooperative should be handled by the district level cooperative for storage, processing, marketing etc. Thus, there is a necessity of the district level cooperative.
- (2) To provide market information and also for national and international trade on apex level cooperative should be organised.
- (3) There should be a link between credit and marketing, so that recovery of loans and assembling of farm product can best be achieved.
- (4) In respect of transportation and storage arrangement should be made to provide trucks, tractors and construction of godowns etc. to be owned and managed by the district cooperative. The primary level society may also have the transport wherever feasible. But for the storage facilities each cooperative must own a godown. >

(5) Processing unit should be set up wherever feasible by secondary level society.

(6) The Government should guarantee the minimum price of agricultural produce and guarantee the minimum procurement quantity of agricultural produce of the cooperative unit.

(7) To discourage the individual businessmen and avoid the mal-practices, the cooperative should be able to gain faith among the members by providing better commodities and services. Government must help the cooperatives in providing better technical services and the required amount of capital for marketing.

Credit

(a) Problems :

- (i) Non-availability of credit on time.
- (ii) Over financing and under-financing.
- (iii) Lengthy and cumbersome process of financing.
- (iv) Lack of technical support.
- (v) Security oriented credit system.
- (vi) Low rate of recovery.
- (vii) Lack of co-ordination among different functional agencies.
- (viii) High rate of interest.

To overcome these problems, the following measures are recommended :-

- (1) Credit worthiness should be assessed with the help of a real production plan. It is felt that introduction of credit card may be helpful to provide credit on time. This system will also overcome the problem of over financing and under financing, because the actual credit need of the farmer member can be assessed and financed.
- (2) The paper work involved in granting credit should be minimized and the process should be made easy, explicit and simple.
- (3) Extension officials should ensure that their technical service reaches all the farmers. A sound farm planning should be done to ensure that credit used for production bears fruit. Number of technicians working at all levels should be increased. There should be a provision for training programme to the farmer regarding the proper utilization of the credit.
- (4) Credit should be based on the repayment capacity of the farmer. This repayment capacity should be assessed on the anticipated production of the farmer. It should not be based on the security.

- (5) Loan should be collected in kinds immediately ~~%;~~ after harvest. This would ensure the recovery of credit given.
- (6) There should be a close coordination among credit supply, extension and marketing.
- (7) Small farmers should be identified and credit should be provided to them at concessionary rate of interest.

Lessons from Japanese experience

During this National Seminar we had an opportunity to participate in excellent lecture programme about the multipurpose cooperatives in Japan beautifully presented by Mr. Shiro Futagami. On the basis of his paper and lecture we have made few observations which are as follows:

1. . successful working of the cooperative in Japan is due to the full support without interference by the Government and people's faith in the cooperative movement.
2. There seems excellent coordination among cooperators both vertically and horizontally.
3. The concept of cooperative farming is really praise worthy because it made possible to consolidate the land and the mechanization.
4. The use of wire communication and computer system shows that Japanese agricultural cooperative system is highly advanced and this helps in communicating correct information.
5. Long-term plan and integrated approach of cooperative movement is very interesting feature of the Japanese economy.
6. Farm guidance service provided in every aspect of farm needs for the member is really praise worthy.
7. The most important feature in determining the successful working of the cooperatives in Japan is due to the devotion, morality and faith on cooperative movement.
8. As a whole the organizational structure and the net work about the working of cooperative is clearly defined which has made working process easy and there are different supporting organizations at National level for specific purpose in real sense made that cooperative movement successful.
9. In spite of successful working of the multipurpose Agricultural Cooperatives at the grass root level, we find the specified (single purpose) cooperatives at different levels, **that** is there are national

(central) and prefectural cooperatives for the guidance and to help the primary multipurpose cooperative society. We feel that the coordination that exists at higher level of cooperative and the services provided by them are really praise worthy and this may be responsible for successful working of the Agricultural Cooperatives.

With regard to the Agricultural Cooperative Movement, the Japanese experience can be taken up and applied to the cooperative movement in Nepal.

- (1) The Japanese Agricultural Cooperative Movement has adopted Multipurpose cooperative society with an excellent integrated approach as a best medium for agriculture development. On the same line we can apply the Japanese experience.
- (2) Provision for internal audit as in Japan may be adopted in our cooperative societies. In the present context of Nepalese cooperative society, managing committee should select an internal auditor from among the share holders.
- (3) As in Japan, we cannot set up different national organisations for specific purpose. But, as in Japan, for the development of our cooperative programme we may adopt the three tier system e.g. primary society at the grass root level, District Cooperative Union at the district level and National Federation at the apex level.
- (4) For the development of our cooperative movement on the aspect of publicity we may make more effective provision to control Sajha Cooperative like "Ie-No-Hikari" in Japan.
- (5) On the basis of Japanese experience regarding the farm guidance we can adopt the farm guidance technique at least by hiring agriculture technician.
- (6) Small farmers should get credit through cooperative society at concessional rate of interest and such interest should be subsidized by the Government as in Japan.

Co-ordination

With a view to help and provide necessary services and facilities to the small and under privileged farmers the Sajha (Cooperative) programme has been launched. This has envisaged an integrated approach providing services of various agencies at the grass root level through a single unit, multi-purpose cooperative societies. But it is felt that the coordination has not been achieved up to the desired extent. Reasons being :

1) Various Departments and agencies involved in Sajha (Cooperative) programme are having their own programmes ignoring the plans and the programmes of the others. Departmental programme should be prepared in consultation with each other and frequent meeting of the Executives should be arranged for effective implementation of such plan and programme.

2) Sajha(Cooperative) programme is basically development programme but bureaucracy has not changed its attitude to face this challenge. They are still having traditional way of thinking. Bureaucracy should be more development oriented. For this there should be proper orientation seminars and meetings which should be held to initiate them in implementing the coordinated programme. The promotion and other incentive should be based on their actual performance.

3) It seems that there is a policy coordination at the central level. But the various policies to be adopted by the different institution (central, district and grass root) has not been properly communicated to the concerned authorities and participants. There should be a quick flow of communication and an effective means of reporting system should be devised. A frequent follow up visit will ensure a good reporting system and a proper means of communication

4) Co-ordination is very important for the successful implementation of Sajha (Cooperative) programme. Various agencies involved to channelize their function through Saja (Cooperative) in the grass root level must coordinate their activities with each other. Coordination should start from the early stage of programme and plan formation. This can be done very easily. For example, take the programming of financing. Each Sajha Unit in the district should formulate their lending programme taking into consideration the farm plan and budget of its members. This can be consolidated in the district and Bank will have to plan to meet the required amount of credit. Likewise the supply agency must plan to supply the required amount of input in time and on the spot.

5) It has been felt that the commitment does not confirm to action.

6) To co-ordinate the programme to be implemented in the district level, District Sajha Development Committee has been organized. But usually even if the decision taken to be implemented in line to the approved policy do not get implemented because of the reluctance on the part of a single person or institution to coordinate its activity. Sajha Central Committee should be notified of his action by the District Sajha Development Committee and the concerned central level institution should take action with the concerned authority for his uncooperative attitude.

In the district level the Chairman of the district Sajha Development Committee must act as an effective coordinator and his performance must be evaluated periodically by back to the village National Campaign.

7) An effective evaluation system of the concerned officials should be introduced so that their effort will concentrate on implementing the set programme and greater coordination can be achieved.

8) Coordination can best be achieved only when the authority is properly delegated at the district and grass root level. The authority of channelizing the resources according to the need should be there.

9) There should be a proper coordination at all levels. No central institution should formulate the programme in isolation and no implementation level organisation should think that they alone are responsible in this integrated programme.

For this regular meeting among the executive is necessary so that they can evaluate and direct the programme as envisaged.

Importance of Publicity

To uplift the cooperatives, at present, following publicity measures have been undertaken and following suggestions are given to make it more effective.

(1) Radio: At present Saja Cooperative Society has made arrangement to broadcast Sajha Programme through the Radio. The group suggests to increase the frequency and to make some changes in the content of the programme. Aspects relating to managerial functions and benefits of the cooperative programme should be included.

(2) Poster, Pamphlet: Most of the cooperative societies' members are illiterate. So when publishing the pamphlets, emphasis should be given to pictorial materials so that they could easily be understood.

(3) Distribution of Pamphlets, Booklets, Brochure etc.

Pamphlets should be made available freely to every cooperative society and the cooperative society should communicate the content to the maximum number of people through managing committee. The managerial functions, benefit derived from cooperative society should be included in the content of the pamphlets.

(4) Study Circle Method:

In every cooperative society study circle method should be introduced and discussion should be conducted at regular intervals. Cooperative Training Centre and other organisations should help to conduct these programmes.

(5) Visits to the cooperatives which are functioning excellently, Arrangements should be made to facilitate the managing committee members to visit the cooperatives and observe their functioning.

(6) Programmes to publicise about the cooperatives should be included in every meetings, gatherings and rallies and the concerned departments and agencies should take part in discussion with the people.

(7) Students who go on NDS Programm may also help to publicise about cooperatives. Therefore they should be oriented about the cooperative programme before going to the field.

(8) Programmes to publicise the cooperative should be arranged in commercial service of Radio Nepal too.

(9) Programmes to conduct/organise drama, essay competition debates, slides, feature film, cinemas, lanternographs, charts, audio-visual demonstration also should be arranged from time to time.

(10) 'Sajha Cooperative Week' should be observed at least one a year.

Future trends

With the launching of the Sajha (Cooperative) programme a new hope and aspiration have been created. Though it will be premature to judge the movement's success and achievement objectively at this stage, **it** may be predicted that if the present enthusiasm is maintained achievement of the set goals would be possible.

1. Multipurpose Sajha Society has been accepted as a nucleus at the grass root level to provide all the requisits of the farmers for their agricultural and consumption needs. It is hoped that through Sajha society the local people will get more and more involved in developmental activities and local decision making.
2. The savings mobilized in the rural sector will basically be used for the need and requirement of the small and under privileged groups which will ensure a greater investment in rural sector.
3. Ultimately the Sajha movement will have to engage in farming activities, thereby consolidating the small and fragmented holdings of the small farmers. This will help to introduce modern techniques of cultivation in order to increase the agricultural production. To begin with these activities may be started in new resettlement areas.
4. It is envisaged that cooperative organisation both at the secondary and apex level will emerge and this will bring an effective linkages in the cooperative system in the country.

23
4 December 1976

NATIONAL SEMINAR ON 'INTEGRATED APPROACH TO
AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL'

P R O G R A M M E

5 - 14 December, 1976

5th December, Sunday

- 8.30 - 9.00 Registration of the Participants.
9.00 - 10.30 Inauguration
10.30 - 11.00 Tea break
11.00 - 12.00 Introduction of participants.
Explanation of working methods.
12.00 - 13.30 Lunch break
13.30 - 14.30 Lecture No. 1 : Brief History of Cooper
ative Movement in Nepal.
Mr. N.K. Basnyat
Registrar, Department of Coops
Kathmandu, Nepal
14.30 - 15.00 Discussion

6th December, Monday

- 10.30 - 11.30 Lecture No.2 : Problems of Cooperative
Marketing
Mr. Lionel Gunawardana
Joint Director & Specialist in
Agricultural Cooperation,
ICA ROEC, New Delhi.
11.30 - 12.00 Discussion
12.00 - 13.30 Tea break
13.30 - 14.15 Lecture No.3 : Problems of Cooperative
Credit in Nepal
Mr. L.B. Bista,
General Manager,
Agricultural Development Bank
Kathmandu, Nepal.
14.15 - 14.45 Discussion
14.45 - 16.00 Group Discussion (1)

7th December, Tuesday

- 10.30 - 11.30 Lecture No.4 : (A) Cooperative Principles.
(B) Multipurpose Cooperative as an Instrument for Integrated Agricultural Cooperative Development.
Mr. Lionel Gunawardana
- 11.00 - 12.00 Discussion
- 12.00 - 13.30 Tea break
- 13.30 - 14.15 Lecture No.5 : Importance of Publicity in Sajha Movement
Mr. K.P. Adhikari
Member Secretary
Sajha Society
- 14.15 - 14.45 Discussion
- 14.45 - 16.00 Group Discussion (2)

8th December, Wednesday

- 10.30 - 11.30 Lecture No.6 : Land Reform and Sajha Movement in Nepal.
Hon'ble Dr. M.M. Sainju
Member, National Planning Commission
- 11.30 - 12.00 Discussion
- 12.00 - 13.30 Tea break
- 13.30 - 14.15 Lecture No.7 : Democratic Control and Leadership in large-size Cooperative Societies.
Mr. Lionel Gunawardana
- 14.15 - 14.45 Discussion
- 14.45 - 16.00 Group Discussion (3)

9th December, Thursday

10.30 - 11.30

Lecture No. 8 : Role of Cooperation in
Socio-economic Development
in Nepal.Mr. N.B. Shah
Joint Secretary
Ministry of Land Reform.

11.30 - 12.00

Discussion

12.00 - 13.30

Tea break.

13.30 - 15.00

Plenary on Group Discussion (1) and (2)

15.00 - 16.00

Group Discussion (4)

10th December, Friday

10.30 - 11.30

Lecture No. 9 : Multipurpose Agricultural
Cooperatives in Japan :
Integrated Approach to
Agricultural Cooperative
Development.Mr. Shiro Futagami
Central Union of Agri. Cooperatives
Tokyo, Japan.

11.30 - 12.00

Discussion

12.00 - 13.30

Tea break.

13.30 - 15.00

Lecture No. 9 continues.

15.00 - 16.00

Group Discussion (5)

11th December, Saturday

F R E E

12th December, Sunday

10.30 - 11.30

Lecture No. 10 : Criteria of Determining Viable Size of Agricultural Cooperatives under the Present Condition in Nepal.

Mr. S.K. Upadhyaya
Deputy General Manager
Agricultural Development Bank
Kathmandu, Nepal.

11.30 - 12.00

Discussion

12.00 - 13.30

Tea break

13.30 - 14.15

Lecture No. 11 : Trends and Dynamism of Sajha Movement in Nepal.

Mr. B.D. Pyakurel
Secretary
Ministry of Land Reform.

14.15 - 14.45

Discussion

14.45 - 16.00

Plenary on Group Discussion (3), (4) & (5).

13th December, Monday

10.30 - 11.30

Lecture No. 12 : Co-ordination of various Agricultural Development Agencies for Effective Development.

Mr. K.N. Pyakurel
Member Secretary
Central Sajha Development Committee

11.30 - 12.00

Discussion

12.00 - 13.30

Tea break

13.30 - 14.30

Group Discussion (6)

14.30 - 16.30

Preparation of the Final Report.

14th Dec. 1976, Tuesday

10.30

Final Plenary and
Presentation of the Report.

gs.

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ANNEXE-2

NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE
DEVELOPMENT IN NEPAL

Kathmandu, Nepal - 5-14 December, 1976

L I S T O F P A R T I C I P A N T S

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Regional Cooperative office
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3. Mr. Tika Dutta Niraula, Distt. Coop. Officer
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7. Mrs. Mukta Dhakal, Section Officer
Land Reform Department HMG
Bahadur Bhawan, Kathmandu, Nepal
8. Mr. Karna Bahadur Basukala
Act. Coop. Officer
Cooperative Office, Nuwakot Bidur, Bagmati zone, Nepal
9. Mr. Narayan Sharma Gajural
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10. Mr. Sher Jung Karki
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14. Mr. Gagan Pratap Malla, Section Officer
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15. Mr. Devendra Pratap Shah
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16. Mr. Mukunda Gautam
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17. Mr. Ram Hari Bhattarai
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Brief History of Co-operative
Movement in
Nepal

Starting of the Co-operative Movement in Nepal

Co-operative movement along the modern lines is of very recent origin in Nepal. It was only after the dawn of democracy in 1951 that the importance of co-operative in the development of rural economy was realized. Accordingly, in order to introduce the cooperative system a separate Department of Co-operative was set up in 1953. The main problems faced by the Department of Co-operatives were the dearth of trained personnel in the cooperative field, absence of a law for cooperatives and lack of an institution to finance cooperatives.

A Multi-purpose pilot Project was started for the development of the Rapti Valley in 1954 with a view to cultivate fellow land, resettle the flood-stricken and landless people coming from different parts of the country, provide a more profitable source of income to agriculturists coming from the mountainous regions and increase agricultural production. Then it was decided to provide the required credit and other facilities through cooperative societies. To avoid the legal technicalities an executive order was issued by His Majesty's Government of Nepal in 1956 authorising the organisation, registration and other activities relating to operational works and procedures of cooperative societies. Then co-operative credit societies with unlimited liability were organized in the Rapti Valley.

In real sense the cooperative movement in Nepal started only since 1959 along with the promulgation of the first cooperative societies Act, 1959. It helped in organising, running and administering cooperative societies of various types in different parts of the country.

(2)

As there was no financing agency in the cooperative sector, a Co-operative Development Fund was created to provide credit for facilitating the working cooperatives.

As a central financing agency for cooperatives was considered necessary, a Co-operative Bank was established under the Cooperative Bank Act 1963 with a view to give fill up to the existing pattern and scope of agricultural credit. After the establishment of the Cooperative Bank, functions with regard to financing cooperatives so far undertaken by the Department of Co-operatives were transferred to the Cooperative Bank. Subsequently, the Cooperative Development Fund was abolished and the funds were also transferred to the Bank. The Cooperative Bank provided credit to cooperative societies for the purpose of agricultural production. It would not give loans directly to individual members. Hence to widen the scope and activities of the Bank, it was later converted into the Agricultural Development Bank in 1968. This bank is authorised to advance loans to societies and individuals too.

Experiencing a big hurdle arising out of lack of trained personnel in the cooperative field, a Cooperative Training Centre under the Department of Cooperatives was established in 1963 to run training courses for the field staff of the Department members and office bearers of cooperative societies. Since then, various courses for cooperative officers, inspectors, sub-inspectors, Auditors and officials of cooperative societies are conducted in the local Cooperative Training Centre. Seminars, training campus and discussion groups are some of the techniques adopted for the purpose.

(3)

Out of a few years' experience it was realised that credit in isolation can not bring about a desirable result. Bearing this view in mind a system of linking credit with marketing was for the first time experimented in the Rapti Valley in 1959 organising a district level Credit Cum Marketing Union with the enrollment of all the primary societies in the district. Gradually in other districts as well, with a view to bring about improvement in the work of all marketing activities such as buying, selling transportation, storage financing, risk management, standardization that may be conducive to the development of cooperative marketing cooperative credit-cum Marketing unions have been organised at the district level.

There is a programme of organising the National level Federation in the next five year plan (1975-1980).

Panchayat System and Cooperatives

In 1961 the partyless panchayat system of democracy was introduced in the country. The fact that cooperation is one of the most appropriate instruments for socio-economic upliftment and thereby raising the standard of life of the rural population has been recognised with greater significance in the Panchayat system which aims at establishing a just society free from all sorts of exploitation and conflict. This system is directed towards class co-ordination. His Majesty's Government of Nepal under this system has accorded greater significance to cooperatives. Panchayats and cooperatives are looked upon as complementary and supplementary to each other. So the cooperative system the most suitable and the best form of economy for the Panchayat System as a method for bringing about revolutionary changes in the existing agrarian structure of the country in order to establish

(4)

a just society free from all sorts of exploitation and conflict is given a very important place.

Most of the cooperatives were not in a position to bring about the desired results due a number of reasons such as lack of loyal support of the members illiterate and ignorant members having selfish motives individualistic attitude and suspicious feeling, acute shortage of well trained personnel in the cooperative field, problem of local leadership, low income of the majority of the members and inadequate financial assistance from the financial institution, cut-throat competition and the powerful and big local merchants, middle men and money lenders, multiplication of number of societies without giving due consideration to viability etc.

(The New Programmes for Co-operative Development)

Cooperative Revitalisation Programme

In view of our geographical disadvantage and limited resources both in terms of capital and trained personnel in the concerned field and on the basis of our past experiences since the beginning of the Fourth Plan i.e. fiscal year 1970/71 His Majesty's Government of Nepal approved and implemented a new cooperative development policy and programmes intending to mould the Cooperative Movement on such realistic approach as to make it more efficient, useful and responsive to the needs of the rural population. The programme lays more stress on the quality rather than the number of cooperatives. It prescribes certain conditions and attributes that essentially seek to make a cooperative system economically viable and efficient. The programme does not aspire to cover the whole country and all aspects of our economy at one and the same time. Places have been selected on the basis of considered criteria. As multipurpose

(5)

cooperative societies are deemed more suited to the rural needs, Agricultural sector is given priority. The societies have to concentrate more on services required for farm operations. The area of operation and membership of a cooperative society should be so large as to make it a stronger unit. Emphasis is laid on efficient management. The guided societies are to be run by trained managers deputed by the Department of cooperatives on Agriculture Development Bank. The books of account of these societies have to be properly maintained and periodically audited. Timely supervision, direction and inspection are exercised on them regularly. For a few years the Managing Committee of such a society is to work in an advisory capacity for the management affairs and a guided cooperative society is to be managed on the advice of the Advisory Committee and under the guidance of His Majesty's Government for a Temporary period. Member Education Camps have been launched in different districts with a view to making the members and the advisors of the guided cooperatives aware of the working, procedure, principles, objectives, importance and so on of cooperation and thereby enabling them to participate in the management of cooperatives actively in the near future. As soon as the society can be run efficiently and viably by the local people themselves His Majesty's Government and the Agriculture Development Bank will withdraw their hands from the management of the society gradually.

The activities of the guided cooperative societies are outlined in Appendix A.

Sajha (Co-operative) Programme Under the Institutional
Arrangement for Rural Development

The development of the country without the development of small farmers and occupationists who are residing in the rural area is unthinkable. It is necessary to make the rural farmers and occupational community involve in the process of development in order to speed up the process of economic growth in the country. Under the Cooperative Revitalisation Programme Guided Cooperative societies under the management of Agricultural Development Bank have been organised with a view to making them available capital for improved agriculture and occupation and other necessary facilities at easy and simple terms in the village level. Though agricultural credit has been extended to some extent through these societies in the village level, the development of other occupations remains stagnant due to the lack of facility of making available capital in the village to them who are engaged in other occupations.

But realising the fact that for the overall development of the rural area effective mobilisation of savings and capital and making available necessary capital and facilities from the village level to the central level as a single unit through institutional arrangement should be done in the rural area itself His Majesty's Government of Nepal on 3rd May 1976 has introduced Sajha (Cooperative) Programme to be implemented intensively in the 27 districts of the country with the following main objectives

1. To increase the GNP(Gross National Product) and thereby the income of the farmers through improved system of farming by providing the facility of institutional loan to rural small farmers and group of small occupations in the village level and by marketing the agricultural inputs.

2. To mobilise the rural savings and capital and invest them in development works by providing the rural farmers the banking facility in the villages.

Accordingly all the Panchayats in the 27 districts will be covered by the cooperative societies. 820 additional societies apart from the existing 206 societies have been organised in the said district.

Under this Programme compulsory savings collected under the Land Reform Programme is to be converted into the share capital of the societies in the 27 districts. Hence all the tenants, Land owners and owner cultivators who have contributed to the compulsory Saving Scheme have thereby become members of the societies in the said districts.

The functions of the societies will include the following:-

1. To provide both Production and Consumption Loans to farmers
2. To arrange marketing of agricultural inputs and agriculture products.
3. To market the goods of daily necessities.
4. To mobilise capital by accepting deposits from farmers of the rural sector,
5. To make available membership certificate to the concerned farmers by transferring the compulsory savings to be collected and deposited by the Sajha (Coop) Sub-Committee into share capital.

Among other things the society will also act as a sole dealer of Agricultural Inputs Corporation, National Trading Ltd, Salt Trading Ltd, Nepal Oil Corporation, Jute Development and Trade Corporation, Tobacco Development Company, Dairy Development Corporation, Nepal Food Corporation in the village level.

In the rest of the districts where Co-operative Revitalisation Programme has been implemented the supervised Cooperatives so far organised will be functioning as usual.

Under the new programme different departments have been assigned with some special activities which are outlined below.

Department of Co-operatives

1. To organise the Sajha societies and register them.
2. To limit the area of operation of the guided cooperative societies each to two Panchayats and make necessary arrangement of handing over the other Panchayat members' share capital, loans and other transactions to the newly organised societies.
3. To make arrangement of imparting training to the managers of Sajha societies.
4. To carry out the acts of supervision and auditing of the Sajha societies regularly.
5. To do necessary activities as outlined in the Cooperative Societies Acts and Rules along with the Promotional activities of the societies.

2. Department of Land Reform

1. To find out the real cash balanced by auditing the books of accounts of the village committees in all the village Panchayats. where sajha societies are to be organised and thereby hand it over to the Sajha societies
2. To realise the other old dues in addition to the balance and deposit in the sajha society and clear the accounts accordingly
3. To depute the savings sub-inspectors and accountants to managers of sajha societies according to necessity.

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4. To make arrangement of transferring the compulsory savings to be collected to the share capital of the societies.
5. To check up whether the fixed amount of compulsory **have** been collected or not. To collect the compulsory savings later on with the assistance of Sajha ward Sub-Committee.

Agricultural Development Bank & Commercial Bank:

1. To advance loans both for agriculture and consumption through the village level Sajha societies and directly to individual farmers
2. To supervise and control effectively the village level sajha societies.
3. To mobilise capital by accepting deposits of the Sajha society and farmers in the context of mobilising savings in the village level and of making available common banking facility to the rural people.
4. To make the bank more effective by generating the capacity of investing loan through the arrangement of institutional loan in the village level.
5. To act as a bank of the sajha societies.

In addition to these functions the Agricultural Development Bank is also to arrange the managers to be necessary for the management of the sajha societies and formulate the working procedure and implement it in the societies.

The Sajha programme has also been introduced in 3 more additional districts- Palpa, Tanahu and Bhaktapur.

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(10)

A national level cooperative federation with the membership of district level unions is a strong felt need to help meet competition by furnishing (a) wholesale purchasing and later manufacturing services by marketing, storing, processing services (c) counselling and technical assistance in management and operation (d) training of personnel and education of members etc.

It is an established fact that cooperatives are the only institutions that can provide both the economic machinery and the social values required by our age, if there is any hope for the struggling masses of the emerging countries like Nepal, it is through mutuality, through working together & through cooperation.

As the entire hope of socio-economic reconstruction and development of the country in future lies in Sajha, it is the duty of all the political workers and civil servants to make vigorous efforts for the success of the programme by clearing whatever doubt they might have had about the effectiveness of the programme in order to fulfil His Majesty the King's noble desire of ameliorating the conditions of the people in all parts of the country.

(Appendix A)

Activities of the Guided Cooperatives Under the Cooperative Revitalisation Programme

	<u>1972-73</u>	<u>1973-74</u>	<u>1974-75</u>	<u>Mid July 1975</u> <u>Mid April 1976</u>
1. Number of societies	Rs. 169	206	251	289
2. Number of members	38553	55431	71421	85935
3. Paid-up Share Capital	Rs. 1187602. 46	1945322. 78	2661544. 62	33,09,656.02
4. Borrowings	Rs.13697406.91	23402635. 34	36639217. 92	3,45,70,885.33
5. (a) Loans to members in cash	" 2111779.36	2598981.35	3384131. 66	18,64,265.98
(b) Loans to members in kind	" 6392245.41	8542253.25	6538218. 75	1,67,20,011.00
6. Loans realised from members	" 2397285.53	7511491.33	10998670. 56	55,44,801.26
7. Loans repaid by the societies	" 5572484.59	13117335.61	21205306. 80	1,46,10,755.16
8. (a) Sales of agricultural inputs	" 29891620.80	44131974.83	87457418. 75	4,44,49,704.62
(b) Sales of Consumer goods	" 5130557.79	5140198.75	22284133. 16	1,08,21,396.58
9. Marketing of agricultural produce	580365.90	994475.00	6472601.51	1,34,85,819.11

PROBLEMS OF COOPERATIVE MARKETING

by

Lionel Gunawardana
Joint Director and Specialist
in Agricultural Cooperation
ICA Regional Office
New Delhi.

National Seminar on

"INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL"

5th to 15th December, 1976.

