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# ICA REGIONAL BULLETIN

INTERNATIONAL COOPERATIVE ALLIANCE  
REGIONAL OFFICE FOR SOUTH EAST ASIA



*Every man who expresses an honest thought is a soldier in the army of intellectual liberty.*

—R.G. INGERSOLL



*Season's Greetings and Best Wishes for the New Year*



(R. B. RAJAGURU)  
ICA Regional Director for S-E Asia

VOLUME 26 ■ NUMBER 1-2

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**ICA  
REGIONAL  
BULLETIN**

EDITOR

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# ICA RO Structural Reorganisation Becomes Effective

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The structural reorganisation in the ICA Regional Office for South-East Asia in New Delhi, was effected from 1st January 1986.

The internal organisational structure itself was put through a process of restructuring to more effectively respond to member needs in the face of increasing financial constraints and reduced staff strength. The process of restructuring which is still ongoing included the setting up of three units within the Regional Office :

- a Cooperative Development Unit,
- a Management Unit and
- an Information Unit,

the work of which units would be supervised and coordinated by the Regional Director.

The Office would henceforth be called the Regional Office for South-East Asia. The Education Centre part has been dropped.

The ongoing activities of the RO will be implemented on the basis of Projects, with a Programme Officer incharge. The Projects are -

- (i) the Agricultural Cooperative Development Project.
- (ii) the Consumer Cooperative Development Project.
- (iii) the CEMAS (FED) Project.
- (iv) the Cooptrade Project.

These activities will be carried out according to the Plans already drawn up.

## Development Coordination Unit

This Unit will be primarily responsible to assist and advise the member organisations of the ICA in the region in identifying and planning of all types of cooperative development projects, including ICA RO Projects listed above. It will coordinate the submission of project plans to donor agencies as well as their implementation, monitoring and evaluation of such projects in which the Regional Office is involved. DCU will also help in the introduction and implementation of systems for planning and reporting of regional cooperative development projects.

Mr. J.M. Rana, former Director (Education) in the ICA ROEC has been redesignated as the Regional Development Officer and will head the newly set up Development Coordination Unit of the RO. Mr. Rana will be assisted by Mr. Sten Dahl from the Swedish Cooperative Centre, Sweden, who has joined the ICA RO as its Cooperative Development Adviser with effect from 23rd November 1985.

## Management Unit

The Management Unit will be responsible for the day to day management of the establishment, budgetary control and the overall coordination of ICA RO activities.

## Information Unit

The Information Unit will comprise Publications and Publicity activities and Library and Documentation services provided by the ICA RO. The clearing house

function earlier undertaken by the Cemas Unit including the film library will also form part of the Information Unit.

## Twelve staff declared redundant

As a result of the restructuring, the ICA has declared the following twelve staff members redundant effective 1st April 1986. We wish to record with high appreciation the loyal and dedicated services they have rendered to the ICA during their services with the Regional Office and Education Centre for South-East Asia.

1. Dr. Daman Prakash— Education Officer (Audio-Visual Aids)—Dr. Prakash served the ICA RO with for twenty four years, since 1962. After receiving training in audio-visual education and communication media he was designated as Education Officer in charge of Audio-Visual Aids. He served the ICA/SCC/NCC Coop. Teachers Training Project as Technical Adviser from 1978-81. He completed a two year term in the ILO/UNDP Cooperative Training Project in Indonesia from 1981-83, as an ILO Expert in Training aids, organisation of production unit and production of material at Jakarta, Indonesia. He is currently working with the ILO as its Advisor on Coop. Training Methods, techniques and production of

training materials in the Indonesian project since May 1985. He recently got his Doctorate for his thesis on "Cooperative Education and Training as Tools of Cooperative Democracy" from the Addison State University, New York, USA, and has several published works to his credit.

2. **Mr. Ashok Kandhari**, Personal Secretary—Mr. Kandhari served the ICA ROEC for almost twenty years as Secretary. Mr. Kandhari is a graduate from Delhi University and holds a Diploma in Marketing.
3. **Mr. Gurcharan Singh**—Personal Secretary, Mr. Singh has served as Personal Secretary for 18 years with various officers of the Regional Office.
4. **Mr. Vinay Nagpal**—Personal Secretary. Mr. Nagpal has served the ICA for eight

years. Mr. Nagpal holds a commerce degree from the University of Delhi.

5. **Mr. Balam Singh**—Receptionist and Technical Assistant, Cemas. Mr. Balam Singh who joined the ICA as a general assistant later become the office receptionist and technical assistant in the Cemas Unit. He has to his credit 25 years of service with the ICA Regional Office.
6. **Mr. Sri Ram**—Accounts Assistant. Mr. Sri Ram served the office efficiently for 21 years, earlier as a general assistant and later as Accounts Assistant
7. **Mrs. Anjali Adhikari**—Typist. She has served the ICA as Typist for almost nine years.
8. **Mr. P. S. Negi**, Driver—Served the RO for eight years.

9. **Mr. Jawaharlal**, Office Assistant—served the RO for 13½ years.
10. **Mr. Ramesh Parmar**, Office Assistant, served the RO for nine years.
11. **Mr. Hari Dutt Pandey**, Cook—served the RO for five years.
12. **Mr. Rama Shaker**—General Assistant, had put in a service of 11 years with the RO.

The ICA Staff Council played a very amiable role in a situation of crisis and difficult negotiations with the management. Staff declared redundant were given all retirement/retrenchment benefits including compensation for the loss of service with the RO.

A function was held by the ICA Staff Club to bid farewell to the staff declared redundant. □



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## ICA ACTIVITIES

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### Mission on Perspective and Project Planning for Agricultural Cooperative Sector in Malaysia and Thailand

In pursuance of the recommendation made by the 20th Meeting of the ICA Sub-Committee for Agriculture for South-East Asia held in Kuala Lumpur in July 1985, an ICA Study Mission comprising Mr. J.M. Rana, Regional Development Officer and Mr. Sten Dahl, Cooperative Development Adviser in the Regional Office was sent to Malaysia and Thailand. The broad terms of reference of the Study Mission were as follows :

- (i) to identify the problems and needs of farmers and farmer's cooperatives in the context of existing cooperative structures as well as past agricultural and cooperative development trends;
- (ii) to outline future opportunities of development within the next 10-15 years and specify cooperative development possibilities, strategies and policies for a Five-Year Period in the

context of the national development plan;

- (iii) to suggest specific areas in which cooperative development projects may be formulated to give effect to proposed cooperative development strategies, and
- (iv) to formulate at least one/two projects in the areas of most critical importance for cooperative development.

In Malaysia the Study Mission focussed its attention towards the needs of small paddy farmers and the role of farmers associations.

In Thailand special attention was paid to the needs of small farmers and the dairying sector. The Study Mission assisted the Cooperative League of Thailand (CLT) and the Cooperative Promotion Department (CPD) in preparing detailed project proposals in respect of two projects :

1. Dairy Promotion Project in Bang Saphan Land Settlement Cooperative, Thailand.
2. Income Generating Project for Small Farmers by the Ranod District Agricultural Cooperatives, Thailand.

The Mission carried out its work in Malaysia from 13th to 27th April and in Thailand from 28th April to 9th May 1986. In both the countries the Mission had discussions with officers of the planning bodies, agricultural ministries, cooperative departments as well as research and training institutions. The Mission also visited apex cooperative organisations and carried out field visits to selected areas.

The Mission made an oral presentation of its main findings and recommendations at the meetings of the representatives of selected apex cooperative organisations and relevant ministries and departments in both the countries. The representatives attending the meetings in both the countries found the findings and recommendations of great value.

The reports of the Study Mission on the two countries are under preparation.



*Study Mission in discussion with Thai Cooperators. (seen in the picture are) Mr. Taweewat Charoensook, Director, Coop League of Thailand (3rd from left), Mr. Chern Bamroongwang Chairman, CLT; Mr. Sten Dahl, Coop Development Adviser; and Mr. J.M. Rana, Regional Development Officer, ICA RO (4th from right)*

## Study Mission on Development of Consumer Cooperation in Malaysia and Singapore

The ICA Sub-Committee on Consumer Cooperation for South-East Asia, at its meeting held in Bangkok in November 1984, requested the ICA to appoint a Study Team consisting of experts from the ICA, SCC and JCCU to visit selected member countries in the region to identify areas and activities which need external assistance for the development of consumers cooperative movements in these countries.

Considering that Malaysia is one of the countries in the region which has a good potential for the growth of a viable consumer cooperative movement and where initiatives have already been taken in this direction, the ICA appointed a Study Team consisting of Mr. M.K. Puri, ICA RO, New Delhi; Mr. Kjell Eklund, SCC, Stockholm and Mr. K. Kitamura, JCCU, Tokyo, to carry out the study mission in Malaysia and Singapore. The study mission was carried out from 12th to 31st March 1986.

As large number of government departments and various agencies and authorities are concerned with the development of consumer cooperatives or retailing of consumer goods through cooperatives in Malaysia, the members of the Study Team called on each department and or agency to find out about the present position of consumers cooperative in their respective care and their future plans for further development of these cooperatives during the next three years.

The study team feels that given

a good leadership and efficient management, the present situation in Malaysia offers a good potential for the development of a viable consumer cooperative movement in the country. They have identified three areas where in their opinion further external assistance will be required for advancement of consumers cooperative movement in Malaysia, namely, (a) Training in Cooperative Retail Management, (b) Feasibility Study for establishing a Cost Efficient and Competitive System for Regional Warehousing and Goods Distribution, and (c) Feasibility Study to introduce Computerisation at the Retail and Wholesale Sectors of Consumer Cooperative Movement in Malaysia.

The study team also visited Singapore for two days. The sole purpose in visiting Singapore was to know about the present situation of the NTUC Fair Price Cooperative Shops and to examine if there is expertise and facilities to be made use of for the benefit of consumer cooperative movement in the region. The management of NTUC Fairprice Cooperative have indicated that they may be able to receive every year 5-6 employees of consumer cooperatives for on the job training for a duration of one month. They, however, indicated that this would be possible only after a period of one year as at present they are still in the process of standardising their operations and procedures.

### CEMAS FED WORKSHOP HELD

A Workshop on the Field Education Development Material

was held in Kurunegala, Sri Lanka, from May 5 to 15, 1986, in collaboration with the National Cooperative Council of Sri Lanka. The Workshop was attended by nineteen participants consisting of district secretaries of the National Cooperative Council, extension officers and member relations officers from two selected multipurpose cooperatives from the five selected districts.

The methodology adopted at the Workshop was finalised earlier at an Introductory meeting held in January 1986 and attended by high officials and leaders including the President of the National Cooperative Council and the Commissioner and Deputy Commissioner of Co-operative Development.

The Introductory meeting agreed that the Workshop will be looked at not as a means to developing individual skills only but as a first step in developing a suitable strategy to take the FED methodology to the field level in the shortest possible time. It also decided to hold the workshop in the Sinhala language.

Resource persons were drawn from the cooperative movement of Sri Lanka. Mr. Upali Herath, Deputy Commissioner, Education, acted as the Workshop Coordinator and Dr. D Vir and Mr. R. B. Rajaguru represented the ICA RO.

The strategy followed by the Workshop was a "group" approach with the exercises following on the introduction of each module being worked on by three groups, one group functioning as representing members, another the employees and the third the Board. Each group exercise session was followed by a plenary using various educational aids

Visits to certain selected MPCSS were also made by the participants.

The Workshop prepared plans

for follow up action. Two plans were worked out by the workshop—one for immediate follow up in the two selected multipurpose societies and the other was to extend the FED approach to other societies in the district.

An evaluation undertaken at the end of the workshop indicated the acceptances of participatory approaches to improve performance. The participants had indicated a great potential in the FED methodology for improving member awareness and member involvement in cooperative activity and performance.

#### ICA FORTHCOMING ACTIVITIES

Executive Sub-Committee of the ICA Regional Council for South-East Asia will meet in Jakarta, Indonesia, on 18th and 19th June 1986. The meeting will be hosted by the Dewan Koperasi Indonesia.

The Agricultural Sub-Committee for South-East Asia of the ICA Regional Council will hold its next meeting in Bangkok, Thailand, on May 29 and 30th, 1986. The Cooperative League of Thailand will play host to the meeting.

The Sub-Committee on Consumer Cooperation will meet in Singapore

on May 29th and 30th, 1986. The National Cooperative Federation of Singapore will play host to the meeting.

#### BRUCE THORDARSON VISITS REGION

Mr Bruce Thordarson, Development Director of the ICA Regional Office visited the RO and held discussions with the Regional Director and members of the Staff on matters of mutual interest. He was in the region from 15th February to 1st March 1986.

Mr Thordarson visited the National Cooperative Union of India and other member organisations of the ICA in India and held discussions with the leaders and officials of the Movement and the Department of Cooperation, Ministry of Agriculture, Government of India.

Mr Thordarson, accompanied by Mr R. B. Rajaguru, ICA Regional Director for South-East Asia, visited ICA member organisations in Thailand, Malaysia and Singapore. He also held discussions with Mr R. Mathimugan, Chairman of the ICA Regional Council for South-East Asia in Kuala Lumpur. He also visited the ICA Cooptrade Project in Kuala Lumpur.

#### KRIBHCO AND SRI LANKA COCONUT UNION ADMITTED TO ICA MEMBERSHIP

At the meeting of the ICA Executive Committee held at Palermo, Italy, on 20-21 March 1986, Krishak Bharati Cooperative (Kribhco) India, and the Sri Lanka Coconut Producers Cooperative Societies Union were admitted to the membership of the ICA.

With the admission of these two new members, the Regional Office for South-East Asia, will now serve a total of forty one member organisations from the region.

The number of member organisations of the ICA from India and Sri Lanka will now be eight and three respectively.