PROBLEMS OF COOPERATIVE MARKETING

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INTRODUCTION

Marketing involves all business activities that have to be performed in bringing the agricultural produce from the farm to the ultimate consumer. Thus, it includes activities such as collection of marketable surplus from the farms, their transport, assembly, grading, processing, packing, storage and sale to the ultimate consumer.

In Asian countries where the economy is dominated by agriculture, arrangements for marketing of farm produce assumes vital importance.

The Cooperative Movements in the countries of the Region of South-East Asia have assumed a position of increasing importance in their present economies and they have been instrumental to a great extent in fostering the general welfare of the people. In most of the countries in the Region the cooperative movements have functioned for long periods. However, the entry of the movement into marketing business is comparatively of recent origin. The cooperative movements which were initiated mainly for providing credit for the farmers, hesitated at the beginning to enter the field of marketing. It was in 1930s that the movements in most of the countries in the Region attempted to enter into this field. It has been a very difficult task for the cooperatives to compete with the private traders who had entrenched themselves in this field, and at the beginning failures exceeded successes. Though in many countries in the Region the marketing cooperatives are doing commendable service they fall far short of their potentialities.

STRUCTURAL OF AGRICULTURAL MARKET

Structure of the agricultural market in the countries of South-East Asia follows somewhat a uniform pattern. The primary producer sells his produce largely in the village itself. The traders from cities also come to the villages for collecting produce or make their purchases at the

village through the agents. In this method of sale the farmers are saved of the botheration of having to take their produce to distant markets, though they may get lesser prices for their produce than they would get if they sold them in markets situated in cities.

There are weekly or bi-weekly markets in central places covering a group of villages. The farmers bring their produce to these markets on fixed dates and sell to traders who come to make purchases.

The large-scale producers normally bring their produce to bigger cities for sale which enable them to get a higher price for their produce by avoiding the middlemen.

STRUCTURE OF THE MARKETING COOPERATIVES

In most of the countries of the Region the structure of marketing cooperative movement is of federal type, but pattern of organisation is not uniform. Generally, however, it is three-tiered. The primary societies cover a village or a group of villages. These societies are federated at district or regional level. The districts or regional federations are further federated into apex organisations at the state or national level.

REASONS FOR HIGH COST OF MARKETING

As pointed out earlier the farm produce has to undergo a chain of processes which are together termed as marketing before they reach the hands of the ultimate consumer. These processes are essentially productive, for production is the creation of utility. What the farmer produces on the farm is only the raw material. It is the marketing process that adds form, place, time and possession utility to them. Obviously this complicated process of marketing adds to the cost of the product as much as it adds to the utility of the product. Surveys conducted in the United States of America showed that on the average as much as 57% of what the consumer spends on food items goes for marketing charges and only 43% goes to the farmers.

The share the farmer get from the consumer's rupee also varies from one commodity to the other. This is because the marketing of some products is more complex than the others. For instance, the farmer's

share of what consumer spends on bread is much lower than his share of what consumer spends on rice.

The fact that marketing adds to the price of commodities should not be a reason for complaint by the farmers or for that matter by anybody else, as it is an essential part in the process of production as much as the activities that goes on in the farm. However, considering the substantial part of the consumer rupee that goes to pay the marketing charges, it is an area where attempts should be made to effect economies, not only to increase the farmers share of the consumer's rupee but also to bring down what consumer has to pay for his food.

Agricultural commodity by their very nature are more costly to handle than industrial goods. Following are some of the reasons for this high costs of marketing of agricultural produce arising out of the nature of the agricultural produce as well as other factors that influence their marketing.

Bulkiness

Most of the agricultural produce are bulky in relation to their value. Hence they require more space in storage and transport which would tend to increase the marketing cost. The labour charges for handling is also high as payment for handling has to be made on weight and volume and not on value.

Perishability

The perishable nature of agricultural commodities make it necessary to have special arrangements for storage, transport, etc. Produce has to be moved from the farm to the market swiftly and special conditions for storage like refrigerated warehousing may be necessary. The spoilage and deterioration on storage and transport are greater.

Seasonality

Farm output is seasonal in character. But the demand for them, at least for certain commodities like foodgrains, are relatively steady throughout the year. This makes it necessary to store large quantities for long periods to balance the seasonal production with throughout the

year consumption demand. In case of commodities that are produced and consumed in particular seasons they require storage and other facilities that may not be used during the rest of the year.

Localised nature of production

Particular crops can be grown only in particular areas while consumption is widespread. Mostly they are grown in places which are distantly away from the population centres. These situations necessitate long distance transport of agricultural produce.

The small size of the farm

Usually farms in the countries of the Region of South-East Asia are small. Therefore, each farm-hold has only small quantities of marketable surplus. The collection and assembly of these small lots from scattered farms become a costly affair.

Lack of uniformity of cropping

Often it is found that number of crops are grown in the same area. Even when one crop is grown there may be several varieties. This makes their collection, grading and storage complicated and expensive.

Lack of well-developed infrastructure

The difficulties encountered in transportation of agricultural produce from scattered farms are also a contributing factor to the high cost of marketing. Much goes to waste due to the delays in moving the produce to the consuming or processing centres.

Competition

Competition among various agencies that are engaged in marketing activities is yet another reason that makes marketing costly. Due to the competitive nature and the existence of multiplicity of agencies in the field and the maintenance of various facilities separately by them, full utilisation of these facilities do not take place, thereby increasing per unit overhead expenditure for the marketing operations.

WAYS OF REDUCING COST

It was pointed out earlier that a substantial share of the consumers' rupee goes to pay the marketing charges and the share that goes to the farmer is small. However, it is necessary to point out that the important thing is not the size of the share the farmer gets, but the total return he receives and its relation to his cost of production. Therefore, efforts have to be made to reduce marketing cost not merely to reduce the share that goes to pay the marketing charges but to increase the farmers returns while keeping the consumers price as low as possible. It is also important to note that as standards of living of the people improve, there will be an increasing demand from the consumers for more processed and elaborately packed food items, which tend to increase the marketing cost. These demands have to be met and these processes cannot be avoided in order to reduce the marketing cost.

Organisation of Cooperatives

The first step the agricultural producers need to take in reducing marketing cost is to organise marketing cooperatively as it is only then that they can exercise a control over marketing operations of their produce. The organisation of marketing cooperatively will result in deriving the advantages of economies of scale as it would enable the pooling of resources in maintaining various facilities necessary for large-scale marketing operations and their utilisation to the maximum extent thereby reducing the overhead cost.

The organisation of cooperative marketing has taken place under two situations.

- (a) to provide facilities of marketing where these functions were non-existent.
- (b) to provide an alternative to the private trade, where marketing services were performed solely by the private traders.

In situations where facilities for marketing are non-existent the need of organising marketing cooperatives need no explanation.

It is of course hard to find areas where some sort of facilities for marketing are non-existent though they may be inadequate. However, there are areas where no organised marketing facilities are available for certain commodities.

Where facilities for marketing are provided solely by the private trade, need for cooperative marketing arises firstly because of the defects and malpractices in the private trader monopolized marketing system. Private traders as mentioned earlier have entrenched themselves in the marketing business in most of the countries in the Region and they have their own trade channels and through an integrated structure of their own, control the market and manipulate prices. They use money lending as a tool to gain control over farm produce. The farmers who are eternally indebted to the traders hardly have any bargaining power and are almost compelled to surrender their produce at whatever prices traders fix for them. The All India Rural Credit Survey Committee, describing the powerful position of the private trade in India with regard to marketing remarked, that, "Often enough, the cultivators' position is that of having to bargain if he can, with someone who commands the money, commands the credit, commands the market and commands the transport". Under these circumstances cooperative marketing is the best solution is not the only solution to salvage the farmers from the clutches of the private trade. The proper and efficient organisation of a cooperative marketing system will help the producer to obtain a fair price for produce by reducing the price spread between the producer and the consumer.

Other reasons in favour of cooperative marketing may be enumerated as :

- a) It not only supplies and alternative to private trade but also disciplines the private trade.
- b) It educates and trains the farmers in business.
- c) It helps the consumer by way of comparatively low prices by eliminating middlemen.
- d) It helps to make the plan of agricultural production more effective by making agriculture a profitable pursuit and encourage the farmer to produce more.

Integration - Vertical and Horizontal

An examination of the present status of the marketing cooperatives in the Region would suggest that there is a great need for both horizontal and vertical integration of marketing cooperatives, as much as, if not more than, in the other sectors of the movement. The vertical integration and the creation of economically viable units will enable the society to employ well qualified and better trained personnel in their management which is essentially a pre-requisite for effective management. It will enable the societies to derive the benefits of economies of scale by being able to handle larger quantities of commodities. This will also avoid unnecessary competition which results in wastage of limited resources.

The vertical integration of the marketing cooperatives into unions will bring about better cooperation and coordination among individual cooperatives. The union will be in a position to handle more complicated, specialised and heavy capital consuming activities like processing which individual cooperatives may not be able to handle.

Engaging in Supply of Agricultural Inputs

It is important for marketing cooperatives, to undertake supply of agricultural inputs. Apart from the fact that it is easier for the agriculturists to draw their supplies of agricultural inputs from the same society, there are several economies that could be effected by combining the functions of marketing and supply in one society. For instance, considerable saving can be effected in transport by combining the delivery of the agricultural inputs to farmers with collection of agricultural produce from them.

Integration of Marketing and Credit

Prior indebtedness of the farmers to private moneylenders have been an obstacle to the progress of the cooperative marketing. The farmers are compelled to sell their produce to the private traders due to their indebtedness to them and are unable to bring their produce to the cooperative marketing societies, even if they are willing to do so.

This deprives the cooperative marketing societies a substantial portion of their agricultural produce and in certain cases may not get sufficient quantities necessary for efficient marketing. To overcome this, marketing societies should extend credit to their members for production purposes, at least in places where facilities for cooperative credit is absent or inadequate.

Dealing in all agricultural commodities

The farmers who deal in number of crops may find it difficult to deal with number of societies. Handling of marketing of all crops grown by the farmer members by one society will undoubtedly contribute to the reduction of marketing cost by facilitating easy collection and payment for them and the common use of the facilities necessary for marketing operations. Wherever it is necessary to employ special methods for collection, storage, etc. of different commodities and where specialised knowledge is necessary the cooperative marketing societies may set up different sections to handle different commodities but under one coordinated management.

Linking of marketing cooperatives with consumer cooperatives

Creation of an effective link between marketing cooperatives and consumer cooperatives at various levels is yet another field that must attract the attention of both marketing and consumer cooperatives. Such an effective link would be beneficial to both types of societies. The marketing societies will find an assured outlet for their produce and may be able to bring about considerable reduction in marketing cost by directly dealing with the consumer cooperatives. The consumer societies can feed the marketing cooperative with market information regarding consumer preferences, etc. which they can pass on to the agriculturists so that they can adjust their production plans in the long run to suit the consumer demand. The consumer societies will have a direct access to the sources of production. Therefore it is in the interest of both these types of cooperatives to have closer coordination and cooperation among themselves.

Uniformity in production

Growing of multiplicity of crops and different varieties of the same crop in the same area make their handling difficult and costly. For instance, if different varieties of paddy are grown in an area covered by a single marketing society it becomes difficult for the society to arrange for their collection, grading, storage and processing. This is an area where farming guidance as well as marketing intelligence services of the cooperatives have important functions to perform. Agriculturists must be properly guided in the desirability of growing fewer and if possible one variety. The selection of the varieties should be based on consumer preferences.

Grading

Grading is another area which must get adequate attention of marketing cooperatives. When agricultural produce is not graded into different qualities they fetch low prices and thereby not only reduce the total return to the agriculturists but also increase the per unit cost of marketing in relation to their value.

Storage and transport.

Storage and transport are some of the major factors that influence the cost of marketing. Greatest possible care should be exercised in these fields to ensure efficiency. Packing of agricultural produce in good containers to avoid their wastage and deterioration on storage and transport is very essential. As far as possible cooperatives should have their own storage and transport facilities.

Processing.

Processing is the single stage that adds the greatest utility value to the agricultural produce and in most cases largest costs in the marketing process is involved in this stage and any agency that wishes to exercise control over marketing operations must have an adequate control over this activity. Therefore, it is necessary that marketing cooperatives must have processing units as an adjunct to the normal marketing operations. The marketing cooperatives which would have

experience in handling the agricultural produce in the raw form can utilise that experience in setting up processing plants. Undertaking of processing activities, for instance, in case of paddy will not only help the agriculturists in getting a higher margin for their produce but also in reducing the transport and storage cost.

Modernisation

A large part of the cost of marketing is also attributable to the cost of labour. Methods of reducing labour cost by introducing modern machinery and labour saving gadgets in all stages of marketing have to be employed if this cost is to be reduced. It is not only in reducing labour cost that modernisation becomes essential. Even to enable the handling of increasing production and increasing demand for finished product by the consumers whose standard of living is steadily improving, introduction of modern machinery becomes necessary. Proper training of labour is another way of reducing per unit cost of labour.

Efficient organisation

The need for efficient organisation of marketing activities at all levels and stages as a surest means of reducing cost needs no emphasis. In this respect the organisational structure of the marketing cooperative movement as a whole as well as that of the individual marketing cooperatives need to be examined. In a federal type of structure that exists in most of the countries in the Region, the cooperative organisations at various levels should only be allowed to exist if they perform useful functions in the effective discharge of marketing operations. Duplication of efforts has to be carefully avoided, lest they add unnecessarily to the cost of marketing. Creation of number of organisations at various levels may result in unnecessary movement of stocks and extra handling cost. In the absence of a proper organisation of the cooperatives the extension of the cooperative principle into the marketing business will only court failure and frustration.

NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE
DEVELOPMENT IN NEPAL

PROBLEMS OF CO-OPERATIVE CREDIT IN NEPAL

by

L. B. Bista
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Co-operative was accepted as a sound principle and it was assumed that within the agricultural sector of the Nepalese economy, a co-operative structure could be established and would provide the farmers with essential inputs like adequate credit and supply with storage facilities and organised produce marketing services. With these expectations the establishment of co-operatives system in Nepal began in 1959 with the passage of co-operative Act. Over the period of time the co-operatives were increasingly established. After nearly a decade of experience the performance of these co-operatives however were found to be disappointing as the operations of many of these co-operatives were not in line with the objectives due primarily to poor management, lack of programmes implementation and supervision. The co-operative revitalization programme therefore was launched in 1971. The primary objective of which was to implement the system that will provide credit, technical assistance, agricultural inputs and marketing and storage facilities for the farmer under good management. To provide good management ADB/N started to form guided co-operatives by assigning trained managers to actively work with the cooperatives.

Under this programme 206 guided co-operatives and 330 village committees were re-organised to provide these services to the farmers at the village level. The performance of these co-operatives under the programme was encouraging as they could

increase, volume of business, achieve better repayment record and increase substantially their membership.

First and Second year operations'
of 68 guided co-operatives

	<u>1971-72</u>	<u>1972-73</u>
Number of Members	13400	17700
Total volume of business (Rs. in thousand)	17476	33304
Net profit (Rs. in '000)	452	1019
Profit as percentage of volume of business per member	2.5%	3.1%
	Rs. 1300	Rs. 1900

As shown in the above tables profit per unit volume increased from 2.5% to 3.1% and individual credit volume increased by 46%.

The number of factors favours the success of guided cooperative credit systems. The manager assigned to cooperatives are trained in their area of operation and many of them have practical farming experience. In addition the cooperative manager and LDB/N field staff set lending programme which has helped reduced the opportunities for a big farmer take over the cooperative operations.

The performance of these guided cooperatives, however was confined in a limited area. They could cover only 742 panchayat out of 1232 panchayat in 30 districts which are main potential area for agriculture development. Large number of small farmers and small business man of these rural areas therefore were excluded from the benefits of these institutions and the activities of the small business man even in the area of cooperatives tended to be neutralized due to lack of cooperative, credit facilities at the village level.



In view of this His Majesty's Government announced a Sajha programme in May 1976 with the following objectives.

1. "To provide agriculture credit and marketing service to small farmers and enterprises through the Sajha institution in order to increase the national production and income level of such segment."
2. "To provide the banking facilities to rural farmer and mobilise the rural saving and capital in development activities."

Under the programme 1026 Sajha are to be established to cover 1232 panchayats of these districts. They will cater the credit needs of most of the farmers of 1232 panchayat as against 742 panchayat served under guided cooperative programme.

Most of the farmer who will be the member of the Sajha had contributed to the compulsory saving in the past. Their contribution will now be converted as their share contribution to the Sajha of which they are the members. So unlike in the past, where cooperatives have only a small share capital base of R .2.5 million, the Sajha can now be started with a capital base of the 80 million.

The success of cooperative credit system at the village level depends on its coordination with other Government departments and other specialised agencies for timely supply of credit, farm requisits and proper marketing facilities. The weakness in any of these vital links affects the effectiveness of the cooperative credit system. The Sajha programme therefore envisages all the development institutions operating at the district and central level to channelise their activities only through these Sajha institutions. Therefore, unlike in the past, the institutional coordination problem at the farm level would greatly be reduced and hence the effectiveness of the operations of the Sajha would now be maintained.

COOPERATIVE PRINCIPLES

by

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New Delhi.

National Seminar on

"INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT

IN NEPAL"

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COOPERATIVE PRINCIPLES

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by

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Definition of a Cooperative Society

A cooperative society is an association of persons, or of societies of persons, for the satisfaction of their common economic and social needs through one or more common undertakings, based upon mutual aid and profit-elimination.

Origin of Cooperation.

The Cooperation in its broader sense is not a product of any particular land. The idea of cooperation is as ancient as human history itself. There are traces of cooperative actions in human behaviour, from the earliest period of civilization. There are numerous examples, in our society, from ancient times, where people cooperated among themselves, in performing common social functions, and each other's activities.

The idea of modern cooperation, is of recent origin, and the Rochdale Pioneers can be justifiably credited, with bringing into being the modern Cooperative Movement.

The modern Cooperative Movement was started as a consumer movement, when the Rochdale Pioneers - 28 of them - inaugurated their Equitable Pioneers Society in 1844, with a meagre capital of £28 - in the midst of depression, wage cuts and unemployment.

A certain writer has described the getting together of the Rochdale Pioneers in the following words. "At the close of the year 1843, one of those damp, dark, dense, dismal, disagreeable days..... a few weavers, out of employment, and nearly out of food, and quite out of heart with the social state, met together to discover what they could do, to better their industrial conditions".

From this meeting was born, the world Cooperative Movement.

Cooperative Principles

The principles enunciated by the Rochdale Pioneers became the guideline for the cooperators the world over. In a sense they were never being questioned nor have they ever appeared in the agenda of the ICA Congresses for discussion until in 1931, when the Congress resolved to appoint a Committee to examine "the present application of the Rochdale Principles". This Committee made its final report to the Congress of 1934 in Paris.

As a result of this report the International Cooperative Alliance recognised seven Rochdale Principles, but concluded that only four of those could be applied universally at the international level for the purpose of ICA membership. They were :

1. Voluntary Membership,
2. Democratic Control,
3. Distribution of surplus to members in proportion of their participation in the transaction of the society,
4. Limited interest on capital.

The other three were :

5. Cash trading,
6. Religious and political neutrality,
7. Education.

ICA Commission on Cooperative Principles.

ICA Congress held in 1963 in Bournemouth decided to request the Central Committee to constitute an authoritative commission "to examine the present application of cooperative principles in different types of society and in different political and economic spheres and to advise on the right formulation of cooperative principles in the light of their application throughout the world at that time".

The Central Committee appointed a five member commission in October 1964. The commission based its studies on answers to a questionnaire it issued to the ICA's affiliated organisations as well as selected non-member organisations and individuals, and interviews it had with leading cooperators.

The commission submitted its report to the ICA Congress held in Vienna in 1966.

In its Report, the Commission recommended six principles as essential to genuine and effective cooperative practice both at present and in the future as far as that could be foreseen.

The six principles are briefly stated as follows :-

- i. Voluntary and open membership,
- ii. Democratic control,
- iii. Limited interest on capital,
- iv. Equitable division of surplus,
- v. Cooperative education,
- vi. Cooperation among cooperatives.

I shall quote each principle as stated in the Rules of the International Cooperative Alliance at the point of explaining it.

The proper application of Cooperative Principles is essential for the success of the movement, for they "are those which are essential, that is absolutely indispensable, to the achievement of the Cooperative Movement's purpose".

All the six principles are equally important. "They form a system and are inseparable. They support and reinforce one another. They can and should be observed in their entirety by all cooperatives if they claim to belong to the Cooperative Movement". (ICA Principles Commission).

The first four principles set out the working methods of the cooperatives and the other two state what is essential for the continued progress of the movement.

Voluntary and Open Membership

"Membership of a cooperative society shall be voluntary and available without artificial restriction or any social, political, racial or religious discrimination, to all persons who can make use of its services and are willing to accept the responsibilities of membership".

This principle can be sub-divided into two parts, namely, "Voluntary Association" and "Open Membership".

Voluntary Association

- i. The individual should be free to join or withdraw from a society. There should not be any direct or indirect compulsion. However, his entry or exit should not affect the society adversely. Therefore this freedom can rarely be absolute. It can be modified or restricted by other considerations of greater validity.
- ii. The member should be loyal to the society. He should realize and fulfil his obligation to the society and the society in turn should reciprocate.
- iii. This loyalty can come only if the member has joined the society of his own free will and not under compulsion.
- iv. A society is not obliged to retain a member if his conduct is detrimental to its interest. The condition of expulsion however should be clearly laid down in advance and known to both parties.

Open Membership

- v. Those who can make use of the services of a particular cooperative society and are willing to accept the responsibilities of membership should be able to become its members without any artificial restrictions.
- vi. Cooperative movement is at once a social movement seeking to increase its adherents. Naturally it should welcome and encourage the eligible persons to become members.
- vii. Artificial restriction means limitations imposed on the size of membership without there being a practical need to do so. Natural restrictions may exist which prohibit a society from enrolling everyone who is in need of the services of the society. For example, a housing society would have to limit the number of its members in relation to the extent of land available to it.
- viii. "Open membership" does not mean that cooperatives are obliged to enrol all persons who may apply for membership. Those who do not have the common need or can not make use of the services cannot become members. For example, a rice grower need not be admitted to a citrus growers society.

- ix. The selling of shares of cooperatives to the state making it a member of the cooperative concerned is a violation of the principle of "open membership". The common need of the members which the society seeks to satisfy is not the common need of the State. When the common need of the members is the acquiring of articles required by them the State can come only as a supplier and when the sale of articles is the common need the State can come in only as a purchaser. Further, the State is not prepared to submit to the internal disciplines of the cooperative as laid down for members by its administrative organs.
- x. The open membership (with the unavoidable restrictions) makes a cooperative society distinctly different from a Joint Stock Company. Because of open membership shares remain at the nominal value fixed by the society's rules.

Democratic Control

"Cooperative societies are democratic organisations. Their affairs shall be administered by persons elected or appointed in a manner agreed by the members and accountable to them. Members of primary societies shall enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration shall be conducted on a democratic basis in a suitable form".

- i. The primary purpose of a cooperative society is to promote the interests of its members. To achieve this and the members must have the final say in the society. Therefore there should be an effective method of consulting the members as a body. To ensure that the members interest gets the highest priority in the administration of the society's affairs, those who administer the affairs must be chosen directly or indirectly by the members.
- ii. "One man, one vote" is the most condensed expression of the democratic administration of cooperative societies.
- iii. In the case of organisations of higher tiers, one member one vote would work satisfactorily only in organisations where there is no great disparity in size between their affiliated societies. If there are wide disparities in size, each affiliated society should

have votes in proportion to its own individual membership, a "method which unquestionably pays proper respect to the human factor".

- iv. In developing countries where governments give large funds to the societies, government representation on Boards of Management become necessary. Without generous amounts of government finance, cooperative development in these countries will be slow. However, representation should not continue "a day longer than it is necessary".

Limited interest on capital.

"Share capital shall only receive a strictly limited rate of interest, if any".

- i. There are two principles designed to eliminate profit. This is the first.
- ii. The fact that capital adds productivity to labour is recognised. The conception in the cooperative society is that of labour working with capital and not for capital.
- iii. The three main forms of capital in a cooperative : (1) Share capital, (2) Capital owned by society in the form of reserves etc., (3) External borrowing etc. The limitation applies really to the first. No interest is payable on the second. Interest may be calculated for the purpose of internal accounting. In the case of the third, the interest rates are not likely to exceed the rates prevailing in the external money market.
- iv. There is no principle which obliges that interest should be paid. Even if no interest is paid, there is no clash with the principle.
- v. If interest is paid below the rate which may be regarded as fair elsewhere then also it can be regarded as payment of limited interest.
- vi. If a certain limited rate of interest is paid for a certain period but raised or lowered according to the long range movement of interest rates, and not in response to short-term fluctuation on the moneymarket, that does not contravene the principle.

- vii. If a premium is merged into the rate of interest, it is, "from a cooperative point of view, at least dubious".

Disposal of surplus (savings).

"Surplus or savings, if any, arising out of the operations of a society belong to the members of that society and shall be distributed in such manner as would avoid one member gaining at the expense of others.

They may be done by decision of the members as follows :-

- a) By provision for development of the business of the cooperatives,
 - b) By provision of common services, or
 - c) By distribution among the members in proportion to their transactions with the society".
- i. This is the second principle designed to eliminate profit.
 - ii. Cooperative way is to render service at cost. The trading surplus is "an overcharge which belongs to those from whom it has been derived and to whom it should be returned" (Calvert).
 - iii. With regard to the distribution of surplus there are certain operational aspects that must be considered:-
 - a. Provision of goods and services to members at low prices which hardly leads to accumulation of surplus for distribution.
 - b. The business **prudence** some time may require that all or large part of the society's earnings to be placed to reserve.
 - c. A major part of the surplus may have to be devoted to provision of common enjoyment to the members.
 - iv. In the disposal of surplus, there are two main points that should be kept in mind :-
 - a. How to find the proper balance between the interest of the society and those of the individual members.
 - b. To do justice as between one individual member and another. It is important to remember that economic benefits conferred on the members are of various kinds - money, goods or service.

- v. The distribution of surplus among members is an important characteristic that distinguishes a cooperative from a joint Stock Company.

Cooperative Education

"All cooperative societies shall make provision for the education of their members, officers, and employees and of the general public, in the principles and techniques of Cooperation, both economic and democratic".

- i. Definition of education for the purpose of cooperation :

"For the purposes of Cooperation, however, education needs to be defined in a very broad sense which includes academic education of more than one kind but much besides. It includes both what people learn and how they learn it. Every phase of experience, which adds to people's knowledge, develops their faculties and skill, widens their outlook, trains them to work harmoniously and effectively with their fellows and inspires them to fulfil their responsibilities as men or women and citizens, can have educational significance for Cooperation. Less and less in the contemporary world can education be limited to what is learnt in schools and colleges at special periods of people's lives. According to the cooperative concept, education is a life-long process". (Principles Commission Report, page 34).

- ii. The persons who should be covered by the process of cooperative education can be divided into three groups :

- a. Members,
- b. Office holders,
- c. General public.

- iii. The first group, the members, need to be educated in :

- a. principles of cooperation,
- b. rights and duties of members,
- c. elementary economics which is of relevance to day-to-day life.

- iv. The second group, the office holders, include board members and professionals employed. In case of board members education has to be more intensive than in the case of ordinary members. It should include a great deal of business knowledge. The professionals employed need to be trained in appropriate techniques.

- v. The third group, the general public, should be regarded as potential members, persons who must be won over into the cooperative field. They should be kept informed about the cooperative movement's "aims, its organisation and methods, its achievements and its plans for the future".

Cooperation among Cooperatives.

"All cooperative organisations, in order to best serve the interests of their members and their communities shall actively cooperate in every practical way with other cooperatives at local, national and international levels."

- i. The cooperation among cooperatives is playing now and is destined to play in the future a very important role.
 - ii. If the cooperative movement is to achieve continued progress, it has to meet effectively the opposition of big business and of its spokesman, the capitalist press. The cooperative movement, especially in developing countries, has a bad press. It is only a united movement that can meet this opposition effectively.
 - iii. Cooperation between cooperatives may take the form of (a) economic collaboration, and (b) ideological cooperation.
 - iv. Economic and ideological collaboration among cooperatives may be discussed under three headings :
 - (a) Relationship between primary societies and between primaries and higher tier organisations.
 - (b) Cooperation among different sectors of the movement.
 - (c) International Cooperation.
- (a) Relationship between primary societies and between primaries and higher tier organisations:

The ultimate objective of the primary societies and their federations is to serve the primary member. To achieve this end there must be closest possible cooperation and coordination between them.

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(b) Cooperation amongst different sectors of the movement:

Ideological and economic collaboration amongst different sectoral cooperatives is very necessary for the continued progress of the movement.

The ideological collaboration can take the form of joint facilities for education and training of members and employees.

Economic collaboration amongst various sectors of the movement can be of mutual benefit to them. Cooperation between producers' cooperatives and consumers' cooperatives will lead to the seemingly paradoxical but true result of producers getting better returns and consumers receiving the products or services at lower rates by eliminating the middleman.

International Cooperation :

Regional and international seminars and conferences of the International Cooperative Alliance and other international and regional organisations have enabled the cooperative movements of different countries to learn from each other and has created a feeling of solidarity amongst them.

There are many national cooperative institutions which receive foreign cooperators for training. These international exchanges have positive effects on the growth of cooperatives.

There are examples of economic collaborations amongst movements in the west and to a lesser extent in the developing countries. The Scandinavian Wholesale Society and Japan-Thai Aid and Trade Agreement in which Japanese Movement is assisting Thai Cooperatives in the Production of maize are two examples.

Conclusion

"Humanity at large is seeking, however blindly, for a major transformation from a system dominated by capital to one based on human dignity and equality. The Cooperative Movement, when true to its principles and armed with the courage of its convictions, can prove by practical demonstration that a world society is possible in which man is no longer the slave but master of economic forces".

The objectives and the ideals of the movement as a whole "are no less than the attainment of a stage at which conflict, monopoly and unearned profit cease to exist" and this can be achieved only by "the unstinted and united efforts of all cooperators and cooperative institutions, large and small, national and international".

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9.11.1976

IMPORTANCE OF PUBLICITY IN SAJHA PROGRAMME

- KSHETRA PRATAP ADIKAWI

Rural community constitutes 96 percent of Nepal's total population, and 94 percent of rural population depend on agriculture for their livelihood. Nation derives two-thirds of the incomes from the agricultural sector alone. Hence the importance of agriculture in the Nepalese economy.

But when one takes into account the living condition of the overwhelming majority of rural population and the state of agriculture, one is led to conclude that it was high time that some concrete measures were undertaken immediately towards ameliorating the living standard of the rural folks and improving the agriculture.

His Majesty the King on New Year's Day message to the nation was pleased to rightly observe that as long as efforts directed towards the uplift of the small farmers in the rural areas are not successful, the standard of living of the majority of the people can not be raised, and inform that he had commanded His Government to formulate a programme so as to assist the poor and small farmers.

Following the Royal directives His Majesty's Government promptly introduced the Sajha programme with a view to providing agricultural inputs, loans, market for their products and other essential consumer goods and services. The Sajha programme has been launched in as many as 30 districts in the first phase to cover the other remaining districts gradually.

Before coming to the specific topic of discussion, I believe, it will not be out of place to briefly examine the history of cooperation in Nepal. Cooperation, in its modern form and organisation, could be introduced in Nepal only following the ushering of democracy in the country. To

encourage cooperative societies in Nepal His Majesty's Government created the department of cooperatives in 2010. An act to regulate cooperative societies was passed in 2016. But even before that, in 2013, under an executive order, the first agriculture credit society was founded in a resettlement area of Raptidoon. The cooperative bank was established in 2020. In 2018 Sajha (a cooperative society) was established. Though registered as a primary society its aims and objectives were those of a national federation or union. These cooperatives have undoubtedly contributed towards agricultural development by way of providing agricultural inputs and loans to the farmers. But in view of the greater needs of modernising the agriculture on a massive scale these few scattered cooperatives were inadequate both in number and scale of operation. Their numbers and scale of operation had to be expanded if we wanted the cooperatives to play a really important and meaningful role in agricultural development and rural upliftment. The present Sajha programme, if properly implemented, has the capacity and strength to effect the revolutionary changes in agriculture and the general living condition of the rural people.

Cooperatives are basically a people's movement. By its very nature, an active and meaningful public involvement and participation is one of the important pre-conditions for the successful working of the cooperatives. Minus public participation we just cannot imagine a true cooperative. Securing public participation is as difficult as it is indispensable. For this, people will have to be fully acquainted with what cooperative or Sajha programme is, and what benefits they are to get from it. Hence the role and importance of publicity in cooperative development or Sajha programme.

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When we talk of publicity a question immediately follows: publicity of what and for whom? The answer will be the publicity of the importance of the cooperatives or Sajha programme among the people. Identification of the audience for, and the objectives and purposes of publicity are very simple. But it needs no emphasis that the tasks of publicising the objectives and purposes of Sajha programme among the target audience is very difficult. The Sajha programme that we have introduced is specially designed for those who live in rural areas, who are small farmers, They are the target audience to whom the message of Sajha programme will have to be addressed.

The selection of publicity techniques and tools are exceedingly important. Publicity is carried out through the various mediums of communication. Communication can be classified into three broad categories, namely, interpersonal communication, group communication and mass communication. The mass media tends to grow along with other measures of economic and social development. One can easily guess the status of communication in Nepal where less than five percent of population are urbanised and less than 14 percent are literate. From the point of view of communication our rural areas can be classified into two categories: those villages that have access to a nearby city and those that do not have. Where the village is near a city, people go to work in the city and interact with the city people. The villages that do not have access to a city are often isolated. They are hard to reach villages in Nepal. And these are the villages where the Sajha programme has chosen to mainly concentrate its activities. How does communication operate in such villages will be an interesting thing to explore.

It is assumed that villagers still depend on a word of mouth communication for all types of information. Village panchayats, informal groups, friends and relatives still seem to be the main source of day-to-day information. This hard to reach population cannot be approached only by modern communication media. The newspapers and radio are the important mass communication media. In view of the present constraints imposed by the lack of modern modes of transportation and low literacy percentage, newspapers and other printed matters cannot reach the target readers. Radio certainly has some advantages over newspapers but this too has some limitations. These limitations are due to high initial cost that buying a radio set entails on the villagers who lack resources. Considering the above constraints what we can conclude is this that interpersonal communication would be the best channel for getting the message of the Sajha programme across the rural populace. This requires us to exploit local community resources, particularly the Panchayat and social cadres for this purpose. And these community resources, of course, should be supplemented wherever possible by other appropriate mass media. The radio, newspapers and other printed matters that we have been making use of for the publicity of the Sajha programme must be strengthened side by side. Radio listening is increasingly becoming popular among the rural people. In respect of printed matters those having pictorial content like posters are comparatively easily understood by the illiterate masses. This media of communication must be increasing used.

Audio-visual aids such as documentary films etc. also can be made use of for this purpose. The basic element of audio-visual aids being their pictorial content they can be specially useful in our condition.

One of the barriers of communication is lack of credibility. The assumption is that greater the disparity between the communicator and his receivers lesser the effecti-

veness of communication. This problem can be overcome by the local panchayat and social workers who do not have much disparity with the common people. The source credibility is a very important factor because the people have the tendency to believe the message only when they are convinced that the source is credible enough. Moreover, the local Panchayat and social workers have access to both interpersonal and group communication which is very important.

In the initial stage, panchayat and social workers may lack necessary expertise. But since they are living among the people and working with them for several years they so and should not lack trustworthiness. Arrangements have been made so as to closely associate panchayat workers in the implementation of the Sajha programme. They will acquire expertise in course of time. In the meantime, periodical seminars and talk programmes like the ones that were arranged at the time of launching of the Sajha programme could go a long way to acquaint the panchayat worker with the various aspects of the programme. The fact that the Sajha programme has been made one of the bases for the evaluation of the performance of the panchayat workers should certainly inspire them to try to acquire some expertise and trustworthiness.

It need not be pointed out that the Sajha programme is a supplementary scheme to the larger goals of agriculture development and land reform. Target audience and message content of these are almost identical. Since ministries of agriculture and land reform have the biggest network in the country, agriculture extension workers and those working on land reform in the field can be effective communicators to publicise Sajha programme among the rural folks.

Under the new national education plan, greater emphasis has been laid on providing educational opportunities to the rural community. Subsequently, a large number of primary, middle and high schools have been opened all over the kingdom. The teachers working in these local schools can contribute a lot in getting the message of Sajha programme across the rural populace. The school teachers in the village community who in most cases belong to the same locality, are looked up to with a degree of respect and trust by the village people. They are the people of a considerable local influence. They, therefore, can be good communicators for the publicity of the Sajha programme.

Under the national development service scheme of Tribhuvan University, the students are sent every year to work in the rural areas. They can render a good service to propagate the aims and objectives of the Sajha programme among the villagers.

Cooperatives have been adopted in many countries of the world. Some of them have a long tradition and experience of a successful cooperative working. How have they publicised cooperatives; aroused public enthusiasm and a sense of active participation among the people will be a very useful experience for us. We can very profitably share their experience and receive whatever cooperation and assistance they can provide for this task. We have not as yet fully utilised their experiences and assistance. Cooperatives are the non-governmental organisations. Whatever relationship we have with the cooperative organisations of other countries it is through the Department of Cooperatives. Setting up of a national union of cooperatives in Nepal will, therefore, go a long way to muster greater resources for this purpose from outside also.

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In the foregoing passages, I have tried to highlight the importance of publicity in the Sajha programme, analyse some of the media of communication we can make use of, and finally the problems confronting us in this task. I wish the conference to further explore and suggest the ways and means so that publicity could be carried out with greater force and utility.

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NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL

5 - 14 December, 1976, Kathmandu, Nepal.

LAND REFORM AND SAJHA MOVEMENT

by Hon'ble Dr. M.M.Sainju,
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The topic that has been given to me is very simple one. But at the same time very complex one, simple because the participants in this seminar are in one way or another way much more familiar with the programme that is being implemented in Nepal. Complex because even for those people who have been involved in programmes like land reform and Sajha movement they are finding that there are more complexities. There are issues that go beyond simplistic sort of the analysis of the programme. So, what I will do is not really to go into details what is land reform and what is Sajha movement, since I presume that in general both these information are known to you. If some of you have any sort of question on that naturally we can take it up. I want to relate how land reform programme and Sajha movement correlate themselves and in fact complement the very objective of the Government to institutionalise the rural development programme in Nepal. So what I will do is, on the one hand, I will try to identify some of the reasons as to why land reform programme has become such an important programme. Then I will try to come to certain problems of identification that lead us to think that Sajha movement is playing much bigger role in the context of rural development and then as I said to you earlier, I will try to relate the complementarity of these two programmes and in the final analysis I will put before you some of the basic issues that both these programmes concern for the days to come. So on the one hand when we think of land reform first of all, we should think of about the characteristics of our economy. As you all know we are an agricultural country with more than 94% population still directly or indirectly depending on agriculture. We are a country which still depends heavily on agriculture.

More than 2/3 contribution to our NBP is made by our agricultural sector and until now we find that the income of Nepal that it generates, through external trade is equivalent to 80% from this sector. As far as the remaining population is concerned, it is very difficult to identify them as a pure urban population because even the highly populated urban centre of Nepal like Kathmandu valley is difficult to be purely defined as cosmopolitan or the urban centre. So, some social scientists even try to call Kathmandu as a headed urban centre because we have village characteristics in many ways and at the same time it is most cosmopolitan and urban centre of Nepal. What do these hard facts tell us? They tell us that the agriculture is still going to be the back-bone of the economy and until and unless the development begins from agriculture the very concept of development may be of superficial one. Now if the agriculture is the backbone of our development then what is the condition of agricultural economy at present. Here we see that agricultural practices are traditional, the literacy rate is very low, the modern inputs and modern tools of agricultural practices are of a recent origin and the institutional factors that govern the agricultural sector are still of feudalistic characters. Now because of these characteristics our politicians in the past always thought that land reform happens to become very popular issue for the political manifesto and we find that immediately after the political change over in 1951 whoever came to power or whichever government came to power they always considered the land reform to be an important element of development. But then we also find that in the final analysis, land reform programme was more on political tone, more on paper, more on laws and very little on implementation. Only after 1960 under the leadership of Late Majesty King Mahindra, we find that the serious confession was made by the government and the realisation was made and until and unless an implementable programme is developed, land reform will not be implemented by enacting laws only. So we find that post 1960 era started the real implementation of

land reform programme. Land reform programme now is already under implementation through out the Kingdom. Achievements made by the land reform programme are already before us. There is a very drastic change in the attitude of the people that concentration in land and particularly absentee landlordism is no more beneficial to themselves.

It is now beginning to be realised that the tenants who always thought that pleasing their masters are only the ways they could stay in the farms are gradually realising that their rights to stay in the plots of land they are cultivating will make them more stronger. The providence of institutional facilities provided by the government such as through the Agricultural Development Bank, Cooperatives, Agricultural Department Offices, Agricultural Inputs Corporation and so and so forth are providing them increasing help and facilities in increasing the production. On the other hand, there are still problems in land reform which still needs to be seriously taken up. Now in this context, we come to another set of reasons why Sajha programme had to come into existence. One of the reasons why Sajha programme came as it has come today is the very experience that we have had in our development efforts in the past. We have completed four periodic plans except one, three of them are of Five Year Plans and in execution of these four plans we found out that Nepal has made a series of programme, a tremendous progress in many areas. But at the same time we found out that the most underprivileged group of the economy, the most backward community of our society is not in a position to harvest the fruits of development that these plans are providing and the most under privileged and small farmers have not been able to harvest the opportunities that are being provided by the developmental activities. The participation which is an essential factor in development is not coming through and the development of rural areas is not being institutionalised in the interest of rural population itself. But because of these reasons and reasons

as I mentioned in relation to land reforms background generated a feeling of an urgency that required a programme that would basically look forward the interest of the majority of the farmers particularly small and underprivileged farmers and at the same time to avail the opportunities that are provided by institutional development, development of infrastructure, such as Agricultural Development Bank, Agricultural Department Office, Agricultural Inputs Corporation, Cooperative Department Offices and so forth and in the final analysis to see that the more and more people, more and more citizens of Nepal are directly participating in the process development.

Now I think, as I indicated earlier, there are many points of complementarity between these two programmes. One as I said is the concept of participation itself. The very objective of land reform is to see that the majority of our agriculturists, majority of our peasants are capable of participating in the decision making process. We found out that traditional institutional structure did not avail that opportunity to the majority of the population because of the feudalistic structure of agricultural system, because of the economic and social domination under which most of the farmers have to be stayed in the past. Participation in the proper sense of this term could never be materialised.

Even under the Sajha programme what is being envisioned is that the majority of the farmers who are mostly small and under privileged farmers, unless and until they participate in the process of development through increased production and sharing of the production, the concept of participatory democracy i.e. heart core on Panchayat system will not be materialised. The second complementary point that these two programmes envisioned viz. the production drive. One of the important objectives ~~ix~~ of land reform programme was not only to see that there is an institutional change in the ownership pattern of land, land reform not only envisioned surplus land to be distributed to the tenants or tenants be provided security of tenancy but also envisioned

that with the security of tenancy, with the distribution of additional land, with the fixation of rent we would be able to provide all necessary encouragement, incentives to the farmer so that farmer could devote his attention in increasing the production. The Sajha programme, on the other hand, is also trying to see that the small and under privileged farmers who are in the greatest majority devote their energy in increasing their production through the mechanism of credit, inputs and marketing of their produce.

The third basic point of complementarity that these two programmes addressed to, is the change in the decision making structure. The land reform programme, directly or indirectly envisioned that the participation of the peasants will naturally change the rural structure of the Nepalese society. The economic decision and the social decision in the rural areas and even the political decision, (because of the fact that politically, socially and economically better-off people happen to be the better-off people in the political area also) is being monopolised by the landed class aristocracy or whatever you call it and the money lender class or the landlord class. The land reform wanted to see that this decision making is decentralised to the larger areas to the rural society through the method of enhancing the status of farmer by making them secured tenancy by providing them rights and privileges to the land they cultivate. On the other hand, the Sajha programme is envisioning more democratic method of change in the decision making structure of the present rural society by envisioning that each and every farmer of the rural society will automatically become the member of the Sajha programme.

The economic & social decision making systems that are centering around to their agricultural practices will make them eligible gradually to be making their own decisions and finally those programmes, land reform as well as Sajha programme, not only

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envisioned change in the decision making structure but also envisioned distributive justice in the real sense of term.

The increased production through the implementation of land reform and through the implementation of the Sajha Programme is going to make more and more farmers benefited out of it instead of few people or few families in the rural areas.

Now with these sorts of complementary characteristics of these two programmes, now in the final sort of analysis, let me through some of the issues that are still remain before us. As I say land reform is not without any problems, Sajha programme although, only a recent one and is in very infancy stage, though these programmes are bound to face very critical issues and these issues until and unless, properly taken up, may defeat the very purpose for which these two programmes have been envisioned and have been put for implementation. Has there been desired institutional change in the rural society, that the land reform envisioned, this question still is a very critical issue. This question is still a very important one because until and unless there is an institutional change in the real sense of the term, the fruits of development, the fruits of supporting of development of rural areas will still be monopolized by few families instead of many families. So what is essential is to make sure that the institutional change that is designed through the land reform programme is maintained in the proper sense of the term, that is that no families are capable of evading from the land reform measures that the real cultivators or the tenants of the plot of land they till, tenancy right is provided to the real cultivator not the middle man. The rate is fixed in favour of the tenants that it is not in favour of the land-lord and against the interest of the tenants and that the credit facilities, whether it is through Gram Samiti or through cooperative or through Agricultural Development Bank, are geared to those people whose needs are paramount one, rather than for those who will try to get those

facilities and then again sub-loan it to the landless tenants. So unless and until institutional change is real again the inputs that we provide in various ways will be in the wrong direction. So this is still a critical issue that we face.

Second critical issue that we have still to face is the challenge of reaching to the small farmers and under privileged farmers of the Nepalese rural areas. The Sajha programme is basically designed to see that the small and under privileged farmers do get the facilities and the land reform programme through the programmes of compulsory savings and loan determination and so forth, basically aim to reach to small farmers and under privileged farmers. But unless and until we do a very detailed analysis of our own performance as to whether we have really been able to reach to small farmers or not, we will again be defeating our purpose. So, merely extension of loan or extension of credit, merely the consumption of fertilizer, merely the opening of societies whether it is Sajha or Cooperative or whatever we name them are not going to be the indicators of our achievements. Unfortunately progress reporting they happen to be the major figure that we always quote. These days we are seeing in the paper, 10 crores are being channelised 2 crores are already gone. The most important question is to whom these credit facilities are being channelised and what number of families are benefiting from these additional efforts that are being channelised through programmes like land reform or Sajha programme.

The third element, probably which is out of our control and out of the control of this seminar is the political mobilisation and the evaluation of political workers at the various levels also happen to play a very critical role, because in both programmes in land reform as well as in Sajha programme and more so in Sajha programme, the programme rely on local mobilisation.

The land reform is more bureaucratic in comparison to Sajha programme, because land reform has district offices and land reform mostly rely on Khardar rather than on pancha. But the process of implementation of land reform programme also is being envisioned through political mobilization, but in case of Sajha there is hardly any bureaucratization except the manager at the field level. The whole process of Sajha undertaking is conceived at the local mobilisation process and that is the political mobilisation. So unless and until the political mobilisation is tuning itself to these objectives and needs, we may be defeating our basic purposes.

Finally, but most important one, is the problem of coordination and I think the theme of the seminar itself indicates that efforts are being done to develop rural societies and rural societies being back bone of our national economy, unless and until the efforts that are being channelised to these rural areas are properly co-ordinated not only at the field level but also at the central level. The slogan of co-ordination will always remain with us and the problem will always remain at the field level. Time and again, this point is emphasized. In every seminar, every conference, every meeting we talk about co-ordination but then what? At the same time, we find always that there are problems of co-ordination. I have met many times in the field level meetings also and of course, I have the privilege of meeting many times at the national level or policy level meetings and there is always one agenda, that is, of Samahnoya but we never get samahnoya (co-ordination). I do not know why. So, I think, if we can pin point as to why despite the earnest fact, earnest willingness in all the people there must be co-ordination, why we are not capable of bringing proper co-ordination. There must be reason. It is not the fault of any person or any agency individually. There must

be some intricate reasons as to why co-ordination problem always remains and until and unless this problem is really sorted out, I think for country like ours where the man power is still very short of our needs, where the financial resource is going to be a constraint for many years to come. Unless and until we coordinate our efforts we will neither maximise our performance at the field level nor we will really be in a position to institutionalise development at the grass root level. Now with these words I have taken half an hour, I suppose. I stop here and then probably remaining half an hour we can discuss ourselves. If there are any questions, comments or observations from the participants that would be most welcome.

Thank you very much.

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DEMOCRATIC CONTROL AND LEADERSHIP
IN LARGE SIZE COOPERATIVE SOCIETIES

by

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ICA ROEC, New Delhi

NATIONAL SEMINAR ON
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INTERNATIONAL COOPERATIVE ALLIANCE
REGIONAL OFFICE & EDUCATION CENTRE
FOR SOUTH-EAST ASIA
43, Friends Colony, New Delhi-14

HIS MAJESTY'S GOVERNMENT
OF NEPAL
Ministry of Land Reform
Department of Cooperatives,
Kathmandu, Nepal.

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"The primary and dominant purpose of a cooperative society is to promote the interest of its membership. What the members' interest are in any given situation only they can finally determine. A cooperative therefore will not in the long run work well and prosper without agreed and efficient methods of consulting the members as a body and enabling them to express their wishes. Moreover, since it is the members who bring a cooperative into existence and whose constant adhesion and support keep it alive, those who administer its affairs and, in particular, conduct its day to day business must be chosen directly or indirectly by the members and enjoy their confidence. It follows further that the administrators and managers are accountable to the members for their stewardship, report regularly in a business-like manner on their activities and submit the results to the members' judgement. If the members are not satisfied, they have the authority and the power to criticise, to object, and in extreme cases, to dismiss and replace their officers and officials".

This quotation from the ICA Principles Commission Report amply explains what is meant when we say the cooperatives are democratically administered.

The question that comes to one's mind when one talks of democratic administration in a cooperative is, what is the characteristic of a cooperative that ensures the democratic control of its affairs? It is the provision in the cooperative system for equal rights for all the members who have joined together as human-beings to form a cooperative society. This provision entitles the members equal rights and opportunities of participating in decisions and expressing views on policy of the society.

The equality of rights of the members is enshrined in the cooperative system by giving one member one vote, irrespective of his social and economic status and his share contribution to the society.

The general meeting gives the opportunity to the members to exercise this right. However, the system of one member one vote does not guarantee in itself the effective democratic administration in a society. "Much depends on the circumstances in which members are called upon to vote and in which the votes are cast on".

In a small society where all the members can gather together to a general meeting the exercising of the right of every member to one vote is simple. But when a cooperative system becomes bigger by amalgamation or by simple expansion, the general meeting of members becomes less reliable and authoritative as supreme democratic organ for a society. Therefore ways and means have to be found out to develop methods and systems to ensure that members have an opportunity to exercise their right of vote so that the democratic character of the cooperative can be preserved.

Number of methods have been evolved by the cooperatives all over the world to ensure ample opportunities to the members to participate in decisions and express views on policy.

I shall outline few of these methods that can be adopted by a large society.

1. The society breaks its general meeting into a series of district meetings. The members belonging to each district can attend its district meeting. These district meetings go through all the business of a general meeting. The members also cast votes for the candidate seeking election to the committee and the votes cast at all the meetings are finally totalled to select the committee members.

2. Another method is to conduct the meetings in the same ways as above but to allocate to each district of the society a number of committee men and each district meeting to elect the number of committee men allocated to the district.

3. The third is the delegates meeting method. The society breaks its area into several district or blocks. If the society has branches the area served by each branch can be included in a block. Each block holds a meeting of the members residing within the area of the block and discuss the business that would be coming up before the general meeting. The block meeting also appoints delegates to represent the block in delegates meeting. The number of delegates each block can elect to represent it would be in proportion to the number of members living in the block. The representatives or the delegates meeting elect a committee of management from among the delegates.

This delegates body can either dispense itself after the annual meeting is held and business gone through or can remain itself in being and meet from time to time to discuss broad policy questions, to examine occasional reports on the activities of the society that can be presented to it by the management or to conduct any other business that would be necessary to maintain the members control over the management of the society.

Whatever is the form of the meeting and the method of electing the committee, the most important factor that ensures the democratic administration of a society is the active member participation in these processes. If the majority of the members do not participate in the meetings, the decisions that are taken in them naturally would represent only the minority wishes. The unhappy position of having to conduct general meetings with a minority of the membership present is noticed in many countries. The reason may be manifold. Sometimes even when a society is running well its meetings are thinly attended. The members might feel that it is not necessary for them to attend as the management of the society is done well and that they have nothing to criticise or complaint. When the management of a society is weak members can get disinterested as each one will think that his presence in the general meeting would not make any difference.

The thin attendance can also be due to factional feelings among the members of the society. One faction would not like to participate in a meeting of a society which is controlled by the other faction.

The uninterested manner in which meetings are conducted and accounts of the society are presented, more than anything else, may be the reason for thin attendance at general meetings.

Several simple devices to make a general meeting interesting and attractive can be thought of. The meeting can be held over a meal. The members and their families can be invited to them. A film can be shown after the meeting or a concert can be staged.

A speaker can be invited to deliver a lecture at the meeting on a subject that would interest the general membership.

A small gift may be distributed to those who attend the meeting.

Another way of making meetings attractive and lively is by simplifying the presentation of the annual report and the financial statements. They must be in terms that the ordinary member can understand. Audio-visual aids such as graphs and charts could be used to present financial statements and to explain the progress of the society. The general meeting in fact should be a social-cum-educative event for the members which they would not like to miss.

Representation in the committee

The provision for the selection of members to the committee should be carefully made in order that the opinions and wishes of all sections of the society are reflected in the committee. If a society is composed of, say, farmers, artisans and fishermen's, all these sections should, as far as possible, be represented in the committee. If that does not happen the unrepresented section will develop an attitude of apathy towards the society.

The general membership should be vigilant and follow as closely as possible the activities of the society if they are to exercise an effective control of the destinies of their society. In most of the developing countries law provides that if a committee is found inefficient or corrupt that it can be removed by the Registrar/Commissioner and arrange for a election of a new committee or he may appoint a board to direct the affairs of the society temporarily. However, if the members have the desire that the society should be independent they should not leave the supervision of their society and the responsibility of taking corrective action to the government alone. These responsibilities should also be shouldered by the members themselves. The elected auditors can be the organ through which they can maintain a close supervision of the society's affairs.

Renewal of the committee

Some societies have the practice of renewing the committee every year while some do so once in three years. The practice of renewing the committee every year though may have the advantage of larger number of members getting a chance of serving in the committee would suffer from the disadvantage of the committee men not getting sufficient time to gain experience. Having the life duration of a committee for a longer period would also allow the committee to draw up long-term plans for the development of the society and to implement them. The system that prevails in some countries of one-third of the members retiring every year could be a compromise between the systems of having short and long duration committees. Such a system would be improvement over the other two systems in that it allows new blood to come in every year while maintaining the continuity of the committee by allowing some to stay on.

Size of the committee

The committee should be large enough to allow all sections of the membership to be represented in it and small enough to be able to be business-like, work quickly and efficiently. If the committee is sufficiently large in a large society, each district or blocks can have a representative in it. If the society's membership consists of different types of farmers, livestock producers, fishermen's etc., all these sections can be represented. However when the committee is large it would be difficult for it to meet often. The conducting of business in a large committee would be comparatively slow. On the other hand, a small committee would be able to meet often, conduct its business quickly and also decision-making would be easier.

Therefore a balance must be struck between the two extremes of having a very large or a very small committee.