Mr Thordarson visited Japan from 26th to 28th February and had discussions with the leaders/officers of the Central Union of Agricultural Cooperatives, the Japanese Consumers Cooperative Union and the National Federation of Fisheries Cooperative Associations in Japan. □

## ***RO Activities Proposed for July '86 to June '87***

### **1. Regional Organisational Activities**

- (i) Meetings of the Sub-Committees on Agriculture, Consumer, Fishery and Trade.
- (ii) Meetings of the ICA Executive Sub-Committee of the ICA Regional Council for SE Asia.
- (iii) Meeting of ICA Regional Council for South-East Asia.

### **2. Development Coordination Unit**

- (i) Improvement of the capability of national cooperative organisations in project identification and planning—Indonesia and Bangladesh.
- (ii) Design and Submission of projects to donor countries/agencies—four feasibility studies.

- (iii) Establishment of a Data Bank for monitoring cooperative development trends in the region.

- (iv) Coordination of development projects.

### **3. Agricultural Cooperative Development Project**

- (i) Perspective Planning of Agricultural Cooperative Movement in Sri Lanka and Thailand.

(Continued on page 9)

# ICA mourns Olof Palme's death

The Executive Committee of the ICA at its meeting held in Palermo, Italy, on 20th and 21st March 1986, passed the following condolence resolution deeply mourning the assassination of Mr Olof Palme, the Prime Minister of Sweden, in Stockholm on March 1, 1986 "Members of the Executive Committee of the International Cooperative Alliance, meeting 20th and 21st March 1986, in Palermo, and acting on behalf of the entire membership of the ICA, extend sympathy to the Swedish members of the ICA, on the tragic assassination of Olof Palme, Sweden's Prime Minister.

"It is a sad verification of the danger and violence of our times that this act occurred in a nation noted for its order, its rational and human approach to mankind's problems, and its creative use of cooperation. It is especially sad to note that Palme was a leader in the pursuit of peace and the control of terror. Indeed, he may have died for that dedication to peace.

"The Executive Committee extends special sympathy to ICA's President, Lars Marcus of Sweden".

Mr. Marcus's thoughts on the tragedy is given below :

## Cooperatives, Democracy and Violence

"I was sitting next to a member of our staff during lunch-Martha McCabe. It was at one of my regular visits to Geneva and just after the murder of Olof Palme, the Swedish Prime Minister and my old-time friend.

We compared. She had been at Vienna Airport in December and seen the handgrenades thrown at the crowd waiting at EI-AI check-in. She said it was like watching pitchers at a baseball game back home. After running in the wild shooting, the nightmare was there. Life changed.

I told her of Stockholm. The newspaper arrived at 06:00. It's front-page had the portrait of a friend in a black frame. The tears and no words uttered for almost two hours. Then the walks in the city and the silence. The flowers thrown where the murder took place.

We compared and understood others. Our



time includes a lot of violence. It is there in the Third World. It is equally there in the countries where political, economic and social stability is supposed to prevail.

We spoke of democracy, cooperatives and the chances for the good forces in mankind to conquer the evil.

Indira Gandhi, Ronald Reagan, Olof Palme and all the others are products of a system based on the consent of the people. We may or may not like the results of democracy, but we know of nothing better.

They were attacked when they moved among the people-when they were not surrounded by secret service men or kept in custody. Democracy needs an open society but then has to pay a price. The question is whether it is worth it. Another question is whether we can live without it.

To me the work of cooperatives is a part of the ongoing, continuous fight between good and evil. To me, cooperators should never give in, never capitulate to the evil forces. In the longer perspective, capitulation to terror, to the evil, is a disaster.

Many thoughts have come to me in the message of the murder of a friend. What seems essential is loyalty to the cause we fought for—a better world, a world in peace that can take away poverty, injustice and inequality.

I thank all of you who sent me and my countrymen a message of condolence and support in our moment of grief. We understand better



than before that there is just one world.

—LARS MARCUS”

The staff of the ICA Regional Office mourned the death of Mr Palme at a condolence meeting held on 3 March and sent the following telex to the Director of the SCC.

“We deeply mourn the tragic and untimely death of Mr Olof Palme, Swedish Prime Minister and send you and the people of Sweden our sincerest condolences. Olof Palme was a world leader

who struggled valiantly for nuclear disarmament, peace and a just world order. His death is a tremendous loss to the Third World and all peace-loving people. We can attempt to follow his example in our own humble ways in our daily work.

“Kindly convey our condolences to Fellow Cooperators in Sweden and SIDA”.

Representatives of the staff also visited the Swedish Embassy in Delhi and signed the condolence register. □

## RO ACTIVITIES . . .

(Continued from page 7)

- (ii) Regional Training Course on Cooperative Dairy Development, India.
- (iii) Consultancy on strengthening of Cooperative Structure in Indonesia.
- (iv) Development of Rural Poor through cooperatives—Pakistan and Malaysia.
- (v) Promotion of dairy cooperatives in Thailand.
- (vi) Regional Seminar on Measures for Strengthening Bases for Organisation and Business in Primary Agricultural Cooperatives, Korea and Japan.

### 4. Consumer Cooperative Development Project

- (i) Consultancies-Strengthening of Consumers Cooperative

Movement in the Philippines and India.

- (ii) Technical and financial assistance to national programmes of training in coop retail management in the Philippines, Thailand.
- (iii) Technical mission and on the job training for promotion and development of Regional Warehouse in India.
- (iv) Consultancy services to NCCF, India and ACFT, Thailand.

### 5. CEMAS Project

- (i) Introduction of FED Programme and conduct of FED Workshops in Malaysia and Nepal.
- (ii) Follow up of previous workshops and adaptation of FED Material.

### 6. Cooptrade Project

- 1. External Consultancy services for promotion of coop trade.
- 2. Establishment of joint ventures between producers in the Region and promoters.

### 7. Fisheries Cooperative Development Project

- (1) Project identification and preparation in two countries.
- (2) Sub-Regional Workshop on Prawn Breeding and Fish Farming, Malaysia.

### 8. Other Activities

- 1. Two national workshops to promote women's involvement in cooperatives.
- 2. Ongoing activities of Information Unit, Library and Documentation services; Publications & Publicity. □

# All China Federation of Supply and Marketing Cooperatives

## I. Nature and Tasks

China's supply and marketing cooperatives are of collective ownership and non-governmental economic organizations which are primarily composed of peasants with a total membership of 130,000,000.

China's supply and marketing cooperatives are organized by the broad masses of peasants in order to develop production, improve their material and cultural life and practise mutual collaboration in the question of supply and marketing. Their major tasks are to purchase means of production and livelihood, market agricultural and side-line products and provide various social services for the peasants.

The All China Federation of Supply and Marketing Cooperatives was set up in Beijing in July 1984 which is the national organization of supply and marketing cooperatives at all levels at home and participates in all international activities on behalf of them.

## II. Organisational Structure

China's supply and marketing cooperatives are composed of four levels: central, provincial, county and local. They are as follows:

Name	Number
All China Federation of Supply and Marketing Cooperatives	1
Provincial Supply and Marketing Cooperative Unions	28

County Supply and Marketing Cooperative Unions	2100
Local Supply and Marketing Cooperatives	35000

The democratic forms of China's supply and marketing cooperatives

The National Supply and Marketing Cooperative's Congress is the highest power organ.

1. The local supply and marketing cooperative holds one session every year;
2. The congress at county level is convened every two years;
3. The congress at provincial level every three years;

The national congress is convened every five years, while the National Committee of All China Federation of Supply and Marketing Cooperatives holds one session every year.

The Board of Directors of cooperatives at all levels are the executive bodies and elected by the cooperative congresses at their same levels.

The supervisory councils at all levels are the supervisory organs of the cooperatives and elected by the cooperative congresses at their same levels.

## III. Organizational Principles

The organizational principles of China's supply and marketing cooperatives are:

1. Voluntariness: freedom to accede to or withdraw from the cooperatives;
2. Democracy: all the leading organs and leaders are elected by the members of the cooperatives through democracy, one man one vote regardless of his (her) shares;
3. Service: the purpose of the supply and marketing cooperatives is not for earning profits but for providing services to the members of the cooperatives;
4. Mutual benefit: profits in businesses are shared among the members of the cooperatives. Part of the profits is retained as collective accumulation of funds and rest is distributed to the cooperative members.

## IV. Business Management

China's supply and marketing cooperatives have more than 640,000 shops, over 10,000 specialized wholesale companies and 28,000 processing factories employing 4.2 million workers and staff members. Their major businesses are as follows:

1. The means of production including farm machineries, chemical fertilizers, agro-chemicals and farm tools etc.;
2. The means of livelihood of all kinds of consumer goods including food, clothing and daily articles;
3. The farm and side-line products including farm products, animal products and native produce of all kinds;

(Continued on page 13)

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# *The ICA Role in Development*

ALF CARLSSON\*

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## History of ICA Development

In the 1950s first efforts to assist Cooperatives in developing countries were often seen as a process of transplanting European cooperative systems into the different environments of the, so called, "under-developed" (later "developing") countries.

At the ICA Congress in Lausanne in 1960, it was recognized that some modification of the traditional European model may be needed. The Lausanne Congress approved a long term programme of technical assistance which focussed on data collection, research, cooperative education, collaboration with the UN and promotion of cooperative trade. From 1954, when ICA's Sub-Committee for Development & Development Fund were established, the Alliance had been trying to solve the problem of how to support cooperative development outside Europe and North America.

The well-known and important ILO Recommendation, "No. 127", which declared that cooperatives were "important instruments of economic, social and cultural development as well as of human advancement in developing countries" was approved in 1966. It argued that governments should help cooperative development through legislative, financial, technical and other measures, that cooperative development should be integrated in national development plans, but

that it was important that cooperatives should maintain their independence.

The 1970s were proclaimed by the ICA as the Cooperative Development Decade and the Alliance embarked upon a ten-year programme with increased activities for the promotion of cooperative development in the Third World based on a better understanding of the real needs of developing countries. The efforts were focussed on agricultural and the peoples of rural development and the mobilization of human resources. The need for appropriate technology was of growing concern. Western style industrialization seemed often to aggravate the imbalance in Third World economies by increasing urban unemployment.

In the report to the 27th ICA Congress held in Moscow in 1980, on the work and achievements by the ICA and its members during the past decade, it was cautiously noted "But while very considerable efforts have been made by cooperative organizations, by governments and by international organizations of various kinds during the 1970s, some may take the view that cooperative development during the seventies has not been quite as great or as uniformly successful as had been hoped at the beginning of the decade. If this has been the case, it may be the consequence, not so much of the ineffectiveness of work for cooperative development, as of unfavourable economic and other circumstances". In its concluding remark the report stated "After all, the kind of measures needed to encourage cooperative development may not be dissimilar

to the kind of measures needed to make the economy function more smoothly. All measures likely to create a more egalitarian society—tax changes, agrarian reform, more spending on education and less on arms, etc.—are likely, not only to help to turn potential demand into effective demand and increase employment, but also to help people to save from their earnings enough to create their own cooperatives."

During the 1980s the populations of many countries are facing starvation. The main concern is to increase food production and this is also reflected in the cooperative sectors.

The growing economic problems and increasing political instability also creates an atmosphere of urgency and impatience for quick solutions and immediate results. This could complicate long-term efforts to build self-reliant and independent cooperative organizations which would secure the active and democratic involvement of people in producing and distributing food.

In recent years, the need to involve the people in every development effort has focussed attention on the potential role of cooperatives. The support by both FAO and ILO in the initiatives taken by the ICA Regional Offices in Moshi (which led to the Gaborone declaration for a Regional Cooperative Development Decade, 1985-1995 for East, Central and Southern Africa) is a recognition of this.

## ICA's Two Roles in Development

The ICA must provide leadership for the cooperative movement

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\*Former Director, SCC, Stockholm and former Chief, Development Section, ICA, Geneva.

in the developing countries. It must also promote "the establishment and growth of independent, democratic, and viable cooperative organizations, in which men and women participate on equal terms" as stated in the ICA Policy for Cooperative Development.

Cooperatives in Africa, Asia and Latin America seem often more inclined to look at the ICA for guidance and leadership, compared with the European cooperative movements. This is perhaps natural when cooperative development in many countries is in the initial stage and despite a host of problems, finds itself on an upward curve towards unimagined possibilities. During this period important decisions on priorities, decisive for the nature of the cooperative as well as for its performance and efficiency, are continuously being taken.

The ICA should offer help and guidance on questions pertaining to cooperatives and the weaker sections of the population, the relationship to governments and the autonomy of the cooperative movement. A new look at cooperative principles also seems to be required. A reliable yardstick must be provided by the ICA, whereby a cooperative organization can be identified more easily.

But the ICA itself will have no readymade answers. These must be provided by a continuous democratic and educational process. The exchange of experience and knowledge, moral values and attitudes, and the application of cooperative principles will give conclusions and a general consensus concerning the cooperative and its required qualities.

In the promotion of cooperative growth and its involvement in development assistance, the 28th Congress of the ICA has provided

a new point of departure. In his report to the Congress in Hamburg in 1984, Yvon Daneau summed up four lines of action for the ICA development work.

1. Member organizations should be more involved in development assistance, and should seek support from their governments.
2. ICA should support the members in their development efforts with various services like planning and evaluation.
3. The ICA should support the cooperative movements in the regions, to help them see more clearly the genuine needs of the various cooperative sectors and to find possible sources of financing.
4. The ICA should plead the cause of authentic cooperative development with the governments of its member organizations, and should encourage a better image of the cooperative movement at all levels.

#### The New ICA Approach to Development

An action plan for ICA Development was approved by the ICA Development Committee and the ICA Executive Committee at its meeting in Berlin in June 1985, and confirmed by the ICA Regional Councils for Asia and East, Central and Southern America in July of the same year.

According to this plan, new, smaller regional structures must replace the present structures in Asia and East, Central and Southern Africa. New Regional Offices will be set up by the ICA in regions not yet covered, where the ICA members are prepared to establish and support an ICA office. The ICA Headquarters and its Development Section, must be reinforced so that

it can give the necessary support to the ICA regional activities and monitor the ICA Development Programme. A separate agency for development will be created within the ICA i.e. to ensure flexible and efficient operations and management of ICA development work and to keep the costs for development apart from the main budget of the ICA.