One solution would be to have a large committee which meet at comparatively rare intervals and to elect a small executive

~~committee from among the committee members to meet more often and to take care of all the day-to-day business.~~

The general manager of the society should also be a member of this executive committee.

Education of committee members

The importance of educating committee members cannot be over-emphasized. The members that get elected to committees may not be able to understand accounts nor to read a balance-sheet. Therefore, it is essential to train them in simple business accounting and business methods, cooperative principles and practices to enable them to supervise and guide the paid staff of the society.

Even if the committee members are men of learning, they should participate in educational programmes at regular intervals in order to keep abreast with the new development in business and management techniques.

Committee procedures

For the effective working of a committee, it must have a simple but consistently observed procedure. All meetings should be announced in advance to the members, there should be a written agenda and the proceedings of the meeting should be reported.

Duties and responsibilities of management committee and the manager

In a small society, it may be possible for the management committee to manage the affairs of the society - i.e. it can do the work of the manager. But the business in a large society calls for a special management skills and therefore the services of a competent manager assisted by a well trained staff.

Duties and responsibilities of the management committee

- a) Appointing the manager,
- b) Delegation of responsibilities and powers to the manager.
- c) Deciding policy,
- d) Reviewing results,
- e) Ultimate responsibility of the operation of the society,
- f) Public relation.

Duties and responsibilities of a manager

- a) Appointment of junior staff in consultation ~~with~~ with the committee,
- b) Supply of information needed for policy-making,
- c) Making recommendations to the committee for setting targets,
- d) Supply of information to the committee for them to review the results,
- e) The day-to-day management of the society.

Leadership

There are two types of cooperative leaders in developing countries - the official leaders and the non-official leaders. The official leaders are the officials appointed by the government to promote the cooperative movement.

The cooperatives particularly in other developing countries serve the economically weaker sections of the society. This is more true in the case of agricultural cooperatives. Most of their members are economically under-privileged and educationally ill-equipped. They still live within an antiquated social structure characterised by rigid class stratification. In a situation like this, no progress can be achieved without generous doses of outside assistance, not only financially but also in the way of provision of initiative and guidance. This sort of assistance normally comes from government which is interested in the

welfare of the people. It is the duty of all governments to create conditions for the welfare of the people. The cooperatives are initiated and fostered by national governments in our countries expressly for the reason. The existence of the class of leader referred as official leader is the result of the governments initiation and fostering of the cooperatives.

The official leaders task is that of sponsoring the movement. He should act as the guide, philosopher and friend of the movement. He must consider himself first a cooperator and only second an official. He should have abiding faith in Cooperation and well-versed in the techniques, methods and procedures of cooperative work. He must try to discover leadership among the members and assist them to develop their leadership qualities. This however does not mean that the official leader should by any means try to impose leaders of his choice on the membership.

The non-official leaders are those chosen by people themselves. The non-official leaders are more effective when they come from the common run of the membership. They would have a genuine interest in solving the problems of the ordinary members as these problems would also be common to them. If the leadership is provided by men of a class higher than that of a other majority of the members, there can be a danger of creating two classes in the same society, namely, the governing class and their followers.

This may transform the leadership positions in cooperatives to prestigious places sought after by the climbers of the social ladder rather than positions which demand unremitting services to the membership by those who occupy them.

Such a situation would also be detrimental to the achievement of the members aspiration of sharing the responsibility of managing their own affairs.

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By suggesting that cooperative leaders should come from the common run of the membership, I am not attempting to belittle the the services that have been rendered by the leaders who have come from outside. In the pioneering stages of cooperative development, they have rendered valuable services for the establishment of the cooperative movement in this part of the world. For reasons mentioned earlier, the services were essential at the pioneering stages. Even in Europe, the leadership comes from outside in the pioneering stages as in the persons of Owen and Raiffeisen. But as cooperatives become well established leadership must develop from within. In fact, if the leadership has not come from within a cooperative, it cannot claim to be well-established.

If the democratic administration of a cooperative society is to function effectively and efficiently its leaders has to be of the highest quality. The leaders of the society must possess highest attributes of leadership. Some of the attributes of leadership are :

- (a) a genuine interest of the welfare of the people,
- (b) ability to inspire confidence in them,
- (c) firm faith in the principles of the organisation,
- (d) persistence and perseverance for accomplishment of the desired ends,
- (e) willingness to subordinate - the personal desires to the interest of the group,
- (f) knack to understand people and their reactions,
- (g) objectivity and forthrightness,
- (h) ability to do original and creative thinking.

Duties of Leaders

- (a) shaping the general policy.
- (b) stimulating the people to seeking solution to their problems.
- (c) observing current trends of the movement and identifying problems and working out practical solutions.
- (d) getting the acceptance of the membership for the solutions found.
- (e) directing activities in accordance with the accepted policy and solutions
- (f) defending the movement from the enemies from within and without.
- (g) educating of the members.
- (h) spreading the movement.

(2)

- (b). Multipurpose societies more suitable in Asian countries-small holdings also can produce more-meets most of the basic needs. Taiwan, Japan and Republic of Korea are examples.
- (c). Marketing of agricultural produce of the farmers at fair price-provision of storage and marketing facilities from subsistence to market economy. Cooperatives tend to put more money particularly in the conditions of the developing countries in the hands of the underprivileged categories of the population-healthy influence in the economy.
- (d). Agro-based industries such as processing dairy, sugar factories small scale industries such as weaving, craftsmanship.
- (e). Land tenure - no land reform has fully succeeded unless it has been followed by cooperatives-coop. farming - joint management and operation as an individual farm unit - excessive fragmentation rules out the economic use of farm machinery.
5. Organisation of central Sajha to promote cooperatives in the non-agricultural sector
 6. Provision of Sajha economy in the constitution economic programme of 'go to the village national campaign- Sajha programme in 30 districts.
 7. Social progress - economic development tends to be followed by social progress, organisation of cooperative hospital societies, pensioners home of Denmark - coop. holiday home - coop. club - funeral society of England - home life improvement societies of Japan- women welfare societies
 8. Conclusion - Power structure at village level - example to be given by local leaders - opposed to coop. headmen aristocratic families and land lords - needs coordination and support from different agencies and peoples active participation-evaluation of local leaders in the light of his contribution to Sajha.

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ROLE OF COOPERATION IN SOCIO-ECONOMIC
DEVELOPMENT IN NEPAL

by

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Joint Secretary
Ministry of Land Reform

1. Principle of Cooperatives such as open membership equality, fraternity, limited interest on share clearly indicate the role of cooperatives in socio-economic development. Cooperatives are meant for the amelioration of underprivileged low means and weaker section of the society. A medium to implement village level economic development programmes and to bring about modification of out dated social structure or institutional change.
2. Agriculture as main source of national income and employment. 93% of the total population directly or indirectly engaged in agri. pursuit and more than 65% of national income from agriculture. Their attention to be focussed in the development of agriculture.
3. Historical background of cooperative movement in Nepal.
4. Contribution of cooperatives to social and economic development
 - (a). chronically indebted to merchants and money lenders - have to pay high rate of interest - crops are mortgaged before sowing or sold immediately because lack of facilities - supervised credit through technical guidance and systematic control of the use of loans.

Multi-purpose Agricultural Cooperatives in Japan

Integrated approach to
agricultural cooperative
development

by

Shiro Futagami
The Central Union of Agricultural
Cooperatives
Tokyo

presented at

NATIONAL SEMINAR ON INTEGRATED APPROACH TO
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I. INTRODUCTION

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Japan consists of four main islands - Hokkaido, Honshu, Shikoku and Kyushu - in addition to a number of island chains. The archipelago, lying off the eastern coast of the Asian continent, stretches in an arc, 3,800 km long. It covers an area of about 370,000 square kilometers. The climate is generally mild and the four seasons are clearly distinct. Rainfall is abundant, ranging from 1,000 mm to 2,500 mm a year.

Due to the country's mountainous topography, arable land is very limited and only about 15.1% of the total area represents agricultural land, of which paddy fields occupy 59%. The total cultivated land in 1975 was 5,572,000 hectares, which means an average landholding per farm-household was 1.1 hectares.

Table 1: Land utilization in 1974

	1,000 hectares	%
Total area	37,210	100.0
Cultivated land	4,520	12.1
Orchard	640	1.7
Grazing field	460	1.3
Forest	25,600	68.8
Housing, factory road, river etc.	5,990	16.1

Table 2: Cultivated land

(Unit: 1,000 ha.)

	Paddy field	Upland field			Sub-Total	Total
		Vegetables	Orchards	Grazing		
1960	3,381	-	-	-	2,690	6,071
1965	3,391	1,948.0	525.8	139.8	2,614	6,004
1970	3,415	1,495.0	600.2	285.7	2,381	5,796
1975	3,171	1,289.0	628.0	485.2	2,402	5,572

Table 3: Number of farm households by sizes of land holdings (Unit: 1,000)

Hectares	1960	1965	1970	1974
Less than 0.5	2,275	2,096	1,999	1,906
0.5 - 1.0	1,907	1,762	1,604	1,504
1.0 - 1.5	1,002	945	868	789
1.5 - 2.0	404	407	404	371
2.0 - 3.0	201	214	241	242
Over 3.0	36	41	60	73
Total	5,823	5,466	5,176	4,885

Note: Hokkaido is not included.

Agricultural production in Japan may be said to be concentrated upon food products and in recent years production of fruits, vegetables and livestock products has been increasing, while the production of wheat, barley, soybeans and potatoes has decreased drastically. Such divergent trends in agricultural production may be attributable to the selective expansion of production adjusted to changes in the structure of food consumption and to the unfavourable impact of agricultural imports from abroad when the demand for these products was continuing to grow. Reflecting these circumstances, Japan's self-sufficiency rate of agricultural food products fell in aggregate index numbers from 90% in 1960 to 72% in 1974.

Table 4: Commodity-wise composition in total agricultural output

	1965	1970	1973	1974
Total	100.0%	100.0%	100.0%	100.0%
Rice	43.1	37.9	33.7	36.3
Wheats	3.0	1.0	0.4	0.5
Beans	1.8	1.2	1.2	1.1
Potato	2.5	1.7	1.6	1.8
Vegetables	11.8	15.9	20.2	20.0
Fruits	6.6	8.5	7.6	7.6
Industrial crops	4.8	4.4	4.5	4.0
Cocoon	2.3	2.7	3.0	1.7
Beef cattle	2.4	2.1	2.6	1.9
Pig	4.4	5.4	5.5	5.9
Hen & Chicken	8.7	8.9	9.2	9.2
Milk	3.7	5.0	4.9	5.2

Table 5: Agricultural production index

(1970 = 100)

	1960	1965	1970	1974
Total	79.5	89.0	100.0	102.0
Rice	100.9	97.7	100.0	97.0
Wheats	332.9	230.4	100.0	46.0
Beans	176.3	121.7	100.0	91.6
Vegetables	72.7	84.1	100.0	102.6
Fruits	56.6	69.5	100.0	118.1
Flowers	-	-	100.0	146.0
Dairy cow	50.1	70.9	100.0	86.1
Beef cattle	82.0	102.4	100.0	100.9
Pig	27.1	62.8	100.0	127.7
Broiler chicken	5.5	38.1	100.0	137.5
Egg	34.2	67.0	100.0	103.2
Milk	363.5	189.0	100.0	102.6

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Table 6: Self-sufficiency ratio of foods in percentage

	1960	1965	1970	1974
Total agri. food products	90	81	76	72
Grain	83	61	48	40
Rice	102	95	106	102
Wheat	39	28	9	4
Barley	107	73	34	11
Beans	44	25	12	11
Out of which Soybeans	28	11	4	4
Vegetables	100	100	99	98
Fruits	100	90	84	83
Eggs	101	100	97	98
Milk & milk products	89	86	89	83
Meats	91	89	88	84
Sugar	18	30	23	15

Table 7: Food Balance Sheet of Japan for 1974

(Unit: 1,000 M/T)

	Domestic production	Import	Export	Domestic consumption
Grains	12,838	19,922	297	32,133
Rice	12,292	63	271	12,033
Wheat	232	5,485	26	5,517
Barley	182	2,038	-	2,086
Naked barley	51	-	-	46
other grains	81	12,336	-	12,451
Potato	4,376	11	-	4,387
Starch	1,052	105	-	1,185
Beans	436	3,441	-	4,151
Vegetables	15,126	360	1	15,485
Fruits	6,343	1,381	126	7,598
Meats	2,117	407	2	2,540
Egg	1,793	41	-	1,834
Milk, milk prod.	4,875	1,037	-	5,876
Fishes	9,962	779	996	9,745
Fats	1,311	398	144	1,628

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Table 8: Major agricultural commodities imported

(Unit: Quantity - 1,000 M/T; Value - US\$ million)

	1965		1970		1972		1975	
	Q	V	Q	V	Q	V	Q	V
Total imports of Japan (A)	-	8,169.0	-	18,881.2	-	23,470.7	-	57,863.1
Total agri. imports (B)	-	1,940.0	-	3,247.6	-	4,336.5	-	11,211.7
Wheat	3,645	251.1	4,685	318.4	5,148	361.2	5,654	1,117.0
Soybean	1,847	225.7	3,244	365.8	3,396	474.2	3,334	940.3
Maize, sorghum	4,864	315.5	9,807	629.5	9,556	593.7	11,264	1,678.6
Meat	83	38.9	204	124.1	353	320.7	365	572.5
Banana	358	60.6	844	144.2	1,062	147.7	894	164.1
Raw sugar	1,693	149.3	2,596	282.7	2,776	445.1	2,469	1,686.6
Rape seed	101	13.1	336	41.4	604	75.9	659	241.8
(B)/(A) %	-	23.7	-	17.2	-	18.5	-	16.7

In contrast with the rapid reduction of the agricultural population, the number of farm-households decreased only slightly from 5.99 million in 1960 to 4.95 million in 1975, of which only 12.5% were entirely dependent on agriculture for their livelihood, while 87.5% primarily or secondarily relied on non-agricultural industries. The ratio of agricultural income to total household income decreased from 50.2% in 1960 to 27.1% in 1974.

Table 9: Farm households and farming population (Unit: 1,000)

	Farm Household	Agri. Population	Population engaged in Farming	Total Population	A/C %	B/C %
		A	B	C		
1965	5,665	30,083	9,900	98,275	30.6	10.1
1970	5,342	26,282	8,230	103,720	25.3	7.9
1972	5,170	24,989	6,870	107,332	23.5	6.4
1973	5,100	24,383	6,290	108,710	22.6	5.8
1974	5,027	23,812	6,070	110,098	21.6	5.5
1975	4,953	23,195	5,930	119,934	19.3	4.9

Table 10: Number of part-time and full-time farm households
(Unit: 1,000)

	Total No. of farm household	Full-time farm household	Part-time farm household		
			Total	Part-time I	Part-time II
1965	5,665	1,219	4,446	2,081	2,365
1970	5,342	831	4,510	1,802	2,709
1972	5,170	743	4,427	1,404	3,023
1973	5,100	675	4,425	1,303	3,122
1974	5,027	628	4,399	1,222	3,177
1975	4,953	618	4,337	1,259	3,078

Note: Full-time farm household - None of a family is engaged in other occupation than agriculture.

Part-time I - One or more member(s) of a family is (are) engaged in outside job but agricultural income of a family is more than non-agricultural income.

Part-time II - One or more member(s) of a family is (are) engaged in outside job but agricultural income is less than non-agricultural income.

Table 11: Farm household economy (national average per household) (Unit: ¥1,000)

	1960	1965	1970	1974
Family members	5.72	5.32	4.88	4.60
Land holding (hectares)	0.98	1.03	1.09	1.12
Agri. fixed capital	327.5	599.8	1,174.2	1,343.4
Agricultural income (A)	225.2	365.2	508.0	923.0
Non-agri. income	184.3	395.6	885.2	2,022.9
Other receipts	39.5	74.3	198.7	454.4
Total household income (B)	449.0	835.1	1,591.9	3,400.3
Household expenses	368.4	654.5	1,225.2	2,299.9
Net savings	50.7	120.6	223.6	750.5
(A)/(B) %	50.2	43.7	31.8	27.1

Note: Household expenses do not include taxes.

Table 12: Status of agriculture in national economy

	1960	1965	1970	1974
Total individual expenditure for consumption (¥ billion)	9,065.2	18,631.1	37,521.3	78,448.5
Out of which foods and drinks (%)	42.7	37.7	34.1	33.0
Domestic net production (¥ billion)	13,273.4	26,215.0	59,290.6	113,063.4
Out of which agricultural production (%)	10.2	8.2	5.5	4.9
Farm products in total exports (%)	4.1	1.8	1.9	0.7
Farm products in total imports (%)	19.7	23.7	17.2	15.1

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II. ITS ORIGIN AND GROWTH

The modern cooperative movement in Japan started after 1900 when the Cooperative Society Law was enacted. This Law authorized the formation of four types of cooperatives: credit, marketing, purchasing and processing. A few years after that, the Central Cooperative Union was established, at which time its devoted leaders availed themselves of the establishment in inaugurating an energetic campaign to form cooperatives on a nationwide scale. In 1906 credit societies were authorized to perform the additional function of marketing business. Thus, the nucleus of the present-day type of the multi-purpose cooperative societies was formed.

With the outbreak of World War II, cooperatives were reorganized into compulsory organization in order to meet the demands of a wartime controlled economy. Coupled with this, the policy of obligatory membership substantially altered the cooperative nature of the movement.

In 1947, the Agricultural Cooperative Society Law was promulgated with a view to sustaining and developing farm management and livelihood of owner-farmers who got their lands after the World War II by Land Reformation. The Law provided that agricultural cooperatives be managed on the cooperative principles.

Within about one year after the enactment of the Law, agricultural cooperatives and their federations were established on the city, town and village, and prefectural and national levels. However, some of them were plunged into financial difficulties only a few years after their establishment as a consequence of the economic turmoil and drastic shifts in the Government's economic policy during this period. In 1951, the Law for Rehabilitation and Consolidation of the Agricultural, Forestry and Fishery Cooperatives came into effect in order to help them overcome such difficulties. It provided for the rehabilitation of the sound financial status of cooperatives experiencing management difficulties. After this, federations also fell into management difficulties as a result of their financial deficits. For these reasons, the movement started rebuilding, supported by the Law for Promoting Consolidation of the Agricultural, Forestry and Fishery Cooperative Federations.

When the National Guidance Federation of Agricultural Cooperatives established after the World War II was reorganized into the present Central Union of Agricultural Cooperatives in 1954, agricultural cooperatives which had survived the chaotic age of the postwar economy began their activities in a more integrated manner based on demands of the members, so as to gear the cooperative activities effectively to the members' farm and livelihood improvement targets. They carried out the "Integrated Business Planning Campaign of Agricultural Cooperatives", which was then followed by the "Three-year Plan for Renovation and Expansion of Agricultural Cooperatives." In 1961, the Law of Amalgamation Assistance for Agricultural Cooperatives was enacted under which the merger of cooperatives was promoted. In 1967, the 11th National Congress of Agricultural Cooperatives adopted the Basic Agricultural Development Scheme to realize highly efficient and high-income earning agriculture. Based upon such a precept, efforts were made to create cooperative farming complexes.

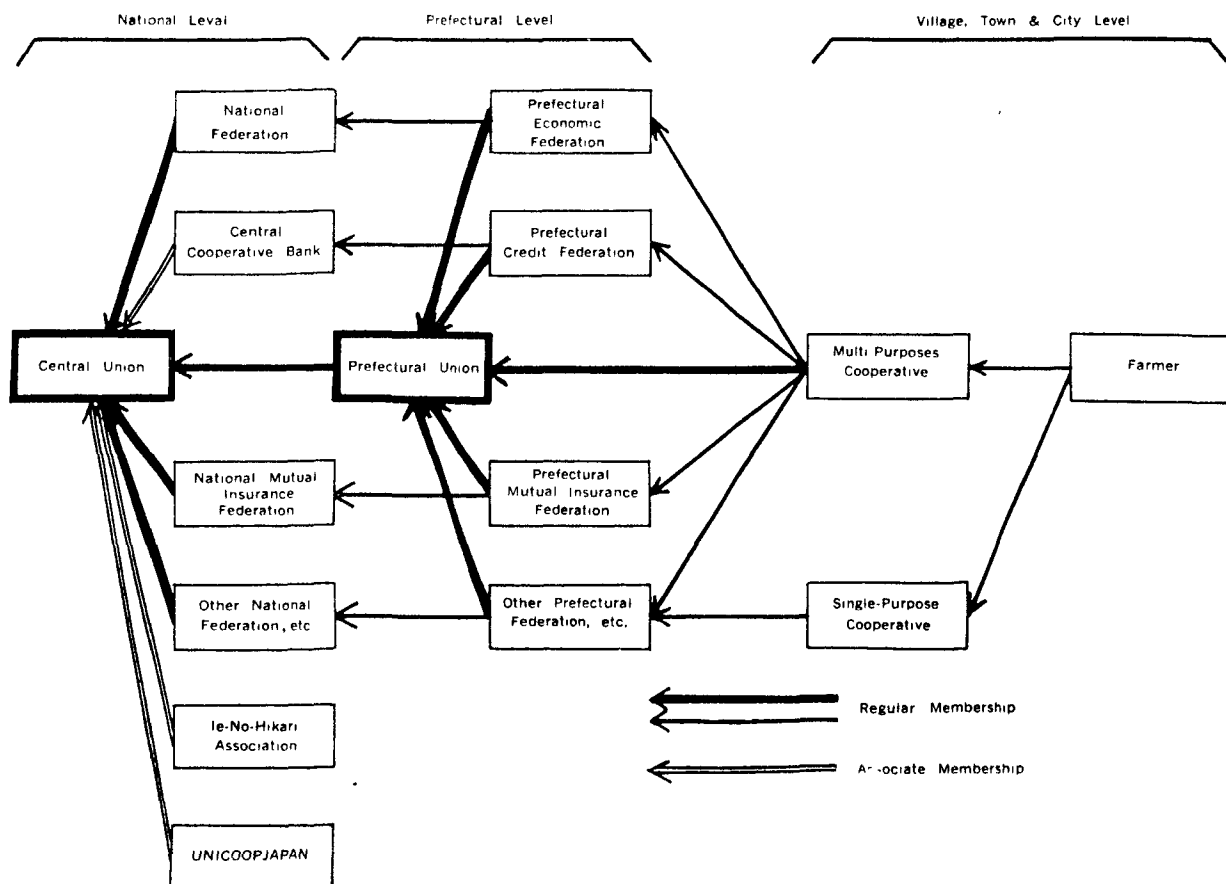
III. ORGANIZATION OF AGRICULTURAL COOPERATIVES

1. Primary Agricultural Cooperative Societies

In Japan, the primary agricultural cooperative societies are organized on the city, town and village levels, with their memberships composed of farmers as regular members and non-agricultural inhabitants as associate members. At present, almost all the farm household is enrolled in it.

The primary agricultural cooperative societies can be classified into two categories: multi-purpose and single-purpose types. The former are engaged in the activities of marketing various agricultural products, inputs supply, credit, mutual-insurance, utilization, processing, etc., based on advisory service to members for their better farming and living comprehensively to meet all the necessities arising from their production and consumer lives. Such multi-phased activities are geared to the realities of Japanese farmers who are engaged in mixed farming. The multi-purpose cooperatives form the main current in the Japanese agricultural cooperative movement.

Chart I Structural outline of agricultural cooperative movement



Also, in certain specific sectors, such as fruits and vegetables, sericulture and livestock raising, there are single-purpose agricultural cooperatives which are organized to concentrate on the marketing of products from these sectors. Almost all of their members are concurrently members of multi-purpose agricultural cooperatives.

Table 17 Number of Agricultural Cooperatives (primary)

	1960/61	1965/66	1970/71	1974/75	1975/76
Multi-purpose agri. coops.	12,050	7,320	6,049	4,942	4,803
Single-purpose coops.					
Gen. service	973	538	437	256	251
Sericultural	6,293	4,294	2,557	1,646	1,590
Livestock	3,052	807	644	584	577
Dairy	-	764	715	683	676
Poultry	-	294	288	272	272
Grass land	-	1,141	1,023	919	901
Horticulture	679	676	571	583	578
Rural Indust.	597	496	334	254	248
Settlers'	4,789	4,438	3,484	830	615
Farm Broad-casting	-	183	169	134	129
Others	463	346	319	386	390
Sub-total	34,204	26,436	10,541	6,547	6,227
Grand Total	46,254	33,756	16,590	11,489	11,030

Table 18 Number of Multi-purpose Societies by Sizes of Membership

	March 1975	
	Number	%
Less than 500 member households	1,746	35.3
500 - 999	1,504	30.4
1,000 - 1,999	1,016	20.5
2,000 - 2,999	372	7.5
3,000 - 4,999	246	5.0
More than 5,000 member households	68	1.4
Total	4,952	100.0

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2. Prefectural Unions and Federations

The primary agricultural cooperative societies have their corresponding federations on the prefectural level which are organized according to specific functions. The federations can be broken down into two categories: (a) those mainly composed of multi-purpose agricultural cooperatives such as prefectural economic federations, prefectural credit federations, prefectural mutual-insurance federations, prefectural welfare federations, etc. and (b) those composed mainly of single-purpose agricultural cooperatives such as dairy cooperative federations, sericultural cooperative federations, horticultural cooperative federations, and so on. The latter then complement the functions of the former.

Each of the 47 prefectures in Japan has a prefectural union of agricultural cooperatives whose members are primary cooperatives and prefectural federations. They do not engage in any economic business, but function in the areas of guidance, coordination, research and survey, education, information, and auditing on behalf of primary agricultural cooperatives and prefectural federations. In addition, they act to represent the interests and will of the agricultural cooperative movement in each prefecture.

Table 15 Number of unions and federations

As of March, 1976

	Secondary federations	Prefectural unions	National federations
Unions		47	
Federations			
Credit	47		
Economic	56		1
Insurance	48		1
Welfare	32		1
Sericulture	196		4
Livestock	106		3
Dairy	68		1
Poultry	16		2
Horticulture	81		5
Rural Indust	40		-
Settlers'	14		1
Emigration	26		1
Agri. broad-casting	22		-
Others	71		-
Total	823		20

3. The Central Union, National Federations and Others

Each federation on the prefectural level has its counterpart organized on the national level. The national federations can also be broken into the two categories of (a) those related to multi-purpose agricultural cooperatives such as the National Federation of Agricultural Cooperative Associations, the National Mutual-Insurance Federation of Agricultural Cooperatives, the National Press and Information Federation of Agricultural Cooperatives, the National Welfare Federation of Agricultural Cooperatives, and so forth, and (b) those related to the single-purpose agricultural cooperative movement such as the National Federation of Livestock Cooperatives, the National Federation of Dairy Cooperatives, the National Federation of Sericultural Cooperatives, the National Federation of Horticultural Cooperatives, and so forth.

In addition to this, there are the Central Cooperative Bank for Agriculture and Forestry, the National Association of (Prefectural) Credit Federations of Agricultural Cooperatives, the Ie-No-Hikari Publishing Association, the UNICOOPJAPAN, etc., but they are not national federations as defined by the Agricultural Cooperative Society Law.

The Central Union of Agricultural Cooperatives is a nation-wide organization, and its members are primary agricultural cooperatives, prefectural federations, prefectural unions of agricultural cooperatives, and various national federations. It not only engages in services such as guidance, coordination, investigation, education, information, auditing, etc., but also represent the interests and will of the agricultural cooperative movement in Japan.

In addition, the majority of multi-purpose agricultural cooperatives have youth and women's associations of their own, which are designed to act independently to promote agricultural cooperative movements, and have their own organized councils on the prefectural and national levels.

IV. DEMOCRATIC CONTROL AND MANAGEMENT SYSTEM

1. Organs of Multi-purpose Societies

The multi-purpose agricultural cooperative society is composed of regular members, and associate members without voting rights. The former are farmers and the latter are inhabitants living in the locality where the cooperative society in question is situated. In order to control activities of the society there are three organs.

a) General meeting

General meeting is the supreme decision-making body for an agricultural cooperative society and held annually. In case of a large-scale agricultural cooperative society with a considerable membership, a representatives' meeting is instituted with an authority for decision-making. In addition to the annual (representatives') meeting, an extraordinary general (representatives') meeting will be held when board of directors deems it necessary, more than one fifth of regular members requested or auditors deem it necessary.

b) Board of directors

Board of directors is composed of directors elected at the general meeting for the period of three years. At least three fourth of directors must be elected from among regular members. The board of directors performs the services of the society along the policy lines adopted by the general meeting. A president and managing director(s) are elected by the board of directors from among its members for full-time service.