- (a) The ICA will concentrate on national needs and help its member organizations to identify needs and to decide on priorities for building viable, democratic and independent cooperative movements.
- (b) The ICA will emphasize its role as a facilitator of development and development assistance, rather than becoming involved in the implementation of projects.
- (c) The ICA will rely more on the direct support and participation of its members in the Development Programme. Technical experts, consultants or advisers recruited for projects will be directly attached to ICA members in developing countries who will be expected to share at least a part of the costs of such assistance.
- (d) The regional aspect of ICA work will be maintained through a system of technical committees for specific fields such as agriculture, fisheries, insurance, etc., which ICA members consider to be necessary. Through these committees, national achievements and experience will be shared between the cooperative movements represented. This could be a small group of countries facing similar problems and having similar needs and priorities, or else committee could also include members from the whole region, in which case its work may be more general.

(e) The technical committees and the Regional Council will be of crucial importance in the new ICA structure and for ICAs' regional activities. They will provide a vital link between the national cooperative movements and the Alliance. The regional work programme of the ICA will depend on what needs and priorities are being presented to the Regional Council by national representatives to these committees. Therefore, representation on the committees will have far-reaching consequences on the work of the ICA and its financing in the region concerned. It will imply a good work-programme which meets the genuine needs of the ICA members in the region. Participation will also be crucial for access to the wealth of experience and know-how that these technical committees embody.

The main contribution and the unique role of ICA in development is that it provides a forum for the exchange of ideas and experiences among cooperative leaders and

policy makers in developing countries and that, within its constituency, it has all the possible expertise that might be needed.

Therefore, it is necessary to organize the ICA structure in such a way that its potential importance could be systematically and fully exploited by ICA members. This would reduce dependence on outside assistance and raise the self-reliance of cooperatives in the region.

But even with a small largely self-sustained ICA development organization, the Alliance and its members will have to rely on assistance from outside the ICA and its membership. Substantial assistance from one or a few major donors is especially required during the initial period of a new Regional Office. This has been shown by our experience, but experience has also shown how important it is to receive support from different sources, both from ICA members within the region and from outside.

With the new structure and approach for ICA development, the

possibilities of attracting new donors and keeping the old ones are likely to increase. With an adequately staffed ICA Development Agency, including the important function and work of CEMAS, and with secondment from a few main partners, the ICA will have a properly balanced organization for its versatile and demanding development work.

Details concerning the Development Agency and its constitution are being worked on, and a proposal will be presented to the ICA Executive Committee in March at its meeting in Palermo, Italy. Special attention will be given to the role of the Regional Councils which, together with the technical committees, are likely to play a key-role in the new structure. But the most important question of all is how to secure the interest and influence of the ICA members in the developing countries in the future development activities of the ICA. This is probably a key question, not only for successful implementation and adequate financing of the ICA Development Programme, but also for the future of the ICA itself. □

## ALL CHINA FEDERATION . . . (Continued from page 10)

4. The catering services including restaurant, hotel, repairing trades and tourism etc ;
5. The recovery, processing and utilization of scrap material.

### V. Educational Undertakings

The educational system of the supply and marketing cooperatives in China is as follows :

1. *College* : There are two colleges run by the cooperatives with three thousand and three hundred students from senior high school graduates. The length of schooling is four years.
2. *Technical Secondary School* : The

cooperatives have 61 technical secondary schools with an enrolment of 15,400 students from junior middle schools. The length of schooling is 3 years.

3. *Cadre School* : The principal task of the cadre schools is to train cadres at posts. There are 151 such schools all over China with 20,000 students;
4. *Short Time Training Class* : The training classes are run by the cooperatives below county levels for the purpose of training their own cadres with a length of study for two or three months.

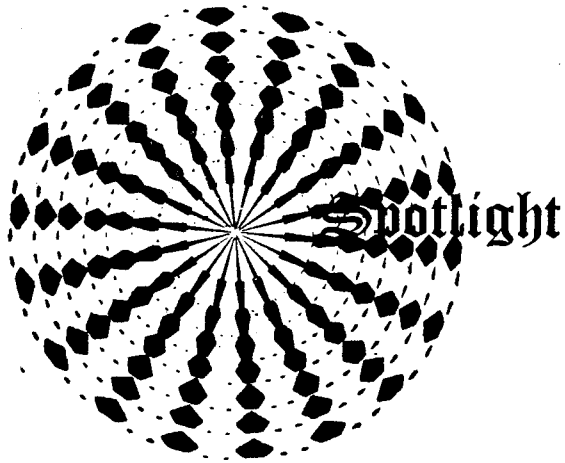
### VI. International Activities

The contacts between China's supply and marketing cooperatives

and the cooperatives of various countries are increasing daily.

At present, the countries which have more contacts with the Chinese Coops. are Japan, Sweden, Italy, Hungary, Romania, the United States, France and Britain etc. Economic and technical exchanges are being gradually carried out.

China's supply and marketing cooperatives would like to establish friendly cooperative relations with all cooperatives in the world on the basis of equality and mutual benefit, develop economic and technical co-operations and promote the development of international cooperative cause. □



# SCHOOL TEACHERS' COOPS IN JAPAN\*

## Introduction

It is amazing to see how the Cooperative Movement in Japan gained popularity with a large majority of school teachers from very early days. It is learnt that today nearly 70% of all school teachers in Japan are members of School Teachers' Cooperatives. It may, however, be clarified at the outset that the School Teachers' Cooperatives in Japan are quite different from the University Coops. Whereas the Varsity Consumers Cooperatives draw their membership from university students, teachers and non-teaching staff at the campus, the membership of School Teachers' Cooperatives is confined to teachers, from elementary, high and secondary schools. Generally, the students are not enrolled as members of the School Teachers' Coops.

After the Second World War, there was an acute shortage of consumers goods in Japan and it was difficult to procure daily necessities at reasonable prices. The National Congress of School Teachers Trade Union considered this problem at their annual Congress in 1947 and advised all School Teachers Trade Unions at

the Prefectural level in the country to set up separate Welfare Departments and to take upon themselves the responsibility of arranging the supply of daily necessities to the school teachers community in their respective areas. After some time in 1948 the Consumer Cooperative Livelihood Act was enacted in Japan and the welfare departments in all trade unions at prefecture level were converted into school teachers' consumer cooperative societies and they were formally registered under the Consumers Cooperative Livelihood Act.

## Yamagata School Teachers' Coop

For administrative convenience, Japan has been divided into 47 territorial units. Each unit is known as a Prefecture. Yamagata Prefecture lies in North Western part of the country, and its headquarters Yamagata town lies at a distance of about 350 km. from Tokyo. There are about 700 elementary, high and secondary schools in the Prefecture and they are employing nearly 13,000 teachers. Nearly 99% of these teachers are members of the Yamagata School Teachers Cooperative.

The membership of the Yamagata School Teachers Coop is limited to school teachers. In addition to the school teachers Coop, there are 3 general Public Consumers Coops, usually known as Regional Con-

sumers Cooperatives, two in the Eastern part of the prefecture and a big one in Tsuroka city with 8 branch shops covering the western part of the prefecture. The Yamagata prefecture is a very fertile rice growing area and cooperative activities are well advanced in this prefecture. The prefecture extends over an area of 9326 square kilometers and has a population of about 1.26 million persons. The operational area of the Yamagata School Teachers Coop extends to the entire prefecture.

Every school teacher is eligible to become a member of the Coop, irrespective of the fact whether he is a member of the School Teachers Trade Union or not. As per a resolution which was recently adopted at the International Labour Organisation, the senior teachers like Headmasters and Vice-Headmasters are barred from becoming members of Teachers Trade Unions. Nevertheless, they are eligible to become members of the School Teachers Consumers Coops. Even college and university teachers have been admitted as members in some School Teachers Consumers Coops.

The value of a unit share in the society, has been fixed at 100 yen but the average share holding of each member amounts of 13620 yen.

\*Prepared by Mr. M.K. Puri, Consumer Cooperative Development Project Adviser, ICA RO, New Delhi.

	1975	1982	1984
Member-ship	14,443	15,647	15,914
Share Capital (in 1000 Yen)	85,690	170,023	216,784
Share per member	5,933	10,866	13,620

The above figures of membership include 2,674 members from general public who have contributed 1,003,000 yen in the paid up share capital of Yen 114,404,200. (1975).

At the annual meeting of the Coop in the year 1960, some members expressed the opinion to extend the benefit of the Coop to general consumers. Doubts were, however, expressed by a few members about the propriety of a School Teachers' Cooperative entering into this kind of activity. The objection was raised mainly on the following two grounds :

- (a) According to cooperative principles, the users of the services of a cooperative should have the right to become owners of the enterprise and control its affairs, whereas in a Teachers Cooperative the control was concentrated in the hands of teachers, with little control from the general consumers.
- (b) The employees of School Teachers Cooperative work for only short hours and get many holidays.

#### Bifurcation

The matter was again discussed in the annual meeting of the society in 1962 but the discussions remained inconclusive. Finally in 1963, it was decided to separate the regional shop into a separate consumer



*The school coop serves the various needs of its members-product range on display.*

cooperative society. The Yamagata School Teachers Cooperative, however, provided managerial and other support to the Regional Society till the latter was well established and now it has three branch shops operating in the Eastern half of the Yamagata prefecture. It will thus be observed how a School Teachers Cooperative helped in the organization of a Regional or Citizens Consumers Cooperative. Similarly many university coops and medical coops in Japan also provided initiation and support for organization of citizens consumers cooperatives in many communities

#### General Assembly

It is interesting to note that nearly 40 per cent of total membership of the Yamagata Teachers Coop comprises women teachers. Each of the 700 schools elects one representative for the annual congress of the society, which meets at least once in a year. He or she is also responsible for cooperative activity in the school. Nearly 80 to 90 per cent of those elected representatives are women teachers. The operational area of

the Coop has been divided into 12 districts. The elected representatives in each district also meet there twice a year, and they discuss the performance, progress and future programmes of their coop. One representative for each 100 members is elected at the district level, for representing the district at the General Assembly. The number of such representatives in the General Assembly is around 120.

#### Board of Directors

The General Assembly elects a Board of Directors comprising 26 members. A candidate who wants to contest for a post on the Board of Directors of the society is required to fulfil certain requirements. While electing their representatives at the district level, the members from the district themselves designate one of their representatives, who fulfils the necessary requirements as their candidate for election to the Board.

Out of 26 members on the central executive of the school board of directors of the society, four have to be out of members of the teachers trade union, and 9 out

of members of the trade executive at the prefecture level. There is no such provision in the bylaws of the society but in view of the continued patronage extended to the coop by the teachers trade union movement, this practice to elect office bearers of the central and prefectural executives of the teachers trade union has come to stay as a convention. The remaining 13 members of the board are elected out of other School teachers and members of the coop.

#### Linkage with Consumers Coops

The leaders of the Trade Union Movement among school teachers in Japan have always been persuading school teachers to encourage and assist the promotion of cooperative movement in the country. In the year 1965-66, the National Teachers Union embraced membership of the Japanese Consumer Cooperative Union.

The Japanese Consumer Cooperative Union set up a separate department to cater to requirements of school teachers cooperatives and in 1968 they established a wholly owned private limited company under the name and style of the School Stationary Company. It arranges supplies of stationery articles, exercise books, sports goods and laboratory chemicals and goods to schools and to school teachers consumer coops. It also supplies text books to school children through the agency of teachers.

#### Assortment

The School Teachers Coops mainly handle supplies of durable household goods, hardwares and electrical appliances. Some household goods of daily necessity are also stocked on selective basis. The non-perishables foodstuffs are stocked on a restricted scale.

#### Distribution of Goods

The Coop is supplying goods to its members through the following four different modes :

- (i) Through Mobile Shops and delivery vans 50%
- (ii) Through Catalogue sales 20%
- (iii) Through authorized dealers 25%
- (iv) Through Exhibition shop 5%

The Coop is maintaining a fleet of 24 delivery vans and carries a small stock of goods in its own warehouse. The consolidated indent of each school is passed on to the manager of the Coop by post or on telephone, by the elected representative in the school. The Manager arranges the supply of these goods through delivery vans within one week from the date of receipt of order. The payment is remitted to the Coop at the end of each month by causing deduction from salaries of teachers. If so required by any member, he can be allowed a credit facility upon 12 months

Nature of sale	1977	1976	1975
Cash Sales			
down payment	4%	4	4
Paid within 1 month	39%	39	37
Within 2 months	1.5%	1.8	2
In three instalments	0.5%	0.2	2
In 5 instalments	0.5%	0.2	2
Within 6 to 10 months	23%	26	26
Within 11 to 12 months	30	27	27
Total	100	100	100

#### Catalogue Sales

The Japanese Consumer Cooperative Union has established a separate department for catering to requirement of school teachers consumer coops in the country.



*Electric appliances on display attract customers.*



This department of the union periodically prints out illustrated catalogues of goods available with them or whose supply they can arrange. These catalogues are distributed to all members of School Teachers Coops in the country through their cooperative societies. The members can place their order on their coop which in turn places the consolidated order on the JCCU. The JCCU supplies the goods to the Teachers Coop from where the goods are delivered to members at their schools through delivery vans. The goods are delivered to members generally within 10 days of the receipt of order by the Coop.



*Jewellery section of the Coop.*

### Commission Sales

The JCCU enters into agreements with certain reputable suppliers of merchandise like clothing, apparels, watches etc. who agree to supply their products to members of Teachers Coops, against presentation of their identity card at a concessional price. The payment is collected through the Teacher Coop which is also allowed a commission upto 3% by the suppliers, provided the payment is made within one month. The Coop can realise its dues from the salary of the school teacher by writing to the concerned school authorities. But in case a member intends to avail of credit facility or make payment spread over monthly instalments then interest is also charged at a rate fixed by the Coop.

### Exhibition Shop

The Yamagata School Teachers Coop also operates a small exhibition shop at its headquarters where only selected household goods are displayed. The shop is managed by just two sales employees.