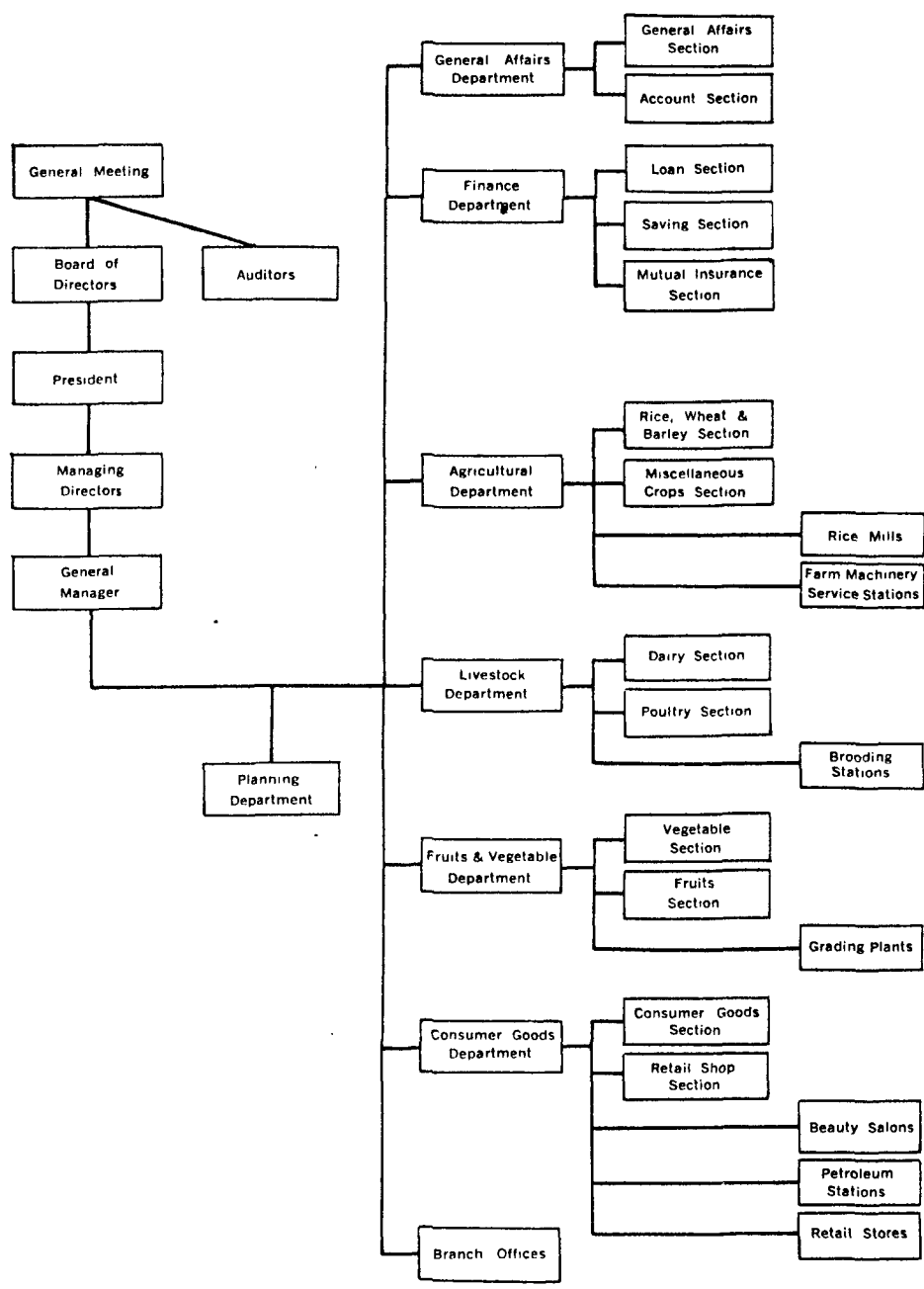
c) Auditors

The general meeting elects more than 2 auditors for the term of three years. The auditors are to maintain a check on the status of services by the board of directors as well as on the assets of the society and to point out any defaults, and thereby ensure that the society is developing in the right direction.

In addition, each multi-purpose agricultural cooperative society has a local organization on the hamlet level, which provides a forum for the society and its members for maintaining communication and mutual understanding. More recently, the members have come to be organized for each sector of farming, so that, for example, a "rice producers' group," could be an arena for the society and its members to promote communication and to disseminate information relating to farming techniques and farm management.

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Chart 2 General pattern of internal structure of multi-purpose cooperative society



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2. Management system

Management of an agricultural cooperative society is entrusted to the board of directors by its members, and it formulates the basic policy and programme of management, executes after the approval at the general meeting and evaluates the results. The president and managing directors of the society takes the responsibility of formulation, implementation, coordination and control of further detailed work programmes according to the policy decided at the board of directors meeting.

Work programmes are usually divided into several departments according to their services, such as guidance, marketing, supply, credit, mutual-insurance, etc. for implementation. Recently, however, more and more agricultural cooperative societies have structured their service machinery according to specific sectors of farming. Responsible for daily services are a full-time managers and other employees.

Increase of farm income and stabilization of household economy are the essential factors for sound and effective management of agricultural cooperative societies. In view of this, it has been promoted to have an long-term management programme of an agricultural cooperative society on the basis of long-term plan and the needs of individual member farmers.

Recent remarkable changes of socio-economic conditions, however, in rural areas have created diversified interests of the members and greater need for an integrated farm production and marketing system. In order to meet such diversified needs and to attain the targets, agricultural cooperative societies have promoted amalgamation, and thereby establish stronger basis for business operations of agricultural cooperative societies.

Table 1 Figures of Multi-purpose Cooperatives
As of March, 1975

	Total	Per Society
Number of societies	4,803*	
Membership		
Regular members	5,793,793	1,160.9
Associate members	1,814,693	363.6
Total	7,608,486	1,524.4
Elected Officials		
Directors	68,819	13.8
(Out of which full-time)	7,034	1.4
Auditors	19,622	3.9
Total	88,441	17.7
Employees		
Managers	3,409	0.7
Farm advisers	15,963	3.2
Better living advisers	1,958	0.4
Other employees	245,964	49.3
Total	267,294	53.6
Share capital (¥1,000)**	299,579,000	56,878.4
Volume of business (¥1,000)**		
Marketing	3,017,843,127	572,971.9
Supply	2,053,507,253	389,881.8
Balance of loan	5,162,556,459	970,170.2
Balance of saving	10,411,006,338	1,976,648.2
Long-term insurance	23,452,033,870	4,390,290.9
Unappropriated surplus**	68,339,948	12,975.1
Number of Coop Stores **	10,079	2.8

* As of March, 1976

** As of March 1974

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Table 17 Management of Societies in Figures -- Annual Growth Rate

(Unit: %)

	1972/73	1973/74	1974/75	1975/76
Gross business profit	21.2	32.2	30.5	17.1
Administration cost	17.9	26.0	31.4	19.2
Out of which Personnel exp.	18.2	26.6	33.5	20.2

Table 18 Progress of Amalgamation of Multi-purpose Societies

	No. of cases of amalgamation	No. of societies participated in amalgamation	No. of Multi-purpose societies	Note
1960/61			12,050	
1961/62	137	541	11,586	
1962/63	210	912	10,813	
1963/64	216	967	10,083	
1964/65	237	1,066	9,135	
1965/66	578	2,599	7,320	Amalgamation Aid Law was enacted on 1st Apr. '61 Validity of the Law was 5 years
1966/67	35	135	7,209	
1967/68	58	169	7,074	
1968/69	218	829	6,470	
1969/70	99	378	6,185	9 May 1966 First revision Extended 3 years
1970/71	42	162	6,049	
1971/72	102	439	5,688	23 May 1970 2nd revision Extended 2 years
1972/73	101	393	5,488	
1973/74	67	286	5,198	
1974/75	119	234	4,942	
1975/76	60	219	4,803	22 Mar. 1972 3rd revision Extended 3 years
Total	2,279	9,529	-	
Estimates after 1976	300	1,199	3,904	1st Apr. 1975 4th revision Extended till 31-3-1977

Table 19 Management Analysis of Societies

(Unit: %, 1,000 Yen)

	1973/74	1974/75	1975/76
Administration costs against gross business profit (%)	75.0	83.4	84.9
Personnel expenses against gross business profit (%)	55.1	62.3	64.0
Labour productivity (A) (Gross business profit/number of officials & employees)	2,517	2,943	3,401
Growth rate of (A) (%)	36.9	16.9	15.6
Wage level (B) (Personnel expenses/number of officials & employees)	1,363	1,835	2,176
Growth rate of (B) (%)	28.7	34.6	18.6

Table 20 Number of Societies with Profit or Loss

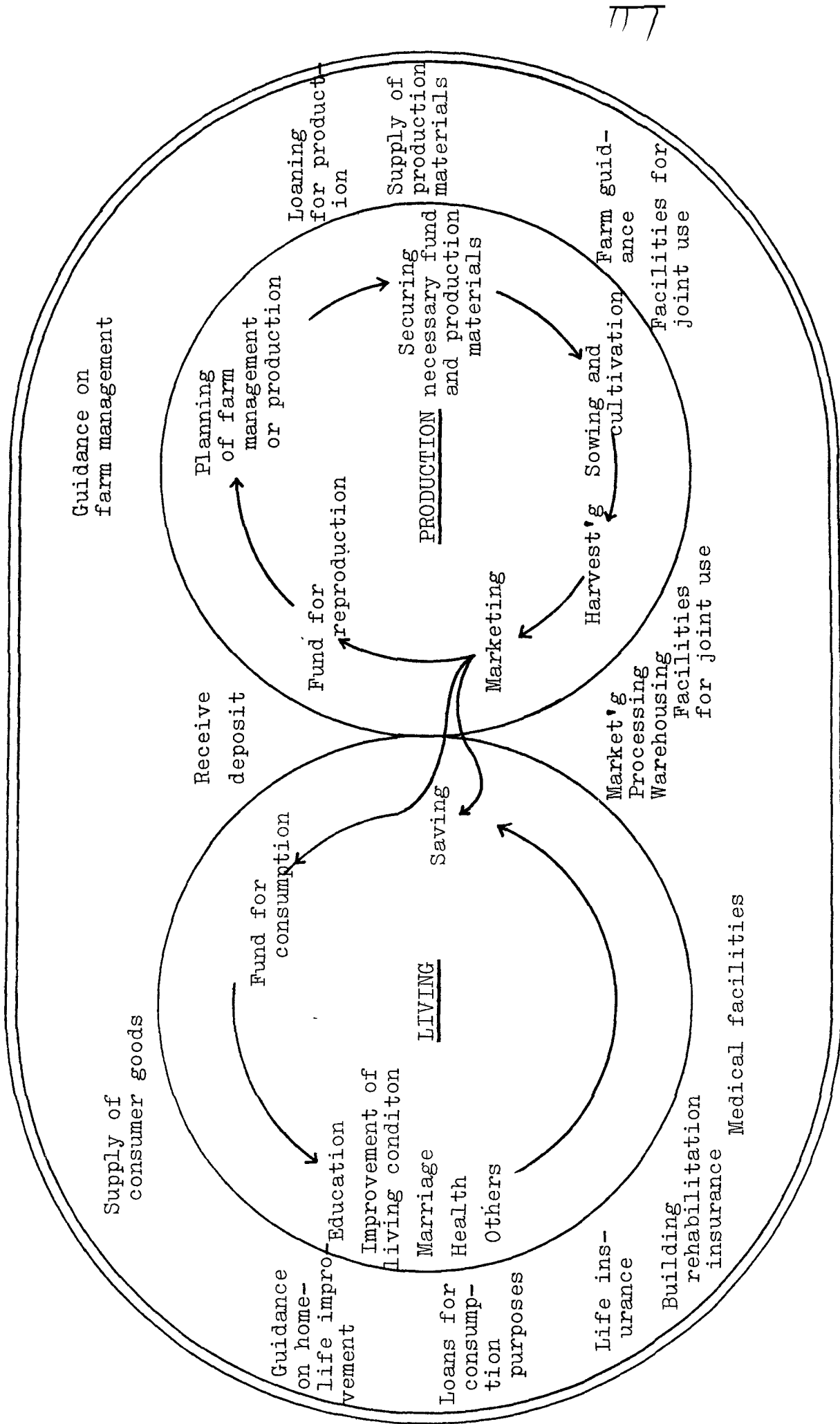
	1973/74	1974/75	1975/76
Societies with profit (%)	98.5	98.3	97.5
Average amount of profit per society (¥1,000)	14,976	17,225	19,682
Societies with loss (%)	1.5	1.4	2.3
Average amount of loss per society (¥1,000)	9,543	14,515	17,505

3. Integrated Approach of Multi-purpose Societies

Though credit, marketing, supply and utilization services were undertaken by one cooperative society even pre-war days, it was not called as multi-purpose cooperative society. In these days four services mentioned above operated independently and there was not much linkage between them. Any one of these four services, however, is an integral part of farmer's economic life. It was necessary, therefore, for agricultural cooperative societies to contribute more effectively to increase agricultural production and to improve economic and social standard of farmers by integrating various functions through farm guidance service. This idea was realized after the World War II and it has become a special feature of the agricultural cooperative movement of Japan.

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- a) Ways of integration of various activities to contribute to the increased agricultural production and farm income
- i. Guidance service on formulation of farm management improvement plan based on the regional and individual conditions.
 - ii. Procurement of the fund required for implementing such farm management improvement programme of individual farmers.
 - iii. Establishment of facilities required for implementing such programme and supply/purchase of production materials.
 - iv. Guidance service on effective use of facilities and materials.
 - v. Grading, assortment, processing and packaging of products.
 - vi. Joint shipment and marketing.
 - vii. Collection of marketing proceeds and settlement of the payment.
- b) Ways of integration of various activities to contribute to the improvement of living standards
- i. Guidance service on formulation of long-term and short-term planning for home-life improvement.
 - ii. Savings to meet household expenses in immediate and distant futures.
 - iii. Supply/purchase of consumer goods and establishment of facilities required.
 - iv. Correct use of consumer articles and facilities.



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V. ACTIVITIES OF MULTI-PURPOSE AGRICULTURAL COOPERATIVE SOCIETIES AND THE ROLE PLAYED BY FEDERATION

The kind of activities which multi-purpose agricultural cooperative societies can perform in accordance with the Agricultural Cooperative Law are in the areas of marketing, purchasing, credit, mutual-insurance, utilization, processing, education, guidance, etc.

In Japan multi-purpose agricultural cooperatives predominantly represent agricultural cooperative movement and engage in all these activities.

1. Guidance Activities

The guidance activities, as distinguished from the economic businesses, are designed to take charge of guidance and educational affairs in regard to agricultural production, farm management and ways of living on the part of the members, and thereby to help improve their farm management and livelihood. For this reason, each primary society has farm advisors and advisors for home-life improvement. Followings are the objectives of farm management guidance;

- consolidation of basic farmland conditions,
- selection of farming sectors,
- regional farm programming,
- individual farmers' farming programmes,
- unification of production materials, such as species or fertilizer,
- improvement and unification of production techniques,
- joint grading and marketing, etc.

These guidance activities are integrated with other economic businesses to make a contribution to increased productivity, cuts in production costs, and more profitable marketing. Furthermore, organizing cooperative farming complexes by specific farming sectors, and building up an integrated system for production and marketing, are the most significant goals of guidance activities.

Mentioned below are the objectives of guidance for home-life improvement;

- home economy planning,
- improvement of diet, clothing and housing,

- cultural activities,
- health control and sanitary education, etc.

For improving guidance activities conducted by primary societies, the prefectural unions in association with the Central Union provide them with assistance and guidance, and also hold training courses for farm advisors and advisors for home-life improvement.

2. Marketing Business

The purpose of the cooperative marketing business is to market on a more profitable basis agricultural products produced by members. Three basic methods of agricultural cooperative marketing are (1) unconditional consignment, (2) commission system and (3) pooling account system.

Primary agricultural cooperative societies call on members to undertake planned production and unification of the quality and standards of their products, and also to rely exclusively on their cooperative marketing business facilities to realize more profitable marketing through mass and planned delivery. It charges a predetermined rate of commission from the members to cover necessary costs.

While the bulk of agricultural products collected by primary agricultural cooperative societies are sold on the national market through the prefectural economic federation and the National Federation, some will be sold on the local market. In addition to such outlets, products are sold to bulk consumers like factories or hospitals on a contract basis, and in forms of direct sales through cooperative stores run by primary agricultural cooperative societies and/or their federation as well as at the perishable commodities distribution centres operated by the prefectural federation. More recently, there has been an increasing tendency for direct transactions to be made with consumers' cooperatives.

To advance their marketing activities, primary agricultural cooperatives, economic federations, and the National Federation all have and operate distribution facilities of their own, such as the distribution centres.

Chart 4 Basic mechanism of cooperative marketing business

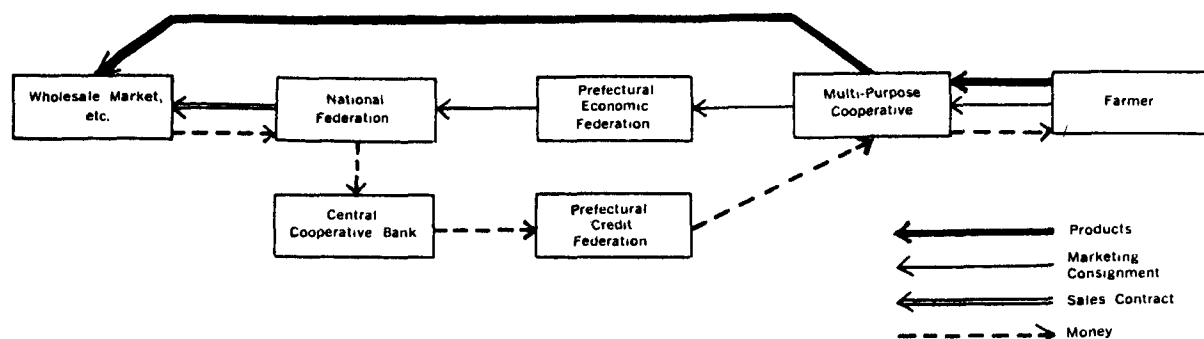


Table 21 Marketing Turnover of Multi-purpose Societies for 1974/75

No. of coops. surveyed: 4,991

(Unit: ¥1,000)

Commodities	Total	Per Society
Rice purchased by the government	1,232,467,075	246,937.9
Rice sold to wholesalers	542,073,818	108,610.3
Rice disposed in other way	12,712,492	2,547.1
Total of wheat, barleys	28,315,998	5,673.4
Miscellaneous cereals and legumes	36,527,852	7,318.7
White & sweet potatoes (Including processed goods)	39,776,756	7,969.7
Silk cocoon	79,657,218	15,960.2
Vegetables	409,333,737	82,014.4
Fruits	363,420,125	72,815.1
Tea	26,919,335	5,393.6
Other industrial crops	70,613,895	14,148.2
Rice straw goods	1,860,944	372.9
Other agricultural products	107,325,165	21,503.7
Fresh milk	167,842,011	33,628.9
Milk for processing (Incl. processed milk products)	11,502,530	2,304.7
Eggs	99,700,720	19,976.1
Chicks and breeding cocks	2,691,175	539.2
Broiler and aged chicken	46,042,469	9,225.1
Dairy cattle	9,940,565	1,991.7
Beef cattle	172,389,409	34,540.1
Hogs	190,669,681	38,202.7
Livestock (Breeding cattle, pigs, calves and piglets)	102,515,805	20,540.1
Other livestock products	18,054,850	3,617.5
Total	3,772,353,625	755,831.2

3. Purchasing Business

The purpose of the cooperative purchasing business is to furnish cooperative members with production materials or consumer goods on favourable terms. The basic formula in the primary agricultural cooperative purchasing business is the advance order and pooling account system. The members, based on farm and home economy plans, place their orders on the cooperative for which the prices are charged after having been pool accounted.

The agricultural cooperatives call on their members to make full use of the cooperative supply business facilities to ensure more favourable supplies through planned purchases in large quantities. In addition to this, however, daily consumer goods and the like are supplied at stores run by agricultural cooperative societies separate from the advance order system or the pooling system. The primary agricultural cooperative societies gather orders from their members and place them on the prefectural economic federation, which will in turn order them from the National Federation. In addition to this, primary agricultural cooperative societies or prefectural economic federations sometimes give orders independently to manufacturers. Some of the productive materials or consumer goods supplied to members are the products manufactured by joint-stock companies in which capital the National Federation has a share. To promote their supply business, the agricultural cooperative societies, prefectural economic federations and the National Federation all have facilities, such as distribution centres.

Chart 5 Basic mechanism of cooperative purchasing business

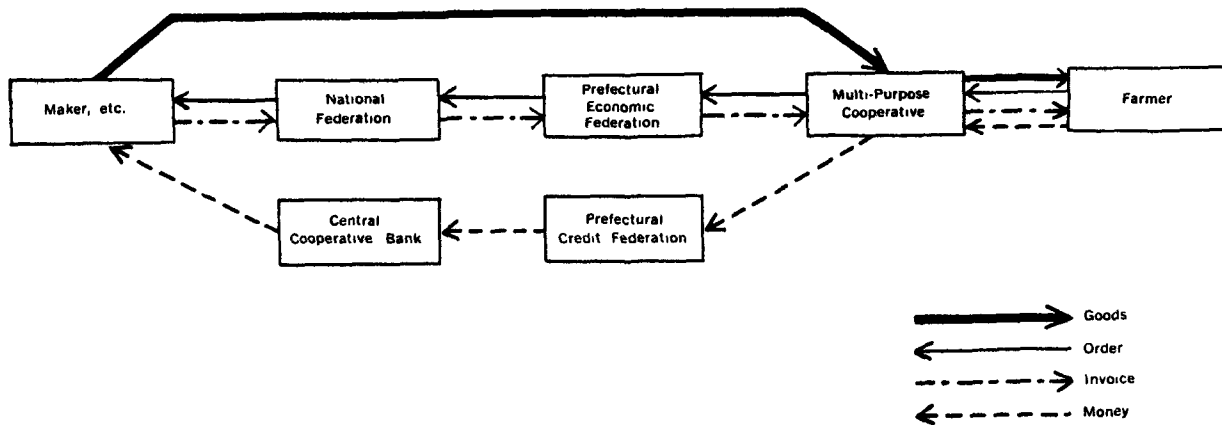


Table 22

Supply Turnover of Multi-purpose Societies for 1973/74

No. of coops, surveyed: 4,991

(Unit: ¥1,000)

Commodities	Total	Per Society
Production materials		
Feed	455,193,059	86,423.6
Fertilizer	216,967,602	41,193.8
Agr. chemicals	113,948,994	21,634.5
Green house materials	39,793,906	7,556.3
Packing materials	55,875,599	10,608.6
Agr. machinery	214,517,347	40,728.6
Oils	128,655,310	24,426.7
Automobile excluding bicycle	66,354,178	12,598.1
Building materials	22,489,993	4,270.0
Others	157,537,463	29,910.3
Total	1,471,338,451	279,350.4
Livelihood necessity		
Rice	47,511,746	9,020.6
Other foods	221,562,770	42,066.2
Clothings	32,385,956	6,148.8
Durable consumers goods	53,254,704	10,111.0
Miscellaneous daily commodities	74,041,338	14,057.6
L.P. Gas	25,805,076	4,399.4
Others	72,089,898	13,687.1
Total	526,651,488	99,990.3
Grand Total	1,997,989,939	379,341.2

4. Credit Business

The purpose of the cooperative credit business is to receive members' funds as deposits on favourable terms and accommodate other members with funds at a low rate of interest.

The deposits handled by a primary agricultural cooperative society can be classified into three categories; current deposits, ordinary deposits and fixed-term deposits. With the exception of reserves for repayment of these deposits, the remaining sum is available as loanable funds for the production and livelihood expenses of its members.

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As regards long-term and low-rate interest loans vital to agricultural investment, however, since any primary agricultural cooperative society finds it difficult to meet independently such credit needs, it may either furnish funds of its own at a low interest rate while receiving an interest subsidy from the Government, or function as the disbursement window for the Government's low-interest loans. Any surplus funds left after loans have been advanced to the members will be used as loans to local public entities, deposits in a prefectural credit federation or working capital for business operations. Funds placed on deposit from a primary agricultural cooperative society at the prefectural credit federation may be available as loans to any primary agricultural cooperative society facing a short supply of funds, as funds for business operations by various prefectural federations, or as loans to local public entities. The remaining sum is placed in deposit at the Central Cooperative Bank for Agriculture and Forestry, which not only advances funds received on deposit from credit federations to any other credit federations in need to adjust monetary surplus or shortages occurring regionally or seasonally, but also operates a large sum of money as funds for business operations by the national organizations, or as loans to industries related to agriculture.

Also, bills for marketing and purchasing businesses are settled through the credit business organizations.

Table 23 Major Interest Rates of Credit Business of Multi-purpose Cooperative Societies

	Term (months)	Interest rate (%)
Members' savings		
Time deposit	3	4.50
	6	5.75
	12	6.75
	24	7.00
Ordinary deposit	-	2.50
Loans(Agricultural Modernization Fund)		
Fund for agri. building	12 years	6.0
Fund for farm machinery	7	6.0
Fund for fruit trees	15	6.0
Fund for livestocks	5	6.0
Fund for land improvement	10	5.0
Fund for environmental improvement	20	6.0
Specially approved fund	15	6.0

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Table 24 Balance of Deposit and Loans of Multi-purpose Agricultural Cooperative Societies (Unit: 1 million yen)

Year	Deposit		Loans		(B)/(A)
	Balance (A)	Rate of increase	Balance (B)	Rate of increase	%
March 1970	50,209	22.9%	24,474	23.4%	48.7
" 1971	59,400	18.3	30,076	22.9	50.6
" 1972	71,176	19.8	34,392	14.4	48.3
" 1973	92,384	29.8	39,954	16.2	43.2
" 1974	112,149	21.4	57,917	45.0	51.6
" 1975	129,933	15.9	68,631	18.5	52.8
" 1976	152,320	17.2	75,050	9.4	49.3

5. Mutual-Insurance Business

The purpose of the mutual-insurance business is to compensate for damages suffered by any member of a primary agricultural cooperative society through mutual aid and thereby to ensure security in his life. Unlike other businesses, this business was launched only after the World War II.

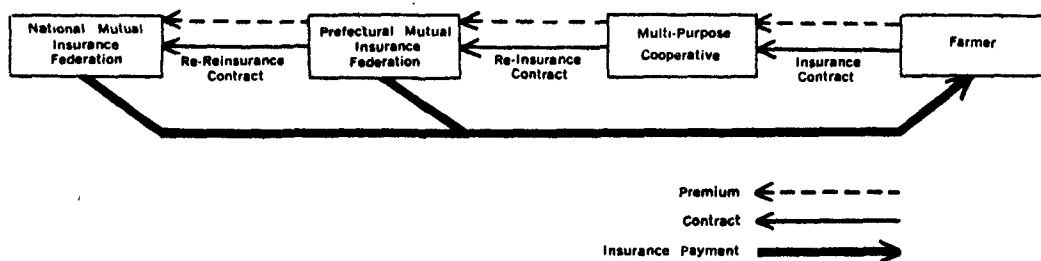
The mutual-insurance business of an agricultural cooperative society can be grouped into the following types: long-term insurance, such as life endowment insurance, juvenile insurance, building endowment insurance and dwelling-house construction insurance; and short-term types, such as fire insurance, cooperative building fire insurance, automobile insurance, compulsory car accident liability insurance, personal accident insurance and fixed-term life insurance.