### After-Sales Service

The Coop has also set up a Workshop and provides after-sale service for consumer durables like electrical appliances. It keeps a limited ready stocks of heavy electrical appliances, room heaters, cooking ovens; refrigerators, deep freeze and washing machines etc.

### Sales

During the year 1984 the Coop

sold goods worth 1373 million yen and earned a net surplus of 13.41 million yen. The following figures give an idea of the size of operations in the Coop.

As on 31st March 1985 there were 49 Teachers Cooperatives affiliated with the Japanese Consumers Cooperative Union. The number of total members in these cooperatives was 614,410 and they sold goods worth 51,971.5 million

*(Continued on page 24)*

	1975	1982	1984
Members	14,443	15,647	15,914
Share Capital (Thousand yen)	8,569	170,023	216,750
Sales turnover (Thousand yen)	1067,313	1310,836	1373,321
Expenses (Thousand yen)	137,392	248,765	218,027
Net Surplus	15,838	(-) 26,822	13,307
Vehicles	25	25	24
Employees	46	45	38
Sales per employee (Thousand yen)	23,202	29,126	36,140
Expenses per employee (Thousand yen)	2,987	5,528	5,738
Surplus per employee	4,538	(-) 595	425
Net profit Ratio	1.5%	(-) 0.2%	0.98%

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## REGIONAL NEWS ROUNDUP

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### INDIA

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#### RECOGNISE COOPERATIVES AS THIRD SECTOR—CALL BY INDIAN COOPERATIVE CONGRESS

The Tenth Indian Cooperative Congress held in New Delhi from 19th to 21st December 1985 called upon the Government of India to recognise the Cooperative Sector as a third sector of the economy, to ensure definite outlays and demarcation of areas of cooperatives from those of public and private sectors.

The Congress was inaugurated on 19th December 1985 by the President of India, Giani Zail Singh. The Congress was also addressed by Mr. Buta Singh, Minister for

Agriculture, Mr. Yogendra Makwana, Minister of State for Agriculture and Mr. N Subramaniam, Secretary to the Ministry of Agriculture, Government of India. Key-note address was delivered by Mr. Tapeswar Singh, President of the National Cooperative Consumers Federation of India. Mr. V.P. Singh, President of the National Cooperative Union of India welcomed the chief guest, distinguished invitees and the delegates. More than 2000 delegates representing cooperatives in the different parts of the country attended the Congress.

#### Self-Regulation

In his inaugural address the President of India emphasised that the strength of the cooperative

movement depends on the degree of self-regulation and self-reliance. He felt that the movement itself should muster its own strength, resources and sensitivity for meeting the developmental needs of the people. The apex organisations including the national and state level unions should be strengthened. He called upon the government and the constituent cooperative organisations to make earnest efforts in this direction.

Mr. Buta Singh, Minister of Agriculture, Government of India, said the Indian Cooperative Movement has emerged as one of the largest in the world and its contribution to economic growth has been substantial. The movement, he said, has been able to meet 55% of institutional credit, 45% of fertiliser distribution and 60% of sugar production in the country. The working capital has risen from a mere Rs. 2760 million in 1950-51 to Rs. 350 billion in 1984-85. He appreciated the significant contribu-



*The President of India, Giani Zail Singh, is seen inaugurating the Congress. (l-r) Mr. Rai Singh, Chief Executive, NCUI; Mr. N. Subramaniam, Secretary to the Ministry of Agriculture; Mr. V. P. Singh, President, NCUI; Mr. Yogendra Makwana, Minister of State for Agriculture; Mr. Buta Singh, Minister of Agriculture and Mr. Tapeswar Singh, President; NCCF.*

tion made by the cooperatives in the economic and social upliftment of the people. He said the objectives, strategy, plans and programmes of cooperatives have been adequately reflected in the National Seventh Five Year Plan and called upon the cooperative movement to act as a responsible partner in the whole concept, thinking and operation of the Plan.

### Third Sector

Mr. Tapeshwar Singh, President of the NCCF, in his key note address, recalled the role of cooperative movement in reducing the socio-economic imbalances in the country. The cooperative movement started initially as a credit movement, has grown into a large network serving different sectors of the economy. Presently there are 350,000 cooperative institutions with a total membership of 120 million in India, he said. The movement boasts of cooperative giants like the IFFCO, KRIBHCO, Heavy Engineering Cooperatives, PETROFILS to village level institutions providing inputs and services to the population even in the remotest parts of the country. Emphasising the role played by the cooperatives, Mr. Tapeshwar Singh urged the Government to recognise the Cooperatives as a Third Sector to bridge the gap between the public and private sectors.

Mr. V.P. Singh, President, NCUI, welcoming the chief guest and dignitaries said that the government should continue to extend its support to the movement and remove avoidable hardships particularly the restrictive cooperative laws to enable the movement to serve its membership better and make cooperative commonwealth a reality.

### Consolidate Gains

Mr. Yogendra Makwana, Minister of State for Agriculture

and Cooperation, Government of India, delivering the valedictory address emphasised that to ensure continued growth of cooperatives, it is necessary to consolidate the gains already achieved, remove organisational, operational and managerial constraints and mobilise adequate resources and membership participation at all levels. Referring to the democratic content of the cooperative movement, Mr. Makwana said that an Expert Team has been constituted by the Government to go into the entire question of democratisation and professionalisation in the cooperatives. He assured that measures will be taken to achieve these objectives.

### Resolutions

The Congress, which had the theme "Economic Growth and National Integration through Cooperation" passed a number of resolutions, the important among them were :

- Keeping in view its vast investment, coverage, production and services provided, the Cooperative Movement should be recognised as a sector like private and public sector. It will ensure definite outlays and demarcation of areas for cooperatives.
- The Government of India may frame a national housing policy and assign a definite role to cooperative housing sector in the implementation of national housing programme. The state apex housing federations should be allowed to raise resources from public by way of deposits to be covered by the deposit insurance schemes.
- It should be ensured that management in cooperative societies is elected by the democratic will of the members. There should be no nomination or cooptation on the Committees. Even vacancies reserved for weaker sections and women should be filled up by the process of election by all the members.
- There should be no power either to the Registrar or to the Government to annul, rescind or keep in abeyance the resolutions passed by the general body or by the board.
- Since education and training of members and functionaries is one of the principles of cooperation, it is felt that the cooperative societies should contribute liberally and regularly towards this fund which should be established and administered by the State Cooperative Unions. The contribution should be linked with net profits of the societies. There should be no ceiling on the contribution to the Education Fund on the same pattern as in the multi-state cooperative societies act, 1984.
- The Congress affirmed the need and urgency to introduce professional management in all sectors of the movement by adopting scientific manpower, planning and development policies so that the movement becomes strong enough to meet the challenges and the needs of the nation to enter the 21st century.
- Cooperatives can play a major role in the successful implementation of the New 20-point programme, provided specific guidelines are laid down for them.
- It is absolutely essential to establish a National Cooperative Bank to meet the financial needs of cooperatives from within the Cooperative Movement so as to impart greater strength, flexibility and self-reliance to cooperatives at all levels.

## MILK COOPS COVER 3.6 MILLION FAMILIES

Milk cooperatives under Operation Flood II had covered 3.6 million farm families by March 1985, according to the annual report of the Indian Dairy Corporation for 1984-85.

Of these, 500,000 farm families were newly inducted into the cooperatives. The number of Anand pattern village milk cooperatives went up by 5,909 to 34,523. Also functioning were 3,501 conventional societies which are being restructured on the Anand model.

Farmers sold, through their cooperatives, an average of 7.0 million kg of milk per day during the peak month; the annual average was 5.9 million kg per day. They received about Rs. 7.1 billion for milk supplied—Rs. 6.3 billion in cash against milk bills and Rs. 80 million as inputs in kind and bonus.

The total milk processing capacity in the milk sheds covered by Operation Flood increased during the year to nearly 88 million litres per day.

## IFFCO BLUEPRINT FOR WASTELAND CONVERSION

The Indian Farmers Fertilisers Cooperative (IFFCO) has proposed the launching of a unique scheme to convert wastelands to profitable forestry areas by setting up farm forestry cooperatives.

The pilot project initially envisages coverage of 50,000 hectares of wastelands in 10 states. In case the scheme is adopted by other similar organisations, it is estimated that 500,000 hectares of wastelands can be brought on the forestry map in the next seven years.

As part of the project, IFFCO plans to set up 650 to 850 forestry cooperatives for effective implementation of the pilot scheme.

The overall objectives of the project are not only to develop forestry on wastelands, but to bring about ecological balance, generate additional employment for the rural poor and to make farm forestry a people's movement.

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## Japan

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### COOPS DRIVE TO RAISE FUNDS FOR RELIEF FOR AFRICA

A fund raising campaign covering about 440,000 officials and employees of Japanese agricultural cooperatives, fishery cooperatives and forest owners cooperatives was staged for about six months in 1984 to help relieve the food crisis in Africa and contribute to increased food production in that continent.

The funds collected totalled more than Yen 200 million, exceeding the target of the campaign. The money was donated to the World Food Programme of the UN FAO which includes assistance to famine stricken African nations as part of a social and economic development project.

Mr. Shizuma Iwamochi, President of the Central Union of Agricultural Cooperatives of Japan, handed over the donation to Dr. Eberhard E Luha, Director of the WFP's Resources Management Division, on behalf of the officials and employees of the organisations, which took part in the campaign. The function was also attended by the Agriculture, Forestry and Fisheries Minister, Mr. Moriyoshi Sato.

### IDACA REUNION MEETING HELD IN SRI LANKA

A Reunion Meeting of participants who had earlier participated in different IDACA

seminars from Sri Lanka was held in Colombo, Sri Lanka, from 20th to 30th January 1986.

The Reunion Programme consisted of two main meetings, one in Colombo and one in Kandy, at which participants from Sri Lanka discussed the agricultural cooperative situation and the usefulness and relevance of Japanese experiences in the Sri Lankan context.

The formal opening of the meeting was held on the 23rd January at the National Cooperative Council of Sri Lanka. Mr. Lal Wijepala, Additional Secretary to the Ministry of Agriculture and Cooperatives was the Chief guest. The meetings in Colombo and Kandy were presided over by Mr. M.R.B. Daswatte, President of the National Cooperative Council of Sri Lanka.

Several past participants presented written documents on the usefulness and relevance of IDACA Programmes in their day to day work which formed the basis of discussions. Mr. Isumu Sugioka, Manager of IDACA, briefed the participants on the present position of agricultural cooperative situation in Japan.

In addition to Mr. Sugioka, Messrs H Terunama and S Suzuki represented the IDACA. The ICA Regional Director, Mr. R.B. Rajaugru, participated in the meeting on behalf of the ICA RO.

### JCCU FEARS GRIP ON COOPS MAY BE TIGHTENED

Anti-coop activity is not new. The tough opposition to the passage of the Consumers' Livelihood Cooperative Society Law in 1948 is an early, notable example of the continuing anti-coop feeling in certain quarters, and there is an abundance of rough waves today.

Before the war, consumer co-

operatives were subject to the former industrial cooperative law, but after the postwar abolition of this law, coops were governed by a number of different laws for about two years. The 1948 cooperatives law was not only delayed in its passage but also contained many tender spots that plague the present-day coops.

Coops most vulnerable spot is prohibition, in principle, of the use of cooperatives by non-members (Article 12, Paragraph 3). This provides a much greater restriction than does the fishery cooperative law, which does not segregate non-members in any way, and the agricultural cooperative law, which allows non-members to enjoy farmer coop services at a maximum ratio of 20% in business trade.

The original postwar draft proposed by the government was intended to permit non-members at a ratio of 10%, but stiff protest from small business owners resulted in the addition of this notorious Article 12, Paragraph 3, which reads: "The Cooperative Society shall not make its facilities available to persons other than its members. This rule, however, shall be applicable by the discretion of the administrative authorities concerned."

As consumer cooperatives gradually expanded their roots in the 50s, they began to come under attack by local store owners and company employees' purchasing groups that were also expanding their operations. In 1953, an anti-coop clamour broke out in the Yonago, Tottori Prefecture, on the Sea of Japan coast and quickly spread throughout western Japan, leading to the legislation in 1959 of the Special Measures Law for the Adjustment of Retail Business, which largely reflected the opinions of small retail traders.

The inclusion of paragraphs aimed at a control of coop activities in this retail business adjustment law was only narrowly avoided, but the stipulations of Article 12, Paragraphs 4 to 7 of the consumer cooperative law were appended into the retail business adjustment law. As a result, the exceptional provision of the coop law Article 12, Paragraph 3—which enables use by non-members provided that a responsible government office so permits—was greatly restricted, making it difficult for a government office to permit non-member use of coops.

Cooperatives faced more problems whenever retail laws were discussed in the nation's legislature. For example, there were the passages of the Large-scale Retail Store Law in 1973, the Small Business Operation Field Law in 1977, the revision of the former in 1978, and of the latter in 1981. Each time, anti-coop congressmen advocated a further restriction of cooperatives together with department stores supermarkets and other large-scale retail operations by those laws.

Small-sized retail trade associations almost always adopt an anti-coop stance at their conferences. In 1985, for example, the Zensui Alliance of 30 retail associations, including the Japan Federation of Shopping Centers and the All Japan Federation of Retailers Association, held an ad hoc meeting in May as a rally against cooperative operations. The Zensui Alliance is a united front of small store groups fighting to tighten controls on larger retail operations.

In July, the Japan Market Association embracing some 4,700 small stores decided to launch a campaign to shackle both agricultural and consumer cooperatives. In October, at their annual conference, the National Federation of Small Business Associations adopted

a resolution calling for a revision of the Large-Scale Retail Store Law to include consumer and agricultural cooperatives, along with large supermarkets and department stores already in the grip of the law. That was closely followed by another meeting of Zensui Alliance in late October and by the annual conference of the Central Federation of Societies of Commerce and Industry in November.

The major restrictions that these resolutions tried to achieve are :

- Restriction on large retail operations on the basis of total store network size, instead of the floor space of each individual store.
- Application of control to smaller stores having a maximum of 500 square meters in floor space operated by consumer coops, agricultural cooperatives and the "dummy" companies of big businesses.
- Control on mail-order, door-to-door and other sales activities not involving shopping at stores and carried out by big business and their "dummy" companies.
- Closer watch over consumer coops regarding the restriction of non-member participation and the disclosure of coop management, as well as an abolition of top preferences for coops.

Under pressure from these small stores, ranks and files of the ruling Liberal-Democratic Party (LDP) began a review of both the Large-Scale Retail Store Law and the Consumers' Livelihood Cooperative Society Law, leading to the drafting, in December 1985, of a proposed revision of the consumer coop law

by the LDP's special committee on coops. The proposed revision is aimed at :

- O Requiring coops to submit to the Prefectural Governor any plan to open a store having a floor larger than 500 square meters,
- O Submission of such a plan to a "council" formed by academic experts, local retail traders and consumers for possible readjustment.
- O Strengthening restrictions on the utilization of coop services by non-members.

The draft will not be mere plastic surgery of the coop law but will damage the very foundations of coop activities. Cooperatives must try to stop the LDP from taking the draft to the next Diet meeting scheduled for later this year and, if it is brought to the Diet, must prevent it from becoming law. To do this, coops will make a strong appeal for the cooperation of opposition parties.

Another development that may lead to a greater restriction of cooperatives is the recent creation of the private "committee to study the desirable activities of consumer cooperatives" under the leadership of the Ministry of Health and Welfare. The first meeting of this committee was held in February and will be held once a month, with a view to drawing up recommendations on coop activities by December 1986. These recommendations are expected to greatly affect the coop law issue.

JCCU chairman Isao Takamura, who will attend the committee meetings as a regular member,

intends to expound to other members on the important social role of coops. In addition, the JCCU plans many events to protect against coop control movements, including a large, 10,000 people rally that will take place in Tokyo.

—JCCU

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## Nepal

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### INTRODUCTION OF FED APPROACH IN NEPAL

THE Field Education Development (FED) Approach was introduced in Nepal to policy makers through an Introductory Meeting held on 16th March 1986 at the Centre for Cooperative Development and Training (CCDT). The meeting was jointly organised by the Department of Cooperative Development and the ILO/DANIDA Project on Cooperative Management Training and Education for Nepal. The main purpose of the meeting was to familiarise cooperative policy makers and senior educators with FED Approach and possibilities of its implementation in Nepal in a suitable form.

A note on a development of more effective cooperative education at the primary cooperative level was presented by Dr. Dharm Vir, CEMAS Officer, at the Meeting.

Mr. Helmut Simon, Coordinator ILO/DANIDA Cooperative Training Project for Nepal indicated that FED Approach perfectly fits in the second phase of the ILO/DANIDA Project for Nepal.

In his concluding remarks Mr. N.K. Basnyat, Acting Director General, Department of Cooperative Development, reacted positively to the FED Approach and the

proposals to have it adapted and implemented within the second phase of ILO/DANIDA Project.

The meeting took several important decisions on adaptation and application of FED Approach in selected cooperatives.

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## Singapore

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### JACOB ELECTED CHAIRMAN OF SASCO

At the special meeting of the Council of the Singapore Amalgamated Services Cooperative Organisation (SASCO), held in Singapore on 13th November 1985. Mr. A. Samuel Jacob was elected Chairman of SASCO. The meeting also elected Messers Steven Loh as Vice-Chairman and Richard Thio as the General Secretary.

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## Sri Lanka

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### 75 YEARS OF COOPERATIVE EFFORTS AND ACHIEVEMENTS

The National Cooperative Council of Sri Lanka has plans to celebrate 75 years of cooperative efforts and achievements in the country in the first week of June 1986. In his message to the Commemorative Publication to be brought out on the occasion, Mr. R. B. Rajaguru, ICA Regional Director said "It is indeed a matter of great pride for us cooperators all over the world that Sri Lanka celebrates this year their 75 years of adherence to cooperative ideology and practice. Such a record of cooperative endeavour and achievement emboldens us to further effort and commitment to the cause of cooperative development. □

**CONSULTATION ON  
INNOVATIVE APPROACHES  
FOR COOPERATIVE  
DEVELOPMENT IN ASIA**

The Coady International Institute of St. Xavier's University in Antigonish, Nova Scotia, Canada, held a Consultation from Sept. 30 to Oct. 11, 1985 on "Innovative Approaches to Cooperative Development in Asia".

14 specialist consultants from six Asian countries, with diverse backgrounds and experiences in Cooperative Development, plus some of the faculty of the Coady International Institute and of St. Xavier's University took part in the Consultation. Mr. R. B. Rajaguru, ICA Regional Director, was also invited to participate as a Specialist Consultant.

One of the underlying assumptions of the Consultation was that in many Asian (and for that matter in many developing) countries, the on going, routine, government initiated top-down approaches to cooperative development, tended to perpetuate a situation of dependency for many of those involved and did not give them the opportunities for actively participating in and contributing to the decision making and development process. Very often they were passive on lookers, and recipients of benefits accruing from government initiated programmes and policies. Real development would necessarily mean increasing awareness and understanding among members with the members playing a more active role in identifying needs, drawing up plans and programmes, getting involved in decision making, increasing their financial commitments to the society and actively influencing the course of their own development and that of the community.

The consultation reviewed many innovative approaches which were

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## **NEWS AROUND THE WORLD**

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essentially "people based" with the external stimulator playing the role of facilitator and assisting people to realise their potential to satisfy their needs, and to find cooperative solution to satisfy such needs. The experiences showed that there was greater strength, commitment and sincerity in those situations where the people themselves were actively involved in the plans and programmes, as against situations where cooperative solutions were given to them through government initiative.

The Consultation also identified many roles that the cooperatives at various levels could play in the development effort, by giving effect to the Sixth Principle of Cooperation among Cooperatives. In this sector the Consultation focussed on the role of the cooperative federations at all levels and emphasised the need for such federal organisations to work towards supporting the primary member needs as against striking out on their own sometimes in competition with the primary affiliates themselves.

The Consultation, while admitting the need for government support and assistance for cooperative development, was also of the view that there was an urgent need to review the role of the government vis-a-vis cooperatives, as in many situations government presence and dictates, tended to suppress local initiative and tended to perpetuate the dependency syndrome so common in so many situations.

The Consultation drew attention of the Role of International Agencies, particularly the ICA, and the UN agencies supporting coops to the need for initiatives in this regard.

The Consultation was of the view that a process of dialogue and reorientation should be initiated at the highest policy making levels, to define the nature of cooperatives and cooperative development and to take all such steps as would be necessary to ensure real growth both of individuals and of their cooperatives.

### **CLARK OPENS PLANT FOR CUC OILSEEDS PROJECT**

Mr. E.A.M. Joe Clark, Canada's External Affairs Minister, has commissioned a \$ 10 million oil seed processing plant built with funds provided by the Canadian International Development Agency.

Mr. Clark visited Jagudan in India's Gujarat State to commission the plant on Dec. 16 '85. It has a capacity to process 200 tonnes of mustard or rapeseed oil a day, and was financed with funds generated from the sale of Canadian canola oil.

The Canadian government is providing \$ 75 million worth of canola oil over five years to the National Dairy Development Board of India to support the creation of cooperatives of Indian farmers and to encourage them to produce more oilseed crops.

The project is being administered for CIDA by the Cooperative Union of Canada. Its goal is to increase production of oilseed crops, to improve the income of oilseed farmers, and to contribute to the stabilization of prices and supplies of edible oils in India.

Mr. Clark said he was pleased to see first hand an example of the success of the project and the excellent

work carried out by Dr. V. Kurien, director of the NDDB. Dr. Kurien was in Canada earlier this year and received an honorary doctorate degree from Acadian University in Nova Scotia.

The plant was built by the NDDB for the Gujarat Cooperative Oilseed Growers Federation which will continue to receive Canadian-funded technical assistance and operational support: included in the operation are a crushing mill, a solvent extraction facility, and an oil refinery.

"The oilseeds project addresses one of India's major concerns in the agricultural sector as well as strengthening relations between the CUC and the National Dairy Development Board of India," Mr. Clark said. "It provides a window onto Canada's considerable experience in cooperative development".

Through the project, more than 100,000 small and marginal oilseed growers will benefit from the development of cooperatives in Orissa, Maharashtra and Gujarat.

#### CANADA CLOSE TO GOAL IN AID FUNDING

Canada provided \$ 2.1 billion in humanitarian and development assistance to Third World countries in 1984-85, according to the annual report of the Canadian International Development Agency tabled on Dec. 5 in Parliament.

"This represents an increase of about 14 per cent over the previous year and amounts to 0.49 per cent of our gross national product for 1984-85", said Monique Vezina, Minister for External Relations. "Canada has taken an important step closer to meeting our interim goal of providing 0.5 per cent of GNP in official development assistance, which will be achieved

in 1985, at the mid-point of the decade".

CIDA, the federal agency responsible for administering the bulk of the Official Development Assistance budget, disbursed \$ 169 billion during the year. The remaining ODA funds were administered by other departments and agencies.

#### WORLD BANK SAYS 1984 A LESS 'DISMAL YEAR'

The year 1984 was a good one for developing countries, at least by the "dismal" standards of the early 1980s, according to the 1985 annual report of the World Bank.

"Many developing countries, especially those in Asia and Latin America, benefited from the economic recovery of the United States and the beginning of recovery elsewhere in the industrial world," the report observes.

And in some countries, the effect of policy initiatives "to remove distortions and increase economic efficiency" greatly improved performance.

However, regional performance varied; "African countries suffered

#### SPOTLIGHT

*(Continued from page 17)*

yen, whereas 50.6% of total sales was through catalogues, joint buying, store or at exhibitions, the balance 49.4% was on commission basis.

There is only one trade union of school teachers at the national level hence there are hardly any political overtones in the organisational set-up or working of school teachers Coops in Japan. There may, at times, be a minority group at it is but natural in any democratic organisation and it has not presented any problem to affect solidarity of teachers community who are closely well-knit in cooperative fold.

The school teachers and univer-

continued declines in GDP, Latin American countries managed some increase in GDP after declines in 1982 and 1983, and Asian countries enjoyed continued growth".

The report warns that protectionism and the threat of further increases in trade restrictions are a major concern to the developing countries, "as many continue to carry the burden of high interest rates and the added burden of adjustment".

#### U.S. NCBA DELEGATION TO VISIT CHINA

Sometime in 1986, the largest U.S. cooperative delegation in history will visit China. The visit will reciprocate an October 1985 tour of U.S. cooperatives by a 16 member delegation from the All-China Federation of Marketing and Supply Cooperatives, which also visited Canada.

During the U.S. tour, an agreement was signed between the Chinese Federation and the U.S. National Cooperative Business Association on a broad range of joint activities. □

city consumers coops have really played a very vital role in the promotion of urban consumers cooperative activity among the general public and particularly housewives. They have provided inspired leadership, managerial and other support to regional consumers cooperatives. The Japanese example can be emulated in other countries of the South-East Asian region. There is acute dearth of enlightened cooperative leadership in urban areas. The School Teachers and University Students Coops can fill in this gap and rightly provide a very dynamic and enlightened leadership for the promotion of consumer cooperative activity in urban areas. □



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## **OUR VISITORS**

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Important visitors to the ICA Regional Office during the past six months include :

- A five member delegation of Sri Lankan Cooperators, led by Mr. M.R.B. Daswatta, President of the National Cooperative Council of Sri Lanka, including Mr. Austin Fernando, Commissioner of Cooperative Development, Sri Lanka.
  - Mr. Riazuddin Ahmed, President of the National Cooperative Union of Pakistan;
- Dr. N. Newiger, FAO, Rome;
  - Prof. V. K. Gupta, Director, Indian Institute of Management, Ahmedabad;
  - Mr. Fujio Murakami and Mr. Toshio Onda of the Ministry of Agriculture, Tokyo, Japan;
  - Mr. Richard Moreton, Cooperative College, Loughborough, UK;
  - 25 Participants of NCUI/NCCT
- Programme for University Professors and College Lecturers;
  - 15 Post Graduate Cooperation Students from the Ramakrishna Mission Vidyalyaya Arts College, Coimbatore, Tamilnadu;
  - 100 youth leaders/workers from different States of India who were undergoing an orientation course on Cooperation in New Delhi;
  - and several individual visitors/teachers and students of Cooperation.

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I, A.H. Ganesan, hereby declare that the particulars given above are true to the best of my knowledge and belief.

New Delhi  
March 31, 1986

Sd/- A. H. Ganesan  
Publisher, ICA REGIONAL BULLETIN

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## ***Our Recent Publications***

- |   |                  |
|---|------------------|
| <b>1. Indian Cooperative Laws vis-a vis Cooperative Principles<br/>—Second Revised and Enlarged Edition<br/>by P. E. Weeraman</b> | <b>Rs. 80.00</b> |
| <b>2. Curriculum Development for Adult Learning.</b>  | <b>Rs. 10.00</b> |
| <b>3. Field Experience for Cooperative Trainers.</b>  | <b>Rs. 10.00</b> |
| <b>4. ICA/SCC/NCC Project for Women's Consumer Education and<br/>Information through Cooperatives in Sri Lanka.</b>               | <b>Rs. 15.00</b> |
| <b>5. Manual for Study Circle Leaders.</b>  | <b>Rs. 20.00</b> |
| <b>6. Cooperatives and Youth-Report of Open Asian Conference.</b>   | <b>Rs. 10.00</b> |
| <b>7. Women's Industrial Cooperative Societies in Bangalore A Case Study.</b>   | <b>Rs. 5.00</b>  |
| <b>8. Enhancing Cooperative Capability—Report of Top Level Conference.</b>  | <b>Rs. 40.00</b> |
| <b>9. University Coops in Japan.</b>  | <b>Rs. 5.00</b>  |
| <b>10. Increasing Production and Productivity of Agricultural and<br/>Livestock Cooperatives.</b>                                 | <b>Rs. 10.00</b> |
| <b>11. Small Farmers in Cooperatives for Increasing<br/>Food Production—Report.</b>   | <b>Rs. 10.00</b> |
| <b>12. Audio-Visual Aids and Material Production-Report.</b>  | <b>Rs. 15.00</b> |



*Information Unit*  
INTERNATIONAL COOPERATIVE ALLIANCE  
Regional Office for SE Asia  
Bonow House, 43 Friends Colony (East),  
New Delhi-110065 India.