Since mutual-insurance business of agricultural cooperative society is conducted with its members as policy holders and therefore can be operated in a most rational way, premiums are lower than those of private insurance.

Since mutual-insurance business cannot be, by its nature, conducted by a single primary agricultural cooperative society alone, a cooperative society makes a reinsurance to the prefectural mutual-insurance federations, in this way diversifying risks. Ultimately, the latter make a reinsurance to the National Mutual-Insurance Federation.

Premiums which have been accumulated by prefectural mutual-insurance federations or the National Mutual-Insurance Federation will be made available for medium and long term agricultural loans and also for general loans to make sure that capital is used effectively. Furthermore, promotion of activities for advancing livelihood welfare is part of the mutual-insurance business.

Chart 6 Basic mechanism of cooperative insurance business



6. Utilization and Processing Businesses

The purpose of utilization and processing businesses is to enable members to make joint use at a relatively small expense of such facilities owned by a cooperative society for agricultural production and livelihood, as will otherwise be beyond the reach of individuals.

There are a wide variety of joint facilities which can be used for agricultural production such as large-sized tractors, country elevators, repair workshops, pumping facilities, grading and packaging plants, pig breeding stations, chicken processing plants, etc. Joint use of these facilities is not only linked to raising agricultural productivity, and cuts in production costs, but also is essential to unified grading, and planned production and marketing.

Joint facilities available in the field of living are extremely diversified, such as medical facilities, food processing plants, wire-communication facilities, barber shops and wedding ceremony halls. Among them, medical facilities belong to a prefectural welfare federation since their possession is beyond the reach of a single agricultural cooperative society.

Furthermore, any primary agricultural cooperative society is authorized to conduct farm management in a fiduciary capacity entrusted by its members or to deal with transactions in transferable farmland.

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The purpose of a cooperative processing business is not only to increase added value of agricultural products through processing, which makes agricultural marketing more profitable, but also to encourage self-production of production materials to ensure a cheap supply.

Marketing-oriented processing business is primarily meant for food manufacturing, while supply-oriented processing is mainly operated for the production of compound feedstuffs.

Therefore, while primary agricultural cooperative societies have comparatively small plants of their own, prefectural economic federations and the National Federation engage in large scale processing businesses, which would be beyond the reach of primary agricultural cooperative societies, in their directly managed plants or fully paid-up joint stock corporations.

Table 25 Number of Multi-Purpose Agricultural Cooperative Societies with Joint Use Facilities As of March 1974

Rice mill	2,509	societies
Joint silkworm rearing facility	653	
Fruit & Vegetables Collection centres	2,078	
Fruit & vegetable grading plant	1,320	
Brooding station	199	
Egg washing & grading plant	310	
Milk collection depot	548	
Milk cooling station	131	
Bulk feed storage	281	
Farm machinery service station	2,139	
Car repairing shop	641	
Petroleum station	2,562	
Tractors for joint use	1,076	

7. Educational Activities

The purpose of cooperative educational activities is to enhance cooperative consciousness among the members of agricultural cooperative societies through a variety of means. That is, primary agricultural cooperative societies engage in information services through such media as wired communication sets, news-paper, posters, etc., hold round-table discussions for their members, run training courses, study visits and the like. In addition, prefectural unions, the Central Union, prefectural federations, and the national federations are engaged in radio and TV

broadcast programming, movie production, and supplying materials. In addition, while the National Press and Information Federation of Agricultural Cooperatives publishes "Japan Agriculture," the Ie-No-Hikari Publishing Association publishes monthly magazines such as "Ie-No-Hikari" (Light at Home), "Chijo"(Good Earth), and "Kodomo-No-Hikari" and other books.

Also, training courses are held on each level to upgrade capability of agricultural cooperative officials and employees. For this purpose prefectural unions and the Central Union own their training schools and a college. Moreover, prefectural federations and the national federations have various kinds of educational facilities for technical training.

8. Legislative Activities

The purpose of legislative activities is to elevate the socio-economic status of agricultural cooperative members by eliminating obstacles to improving their farm management and livelihood standards and of developing the agricultural cooperative movement, through submitting recommendations on the Government's policy-making.

Therefore, legislative activities cover extremely widespread fields. Included within the scope of such legislative activities are price measures for agricultural products including rice, wheat and barley, measures for increasing agricultural productivity, and for easing taxation on farmers and agricultural cooperative societies, and also measures against trade liberalization in agricultural products, legislation related with agriculture and agricultural cooperative societies and their amendments, and increase in the relevant public budget, and so on.

Employed as a means for legislative activities are the holding of a national convention aimed at unification and expression of the farmers' intentions, submission of their petitions or opinions to the Diet and the Government and so forth. Similar legislative activities take place on the city, town and village, and on the prefectural level. Taking leadership in these activities are the prefectural unions and the Central Union of Agricultural Cooperatives, under whose guidance member farmers, officials and employees of the movement at respective levels participate in such activities.

NATIONAL SEMINAR ON
INTREGATED APPROACH TO AGRICULTURAL COOPERATIVE
DEVELOPMENT IN NEPAL

Criteria of Determining Viable
Size of Agricultural Cooperatives under
the present conditions in
N e p a l

by

Mr. S.K. Upadhyay,
Deputy General Manager
Agricultural Development Bank

Economic viability of any business organization whether it be a cooperative and a bank is dependent upon the scale of operation. The scale of operation being the function of number of clientle served and the type and quantity of services provided by the cooperative. In Nepal there is a growing concern in certain quarters that with the increase in the number of cooperatives organized under the Sajha programme even the existing economically viable cooperatives would turn into economically unviable organizations. This argnement rests on the following grounds:-

- (1). With the reduction in the area of operation the number of beneficiries would decrease resulting in decreased interest earnings.
- (2). With the reduction in the area of operation the quantum of physical inputs and outputs handled by cooperatives would decrease thereby reducing the revenue from such operations.
- (3) With the reduction in the area of operation the fixed cost remaining the same the unit cost would increase resulting in diminished profitability of cooperative.

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(2)

This notion is purely based on the existing situation and not on the basis of projected operation that would happen after the increase in the operational base of Sajha Cooperative. Every household living in the area of operation of cooperative is a member by virtue of his being the contributor to the compulsory saving fund and this has resulted in an absolutely big increase in both the number and share capital of cooperative. This has added another dimension to the question of economic viability of cooperatives under present agricultural conditions in Nepal.

With the increase in the number of members and increase in the share capital, the potential for business has increased. The share capital increase from Rs. 2.5 million to Rs. 100 million after the transfer of compulsory saving would reduce the financial cost of cooperative drastically resulting in increased profitability. The increase in the membership from the present level of 100,000 to 1 million member households after the conversion of all agricultural cooperatives into Sajha cooperative would increase the number of potential beneficiaries thereby resulting in an increase in the income from increased volume of business.

At present though most of the agricultural cooperatives in Nepal are registered as multipurpose cooperatives they perform limited function of providing production credit in kind and in retailing agricultural inputs procured by the Agricultural Input Corporation. More recently with the institutionalization of rice trade and with increased handling of essential consumer items by public corporations, the cooperatives have either acted as retail outlets for such national level organisations. Marketing of agricultural products particularly paddy and wheat through coops is being highly emphasized under the Sajha Programme. With the completion of construction of cooperative warehouses this function could be further expanded and would result in higher revenue base to the cooperatives. Similarly, in areas where private retail outlets for consumer goods either non-existent or not competitive,

cooperatives are expanding the number of consumer stores dealing primarily in essential consumer items.

In the past physical area served and the population within the area operation were the two basic factors considered in deciding the service area of the cooperative. Membership was considered to be the most important factor for making the cooperative viable, and this resulted in quite wider area theoretically served by a cooperative society. But when we look into the figures about the membership and volume of business handled by the cooperative society we do not find very close correlation between the membership and the volume of business. The figures presented in the attached appendices show that the total volume of business and the membership do not go hand in hand but rather they move in the opposite direction. Furthermore, the actual membership in relation to the potential membership based on the number of rural households the cooperatives have a thinner area base in relation to the potential.

This discussion brings us to the point that the membership growth is a necessary condition but not a sufficient condition for the successful growth of the cooperative society. What is important is the quality of membership which is dependent upon the level of technology in agriculture, the resource endowment, crop mix and the membership commitment to the success of cooperative. More specifically the viability of an agricultural cooperative would depend upon the following factors:-

- a) Land area under cultivation.
- b) Availability of Irrigation facilities.
- c) Cropping Pattern based upon specialization more on high value crops.
- d) Quantum of credit required for carrying out the proposed cropping pattern.
- e) Extent of input and marketing services provided by existing institutions.
- f) Availability of physical infrastructure.

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- g) Extent of support and commitment provided by the member farmers.
- h) Extent of support provided by the national level institutions to farmers and to cooperatives.

The question of viability of cooperative should be looked not on the basis of static conditions but on the basis of changing conditions. Under the present condition cooperatives have received relatively more business support by national level organizations which with supplemental support of government to strengthen the capital bases will make the cooperative viable under Nepalese conditions. At the micro level efforts will have to be made to reach the maximum potential of cooperatives through concerted effort of all the Government agencies. In this direction efforts could be made to prepare both long term and short term programme of each cooperative society depicting the path that a particular cooperative will follow in the long run. Once this is done for all the cooperatives working under the Sajha programme the evaluation of performance of cooperative would be possible. This sort of programme of individual cooperative would act as a guideline for reaching viability as well as far serving those who need most the service from the cooperative society.

Report of the National Seminar on

**Integrated Approach
to Agricultural Cooperative
Development in Nepal**



International Cooperative Alliance
Regional Office & Education Centre for South-East Asia

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(2012)

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Kathmandu, Nepal,
December 5-14, 1976



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Introduction

The National Seminar on "Integrated Approach to Agricultural Co-operative Development in Nepal" was held by the Department of Co-operatives, His Majesty's Government of Nepal in collaboration with the International Co-operative Alliance Regional Office and Education Centre for South-East Asia from 5th to 14th December, 1976 at the Co-operative Training Centre, Arniko Raj Marg, Baneshwor, Kathmandu. The seminar was inaugurated on the 5th December 1976 by Mr. Khadga Bahadur Singh, Minister of Food, Agriculture and Irrigation and Land Reform of His Majesty's Government of Nepal. In his inaugural address the Minister said that the Sajha (Co-operative) programme should be geared to enabling the farmers to receive the fruits of their labour. He said that the farmers should be convinced of the fact that the Sajha programme was designed for their welfare, and the enthusiasm generated by the programme should reach them. The farmers who benefit by the programme should be encouraged to assume local leadership in developmental activities. He emphasised the need for seeing that the inputs needed for agricultural development are available to the farmers at the required time.

Mr. Narendra K. Basnyat, Registrar of Co-operative Department, delivered the welcome address at the inauguration ceremony. Mr. Lionel Gunawardana, Joint Director and Specialist in Agricultural Co-operation of the International Co-operative Alliance Regional Office and Education Centre for South-East Asia, addressing the inaugural session said that in view of the launching of the Sajha Programme which envisages providing, especially to the small farmers, services that are necessary for agricultural production such as credit and other agricultural inputs, marketing services in a co-ordinated manner, the theme of the seminar, namely Integrated Approach to Agricultural

Co-operative Development was very timely.

The distinguished guests attended the inaugural session included Mr. D.B. Malla, Assistant Minister of Food and Agriculture and Irrigation, Dr. M.M. Sainju, Member, National Planning Commission, Mr. D.R. Koirala, Secretary, Ministry of Food and Agriculture, Mr. B.D. Pyakurel, Secretary, Ministry of Land Reform, Mr. Randhir Suba, Chairman, Sajha (Co-operative) Society Ltd, and many other senior officers of His Majesty's Government. 25 participants from the Department of Co-operatives, Land Reform Department, Department of Agriculture and Agricultural Development Bank, Sajha Society Ltd, Central Sajha Development Committee and Agriculture Inputs Corporation participated in the seminar. The seminar programme (annexe-1) and the list of participants and resource persons (annexe-2) are given at the end of the Report.

The seminar was directed by Mr. Lional Gunawardana and Mr. Narendra K. Basnyat. Other resource persons who lectured at the seminar in addition to the seminar Directors were Dr. M.M. Sainju, Member, National Planning Commission, Mr. B.D. Pyakurel, Secretary, Ministry of Land Reform, Mr. N.B. Shah, Joint Secretary, Ministry of Land Reform, Mr. L.B. Bista, General Manager, Agricultural Development Bank, Mr. K.P. Adhikari, Member Secretary, Sajha Society Ltd. and Mr. S.K. Upadhya, Deputy General Manager, Agricultural Development Bank. Mr. Shiro Futagami of the Central Union of Agricultural Co-operatives of Japan gave a talk on Japanese agricultural cooperative experience to the seminar at the invitation of the International Co-operative Alliance Regional Office and Education Centre for South-East Asia.

The closing ceremony was addressed by the Assistant Minister of Land Reform, Mr. Marich Man Singh. Mr. Singh expressed the confidence that the Sajha (Co-operative) programme would be an important factor in the attempt to create an exploitationless society. He said that the Sajha (Co-operative) programme had been implemented to strengthen the national economy.

Speaking on the occasion Mr. L. Gunawardana said that the ten day seminar had proved to be fruitful in identifying

the problems and recommending ways to overcome them.

Making a closing remark Mr. Narendra K. Basnyat, Registrar, Department of Co-operatives, opined that the Seminar had inspired all those associated with the programme to produce more for the benefit of the small farmers. He also thanked the ICA Regional Office for its collaboration in organising the Seminar.

Objectives of the seminar were:

- (i) To better understand and appreciate the present Sajha (Co-operative) Programme.
- (ii) To identify problems in the implementation of integrated agricultural cooperative development programme.
- (iii) To make suggestions and recommendations to the policy makers for their consideration in formulating policies and plans for action for cooperative development.

Observations and Recommendations:

A. Co-operative Movement and Sajha Programme in Nepal:

The seminar reviewed the development of cooperatives from the inception to the present day. The establishment of Co-operative Department in 1953 and the initiation of Rapti Valley Multipurpose Project in 1954 is the milestone of the beginning of the modern concept of Co-operatives. The co-operative in modern lines was organised and started first in Rapti Valley in 1954 as a part of the project to channelise credit to the new settlers and farmers in the project area. An executive order was issued by H.M.G. in 1956 for legalising the organisation and registration of the Co-operatives. The co-operative movement with its legal framework was started after the enactment of the Co-operative Societies Act 1959 and amended as per the need and situation to the development of co-operatives. A Co-operative Training Centre was set up in 1962 under Co-operative Department. The programme to impart training to the Departmental personnel, Officials of the Co-operative

societies and the field staff of the allied agencies was entrusted to it. Besides this, the centre conducts Member Education Camps in the villages and Districts to make the member and non-member conscious and understand the concept and operational know-how of the co-operatives. At the initial stage the fund needed by co-operative societies was being arranged by H.M.G. by creating a Co-operative Development Fund. As a central financing agency to the Co-operatives, a Co-operative Bank was established in 1963. Later in 1968 the bank was converted into the Agriculture Development Bank to widen the scope of financing both to the Co-operatives and individual farmers. However, all these efforts led to the quantitative development of the Co-operative Societies and most of these societies could not become viable and workable units. Consequently Co-operative Revitalisation Programme was launched in 1969 to make the Co-operatives efficiently operative and responsive to the needs of rural population. The guided Co-ops were under Government's management till 1971-72 and later in 1972-73 the task of management was entrusted to the Agriculture Development Bank. The seminar noted the present efforts for providing integrated cooperative services especially to the small and under-privileged farmers and felt that the subject chosen for the seminar i.e. Integrated Approach to Agricultural Co-operative Development is very timely. It discussed the introduction and functioning of present Sajha Programme. The Sajha programme was started in May 1976 in response to a command issued by His Majesty the King in His new year message (2033) to develop a programme to assist especially the small and under-privileged farmers in providing credit and other agricultural inputs, consumer goods and marketing facilities in addition to providing irrigation facilities. Presently the programme is being implemented in 30 districts of the country with the following main objectives:

1. To increase the GNP (Gross National Product) and thereby the income of the farmers through improved system of farming by providing the facility of institutional loan to rural small farmers and small occupa-

tionist in the village level and by marketing the agricultural inputs.

2. To mobilise the rural savings and capital and invest them in development works by providing the rural farmers the banking facility in the villages.

820 additional societies have been organised in these districts in addition to the 206 societies that have been already existing. The functions of the societies will include following:—

- (i) To provide both production and consumption loans to farmers;
- (ii) To arrange marketing of agricultural inputs and agricultural products;
- (iii) To market the goods of daily necessities;
- (iv) To mobilise capital by accepting deposits from farmers of the rural sector; and
- (v) To make available membership certificates to the concerned farmers by transferring the compulsory savings.

The societies will also act as agents of Agriculture Inputs Corporation, National Trading Ltd, Salt Trading Ltd, Nepal Oil Corporation, Jute Development and Trade Corporation, Tobacco Development Company, Dairy Development Corporation and Nepal Food Corporation at the village level.

B. Suitability of Multipurpose Co-operatives for Agricultural Co-operative Development in Nepal:

While discussing the suitability of the multipurpose type of cooperative society in the present context of Nepal, the following facts should be taken into consideration:—

- (1) The needs of the farmer are multiple in nature and varied.
- (2) Lack of well developed infrastructure for provision and facilities needed for agriculture i.e. adequate and timely supply of inputs, credit, consumer goods and

marketing facilities.

- (3) Lack of knowledge in regard to modern agricultural techniques.

In order to overcome these constraints, multipurpose cooperative society is most suitable. The seminar recommended that their establishment and development should be continued and noted the following advantages:—

- (a) The multi-functional activities of different national agencies could be channelized and co-ordinated at the village level through a single unit multipurpose Sajha (Co-operative).
- (b) As all the services are provided through a single unit, considerable cost reduction (overhead cost etc.) is possible.
- (c) Member can get the goods and services at reasonable prices under one roof and this will save time and money of the members.
- (d) As it handles multifarious activities it is easier to make the cooperative economically viable.
- (e) When the members receive all the services from one unit at reasonable rate at one time, this will boost the loyalty of members towards the society which in turn will result in their active participation in the activities of the societies.
- (f) Social programmes like population education, family planning, basic health services can be provided through the multipurpose cooperative society right at the village.

C. Member Participation and Democratic Control:

Sajha society is an economic organisation based on among other things, the noble principles of democratic control with the active participation of members in its affairs. In order to ensure these elements in the Sajha society, the following measures are suggested for consideration:—

1. It is of vital importance that the shareholders feel that the Sajha Society is their own affair, and that it is completely geared to the fulfilment of their requirements and aspirations. In order to arouse this feeling of attachment, massive educational programmes must be carried out through the local leaders, officials and other appropriate agencies. This educational programme should cover board members, committee members and the general shareholders. The educational programme is also necessary in view of the need of imparting managerial and other skills for the efficient functioning of the Sajha Society.
2. The people believe more in deeds than in words. The Sajha programme has promised to provide necessary agricultural inputs and services along with other necessities of daily consumption. It must therefore, be seen that the shareholders get the services as have been promised to them in the Sajha programme. This is the surest way to ensure active participation.
3. Some sort of incentive schemes such as rewarding the active members can be introduced. This will help create a sense of healthy competition among the members for greater participation in the affairs of the society.
4. Co-operative society should also provide social as well as recreational services in order to get better member participation.
5. Board meeting and general meeting should be conducted in more attractive ways.
6. The system of nomination of two members in the ward sub-committee should be replaced by the election method among the shareholders of the respective wards.

Since the emergence of local leadership from among the tillers and a full control of the organization by them is essential for the successful functioning of the Sajha Society, efforts must be made to see that the tillers actively participate in decision-making and their control in the society become more real. In the meanwhile, some measures

consistent with the present scheme of things can be undertaken:

1. Effective check and control over managerial personnel by the managing board, and over the managing board by executive Sabha (assembly).
2. There are some provisions in the existing by-laws under which shareholders can exercise some control and check over the affairs of the society. The members should be educated in exercising these controls.
3. Presentation of the financial statement should be simple and intelligible to the ordinary members.
4. A committee consisting of three persons to be elected from among the shareholders may be constituted to examine the performances of the society and to report to the managing board and general body.

D. Marketing:

The objective of co-operative marketing is to market on a more profitable basis agricultural products by its members.

Problems:

- (i) Lack of adequate facilities for transportation, storage and processing.
- (ii) Problem of regular and guaranteed delivery of credit and inputs.
- (iii) Price fluctuation and lack of arrangement for provision of market information.
- (iv) Mal-practices and unhealthy competition from the private sector.
- (v) Absence of secondary and apex level co-operatives.

The following measures are suggested to overcome the above-mentioned problems:—

- (1) A sound organisational set up at different levels is of vital importance for ensuring efficient and successful



Mr. Khadga Bahadur Singh, Minister of Food, Agriculture and Irrigation, Nepal, inaugurating the Seminar. Mr. Narendra K. Basnyat, Registrar of Coop. Societies, is also seen.



Seminar participants with Messrs B. D. Pyakurel, Lionel Gunawarjana, Shiro Futagami and Narendra Basnyat.



Mr Marich Man Singh, Assistant Minister of Land Reform, Nepal, delivering the Valedictory Address.



Mr Lionel Gunawardana, Joint Director and Specialist in Agricultural Cooperation, ICA RO & EC, New Delhi, (above) and Mr Narendra K Basnyat, Registrar of Cooperative Societies, Nepal (below) addressing the closing session.



working of co-operative marketing. The agricultural produce collected at the farm level by the primary co-operatives should be handled by the district level co-operatives for storage, processing, marketing etc. Thus, there is a necessity for district level co-operatives.

- (2) To provide market information and also for national and international trade, an apex level co-operative should be organised.
- (3) There should be a link between credit and marketing, so that recovery of loans and assembling of farm product can best be achieved.
- (4) In respect of transportation and storage, arrangement should be made to provide trucks and tractors and for construction of godowns etc. to be owned and managed by the district level cooperatives. The primary level society may also own transport facilities wherever feasible. But in case of storage each primary co-operative also must own a godown.
- (5) Processing units should be set up wherever feasible by secondary level societies.
- (6) The government should guarantee a minimum price for agricultural produce and guarantee the purchase of minimum quantity of agricultural produce from the cooperative units.
- (7) To eradicate malpractices by unscrupulous businessmen, the cooperative should endeavour to gain confidence of the members by providing better commodities and services. Government must help the co-operatives in providing better technical services and the required amount of capital for marketing.

E. Credit:

Problems:

- (i) Non-availability of credit on time.
- (ii) Over financing and under financing.
- (iii) Lengthy and cumbersome procedures of financing.
- (iv) Lack of technical support in the utilization of credit.

- (v) Security oriented rather than production oriented credit system.
- (vi) Low rate of recovery.
- (vii) Lack of coordination among different functional agencies.
- (viii) High rate of interest.

To overcome these problems, the following measures are recommended:—

- (1) Creditworthiness should be assessed with the hope of a real production plan. It is felt that introduction of credit card may be helpful in providing credit on time. This system will also overcome the problem of over financing and under financing, because the actual credit needs of the farmer member can be assessed from the information provided in the credit card system.
- (2) Assessment of credit should be based on the repayment capacity of the farmer. The repayment capacity should be assessed on the anticipated production of the farmer. It should not be based on the security.
- (3) The paper work involved in granting credit should be minimized and the procedure should be made easy, explicit and simple.
- (4) Extension officials should ensure that their technical service reaches all the farmers. A sound farm planning should be done to ensure that credit used for production bears fruit. Number of technicians working at all levels should be increased. There should be provision for training programme for the farmers regarding proper utilization of credit.
- (5) Loan should be collected in kinds immediately after harvest. This would ensure the recovery of credit given.
- (6) There should be a close coordination among credit supply, extension and marketing.
- (7) Small farmers should be identified and credit should be provided to them at concessional rate of interest.

F. Co-ordination:

With a view to help and provide necessary services and facilities to the small and under-privileged farmers the Sajha (Co-operative) programme has been launched. This has envisaged an integrated approach to providing services of various agencies at the grass root level through single unit multipurpose cooperative societies. But it is felt that the coordination has not been achieved up to the desired extent. Reasons for this lack of coordination and some ways of achieving greater coordination are given below:

(1) Various departments and agencies involved in Sajha programme are giving attention only to their own programmes not giving due attention to the plans and the programmes of the others. In order to avoid the tendency towards compartmentalisation, departmental programmes should be prepared in consultation with each other and frequent meetings of the executives should be arranged for effective implementation of such plans and programmes.

(2) Sajha programme is basically a development programme but bureaucracy has not sufficiently changed its attitude to face this challenge. They are still having traditional ways of thinking. Bureaucracy should be more development oriented. For this there should be proper orientation seminars and meetings which should be held to orient them in effective ways of implementing the coordinated programme. The promotion and other incentives should be based on their actual performance.

(3) Though there is a policy coordination at the central level, the various policies to be followed by the different institutions (central, district and grass root) have not been properly communicated to the concerned authorities and participants. There should be a quick flow of communication and an effective means of reporting system should be devised. Frequent follow up visit will ensure a good reporting system and a proper means of communication.

(4) Co-ordination is very important for the successful implementation of Sajha programme. Various agencies involved to channelize their functions through Sajha

(Cooperative) in the grass root level must coordinate their activities with each other. Co-ordination should start from the early stage of programme and plan formation. This can be done very easily. For example, take the programming of financing. Each Sajha unit should formulate their lending programme taking into consideration the farm plan and budget of its members. This can be consolidated in the district and bank will have to plan to meet the required amount of credit. Likewise the supply agency must plan to supply the required amount of input in time and on the spot.

(5) It has been felt that the commitment does not often confirm to action. Therefore commitment should be made on the basis of availability of resources.

(6) To co-ordinate the programme to be implemented at the district level, District Sajha Development Committees have been organized. In spite of this arrangement, policies do not get implemented because of the reluctance on the part of a single person or an institution to coordinate his or its activities. Sajha Central Committee should be notified of such instances by the District Sajha Development Committee and the concerned central level institution should take action with the concerned authorities against such uncooperative attitude.

In the district level the Chairman of the District Sajha Development Committee must act as an effective coordinator and his performance must be evaluated periodically by Back to the Village National Campaign.

(7) An effective evaluation system of the concerned officials should be introduced so that they will concentrate their efforts on implementing the set programme and attempt to achieve greater coordination.

(8) Co-ordination can best be achieved only when the authority is properly delegated to the district and grass root levels. These levels should have the authority of channelizing the resources according to the needs.

(9) If proper coordination is to be achieved at all levels, no central institution should formulate programmes in isolation. In the same way, no implementation level

organisation should think and act as if it alone is responsible for the integrated programme.

For ensuring proper coordination, regular meetings among the executives are necessary. Exchange of ideas and information at such meetings will help in evaluating and directing the programme as envisaged.

G. Importance of Publicity:

Some of the work done by the Sajha Society Ltd and some suggestions to make them more effective are given below:

(1) *Radio:* At present Sajha Society Ltd has made arrangement to broadcast Sajha programme through the radio. The seminar suggests that the duration and frequency be increased and necessary changes in the content of the programme be made. Aspects relating to managerial functions and benefits of the cooperative programme should be included.

(2) Programmes to publicise the cooperative should be arranged in commercial service of Radio Nepal also.

(3) *Posters, Pamphlets and Newspapers:* Most of the cooperative society members are illiterate. Therefore when publishing pamphlets emphasis should be given to pictorial presentations so that they could easily be understood.

(4) *Distribution:* Pamphlets, posters and newspapers should be made available freely to every Sajha Society and the Sajha society should communicate the content to the maximum number of people through the managing committees.

(5) *Study Circle Method:* In every cooperative society study circle method should be introduced and discussion should be conducted at regular intervals. Co-operative Training Centre and other organisations help to conduct these programmes.

(6) Visits by managing committee members to the cooperatives which are functioning excellently would benefit them. Arrangements should be made to facilitate the managing committee members to visit the successful cooperatives and observe their functioning.

(7) Programmes to publicise the achievements of co-operatives should be included in every meetings, fairs and rallies.