# ICA MEMBER-ORGANISATIONS IN SOUTH-EAST ASIA

## AUSTRALIA

Cooperative Federation of Australia,  
363 Pitt Street, P.O. Box A 231, Sydney South NSW 2000,  
Tel : 264 9522 Telex : 75303-CFNSW-AA

## BANGLADESH

Bangladesh Jatiya Samabaya Union,  
9/D Motijheel Commercial Area, Dhaka-2 (RANGDHENU)  
Tel : 231697

## CHINA

All China Federation of Supply and Marketing Cooperatives  
45, Fu Xing Men Nei Street, Beijing  
Tel : 665330 Telex : 22212 CFSMC CN

## INDIA

National Cooperative Union of India,  
3, Siri Institutional Area, Panchshila Marg, Hauz Khas,  
New Delhi-110016.  
Tel : 662750, 662751 (COPUNION)

National Agricultural Cooperative Marketing Federation of  
India Limited,

Sapna Building, 54 East of Kailash, New Delhi-110065  
Tel : 682401-4 (NAFED) Telex : NFD-IN 31-61065

National Cooperative Consumers' Federation of India Ltd.,  
3, Siri Institutional Area, Panchshila Marg, Hauz Khas,  
New Delhi-110016 (KONFED)  
Tel : 668023, 668030 662765, Telex : NCCF-IN 31-2111

National Cooperative Land Development Banks Federation,  
Shivshakti, 2nd Floor, B. G. Kher Road, Worli,  
Bombay-400018 (BHUMIVIKAS)  
Tel : 4934349 & 4931359

National Federation of State Cooperative Banks,  
Garment House, 2nd Floor, Dr. Annie Besant Road,  
Worli Naka, Bombay-400018. (COPBANKFED)  
Tel : 397594, Telex : 011 3912

Indian Farmers Fertiliser Cooperative Ltd.,  
34, Nehru Place, New Delhi-110019.  
Tel : 6412030, 6413211, 682507 (IFFCO)  
Telex : IFCO-IN 31-3887/3260

National Federation of Industrial Cooperatives Ltd.,  
3, Siri Institutional Area, 4th Floor, Panchshila Marg,  
New Delhi-110016. Tel : 664006, 663865  
Telex : 31-62246 NFIC-IN

Krishak Bharati Cooperative Ltd.,  
Red Rose House, 49-50, Nehru Place, New Delhi-1100 9.  
(KRIBHCO) Tel : 6414198, 6414274 Telex : 31-4326 KRIB IN

## INDONESIA

Dewan Koperasi Indonesia,  
Jalan S. Parman Kav, 80, (Wisma Koperasi) Jakarta  
Tel : 540204 Telex : 46391 INKUD-IA

## JAPAN

Central Union of Agricultural Cooperatives  
8-3 1-chome, Otemachi, Chiyoda-ku, Tokyo (CHUOKAI)  
Tel : 2700041 Telex : 33809 CUAC J.

Japanese Consumers Cooperative Union  
1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo.  
(CONSUMUNION)  
Tel : 404-3234 Telex : 2423380 NCOOP J.

National Federation of Fisheries Cooperative Associations,  
"Coop. Building" 1-12 Uchikanda, 1-chome, Chiyodaku,  
Tokyo (NAFEDEFISH)  
Tel : 2949611 Telex : ZENGYO J, O-222-6233

National Federation of Forest Owners Cooperative Associations  
Cooperative Building, 8th Floor, 1-12, 1-chome, Uchikanda,  
Chiyodaku, Tokyo.  
Tel : 293-9711

Central Cooperative Bank for Agriculture and Forestry,  
8-3, 1-Chome, Otemachi, Chiyodaku, Tokyo (CCBAF).  
Tel : 2790111 Telex : 2391819 NOCHUKIN J.

Zen-Noh (National Federation of Agricultural Cooperative  
Associations)

8-3-1, chome Otemachi, Chiyodaku, Tokyo.  
Tel : 03-279-0211 Telex : ZENNO O-222-35145

## Ie-No-Hikari Association

11 Funagawara Cho, Ichigaya, Shinjuku, Tokyo.  
Tel : 263-3151 Telex : O-232-2367 IENOHI J

National Mutual Insurance Federation of Agricultural  
Cooperatives,

7-9, Hirakawa cho, 2 chome, Chiyodaku, Tokyo.  
Tel : 265-3111 Telex : 0-232-2973 ZEKI J

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National Agricultural Cooperative Federation,  
75 1st Street Chungjong-Ro. Jung-Ku, Seoul (KONACOF)  
Tel : 723-0021, 7252681 Telex : NACOF K. 27421, 27235

National Federation of Fisheries Cooperatives,  
88, Kyun Wun Dong, Chongro Ku, Seoul 110,  
(FISHFEDER)  
Tel : 720-6211-20 Telex : FISHCO K. 24359

National Livestock Cooperative Federation,  
YPO Box 87, Yeoevidong, Young-Deungpo-Ku, Seoul,  
(NALICOF)  
Tel : 783-0051-59, Telex : NALICOF K-23517,

## KOREA, DEMOCRATIC REPUBLIC OF

Central Union of Consumers Cooperatives  
Central District, Pyong Yong

## MALAYSIA

Angkatan Kerjasama Kebangsaan Malaysia Limited,  
ANGKASA, No 3 & 5, Lorong 51A/227 A,  
Peti Surat 368, Petaling Jaya  
Tel : 570858. Telex : 37478 ANKASA MA

Cooperative Union of Malaysia  
107, Jalan Bunus, off. Jalan Masjid India  
Kuala Lumpur, Malaysia. Tel : 914155

Cooperative Central Bank Limited,  
107, Jalan Bunus, P.O. Box 10685, Kuala Lumpur (COOP)  
Tel : 914155, Telex : 33504 COBANK MA

Malaysian Cooperative Insurance Society Limited,  
Wisma MCIS, Jalan Barat, Peti Surat 345, Petaling Jaya,  
Tel : 772577 Telex : 37493-MA (MCIS)

National Land Finance Cooperative Society Ltd.,  
Bangunan Tun Sambanthan, No. 2, Jalan Sultan Sulaiman  
Peti Surat 2133, Kuala Lumpur 02-12  
Tel : 207044 (NALFICD) Telex : 32891 NLFCS MA

Federation of Housing Cooperatives Ltd.,  
Tingat 2, No. 20, Lorong Bunus Enam, Off. Jalan  
Masjid India, Kuala Lumpur-0404  
Tel : 932935, Telex : 31765 COOP MA

## PAKISTAN

National Cooperative Union of Pakistan  
5 Court Street, PO Box 2234, Lahore-1 (ENCUP)  
Tel : 54674, 211749

Merchantile Cooperative Finance Corporation  
197A, The Mall, Rawalpindi,  
Tel : 67630, 62155-58, Telex : 5828 FELAB PK

## PHILIPPINES

Cooperative Union of the Philippines Inc.,  
Room 400G, (4th Floor) N. Dela Merced (Delta) Building,  
West Avenue, Quezon City, Philippines  
Tel : 967534, 991073, Telex : 45383 SUPERB PM

Sugar Cooperatives Development Institute of the Philippines Inc.

Post Box 452, Bacolod City-6001. Tel : 20666  
National Association of Training Centres for Coops  
San Dionisio Credit Coop. Building, Quirino Avenue,  
San Dionisio, Paranaque, Metro Manila, Philippines.  
Tel : 827-14-16

## SINGAPORE

Singapore National Cooperative Federation Ltd.,  
2nd Floor, Industrial Unions' house, 215 Upper Bukit Timah  
Road, Singapore 2158 Tel : 4690044

Singapore Amalgamated Services Cooperative  
Organisation (SASCO)

P.O. Box 366, Maxwell Road Post Office, Singapore-9007.  
Tel : 2735183

## SRI LANKA

National Cooperative Council of Sri Lanka  
455, Galle Road, Colombo-3 (NACOSIL)  
Tel : 84638, 85496 Telex : 21217-COCOBOD-CE

Sri Lanka Cooperative Fisheries Federation Ltd.,  
127, Grandpass Road, Colombo-14 (COOPFISH)  
Tel : 25057

Sri Lanka Coconut Producers Cooperative Societies Union Ltd.,  
PO Box 796, 127 Grand Pass Road, Colombo. 14.  
(COCONION) Tel : 23540

## THAILAND

Cooperative League of Thailand,  
4 Pichai Road, Dusit, Bangkok, 10300  
Tel : 24-13634, 24-13332

## COOPERATIVE PRINCIPLES

### *Voluntary Association and Open Membership*

1. 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.

### *Democratic Control*

2. 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 should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form

### *Limited Interest on Capital*

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

### *Equitable Division of Surplus*

4. The economic results arising out of the operations of the society belong to the members of that society and shall be distributed in such a manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows:

- (a) By provision for development of the business of the Cooperative
- (b) By provision of common services; or
- (c) By distribution among the members in proportion to their transactions with the society.

### *Cooperative Education*

5. 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.

### *Cooperation Among Cooperatives*

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

## 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 72 countries, serving over 500 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 Geneva, there are three regional offices, viz., the Regional Office for South-East Asia, New Delhi, India, started in 1960, the Regional Office for East and Central Africa, Moshi, Tanzania, started in 1968, and the Regional Office for West Africa, Abidjan, Ivory Coast, started in 1981.

The main tasks of the Regional Office are to develop the general activities of the Alliance in the Region, to act as a link between the ICA and its affiliated national movements, to represent the Alliance in its consultative relations with the regional establishments of the United Nations and other international organisations, to promote economic relations amongst member-movements, including trading across national boundaries, to organise and conduct technical assistance, to conduct courses, seminars and conferences, surveys and research, to bring out publications on cooperative and allied subjects and to support and supplement the educational activities of national cooperative movements. The Regional Office now operates on behalf of 17 countries, i.e. Afghanistan, Australia, Bangladesh, China, India, Indonesia, Iran, Japan, Republic of Korea, Democratic Republic of Korea, Malaysia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka and Thailand. □

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New Delhi 110-065, India, Tel. 63-5123, 63-5319  
Telex: 31-61425 DICA-IN

#### *East & Central African Office*

Regional Office for East and Central Africa  
Post Box 946, Moshi, Tanzania. Tel. 4706

#### *West African Office*

ICA Regional Office for West Africa  
Immeuble de la Caisse de Stabilisation at de Soutien des Prix  
Agricoles,  
01 BP 3969, Abidjan 01, Ivory Coast. Tel: 324327  
Telex: 22629 ACIABJ CL

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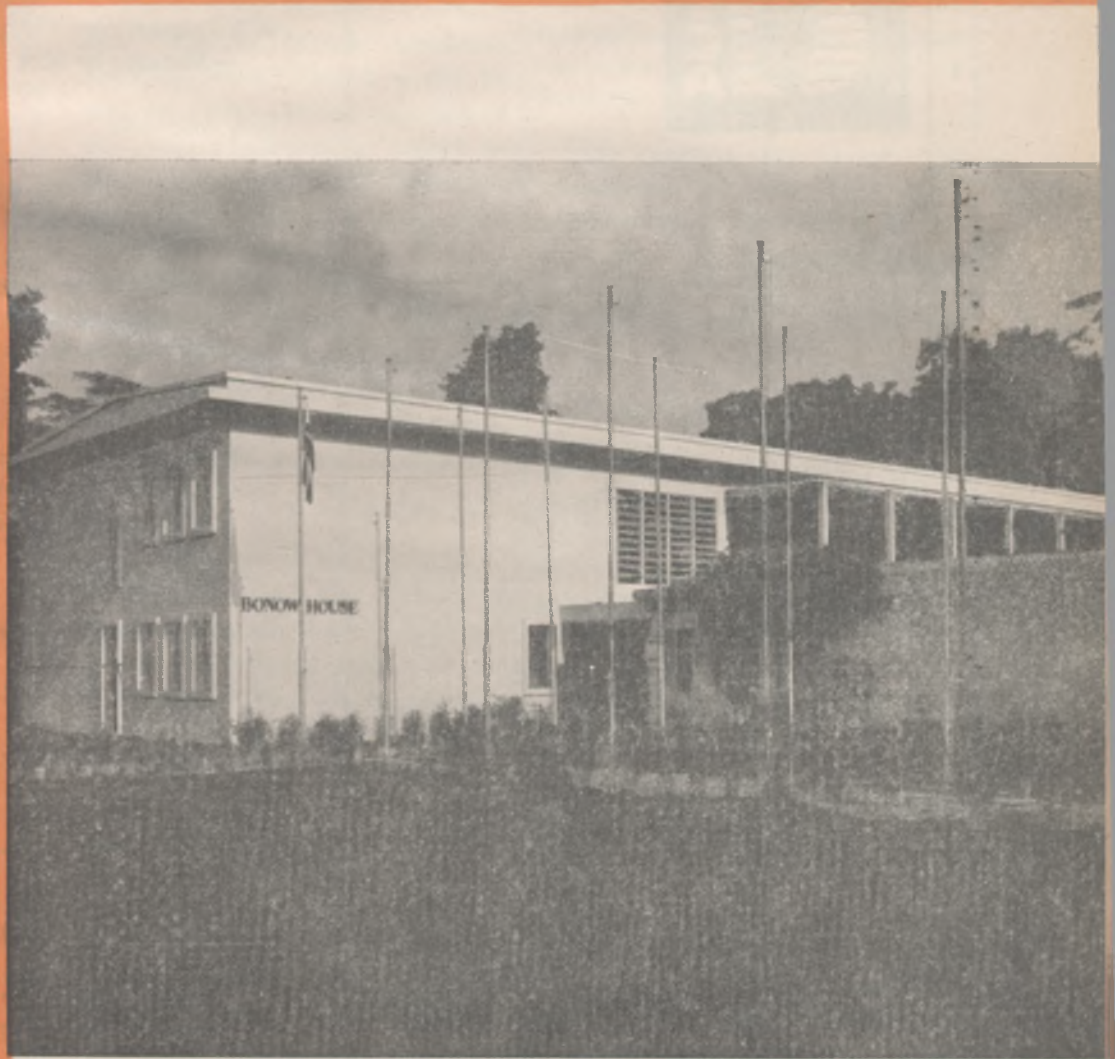
# ICA REGIONAL BULLETIN

INTERNATIONAL COOPERATIVE ALLIANCE  
REGIONAL OFFICE FOR SOUTH-EAST ASIA



*To be happy at home is the ultimate result of all ambition.*

—SAMUEL JOHNSON



"BONOW HOUSE"



The right to be heard does not automatically include the right to be taken seriously. To be taken seriously depends entirely upon what is being said.

—HUBERT H. HUMPHREY

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JULY 1986



**ICA  
REGIONAL  
BULLETIN**

EDITOR

**A. H. Ganesan**

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### OUR COVER

*"Bonow House", the office premises of the ICA  
Regional Office for South-East Asia since 1968.  
(See page 10)*

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# *ICA Executive Sub-Committee Meets in Jakarta*

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The Executive Sub-Committee of the ICA Regional Council for South-East Asia met in Jakarta, Indonesia, on 19th and 20th June 1986 under the chairmanship of Mr. R. Mathimugan, Chairman of the ICA Regional Council. The meeting was attended by the Vice Chairman of the Sub-Committee, Mr. Eddiwan, and members from the Philippines, India, Thailand and Japan. Mr. R.L. Beasley, Director of the ICA, attended the meeting on the 20th June. Mr. R. B. Rajaguru, ICA Regional Director for South-East Asia, was the secretary of the meeting.

The meeting was hosted by the Dewan Koperasi Indonesia, ICA member organisation from Indonesia. Mr Eddiwan, Vice Chairman of the Sub-Committee, welcomed the members on behalf of the host organisation.

The Chairman in his opening remarks said that in spite of the uncertainties prevailing in the Regional Office due to structural reorganisations, a fair amount of work had been completed by the RO in the region, especially with the active role played by the Agricultural, Consumer and Trade Sub-Committees of the Regional Council.

The Executive Sub-Committee requested the Chairman and the ICA RO secretariat to make greater efforts to get the cooperative organisations in China and North Korea more involved in Asian

activities. It was suggested that the Chairman of the ESC should pay a goodwill visit to these two countries to acquaint them of the activities of the RC and of the ESC.

The reports of the meetings of Specialised Sub-Committees were presented to the Executive Sub-Committee and the work done was greatly appreciated.

The meeting decided to establish a "Regional Mutual Assistance Revolving Fund" "which would be used to assist various movements and persons especially in regard to air fare to attend important meetings. The Chairman announced a contribution of M \$ 7,500 from the Central Cooperative Bank of Malaysia to this fund. He also informed that the cost of air fare of the member from the Philippines for attending the Ex-Sub-Committee meeting would be met through this fund.

The Director of the ICA, Mr. R. L. Beasley, briefed the meeting of the areas in which the ICA had been primarily concerned with over the past many months—the organisation and restructuring of the head office, the reduction of size of the ROs and reorganisation of the ROs,. He informed the meeting of the decision of the Executive Committee of the ICA to sell the RO office building "Bonow House". He was hopeful that the proceeds of the sale would ensure the continuation of the functioning of the RO from New Delhi. The Director said that ICA was

Editor's Note

## ICA REGIONAL BULLETIN TO BE DISCONTINUED

THE publication of the ICA Regional Bulletin will be discontinued after this issue of the Bulletin. This decision has been taken by the authorities of the International Cooperative Alliance due to several constraints, including financial.

The Bulletin has served the movements in the region as a communication channel for the last 25 years. With the cessation of the publication, an effective and useful link with the members will get cut off.

I have been associated with the ICA Regional Bulletin since 1974, earlier as Assistant Editor and as Editor since October 1985. My association with the ICA and the ICA Regional Bulletin will ever be cherished as a very fruitful and satisfying period of my career.

With the discontinuation of publication activities, my post as Publication Officer and Editor will also become redundant in the ICA RO effective from Dec. 31, '86. I would like to record my appreciation and gratitude to those cooperators in the region with whom I have had the opportunity to work together and wish them success in their cooperative endeavours. →

working on the assumption that there would be one Regional Office for the whole of Asia with a possibility of one or more other Offices in Asia. Final decisions would be made by the ICA Executive Committee after due consultation with the Regional Council and the Executive Sub-Committee.

The meeting emphasised the need to coopt a Member from the Indian Cooperative Movement into the main Executive Committee and requested the Director to place this request for consideration before the main Executive Committee meeting at its meeting in July 1986.

The Committee also emphasised the need to hold meetings of the Central Committee in Asian countries especially in view of the disadvantages that the developing countries are put to when the Central Committee meetings are

located in Europe and North America. Representatives from India and Malaysia invited the ICA to hold Central Committee meetings in their respective countries.

The meeting felt that ICA had given low priority to cooperative education and training. The Chairman emphasised the need for continued support to training and education.

A suggestion was made in the meeting to explore the possibility of setting up a Cooperative Data Bank within the ICA RO.

Recognition of the good work done by cooperative leaders in the region and institution of Regional Awards by the Regional Council by establishing a "Hall of Honour" was suggested at the meeting. It was decided to consider this suggestion at the next Regional Council meet

#### Editor's Note

I wish to take this opportunity to express my grateful thanks to Mr. P.E. Weeraman, the former Regional Director; Mr. R.B. Rajaguru, the Regional Director; Mr. J.M. Rana, Regional Development Officer, Mr. Lionel Gunawardana, my predecessor and former Joint Director, (Publications and Public Relations) and all my other colleagues in the ICA Regional Office who have extended their guidance, support and help in my work.

A. H. GANESAN  
Editor, ICA Regional Bulletin

ing to be held in Tokyo in September this year.

The Plan of Activities of the ICA RO for the year 1986-87 was approved by the ICA Executive Sub-Committee. ■





# ***64th International Cooperative Day***

SATURDAY, JULY 5TH, 1986

## ***Message of the ICA on the occasion of the 64th International Cooperative Day***

International Cooperative Day was first celebrated on 27th July 1923 to strengthen the unity of the Alliance and as a means of publicizing the cooperative movement worldwide.

The world is passing through a difficult period. Cooperatives in various countries face grave problems. We can be encouraged, however, by the fact that cooperatives of the world have persisted despite two world wars, various lesser conflicts, and the depressions of this century. In fact, they have more than persisted, they have grown both in size and in the scope and variety of ways they are used by their members.

Today, on this 64th Cooperative Day, ICA calls upon its 500,000,000 members worldwide to manifest their confidence in their cooperatives to help them improve their lives and help the world achieve lasting peace.

## **India and China Coopted to the Executive Committee**

At the recently held meeting of the ICA Executive Committee in Geneva, Switzerland, from 1st to 4th July 1986, the Executive Committee had decided to coopt representatives from the Indian and Chinese Cooperative Movements to the Committee.

This will double the representation of Asia in the Executive Committee. Japan and Malaysia are already members of the ICA Executive Committee.

While Mr. V.P. Singh, President of the National Cooperative Union of India, has been coopted as a Member from India, the Chinese Cooperative Movement has been asked to send the name of their representative.

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## ICA ACTIVITIES

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### 21st Meeting of the Agricultural Sub-Committee

The 21st meeting of the Sub-Committee for Agriculture for South-East Asia was held in Bangkok Thailand, on 29th and 30th May 1986. Eleven members from eight-countries, i.e. India, Japan, Rep. of Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand attended the meeting. Dr. S.H. Kim, Regional Marketing, Credit and Cooperatives Officer, FAO; Mr. M.A. Khan, Regional Adviser, Rural Institutions and Cooperatives, ILO and Mr. Rolf Akeby, Project Adviser, ILO Project on Training Policies and Standards also attended the meeting as observers.

From the ICA Regional Office, in addition to Mr. J.M. Rana, Secretary of the Sub-Committee, Mr. R.B. Rajaguru, Regional Director, Mr. Sten Dahl, Cooperative Development Adviser and Mr. Ulf Bergstrom, Trade Adviser, Cooptrade Project, attended the meeting.

The meeting was presided over by General A.S. Lozada, Chairman of the Sub-committee.

Delivering the key-note address Mr. R. Mathimugan, Chairman, ICA Regional Council, hoped that the Sub-Committee would provide a meaningful direction towards promoting agricultural cooperative development in the Region. Development of agricultural cooperatives was of great importance as agriculture still continues to be the mainstay of

economic growth of many countries in the Region. In this connection he hoped that in the context of priority areas and needs identified by the Sub-Committee, suitable projects would be formulated and implemented by the ICA member organisations. The aim of the projects should be to generate more employment and provide an increasing source of income to the members by adding value produce of the members. Mr. Mathimugan stated that the ICA Regional Office had done well in initiating perspective planning studies for agricultural sector in the member countries. In this connection he expressed his appreciation of the work of Messrs J. M Rana and Sten Dahl for the perspective and project planning work carried out by them in Malaysia and Thailand.

Mr. Mathimugan indicated that the Specialised Sub-committees of the RO should play on activist and catalytic role rather than an advisory role. They should spearhead the cooperative efforts in their respective spheres. He hoped that the Sub-committee would be able to develop greater collaboration and cooperation among member organisations towards promoting agricultural cooperative efforts in the region. Mr. Mathimugan expressed high appreciation of the Central Union of Agricultural Cooperatives (CUAC) and the Institute for the Development of Agricultural Cooperation in Asia (IDACA)

for their sustained contributions for enhancing technical assistance from Japan to agricultural cooperatives in the region. Special mention was made by him of the ICA Training Project for which assistance would be provided by the Government of Japan. He also commended the technical assistance and expertise given by the National Agricultural Cooperative Federation of Korea (NACF) in regard to agricultural cooperative development in the region.

The meeting updated the priority areas and needs of member movements and suggested that the programme of activities for the year 1987-88 be formulated by the ICA Regional Office on the basis of these needs. The Sub-committee made several suggestions with regard to selection of participants for the ICA Training Project for Agricultural Cooperatives Management in South-East Asia which has been supported by the Government of Japan and the CUAC. The Sub-committee also reviewed the progress in regard to the project proposals received from member organisations in the region.

Brief reports on the Study Mission on Perspective and Project Planning for Agricultural Cooperative Sector in Malaysia and Thailand were presented to the Sub-committee. It was stressed that follow-up on the part of member organisations would be of utmost importance.

During the course of the Sub-committee meeting discussions on the recent developments in agricul-

tural cooperatives in the region, the representatives of Malaysia offered assistance to the Cooperative Movement of Thailand in their efforts in establishing a National Cooperative Bank. The National Agricultural Cooperative Marketing Federation of India (NAFED)

offered training facilities to two or three personnel of the Agricultural Cooperative Federation of Thailand (ACFT) and indicated that they would also be prepared to take care of the costs of such training within India including board and lodging costs of the trainees.

India and Thailand for a week each.

- (ii) Workshop cum study visits in Japan in Cooperative Supermarket Operations for a group of eight participants from the region to be held from 20th August to 13th September 1986 in Japan.

## ICA Sub-Committee on Consumer Cooperation

The tenth meeting of the ICA Sub-Committee on Consumer Cooperation for South-East Asia was held in Singapore on 29th and 30th May 1986 under the chairmanship of Mr. K. Katsube. The meeting was attended by the Vice-Chairman of the Sub-Committee from the Philippines and members from Japan Malaysia, Singapore and Thailand.

The meeting was hosted by the Singapore National Cooperative Federation (SNCF).

The meeting noted the activities that were undertaken by the Regional Office during the last year and considered the reports of the Study Missions on Consumer Cooperation in selected countries i.e. India, Thailand, Philippines, Malaysia and Singapore.

Members of the Sub-Committee made brief reports on the significant developments that have taken place in the field of consumer cooperation in their respective countries (published elsewhere in the Bulletin).

Talks on the Consumer Cooperative Movement in Singapore, its present and future and on the role of consumer cooperative movement in the field of consumer protection in Singapore were presented.

The Sub-Committee decided on

a minimum contribution of US \$ 150 per member country towards the activities of the Consumer Sub-Committee in the region.

The following activities were endorsed to be carried out by the RO during the year 1986-87 :

- (i) Training in retail management in the Philippines.
- (ii) Technical assistance to selected cooperative super markets in Indonesia and Thailand.
- (iii) Training in retail management in India and Thailand.
- (iv) Strengthening of the consultancy and promotional department of NCCF in India.
- (v) Attendance of meetings of the regional sub-committee on Consumer Cooperation.
- (vi) Study of the structure of the urban consumer cooperative movement in Indonesia.

The Chairman informed the meeting that the Board of Directors of the Japanese Consumers Cooperative Union have agreed to support the following activities during the year 1986-87 :

- (i) Technical assistance to a national seminar in cooperative retail management in

The meeting asked the Chairman to request the Chinese and North Korean Consumer Cooperative Movements to take part in the Sub-Committee meetings by becoming members.

### MADANE TAKES OVER AS PROGRAMME COORDINATOR

Mr M. V. Madane, who had earlier worked as Joint Director of Technical Assistance and Trade at the ICA Regional Office for 14 years, returns to the ICA as Programme Coordinator in charge of the ICA Training Project



Mr. M V. Madane

for Agricultural Cooperative Management in South-East Asia. Before returning to ICA, Mr. Madane worked for ten years with FAO of the United Nations as Senior Cooperative Adviser to the Government of Afghanistan and as Senior Country Project Officer at the FAO Headquarters in Rome.