(8) Students who go on National Development Services (NDS) programmes also can help to publicise co-operatives. Therefore they should be oriented about the cooperative programme before sending to the field.

(9) Programmes to conduct/organise essay competition and audio-visual demonstration should be arranged from time to time.

(10) Sajha Day should be observed at least once a year.

(11) In better interpersonal communication the services of school teachers and extension workers should be utilized. They should be trained on Sajha programme before utilizing their services.

(12) Co-operation should be included as a compulsory subject in schools and panchayat training institutions.

(13) All the agencies associated with the implementation of the Sajha programme should inform the Sajha Ltd, about their programme of action and achievement for publicity.

H. Criteria of Viability of a Primary Cooperative Society:

The main factors which effectively contribute in making the societies viable are as follows:—

Scale of Operation: The scale of operation is the function of (i) wide capital base, (ii) potentiality of the area, (iii) receptivity of the clientele group, (iv) availability of the technical as well as physical inputs, (v) managerial efficiency, (vi) supervision, (vii) profitability and control mechanism. These prerequisites, if not met adequately may scale down the operation of the society and the services which are to be channelized for the rural development may be greatly hindered.

Because of the transfer of the compulsory savings into the share capital, the Sajha society will have a strong capital base. Sajha society does not seem to lack working capital deposits and retained profits is also helping to generate sufficient capital.

One of the important factors for a society being viable is the active people's participation in the activities of the society. To obtain active public participation the necessary services should be provided.

Technical services as well as physical inputs should be made available through the society to improve agricultural production. In order to provide better price to the farmers the Sajha society should also arrange marketing facilities. This will result in the increased volume of business of a society and will ultimately help to increase the income.

Efficient management of a society is one of the very important factors for the successful working of Sajha society. For this, the Sajha society should be provided with trained personnel.

An appropriate supervisory and controlling mechanism should be developed. Timely supervision and effective follow up measures should be adopted for the efficient working of the Sajha society.

I. Future Trends

With the launching of the Sajha (Co-operative) programme a new hope and aspiration has been created. Though it will be premature to judge the movement's success and achievement objectively at this stage, it may be predicted that if the present enthusiasm is maintained achievement of the set goals would be possible.

1. Multipurpose Sajha Society has been accepted as a nucleus at the grass root level to provide all the requisites of the farmers for their agricultural and consumption needs. It is hoped that through Sajha society the local people will get more and more involved in developmental activities and local decision making.

2. The savings mobilized in the rural sector will basically be used for the need and requirement of the small and underprivileged groups which will ensure a greater investment in rural sector.

3. Ultimately the Sajha movement will have to engage in farming activities, thereby consolidating the small and

fragmented holdings of the small farmers. This will help to introduce modern techniques of cultivation in order to increase the agricultural production. To begin with these activities may be started in new resettlement areas.

(4) It is envisaged that cooperative organisation both at the secondary and apex level will emerge and this will bring an effective linkage in the cooperative system in the country.

Programme

5th December, Sunday

8 30— 9 00	Registration of the Participants
9 00—10 30	Inauguration
10 30—11 00	Tea break
11 00— 12 00	Introduction of participants. Explanation of working methods
12 00— 13 30	Lunch break
13 30— 14 30	<i>Lecture No. 1: Brief History of Cooperative Movement of Nepal.</i> Mr. N. K. Basnyat Registrar, Department of Coops, Kathmandu, Nepal.
14 30—15 00	Discussion

6th December, Monday

10 30—11 30	<i>Lecture No. 2: Problems of Cooperative Marketing.</i> Mr. Lionel Gunawardana Joint Director & Specialist in Agricultural Cooperation, ICA ROEC, New Delhi.
11 30— 12 00	Discussion
12 00—13 30	Tea break
13 30—14 15	<i>Lecture No. 3: Problems of Cooperative Credit in Nepal.</i> Mr. L. B. Bista, General Manager, Agricultural Development Bank, Kathmandu.
14 15— 14 45	Discussion
14 45— 16 00	Group Discussion (1)

7th December, Tuesday

10 30— 11 30	<i>Lecture No. 4: (A) Cooperative Principles (B) Multipurpose Cooperatives as an Instrument for Integrated Agricultural Co-operative Development.</i> Mr. Lionel Gunawardana
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11·00—12·00 Discussion
12·00—13·30 Tea break
13·30—14·15 **Lecture No. 5 : Importance of Publicity in Sajha Movement.**
Mr. K. P. Adhikari
Member Secretary
Sajha Society
14·15—14·45 Discussion
14·45—16·00 Group Discussion (2)

8th December, Wednesday

10·30—11·30 **Lecture No. 6: Land Reform and Sajha Movement in Nepal.**
Dr. M.M. Sainju
Member, National Planning Commission.
11·30—12·00 Discussion
12·00—13·30 Tea break
13·30—14·15 **Lecture No. 7 : Democratic Control and Leadership in Large-size Cooperative Societies.**
Mr. Lionel Gunawardana
14·15—14·45 Discussion
14·45—16·00 Group Discussion (3)

9th December, Thursday

10·30—11·30 **Lecture No. 8 : Role of Cooperation in Socio-economic Development in Nepal.**
Mr. N.B. Shah
Joint Secretary
Ministry of Land Reform.
11·30—12·00 Discussion
12·00—13·30 Tea break
13·30—15·00 Plenary on Group Discussion (1) and (2)
15·00—16·00 Group Discussion (4)

10th December, Friday

10·30—11·30 **Lecture No. 9 : Multipurpose Agricultural Cooperatives in Japan : Integrated Approach to Agricultural Cooperative Development.**
Mr. Shiro Futagami
Central Union of Agri. Cooperatives, Tokyo, Japan.
11·30—12·00 Discussion

12·00—13·30 Tea break
 13·30—15·00 Lecture No. 9 continues.
 15·00—16·00 Group Discussion (5)

11th December, Saturday Free

12th December, Sunday

10·30—11·30 *Lecture No. 10 : Criteria of Determining Viable Size of Agricultural Cooperatives under the Present Conditions in Nepal.*
 Mr. S.K. Upadhy
 Deputy General Manager
 Agricultural Development Bank,
 Kathmandu, Nepal.

11·30—12·00 Discussion
 12·00—13·30 Tea break
 13·30—14·15 *Lecture No. 11 : Trends and Dynamism of Sajha Movement in Nepal.*
 Mr. B.D. Pyakurel
 Secretary
 Ministry of Land Reform.

14·15—14·45 Discussion
 14·45—16·00 Plenary on Group Discussion (3), (4) & (5).

13th December, Monday

10·30—11·30 *Lecture No 12 : Co-ordination of various Agricultural Development Agencies for Effective Development.*
 Mr. K.N. Pyakurel
 Member Secretary
 Central Sajha Development
 Committee.

11·30—12·00 Discussion
 12·00—13·30 Tea break
 13·30—14·30 Group Discussion (6)
 14·30—16·30 Preparation of the Final Report.

14th December, 1976, Tuesday

10·30 Final Plenary and Presentation of the Report.

List of Participants

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THE INTERNATIONAL COOPERATIVE ALLIANCE

is one of the oldest of non-governmental international organisations. It is a world-wide confederation of cooperative organisations of all types. Founded by the International Cooperative Congress held in London in 1895, it now has affiliates in 66 countries, serving over 326 million members at the primary level. It is the only international organisation entirely and exclusively dedicated to the promotion of cooperation in all parts of the world.

Besides the Head Office of the ICA, which is in London, there are two regional offices, viz., the Regional Office & Education Centre for South-East Asia, New Delhi, India, and the Regional Office for East and Central Africa, Moshi, Tanzania. The Regional Office in New Delhi was started in 1960 and the office in Moshi in 1968.

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Appendix-1
Statement of Activities of Coops.
 (By Region)

Tarai District

Name of the Region:- Mid

(Hills)

Grade	No. of Members	Amount of Share Capital	Loan outstanding	Input Sales		Sales of Com. goods		Sales of agri. produce		Value of transaction	Profit	% of Profit transaction
				cash sales	cr. sales	cash sales	cr. sales	cash sales	cr. sales			
A	433	12021	106190	48271	106190	-	-	-	-	154461	3451	2.23
B	403	15712	117376	185631	14107	-	-	-	-	199738	4432	2.22
C	361	16709	133765	76910	64303	-	-	-	-	241213	6720	2.79

Hill District

(Tarai)

A	433	22100	46103	-	44488	-	-	-	-	44488	8727	19.6
B	379	12638	198123	6600	95465	-	-	-	-	102005	10056	9.9
C	372	15021	24206	176955	100523	999	-	-	-	277478	21024	7.6

Tarai District

Name of the Region: Eastern Dev. Reg.

(Hills)

A	406	5602	33735	35413	5246	-	-	-	-	40659	4840	11.91
B	353	6965	88384	87385	-	9088	-	-	-	96473	4257	4.41
C	147	5729	33735	-	18056	9014	-	-	8821	36191	4524	12.50
A	1176	41015	596738	780249	-	18806	-	-	-	804055	14207	1.76
B	518	26361	427890	7380	102989	-	-	-	-	160369	10570	9.71
C	513	20625	150089	48000	150089	-	-	-	-	198089	5185	2.62

Appendix-1, Page 2 133 Statement of Activities of Coops

Name of the Region: F.R. WESTERN DEV. Region. (By Region) (Hills)												
Grade	No of Members	No of Share Capital	Loan outstanding	Input sales		Sales of comm goods		Sales of agri. produce		Value of transactions	Pro- fit	% of total Profit
				cash sales	cr. sales	cash sales	cr. sales	cash sales	cr. sales			
A	370	11125	40423	20959	38469	-	-	-	-	59428	1893	3.18
B	360	8510	85000	1203	75718	-	-	-	-	76919	1236	1.61
C	250	3250	85933	143061	30743	-	-	-	-	173804	6666	3.84
Hill District (Tarai)												
A	1191	599550	111795	7504	106901	-	-	-	-	114405	4813	4.21
B	825	12759	244145	129847	18802	-	-	-	-	148649	13280	8.93
C	817	36730	348133	124667	56132	-	-	-	-	180239	36816	20.43
Tarai District												
Name of the Region:- WESTERN Dev. Reg. (Hills)												
A	378	12675	159405	154712	76226	-	-	-	-	230938	6354	2.75
B	341	6910	153685	68585	97655	-	-	-	-	166238	6048	3.63
C	291	3020	75257	15856	36924	-	-	-	-	52770	(2575)	4.8
A	446	10079	181507	6466	87001	-	-	-	-	93467	23132	24.74
B	402	7636	178026	84856	189256	-	-	-	-	274110	4530	1.65
C	350	10200	65052	385347	67391	-	-	-	-	452738	2265	4.50

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NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE
DEVELOPMENT IN NEPAL

Trends and Dynamism of Sajha (Co-operative)
Movement

by
Mr. B.D. Pekarayal
Secretary
Ministry of Land Reform

Nepal being primarily an agricultural country, with 94.4 percent of her population still engaged, directly or indirectly, in agriculture and allied pursuits for employment and livelihood and 65 percent of her gross domestic products and 85 percent of her total exports accruing from agricultural sector itself, economic development in this country is virtually tantamount to well-balanced agricultural development and subsequent general rise in agricultural production closely followed by fair distribution of increased agricultural incomes and marked rise, in general, in the living standards of the majority of country's population. The country, in spite of the heavy preoccupation of its majority of population in agriculture itself from generation long past, has also uptill recently, been unable to properly exploit and fully utilize the possibilities of development of resources lying within the agricultural sector. This underdeveloped state of agriculture is the consequence not only of the lack of capital investment, technological improvements and over supply of labour but also of the socio economic factors.

Yet it is true that the only assets that have got to be mobilized for the rapid development of the economy are the agricultural man-power, their petty but scattered and idle little savings, which, more often than not, are liable to be expended in unproductive expenses on socio-religious occasions and the land resources which have not been fully exploited to the maximum extent possible. This reorientation in farming however, called for a constructive change in land tenure system providing security of rights to those who actually toiled hard in land, a change in land tilling system that would guarantee the little of the land owners and tenants, a change in land use patterns which would allow maximum utilization of the capacity of land in most economical and best suited ways, a change in the socio-economic conditions of the peasants that would enable

them to work hard in their farm and save more for increasing investment in the farms in the form of application of technological improvements and high-yielding agricultural inputs, change in the outlook that would heighten the general moral of the tenants and small peasants in the society so as to encourage them to take active participation in all the developmental measures meant for the betterment of the socio-economic conditions of the general masses. It is here that the sweeping land reform measures assumed a position of crucial importance.

The present land reform programme as being implemented under lands Act, 1964 and subsequent amendmenes therein includes the following main provisions:-

- 1). Introduction of ceiling on land holdings and redistribution of excess lands to the landless peasantry
- 2). Protection and preservation of tenancy rights through legislature measures as well as build in production incentive through fixation of rent so as to increase the share of the tillers in the produce.
- 3). Interception of agricultural loans taken by the peasants from the landlords and private money lenders and reversion of mortgaged land back to the mortgagees, thus reducing and ending the old burden of rural indebtedness.
- 4). Mobilization of rural savings from the agricultural sector itself under compulsory savings scheme and interception of agricultural credit heads of the tenants and small peasants through a nationwide network of village level credit institution such as village committees serving as pre-cooperatives and ward committees as their agents. These pre-cooperatives and Agricultural Development Banks are organised for managing the funds raised from savings scheme and interception of agricultural loans and providing cheap, simple and easy credits for agricultural purposes to the peasants through these institutions and gradual replacement of the traditional money lenders from the field of rural finance in particular and financing of agricultural credit needs.

Mobilization of Rural savings and a novel feature of the pre-cooperative movement.

These measures like putting a ceiling on land holdings and extending protection to tenants alone would not have been sufficient to bring about all the desired structural changes. For, most of the tenants and small owner-cultiyators were so

poor that in pre-land reform period they were entirely dependent on landlords and village money lenders for their credit needs of all types agricultural and non-agricultural. In that case it was unlikely that the situation would be changed for better dramatically soon after the implementation of the land reform in a year or two. So, unless some strong alternative sources of institutional credit was devised not only to replace the traditional money lenders from the field of agricultural finance but also to support the increased credit needs of the peasants for augmenting agricultural production as envisaged by the programme, the peasants would not be set free from the possible exploitation by the money lenders in one way or another as a consequence of which the peasants would not be fully benefitted from their increased labour and investment in the farms. Since the creation of such an undesirable situation would have been detrimental to the basic good of land reform program a unique scheme of mobilizing agricultural capital and rural savings from the agricultural sector itself was devised and well incorporated in a programme of pre co-operative movement with the creation of village committees from where the tenants and petty farmers would borrow capital for the agricultural pursuits. Under this scheme, all the landholders including land lords, owner-cultivators, and tenants had to deposit certain prescribed amount of compulsory savings. Besides provision was made to intercept the agricultural loans previously granted by the private money lenders to the farmers. The fund thus created was used for meeting primarily the credit requirements of the tenants and small holders. The savings thus deposited with the village committees were, however, to be refunded in cash or kind or bonds or shares with five percent annual interest on the savings. Similarly, the intercepted agricultural loans previously granted by the private money lenders to the farmers. The fund thus created was used for meeting primarily the credit requirements of the tenants and small holders. The savings thus deposited with the village committees were, however, to be refunded in cash or kind or bonds or shares with five percent annual interest on the savings. Similarly, the intercepted agricultural loans were to be repaid to the creditors later with three percent annual interest on the loans.

The primary unit of the village committee pre-cooperative operating at the village level was the ward committee consisting of three members including the panchayat member of the ward who was the chairman of the committee. There were nearly 36,000 such ward committees spread throughout the nook and corner of the country. Thus about 1,08,000 local leaders were directly involved in the task of collection of compulsory savings and disbursement of loans to the farmers through out the country. The compulsory savings thus deposited with the ward committees plus the agricultural loans intercepted constituted a fund that was utilized primarily for extending

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short term loans to the peasants mostly for agricultural purposes. The ward committees were originally established for the purpose of serving the needs of farmers in the wards as agents of the pre co-operative village committees of eleven members organized at the panchayat level. The pre cooperative societies later together with the remaining active cooperative societies later solely entrusted with all the functions of extending agricultural credits, realizing the loans disbursed and maintaining the upto date account there of. Extension of credit through these village committees (pre co-operatives) was intended so that multi purpose cooperative societies would eventually replace these committees as soon as the proper environment for the same was created and developed. It was in this sense that the village committees were designated as pre-cooperatives. In the beginning the village committees generally were run and administered by the members themselves subject to occasional inspection and supervision by the savings inspectors of the land reform office. The management of the active coops was still with the Deptt. of Cooperative. But later the management was put in the hands of A.D.B. Hence forth the management of both pre coops and coops was transferred to the A.D.B. and when they were ready to undertake the responsibility. From this date onwards Agricultural Development Bank and its field office managed these institutions as guided ones.

A total of Rs. 13,40,29,693.00 has so far been collected under compulsory savings scheme concluding Rs. 1,05,42,840.00 realised from the peasant-debtors by way of the interception of agricultural loans extended by the money lender before the commencement of the current landreform programme. Under this scheme a total of Rs. 15,19,55,690.00 has so far been extended as agricultural credit to the peasants by way of providing cheap, simple and easy institutional credit for agricultural and some most indispensable non agricultural purposes as well.

According to the latest data available from A.D.B, Nepal out of the total sum of Rs. 140 million collected 100 million of the compulsory savings has been so far deposited with the Agricultural Development Bank.

Sajha Development Programme a new trend and dynamism in the country's co operative movement:

His Majesty's Government has recently introduced a crash programme of Sajha development, more or less in the form of a campaign, for utilizing compulsory savings deposits of the people also by the newly set up Sajha in the selected 30 districts of the Kingdom of Nepal. These districts represent the economically most important areas of the country. Under this programme compulsory savings deposits of the people with the ward/village committees are refunded to the depositors in the form of shares of these newly organised sajha, b, amalgamating the pre

co-operatives and active co-operatives, set up at the village level with normally two village panchayats as their area of operation. The deposits being automatically transferred to them and transformed into the equity shares of the newly set up Sajha a dynamic and development oriented co-operative societies. These Sajhas are developed and promoted with all the supports of the local peasant leadership, This sort of support and active participation has been guaranteed by the directives issued by Bank to the village Central committee with the substantial increase in the membership, the volume of business has automatically increased to pave the ground for a powerful institutional set up. Thus Sajha would be engaged in providing all the requisite package services to the members. These services will be widely ranging from the provision of modern agricultural inputs more in the forms of cheap, simple and easy credits in kind in their home areas or at their vicinity for augmenting agricultural production. The development of storage for providing marketing facilities to the member-share holders including the facilities of consumers' stores as and when warranted by the situation is also incorporated in the programme. These Sajha would be managed and supervised by J.D.B. with the help of the management committee in every Sajha. The management committee and a subcommittee at the ward level composed of local leaders (Pradhan Pancha, ward members and leader farmers in the village panchayat). The regular performance auditing, the training of the managers of the Sajha and imparting member education would be the responsibility of the co-operative Department. For the technological knowledge and back stopping, the junior technical assistants from the Department of Agriculture would be attached to the Sajha. These J T's would also train leader farmers in introducing improved agriculture practices among other less knowledgeable farmers. Thus under this programme, all the depositors of compulsory savings would automatically become the members of these rural Sajha. There would be a Sajha ward sub committee in each ward of village panchayat with three local leaders as members (two leader farmers under the chairmanship of the ward member). This sub committee would be responsible for collecting compulsory savings from the members, for assisting the Sajha management committee in the disbursement and realization thereafter of the agricultural credits from them, all the members of the Sajha ward sub committees would constitute a general body of the Sajha institution which would be presided by a pradhan panch of the Village panchayat. Out of the members of the general body popularly known as Sajha Karyakarini Sabha, the management Committee of eleven members presided by a Pradhan Panch would be constituted to help the managers of Sajha in the regular functions. There is a District Sajha Development committee under the chairmanship of the District panchayat chairman to promote and co-ordinate the programme in the district. At the apex of the hierarchy for Sajha development programme lies the central Sajha Development Committee headed by the Hon. Minister for Land Reforms, Agriculture and assisted for its daily administration by separate secretariate, which is responsible for all the

guide lines, directives and the policy matters relating to the programme and its sound development and co-ordination in the field.

Under the Sajha Development programme, all the districts under this programme would be covered by the net work of Agricultural Devt. Banks as well as commercial Banks in certain districts and their regional and area offices in order to provide the requisite banking and credit facilities and services to the people through Sajha which in its turn will help them to mop up the small but scattered rural savings of the villagers as well besides these banks would operate as bankers of Sajha. Under this programme 1026 of Sajha have been set up and duly registered in the 27 districts of the country the remaining 3 districts are planned to be covered within this fiscal year by these institutions. These newly developed Sajha so far have as their share holders 75894 members with Rs. 30,30,551/- as share capital with them.

Some of the achievement of the Sajha programme are briefly noted below:

- i) No. of districts under this programme - 30
- ii) No. of Sajha organised and registered in 27 districts
1026
- iii) No. of Shareholders:- 75894
- iv) Amount of share capital 30,30,551/-
- v) Total loans distributed by these institutions to the members:- 22,39,607/-
- vi) No. of Godowns constructed:
- vii) Misc.

A new trend in the thinking as regard to organisational pattern:-

Sajha development programme an integration of compulsory savings scheme and agricultural production programme together with the marketing facilities is the dynamic step towards this directions. Another noteworthy development in the Sajha movement, in the country, is the new trend in the thinking as regard to its organisational pattern. The policy decision as regard to transferring the management of Sajha (both pre co-operatives and co-operatives) the semi government institution like Agricultural Development Bank is itself an indication of a departure from the post approach of having a firm grip into their affairs by government through the Department of co-operatives. Though this is halfway towards building a sound management structure for the co-operatives with the participation of the people who have their financial stake in these institutions. This departure in the conventional approach has borne fruit. The limping cooperative and ill managed pre-cooperatives demonstrated that just by associating the local leaders in a recommendatory committee with a trained manager to conduct the business of the societies, the performance could be unbelievably improved. Most by these have become self sustained.

This experience has prompted a new trend in the thinking at the policy level, for bringing in more dynamism in the activities of Sajha, the creation of a Federation of Sajha at the national level and widening the scope and redefining the functions of the district unions at the district level are at present given serious consideration. A subcommittee composed of three members of the Sajha Development Central Committee has been constituted. This subcommittee will also study the role of the Sajha central office now mainly guiding the affairs of a few very active non agricultural Sajha like Sajha Yatayat, Sajha Swasthya, Sajha Prakashan and Sajha Pasal respectively in the field of urban transport, supply of medicines to H.M. Govt. Hospitals and Health centres, publishing books for the schools and colleges and supply of consumer's commodities in the formation of the Federation of Sajha and District Unions, and it will submit its findings to the Sajha development central committee for final decision.

This sufficiently indicates the recent change in the organizational pattern towards, the management of the Sajha. It will be further strengthened and the Sajha will enjoy greater autonomy in due course. This sort of action is always advisable to be planned first and then completed in phased out way.

Group Division of Participants

Group A

1. Mr. N.S. Gajural
2. Mrs. U. Shrestha
3. Mr. D. Dhungel
4. Mr. B.J. Paudel
5. Mr. B.K. Sharma
6. Mr. B. Chaudhari
7. Mr. S.N. Prasad
8. Mr. K.B. Besukala
9. Mrs. M. Dhakal
10. Mr. S. Karki
11. Mr. M. Gautam
12. Mr. K.N. Chaulagain

Group B

1. Mrs. N. Lohani
2. Mr. S.R. Shakya
3. Mr. N.B. Pant
4. Mr. R.B. Shahi
5. Mr. L.K. Jha
6. Mr. R. Bhattarai
7. Mr. T.D. Niraula
8. Mr. A.M. Ranjitkar
9. Mr. G.P. Malla
10. Mr. R.P. Singh
11. Mr. D.P. Shah
12. Mr. N. Ievkota

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NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT
IN NEPAL

Kathmandu, Nepal 5-14 December, 1976

1. Please discuss problems of Cooperative Marketing and suggest what steps should be taken under the conditions existing in Nepal to organise marketing efficiently through cooperatives.

If you consider formation of a national level cooperative organisation is needed express your views briefly on how it should be organised?

2. Please discuss problems of Cooperative Credit and suggest ways of overcoming them. Suggest ways of effectively integrating credit with marketing?

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7th December 1976

NATIONAL SEMINAR
ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT
IN NEPAL

- Q.1 Outline the suitability of the multipurpose type of cooperatives for agricultural cooperative development in the context of economic and social conditions existing in the rural areas in Nepal?

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7th December, 1976

NATIONAL SEMINAR
ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE
DEVELOPMENT IN NEPAL

Question:-

State how far the means and techniques of publicity so far adopted in Sajha Programme have been effective. Suggest some measures to improve the means and techniques in the context of present conditions existing in Nepal.

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8.12.1976

NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL.

- Q. Outline the reasons why co-ordination between different development agencies have not been achieved to the desired extent at various levels. Suggest ways and means in the context of your experience that should be adopted to achieve the desired co-ordination between these agencies at all levels in order to make development efforts more effective.

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8th December 1976

NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL

- Q. Outline ways and means of increasing member participation (both in utilizing the services of the Society and in management) in Agricultural Cooperatives in order to ensure their growth and democratic control of the societies.
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9.12.1976

NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL

- Q. Outline the Role the Cooperatives can play in Social and Economic Development in Nepal.

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10th December, 1976

NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE
DEVELOPMENT IN NEPAL

- q. Outline briefly lessons that can be drawn from the Japanese Agricultural Cooperatives for adoption in Nepal.

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NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT
IN NEPAL

Date of Group Discussion; 6. 12. 1976 GROUP - A

Chairman : Mr. B. Chaudhari.

Secretary: Mr. D. Dhungea

Q.1. Please discuss problems of Cooperative Marketing and suggest what steps should be taken under the conditions existing in Nepal to organise marketing efficiently through cooperatives.

If you consider formation of a national level cooperative organisation is needed express your views briefly on how it should be organised?

A. Marketing involves activities such as collection of marketable surplus from the farmers, their transportation, assembly, storage, processing and sale to the ultimate consumers. Presently we have concentrated on the marketing of the three items of agricultural produce, namely, paddy, wheat and mustard seeds. Supply of agricultural inputs such as improved seeds, chemical fertilizer, insecticides and small agricultural tools and implements to the farmers on the spot also forms an important part of agricultural marketing.

Under the new Sajha programme, we have adopted a multi-purpose cooperative system. This means the primary Sajha units will have to undertake the functions of a consumers' cooperative society also along with those of an agricultural cooperative. In the initial stage, seven consumer items such as salt, kerosene, sugar, coarse clothes, edible oil, diesel, rice and flour are included for marketing through village level sajha units.

The Sajha societies are undertaking the above mentioned marketing functions for the following reasons :

(1) Nepal is a predominantly agricultural economy. Our overall economic development and improvement in the living condition of the overwhelming majority of the peasantry are conditioned by the stage of agricultural development. It is,

therefore, the need of the hour that we push through agricultural production. For this, improved variety of seeds, fertilizer, insecticide, agricultural tools have to be provided to the farmers in time and on the spot. It needs no emphasis, therefore that only under such condition, the farmers will be able to produce more and generate surplus for marketing.

(2) In a country like ours where the bargaining capacity of our farmers is severely handicapped due to poverty, and a chain of middlemen work in between the producers and the consumers, thereby taking away a major portion of the returns, Proper arrangement for marketing to ensure better price for farm produce assumes vital importance.

(3) It need not be emphasized that since the main objectives of Sajha programme are to ameliorate the general living conditions of the farmers, we must see to it that they get the essential commodities of daily consumption at fair price and with comparative ease.

In undertaking these functions the following constraints have been experienced which require urgent solution.

Constraints

- (a) Problems of transportation, storage and processing.
- (b) Problems of regular and guaranteed delivery of credit, agricultural inputs and consumer goods to the Sajha units.
- (c) Problems of price fluctuation and lack of up-to-date marketing information.
- (d) Mal-practices and unhealthy competition from the local moneylenders and private businessmen.
- (e) Non-organisation of the secondary and central level cooperatives.

The following measures are suggested to overcome these constraints and deficiencies of marketing :-

(a) In respect of transportation, arrangements should be made to provide trucks, tractors etc., to be owned and managed by the district Sajha Union for the use of all the Sajha societies within a district. The number of vehicular units to be provided can be decided in consideration of the volume of transaction of the Sajha societies of a district.

As for storage, godown facilities should be provided to all Sajha societies. Arrangements, therefore, should be made to construct a godown in each society, the capacity of which can be decided on the basis of total volume of business of a given society. As it takes time to build a separate godown for each society, short term measures such as building or hiring a godown at centrally located place for the use of two or three Sajha societies can be undertaken.

As for processing, processing units should be set up wherever feasible on a phase-wise basis.

(b) Arrangements should be made to make available in sufficient quantity credit, agricultural inputs and consumer goods to the Sajha societies on the basis of their requirement assessment. As time and location are important factors, it should be ensured that deliveries are made in time and on the spot.

(c) Uncertainty in the price of farm produce kills the incentive for increased production. So as to overcome this problem the government must guarantee procurement and minimum price for main farm produce.

(d) Cooperative working is of a recent origin in Nepal. We, therefore, do not have long experience in this field. This means that it will be a very difficult task for the cooperatives to compete with the private businessmen who have entrenched themselves in this

field. In view of the above constraint it may be suggested that the primary Sajha societies should be provided with an adequate degree of autonomy so as to enable them to manipulate the price in line with the market trend and effectively compete with the private sector. Information regarding prevailing up-to-date market prices should also be made available to the Sajha societies and the farmers through the appropriate agency.

(e) A sound organisational set up at different levels is of vital importance for ensuring efficient and successful working of cooperatives. Under the new Sajha programme we have primary Sajha societies in village level. Practical experiences have shown that secondary and apex level organisations are necessary to facilitate and accelerate the working of Sajha societies. Keeping this in mind the group suggests that Sajha unions at district and national level should be established immediately. All the primary level Sajha societies within a district should be federated into the district level Sajha union and the district level Sajha unions into a national level Sajha union.

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Date of Group Discussion; 7.12.1976

Chairman; Mr. D.Dhungel

Secretary Mr. B.J.Paudel

Q. State how far the means and techniques of publicity so far adopted in Sajha Programme have been effective. Suggest some measures to improve the means and techniques in the context of present conditions existing in Nepal?

A. It need not be emphasised that the Sajha programme is a peoples' movement. The active and meaning ful public participation in Sajha programme is, therefore, a must. As we know, the public participation is not forthcoming by itself. For this, the people have to be fully informed and educated as to what Sajha programme is and what benefits they are to get from it. This task of informing and educating the people is carried out through various publicity media. The publicity media are of two types mass media such as radio, newspapers etc., and interpersonal and group media like seminar, talk programme, person to person discourse, etc.

Both these media should be made use of side by side for the publicity of the Sajha programme among the people. But in view of the low literacy percentage and the other constraints the mass media tends to be comparatively less effective in our present context. Therefore, the greater emphasis must be laid on interpersonal and group communication media.

Radio programme, newspapers, booklets, posters etc, that are presently being used for the publicity of Sajha programme have been very useful in this direction. These media of publicity should continue to be made use of preferably, radio programme should be strengthened and the time and frequency of broadcasting be increased.

The most effective agents for publicising the Sajha programme among the rural population are the local panchayat

workers. The panchayat workers should therefore, increasingly be mobilised for this purpose.

Arrangements should also be made to actively associate school teachers, the students of national development service scheme of Tribhuvan University in propagating the principles and objectives of the Sajha programme among the rural people.

Before the panchayat workers, teachers and students are asked to publicise the Sajha programme, it is very necessary that they are thoroughly acquainted with the aims and objectives of the Sajha programme. For this, arrangements should be made to hold Sajha seminars of panchayat workers and school teachers at appropriate level. Besides these, arrangements should also be made to include topics on Sajha in different type of seminars held for different purposes like Pancha Bhela Village Panchayat and district panchayat meetings etc.

There are different types of training centres in different parts of the country for providing training to the panchayat workers, teachers etc. In such training courses Sajha subject should be included.

Agricultural extension workers working in the field and living among the rural people can be good communicators to get the message of Sajha programme across the rural areas. It is suggested that some arrangement be made to provide training to them before they are sent to the field work.

Sajha programme is a continuing process. Publicity aspect of the programme should also be planned accordingly. Today's boys and girls reading in schools and colleges are those who to take up the job of carrying on the Sajha movement in future. So it is highly desirable that some arrangements be made to make them learn about the Sajha movement in their school stage itself. This in view, it may be suggested that the Sajha subject be included in the curriculum of the schools and colleges.

Date of Group Discussion: 7th December, 1976

GROUP - A

Chairman: Mr. D. Dhungel
Secretary: Mr. B.J. Paudel

Outline the suitability of the multipurpose type of cooperatives for agricultural cooperatives development in the context of economic and social conditions existing in the rural areas in Nepal ?

Ans: The existing difficulties in the rural condition of Nepal are as following:-

- (1). lack of knowledge of modern method of agriculture.
- (2). lack of adequate supply of inputs
- (3). uneconomic size of farming which causes low yield.
- (4). lack of well developed infrastructure.
- (5). lack of proper marketing arrangements and marketing information.
- (6). lack of supplying arrangements of consumer goods
- (7). lack of cultural and recreational facilities

Taking into consideration the social and economic condition of Nepal, Sajha, a multipurpose type of primary level cooperative organisation has been established with the following objectives:-

1. To give improved technical help or support through Sajha the service of J.T or J.T.A has been provided in the form of extension agent. Though their number is limited at present, each Sajha should be provided with one J.T.A. in future.

1st

(2)

With their help the farmers will be able to cultivate their land with improved practices. This practice will definitely increase their farm produce and generate enough marketable surplus which will be sold through Sajha.

(). Sajha, as a multipurpose cooperative organisation can provide adequate quantity of inputs in time.

In this regard assessment should be made by Sajha for the various inputs to be used by farmer. Sajha society should store it in time and provide in time to the farmers.

(3). Farm produce can best be collected by Sajha because it is generally located close to the farm. The cost of collection will be minimum and the delivery can be made in bulk so that it also reduces the transportation and storage cost. This marketing arrangement can be provided through Sajha multipurpose society. With the establishment of secondary and apex level Sajha organisation the marketing information also can be given to the farm member.

(4) Sajha is at present selling essential consumer's goods at fair price. This activity of Sajha not only helps farmer in getting goods at fair price but also gives them goods at their own village.

(5) The member of multipurpose Sajha Society can get all the services as consumer goods and production inputs whereas the member of a single purpose society has to move from one society to another to get all the services. This ad/s/

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his cost and time.

- (6) The various social programmes like population education, family planning can be performed by Sajha the activities such as farmers fair can be organised through Sajha.

With all these multipurpose activities the operating cost of Sajha can be reduced considerably. Farmers will get all the goods and services on the farm level by which they need not go to other places. The multipurpose Sajha is the most suitable form of cooperative society for the development of agricultural cooperative in Nepal.

Date of Group

GROUP-A

Discussion:- 10th December, 1976

(4)

Chairman:- Mrs. Urmila Shrestha

Secretary:- Mr. Satya Narayan Prasad

Q. Outline the Role the Cooperatives can play in Social and Economic Development in Nepal.

Ans. The majority of farmer in Nepal possess fragmented and small size of landholding. The method of cultivation is traditional. Even if Agriculture is the main source of employment and export the yield per unit is very low. The population pressure on land is very high. This is resulting the growth in the population. So unless there follows a highly intensive cultivation with the appropriate uses of H Y V, chemical fertilizer and modern means of cultivation development will not come as thought. With this background a suitable institution in the form of Sajha has been organised in the country. Sajha, as a multipurpose cooperative is best suited to provide multifarious services in an integrated manner.

1. Sajha(Cooperative) can play a vital role to change the social and economic scene in the country. Its aim is to supply all the inputs combined with technical support. This will result a rise in production.
2. Sajha, is the main rural institution which can effectively mobilize the human resources.
3. Sajha, is most effective in mobilizing the rural savings scheme of converting compulsory savings into the share-capital is the unique characteristic of the Sajha.
4. It helps the local people to get an idea about business management. They can actively participate in the process of decision making. This will result a sense of achievement in the mind which help to build the moral among rural folks.

(2)

5. Sajha gives a sense of unity because it is essentially "all for each and each for all"
6. Without an appropriate institution at the grass root level coordination can not be established between the various development agencies. Sajha, is most suited to channalize the various development function at the grass root level.
7. The institution created so far the rapid economic growth in the country were concentrating their effort mainly in the district level. Until and unless these activities are diffused at the grass root level(the village society) the real process of development can not be accelerated further in the rural sector. So instead of creating a parrallel network for each activities undertaken by the various development agencies at grass root level an institution like Sajha from which all the effort can be channalize is best suited. This arrangement will minimise the cost and best coordination can be acheived im implementing the development programme.

Date of Group
Discussion:- 9th December, 1976

GROUP-A

Chairman:- Mr. Bipin K. Sharma

Secretary:-Mr. Mukunda Pd. Gautam

- Q. Why coordination has not be acheived up to the desired extent at various levels. How you feel this coordination can be acheived ?
1. It seems that there is a policy coordination at the central level. But the various policies to be adopted by the different institution (Central, district and grass root) has not been properly communicated to the concerned authorities and participants. This can be illustrated by the simple example of reporting system adopted in Sajha.
 2. Coordination is very important for the successful implementation of Sajha Programme. Various agencies involved to channalize their function through Sajha is the grass root level must coordinate their activities with each other. Coordination should start from the early stage of programme and plan formation. This can be done very easily. For example, take the programming of financing. Each Sajha Unit in the district should formulate their lending programme taking into consideration the ^{farm} plan and budget of its members. This can be consolidated in the district and Bank will have to plan to meet the required amount of credit. Likewise the supply agency must plan to supply the required amount of input in time and on the spot.
 3. It has been felt that the commitment does not confirm ~~to~~ to action. For example, it was committed that 300 J.T.A's will be provided for the Sajha. But so far this commitment has not been fulfilled. It is hampering ~~in one of the~~

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(2)

most important objective of Sajha that is, providing technical services to the people on farm. These commitment should be realistic and should conform to available resources.

4. To coordinate the programme to be implemented in the district level district Sajha development committee has been organized. But usually even if the decision taken to be implement in line to the approved policy do not get implemented because of the recultancy in the part of a single person or institution to coordinate its activity. Sajha Central Committee should be notified of his action by the District Sajha Development Committee and the Concerned Central level Institution should take action the concerned authority for his uncooperative attitude.

In the district level the Chairman of the district sajha development board must act as an effective coordinator and his performance must be evaluated periodically.

5. An effective evaluation system of the concerned officials should be introduced so that their effort will concentrated on implementing the set programme and greater coordination can be achieved.
6. Coordination can best be achieved only when the authority is properly delegated at the district and grass root level. The authority of channalizing the resources according to the need should be there.
7. There should be a proper coordination at all level. No central Institution should formulate the programme in isolation and no implementating level organisation should think that they alone are responsible in this integrated programme.
For this regular meeting among the executive is necessary so that they can evaluate and direct the programme as envisaged

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Date of Group

Discussion:- 9th December, 1976

Group- A

Chairman:- Mrs M. Dhakal

Secretary:- Mr. K.N. Chaulagain

Q. Outline ways and means of increasing member participation (both in utilizing the services of the Society and in management) in Agricultural Cooperatives in order to ensure their growth and democratic control of the societies ?

Ans. Sajha Society is an economic organisation based on among other things the noble principles of democratic control and members' active participation in its affairs. In order to ensure these elements in the Sajha Society, the following measures have been suggested for consideration.

1. It is of vital importance that the shareholders feel that the Sajha Society is their own affairs, and completely geared to the fulfilment of their requirements and aspirations. In order to arouse this feeling of owners and attachment, massive educational programme must be carried out through the local leaders, officials and other appropriate agencies. This educational programme should cover board members committee members and personnel down to the general shareholders. The educational programme is also necessary in view of the need of imparting managerial and other skills for the efficient functioning of the Sajha Society.
2. There is a tendency that people believe much in deeds than in words. The Sajha programme has promised to provide necessary agricultural inputs and services along with other necessities of daily consumption. We, therefore, must see to it that the shareholders are getting the services as have been promised to them in the Sajha programme. ~~This is so far the surest way to arouse active participation.~~

(2)

3. Some sort of incentive schemes such as rewarding the active member's and shareholders can be introduced. This will help create a sense of healthy competition among the members and shareholders for greater participation in the affairs of the society.

As for democratic control over a Sajha Society by its shareholders it is necessary that some concrete steps should gradually be taken to ensure this concept to prevail fully in the long run. This is very important in order to develop the co-operatives as a truly people's movement. In the meanwhile, some measures consistent with the present scheme of things can be undertaken.

1. Effective check and control over managerial personnel by the managing board, and over the managing board by executive Sabha.
2. There are some provisions in the existing bylanes under which shareholders can exercise some control and check over the affairs of the society. Procedures should be developed strengthened and side by side simplified to facilitate the exercise of control and check.

A committee consisting an appropriate number of persons to be elected from among the shareholders is suggested to be ~~constituted~~ to look over the day to day performances of the ~~society~~ and to report to ~~the managing board and the general body~~.

NATIONAL SEMINAR ON
INTEGRATED APPROACH TO AGRICULTURAL COOPERATIVE DEVELOPMENT IN NEPAL

Date of
 Group Discussion, 6. 12. 1976

GROUP - B.

Chairman : Mr. L.K. Jha

Secretary: Mr. R.P. Singh

Q.1 Please discuss problems of Cooperative Credit and suggest ways of overcoming them. Suggest ways of effectively integrating credit with marketing?

Ans. Untimely distribution of credit:- In the practical field it is seen that the farmers do not get loan on time. This untimely distribution of credit not only hampers the cultivation but also the ultimate production, because of the untimely sowing which in the long run affects the repayment of loan.

To remedy this, the paper work should be mobilized on time and the office management should be made more efficient. Beside this the supplies of seed and fertilizers should be made available at the proper time.

2. Proper distribution of credit, There exists a greater discrepancies in the amount of credit given to different farmers for the same purpose which leads the farmer to misuse the credit on the one hand because he has received excess and on the other hand the farmer may not be able to cultivate scientifically because of insufficient loan. Thus there is a necessity of even distribution of credit. And this loan should be given to the actual producer (right man) who always use the loan for the purpose he has taken for. Like there is an assessment of the loan required, likewise there should be an assessment to ensure the proper utilization of that loan.

3. Long process, It is felt that the process of taking credit is very long and a complicated one, which a simple farmer does not understand nor always have time to undergo them. So in regard to small and short-term credit the process should be made easy, explicit and simple.

4. Lack of extension and guidance service, There exists

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a lack of trained personnel not only to run the cooperative societies but also a lack of trained personnel to guide the members. Due to the lack of technical know-how the farmers are not able to get the maximum benefit out of the credit obtained.

Therefore the extension officials should ensure that their services are rendered should include small and poor farmers with very little land holdings than a pocketful of rich farmers.

5. Security; The normal practice of taking loan is by keeping the land ownership certificate (lal purga) as security which in fact is not rational in the sense that in most cases the owner gets one ownership certificate for all the land he owns, which means that he has deposited all his property to take loan, which may be very small in relation to the value of the land he owns. This would generally discourage the smaller farmers as the risk involved to cultivate the land is too great.

To remedy this, short-term loan should be given to small farmer on the security of standing crop, and in regards to long and mid term loans certificate can be kept as security.

6. Problems of credit in regards to tenant cultivation; Basis of credit practiced today is, by taking "Land ownership certificate" as security. But it is found that there are a lot of tenants cultivated land in Nepal. These tenants do not have the ownership certificate which makes it impossible for them to enjoy the credit facility. This would result in the low productivity of land affecting the national production.

To remedy this the cultivation purpose credit should be made available against the tenancy right certificate.

7. Lack of product marketing: In most cases farmers hesitate to take credit because there is no market facilities available in the villages. This would involve a greater risk in paying back the loan as the products cannot be sold at proper prices.

To remedy this, product marketing should be guaranteed by the credit agencies.

8. Limitations of institutional credit agencies :

- (a) Lack of resources.
- (b) Misutilization and misdirection of fund.
- (c) Insufficiency of personnel in regards to supervisory functions of the farm credit utilization.
- (d) Difficulties involved in storage, transportation and handling the resources in kinds.

9. Too much dependence of borrowed fund and lack of enthusiasm to raise the capital base. In order to overcome this situation the member should maximise the mobilisation of the internal resources available in the village.

10. Lack of coordination between different functional agencies as also between different tiers of similar agencies.

To remedy this, secondary and apex level cooperative organisations should be organised which can work as a co-ordinator.

Integration of Credit with Marketing

1. Loan should be able to be paid back in kind and cooperative societies should take the responsibility of marketing them.

2. Primary cooperative should work as collector of produces and pass it to the secondary organisation for processing, which increases the marketing help among the cooperative societies.

3. Marketing and credit providing agency should be the same and multipurpose societies should be given priorities in the village level.

4. In the present agri-marketing system middle man plays a vital role, so the village money lender on the credit side. Thus the challenge before the cooperative is to avoid both of these, to do so the group feels that cooperative, as its objective, should try to give maximum facilities, so as the members gain faith in them.

5. Multipurpose societies should not only give productive loans to the members but also give consumption and other types of loans to facilitate the marketing purposes.

Date of Group Discussion: 7. 12. 1976

GROUP - B

Chairman : Mr. R. Bhattarai

Secretary: Mr. T.D. Niraula

Q. Outline the suitability of the multipurpose type of cooperatives for agricultural cooperative development in the context of economic and social conditions existing in the rural areas in Nepal?

Ans. Before to make any comment on the suitability of multipurpose cooperatives for agricultural cooperative development, it would be better to mention the existing socio-economic condition of the rural areas in Nepal.

Nepal is predominantly an agricultural country. About 96% of the total population resides in the rural area and the agriculture is their main occupation, out of this total agricultural population about 80% of them are small farmers. Besides, two third of the national income is derived from the agricultural sector and agricultural commodities provide a large portion of Nepalese exports. It is for thousands years that Nepal has been concerned with the rural economy. This fact alone shows the need of improving agriculture in order to uplift the rural economy thereby raising the standard of living of the rural people. Of course this fact is being realized for a considerable long period, but the satisfactory result is yet to come due to under mentioned socio-economic factors that are existing in Nepal.

. Rural people of Nepal are conservative in nature and orthodox in their view so they are reluctant for change it may be due to illiteracy and lack of knowledge.

2. Small size of large number of holdings about 80% of the farmers are small farmers which is an uneconomic holding of cultivable land which are also fragmented and subdivided.

3. In spite of successful implementation of land reform programme, still exists the concentration of land in few hands.
4. The absence of proper infra-structure makes difficult in modernising agriculture.
5. The marketing facilities of the agricultural produce is inadequate and that prevents fair price for the producer.
6. Lack of adequate credit facilities that results indebtedness and the poverty of the peasants hinders improvement in techniques of production.
7. Uneven distribution and the rapid increase in population and excessive pressure of man on land results in unemployment and underemployment of the rural families.
8. The subsistence type of farming results in deficit agricultural economy and agriculture remains low income occupation follows low saving, low investment which results in low income of the peasants.
9. Lack of irrigation and drainage facilities, problem of deforestation and land erosion also results in low level production and hence low surplus produce for marketing.
10. Lack of sufficient supply of inputs like chemical fertilizer insecticides, pesticides and improved seeds which are vital for the modern agriculture.
11. The poor equipment and inadequacy of the tools also has been limiting factor.
12. The declining trends in productivity of land should also be taken as an important factor
13. Risks arising out of natural factor such as unfavourable weather conditions (insufficient rains or badly distributed rainfall, frost, excessive rain, drought, floods) and absence of crop insurance facility.
14. Rural mass of our country lacks an organisation and leadership.

15. Lack of agriculture research, education and extension services.

The need of upliftment of the rural economy and raising the standard of living of the rural people, is being realised and suitable measures also taken to organise agrarian system according to the present day needs and conditions on improved lines with the establishment of servicing agencies, for the purpose of achieving following objectives:-

1. Extension services of land use and intensification and utilisation of land already in the use through improved and scientific methods of cultivation.
2. Provision of credits for modernising agricultural methods in order to increase the productivity.
3. Provision of production requisites (chemical fertilizers, pesticides, insecticides, improved tools and seeds) at reasonable price.
4. Adequate marketing facilities to insure fair price to the farmer.
5. To develop the resources like irrigation, erosion control reclamation of new land and resettlement project etc.

The agencies which are engaged in fulfilling the above mentioned objectives are largely limited to national and district levels except few cooperative societies and inadequate number of field level extension workers. The cooperative society hardly meets all the needs of the farmer which are vital and other developmental agencies lack coordination among themselves and fail to reach at the grass root level. Since the cooperative societies being only the best media to reach grass root level and make provisions for mass participation and allround development of the rural people. It may be necessary to organise these primary cooperative societies in such a way so that these societies alone could serve all the aspects of the rural needs. This way we could avoid the burden

of the farmer in approaching to different agencies for different problems.

The establishment of primary societies for the promotion of economic interest of the farmer (members) in accordance with the Cooperative Principles aims to achieve socio-economic development of the rural masses by the activity of different direction like providing loans to farmers, promoting savings among members, supplying them with agricultural requisits and domestic requirements and arranging for the marketing of their agricultural produce.

For this purpose, we cannot think of any alternative means other than the multipurpose cooperative society which can be the best media to reach grass root level and serve farmers with alround activities to uplift rural economy and hereby raising the standard of living of rural masses resulting in overall development of the Kingdom of Nepal.

Date of Discussion:- 7th Dec. 1976

GROUP-B

Chairman: Mr. R.H. Bhattarai

Secretary: Mr. T.D. Niraula

- Q. State how far the means and techniques of publicity so far adopted in Sajha Programme have been effective. Suggest some measures to improve the means and techniques in the context of present conditions existing in Nepal.

To uplift the cooperatives, at present, following publicity measures have been undertaken and following suggestions are given to make it more effective by group 'B'.

- (1). Radio:- At present Saja Coöperative Society has made arrangement to broadcast Sajha Programme through the Radio. The group suggests to increase the frequency and to make some changes in the content of the programme. Aspects relating to managerial functions and benefits of the cooperative programme should be included.

- (2). Poster, Pamphlete:- Most of the cooperative societies ^{members} are illiterate. So when publishing the pamphlets, emphasis should be given to pictorial materials so that they could easily be understood.

- (3). Distribution of Pamphlets, Booklets, Broshero etc.

Pamphlets should be made available freely to every cooperative society and the cooperative society should communicate the content to the maximum number of people through managing committee. The managerial functions, benefit derived from cooperative society should be included in the content of the pamphlets.

(4). Study circle Method:-

In every cooperative society study circle method should be introduced and discussion should be conducted at regular intervals. Cooperative Training Centre and other organisations should help to conduct these programme.

(5) Visits to the cooperatives which are functioning excellently:-

Arrangements should be made to facilitate the managing committee members to visit the cooperatives and observe their functioning.

(6). Programmes to publicise about the cooperatives should be included in every meetings, gatherings and rallies and the concerned departments and agencies should take part in discussion with the people.

(7). Students who go on NDS Programme may also help to publicise about cooperatives. Therefore they should be oriented about the cooperative programme before going to the field.

(8). Programmes to publicise the cooperative should be arranged in commercial service of Radio Nepal too.

(9). Programmes to conduct organise drama, essay competition, debates, slights feather film, cinemas, flenographs, charts, audio-visual. demonstration also should be arranged from time to time.

(10). 'Sajha Cooperative Week' should be observed at least once a year.

Date of Group
Discussion:- 10th Dec., 1976

GROUP -B

Chairman:- Mrs. Narayan Lohani
Secretary:- Mr. Devendra Shah

Q. Outline the Role the Cooperatives can play in Social and Economic Development in Nepal.

Introduction

As agriculture is the leading sector of our economy, it is only by developing this sector, can we hope to improve our economy. Nepalese farmers are poor, traditional and socially backward. Efficient operation of cooperative system can play an active role in developing nations agricultural economy. The best and most suitable type of cooperative society for Nepal is a multipurpose cooperative society (Sajha Samstha), because it can provide facility for both production and consumption purposes. Sajha is also a political programme, so it also assures the social upliftment of the people.

1. Sajha can consolidate the small saving and accumulate surplus capital and invest it in the agricultural development by providing various agricultural credits.
2. Sajha can supply agricultural requisites to the farmer in time as they have a set target fixed according to the national need.
3. Sajha can help in farm mechanization by providing various techniques and equipment (on hire basis).
4. Sajha can assure proper distribution of products in general by providing various marketing facilities.
5. Sajha by providing the marketing facilities can facilitate the consumer as well as the producer by avoiding the middle man and the individual business man.

6. Sajha through adaptation of grading and quality control measures can provide high quality and unadulterated consumption commodities to the members.
7. Sajha by providing various types of credits can eliminate the village money lenders.
8. Sajha is also a socio-economic programme which can generate the social and political consciousness among the people, thereby increase the mutual understanding and develop sense of social service among the people.
9. Sajha is a programme for all irrespective of cast, creed and colour. Thus it creates the feeling to work together and increase the sense of brotherhood and humanity.
10. Sajha can provide medical facilities, guidance for home and community development.
11. Sajha can provide facilities for recreational and cultural development of the people.

“नेपालको कृषि सभ्ना विकासमा
एकिकृत दृष्टिकोण”
राष्ट्रिय गोष्ठी

२०३३ मार्ग २०-२६ सम्म

श्री ५ को सरकार सहकारी विभाग र अन्तर्राष्ट्रिय
सहकारी संघ, नयां दिल्लीको
संयुक्त आयोजनामा

गोष्ठी हुने स्थानः- सहकारी प्रशिक्षण केन्द्र,
बानेश्वर, काठमाडौं

१. गोष्ठीको उद्देश्यहरू :-

१. बर्तमान साभा कार्यक्रमलाई अझ बढी बुझने र जनप्रिय बनाउने ।
२. कृषि साभा विकासको एकिकृत कार्यक्रम कार्यान्वयनमा आईपरेका समस्या र बाधाहरू पहिचान्नु ।
३. साभा कार्यक्रमको नीति निर्धारणमा आवश्यक सुझावहरू सिफारिश गर्ने ।

२. गोष्ठीका मुख्य विषयहरू :-

१. नेपालमा साभा सहकारी आन्दोलनको संक्षिप्त ऐतिहासिक विवेचना ।
२. भूमिसुधार र साभा (सहकारी) आन्दोलन
३. नेपालमा साभा विकासको प्रवृत्ति र गतिशिलता
४. साभा संस्थामा ञ्चण समस्या

५. वेच विखन कार्यक्रमको समस्या

६. एकिकृत कृषि साभा विकासको लागि बहुमुखि साभा संस्था-एक माध्यम

७. जापानमा बहुमुखि कृषि साभा संस्था; कृषि साभा विकासमा एकिकृत माध्यम

८. नेपालको सामाजिक तथा आर्थिक विकासमा साभाको भूमिका

९. नेपालको वर्तमान अवस्थामा साभा संस्थाको इकाई निर्धारण गर्ने आधारहरू

१०. कृषि विकास कार्यक्रममा संलग्न निकायहरू बिच प्रभावकारी विकासको लागि समन्वय

११. साभा कार्यक्रममा प्रचारको महत्व

३. गोष्ठीका सहभागी निकायहरूः-

१. श्री सहकारी विभाग
२. श्री भूमिसुधार विभाग
३. श्री कृषि विभाग
४. श्री कृषि विकास बैंक
५. श्री कृषि सामग्री संस्थान
६. श्री साभा (सहकारी) सस्था लि०
७. श्री केन्द्रीय साभा विकास समिति

४. विदेशी विशेषज्ञहरूः-

१. श्री एल. गुणवर्धन, अन्तर्राष्ट्रिय सहकारी संघ,
नयां दिल्ली
२. श्री शिरो फुत्तागामी, केन्द्रीय सहकारी संघ, जापान