## ICA LAUNCHES JAPANESE GOVERNMENT FUNDED MANAGEMENT PROJECT

The Ministry of Agriculture, Forestry and Fisheries (MAFF) of the Government of Japan has signed an agreement with the ICA for funding the Training Project for Agricultural Cooperative Management in South-East Asia. Under this agreement the ICA has planned to conduct a six months' Training Course for Strengthening Agricultural Cooperative Management in the region.

### Objectives

The overall objective of the training programme would be to strengthen and improve agricultural cooperative performance in the Asian situation in such a way as to increase society functions and activity at the grass-root level, which will result in increased income for the member and increased member participation and involvement in the activities of the society.

The immediate objectives would be :

- (a) to critically review the role and functions of agricultural cooperatives as at present and assess their performance vis-a-vis member needs and aspirations,
- (b) to examine ongoing management practices and functions and develop methodologies to improve cooperative performance through better management,
- (c) to explore new approaches to serving member needs, and in this connection develop skills to improve farm guidance and advisory and other supporting services to members and to examine the ways in which farmer members could be organised so that they have better access to the society

and can influence its management,

- (d) to develop project approaches to development and in this connection to develop skills in project identification, project formulation, their implementation and monitoring,
- (e) to develop strategies and methodologies to approach member/society activity on a planned basis and in this connection to develop skills of participants in the field of individual and cooperative planning and perspective planning aimed at cooperative development in an integrated manner,
- (f) to look at both human and financial resource mobilisation and their utilisation and to develop further skills in this regard with a view to increasing self-reliance within the cooperative system.

### The Training Programme

The training programme will be arranged in various parts between November 1986 and May 1987, broadly on the following basis :-

1. Training sessions lasting for about two months from 1st November 1986 to end of December 1986 by the ICA Regional Office at New Delhi (India) in collaboration with the National Cooperative Union of India (NCUI) and the National Agricultural Cooperative Marketing Federation of India Limited (NAFED). Field visits for about 10 to 14 days will be arranged during this period.
2. Field visits in January 1987 to agricultural cooperatives in Thailand for about two weeks in collaboration with the Cooperative Promotion Department (CPD) and the Cooperative League of Thailand (CLT).

3. The second part of the training programme between mid-February to mid-April 1987 will be at the Institute for the Development of Agricultural Cooperation in Asia (IDACA) in Japan in collaboration with Central Union of Agricultural Cooperatives (CUAC) and IDACA. During this period study visits for two weeks will be arranged in Japan.
4. Field visits of two weeks will be arranged between mid-April to early May 1987 in the Republic of Korea in collaboration with the National Agricultural Cooperative Federation (NACF) and the National Livestock Cooperative Federation (NLCF) in that country.
5. One unique feature of the training course is the programme for one month's assignment for each participant in his home country to provide to the participant an opportunity to identify areas for viable projects in the field of agricultural cooperative organisation and management, hold discussions with the national organisations in his country and formulate these projects for discussion and appraisal during the second part of the Course in IDACA. It is hoped that these projects will provide a valuable framework for the sponsoring organisations for planning and implementing an action plan for strengthening the management structure and functioning of agricultural cooperatives in the respective countries.

### Participants

Cooperative employees working at the middle level or higher management posts in large size agricultural cooperatives or their federations are eligible to participate in the training course.

## Follow-Up

The training project is expected to be continued for a period of about five years subject to an annual review and appraisal by the Japanese Government.

## CEMAS/FED ACTIVITIES

### Review Meeting in Geneva

A Review meeting of the Cemas Fed approach was held in Geneva, at the ICA headquarters on 3rd and 4th May 1986. Officers responsible for Cemas/Fed programmes in the headquarters and the Regional Offices of the ICA and representatives from the SCC participated in the meeting. Mr. R. B. Rajaguru, ICA Regional Director for South-East Asia attended the meeting from ICA Regional Office, New Delhi. The meeting was attended also by representatives from ILO Matcom in Vienna and ILO in Geneva.

The meeting decided to combine the review meeting of Cemas and ILO Matcom for better coordination and follow up in future. Further Cemas would work in more close cooperation with Matcom liaison officers in different countries.

The meeting informed that the Cemas Fed material, produced some years ago, will be re-examined and contents and presentation may be revised to suit the needs of the

member countries in the light of experience gained over the years.

### FED Introductory Meeting in Malaysia

An introductory meeting on Cemas Fed materials and approach was held in Petaling Jaya, Malaysia, under the auspices of the Angkasa, on 25th June 1986. The meeting was presided over by Dato Raja Nosron, Vice President of Angkasa. Fourteen participants representing various national level cooperative organisations in Malaysia the office of the Director General, the Cooperative College of Malaysia attended the meeting. Mr. R. B. Rajaguru, ICA Regional Director, represented the Regional Office in the meeting.

The meeting undertook a brief review of ongoing practices and experiences in the field of cooperative education in Malaysia. It was noted that in recent times the approaches to cooperative education had changed considerably and that the present approaches were based on needs felt and expressed by the target groups rather than pedagogic approaches of the past. Mention was also made of the efforts made in Malaysia to reach to the youth through school cooperatives.

The rationale and the methodology of the ICA CEMAS/Fed approach and the adaptability of the FED methodology to various

levels of the society operation were explained. Emphasis on the need for group oriented approaches in using FED materials and methodology was made, as these provided participatory opportunity to identify performance objectives and to find out acceptable solutions to improve cooperative performance.

The meeting was of the view that the FED methodology would benefit the Malaysian cooperatives. It was decided to form a Steering Committee under Angkasa's auspices inclusive of the translation of the FED training package into Bhasa Malaysia. The steering committee would also select about ten primary societies and identify trainers and field workers to attend the Fed workshop to be held some time in early 1987.

## FORTHCOMING ICA EVENTS

28th Meeting of the ICA Regional Council for South-East Asia will be held in Tokyo, Japan, from 7th to 12th September 1986 in collaboration with the Central Union of Agricultural Cooperatives and the Institute for the Development of Agricultural Cooperation in Asia (IDACA). A meeting of the Executive Sub-Committee of the Council will be held on the 7th.

The official opening of the new complex of IDACA will take place in Tokyo on 9th September. ■

# ICA RO Structural Reorganisation

## Eight more Staff Declared Redundant

The second phase of the structural reorganisation of the ICA Regional Office would be complete by the end of this year. As a consequence the following staff members of the ICA Regional Office have been declared redundant, effective December 31, 1986.

1. Mr. B. D. Pandey, *Librarian and Documentation Officer*: Mr. Pandey has been with the ICA RO since September 1962. Mr. Pandey developed the ICA Library into a reference cum resource library and has been instrumental in issuing the Bibliography of Annotated Literature and Documentation Bulletin of Cooperative Articles produced in S-E Asia. He has helped in the developmental and training activities in the field of Library and Documentation Services of Cooperative Librarians in the region. A post graduate from Delhi University, Mr. Pandey also holds a Diploma in Library Science.

2. Mr. I.S. Gupta, *Office Manager*: Mr. Gupta has served the ICA RO for the last 25 years and was in charge of day to day office administration and for liaison with governmental and other bodies.

3. Mr. A.H. Ganesan, *Publications Officer and Editor, ICA Regional Bulletin*: Mr. Ganesan has served the ICA since August 1962. He has been working as Publications Officer since November 1974 and was designated as Assistant Editor

of the Bulletin in January 1980 and as Editor from October 1985. A Post-graduate from Delhi University, Mr. Ganesan also holds a Diploma in Journalism. He has been in charge of publications and public relations activity of the RO and has also helped in the training activities in the field of cooperative press and publicity.

4. Mr. Ram Prakash, *Library Assistant*: Mr. Prakash has been working with the ICA Library for the last eighteen years. He holds a certificate in Library Science.

5. Mr. V.S. Rawat, *Library Assistant*: Mr. Rawat has served the ICA for fifteen years as Library assistant and typist and generally helped the library and publications sections.

6. Mr. Ram Pher

7. Mr. Janki Prasad, *Gardeners*—have served the ICA for almost 25 years and efficiently maintained the garden of the RO clean and green.

8. Mr. Jaswant Singh, *Sweeper*—has nine years service with the ICA.

### DHARM VIR RESIGNS FROM THE RO

Dr. Dharm Vir, Cooperative Education Project Adviser of the RO has resigned from the services of the ICA RO effective 31st December 1986 on personal grounds. Dr. Vir has served the

### BONOW HOUSE TO BE SOLD

The headquarters of the ICA Regional Office for South-East Asia in New Delhi for the last eighteen years, 'Bonow House' would be sold shortly. The decision to sell the building was taken in pursuance of the decision taken earlier by the ICA Executive Committee not to own any property by the ICA. The National Cooperative Development Corporation of India has shown interest in the purchase of the building and negotiations are going on to effect the sale shortly. The ICA Regional Office for South-East Asia would shift to a new office premises in Delhi after the sale is effected.

RO for 24 years, earlier as Joint Director, Education, and later as incharge of Cemas activities in the Region. He has conducted many educational activities in the field of cooperative education and training and on the application of Cemas Fed approach in the region. He has to his credit several publications.

### MARGARET D' CRUZ TO RETIRE IN FEBRUARY 1987

Mrs. Margaret D' Cruz, Education Officer in the RO, will be retiring from the services of the RO in February 1987. Mrs D' Cruz has more than 25 years of service to her credit. She has been in charge of activities in the field of women and cooperation and has conducted several studies/surveys on the role and involvement of women in cooperatives in the region. She has a few publications to her credit. ■

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# **Consumer Cooperative Developments in South-East Asia**

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**A**t the recently held meeting of the ICA Sub-Committee on Consumer Cooperation in Singapore, on 29th & 30th May 1986 members from the region gave brief accounts of the important developments which took place in the field of consumer cooperation in their respective countries during the last year. The developments as reported are given below.

## **Philippines**

— After peoples' revolution in the Philippines, the new regime has assured that much greater importance will be given to cooperatives for carrying out government programmes for economic development in the country.

Responding to new Government's declaration, the Cooperative Union of the Philippines organised a Task-Force to make recommendations for future cooperative policy for the new government. The Task-Force submitted their report to the government on 22nd May 1986. Some of the important recommendations of the Task-Force relating to consumers cooperatives are as under :

- (a) A united alliance of all types of cooperative societies, under one Cooperative Act, should be instituted.

(b) A separate Statutory Authority be created by the government for the development of all types of cooperatives in the Philippines.

(c) KADIWAS Centres (Government subsidised retail shops) should be abolished as they have been detrimental to promotion of consumers cooperatives.

(d) Consumers cooperatives should be given same facilities by the government as were extended by the earlier government to Kadiwas Centres.

(e) A recent survey has shown that 372 consumers cooperative societies are operating in different parts of the country, 45 of them are in Metro Manila.

(f) CUP is convening a Cooperative Congress in June 1986. The President of the Republic is expected to inaugurate the Congress and make some important announcements regarding her Government's policy towards cooperatives.

## **Thailand**

— Government accords a high priority to agricultural coopera-

tives, their support to consumer cooperatives is limited.

— There are 325 consumers coops. with a membership of about 540,000. Most of these consumers cooperatives are institutional types, among employees of government departments and public undertakings.

— Consumers cooperatives in the country are facing very stiff competition from private trade and are struggling hard for their survival.

— Consumer Cooperative Federation of Thailand is finding it difficult to develop its wholesale business. It has identified 9 items for supply to primary consumers cooperatives and has recently launched a joint-purchase project. They are trying to approach viable societies in each region.

— The CCFT is aiming to achieve an annual turnover of 10 million Baht during the year.

## **Malaysia**

— M CCS has already established 4 supermarkets and 2 mini markets under Komart Project.

— The mini market at Brickfield in KL had been converted into a training centre.

— The Japanese consultant, Mr. K. Kitamura's contract has been extended by one more year.

— M CCS has also employed another consultant to develop non-food business in department stores.

— M CCS is endeavouring to encourage cooperation among cooperatives. While establishing Komart supermarkets at places outside KL, it is offering 49 per cent of equity to local cooperatives.

- MCCS is organising a liaison committee in each supermarket organised under the Komart project. The committee consists of representatives of local cooperatives.
- Credit facility has been extended to members of the share-holding cooperatives on the condition that the concerned coop will arrange to collect dues of Komart from the salaries of its members and send to Komart a consolidated cheque at the end of each month.
- The management is considering to issue Komart Discount Cards to members of share-holding cooperatives.
- The management is considering to allow a restricted credit facility to members of the Central Cooperative Bank.
- Komart Supermarkets have been classified into three categories according to their selling area :
  - (a) Supermarket with 10,000 sq. ft. and above : A
  - (b) Supermarket with 5,000 to 9,000 sq. ft. : B
  - (c) Supermarket with 2,500 to 4,000 sq. ft. : C
- It is planned to set up 15 Komart retail-outlets in Selangor and Matropolitan KL during the next one year.
- The management of MCCS has identified the following areas which call for improvement :
  - (a) feasibility and viability study
  - (b) marketing intelligence
  - (c) warehousing and distribution facilities.

#### Japan

- The Japanese economy is moving into a phase of depression on

account of sharp appreciation of Yen.

- The export industry, especially local minor enterprises are undergoing great difficulties and bankruptcy and unemployment is rising. Despite such an economic climate, the consumers coops continue to progress and have shown better results as compared with the private sector, Annual sales of JCCU affiliated coops amounted to Yen 1,865,482 million in 1985, registering an increase of 10.3% against 2.5% by the private supermarket chains.
- The individual membership has reached over 10,208,000 million.
- The consumers coops in Japan are making steady progress year by year and they are attracting a great deal of attention of the consuming public in the country.
- Consumers cooperatives share of retail trade is still less than 2%.
- Coop branded goods are proving as a powerful instrument in meeting competition from private trade.
- University coops are throwing up very committed leaders and workers for consumers coops.
- Han Group Movement is gaining popularity and strength.
- The consumers cooperative movement is exercising a great influence on the retail trade system in the country. It has helped in improving the quality of goods and services to consumers.
- Small retailers are not happy at the increasing progress of consumers coops in Japan Big chains are instigating small retailers to mobilise political lobby against the consumers coops. The movement is fearing

big political pressure from the ruling parties.

- The JCCU organised a big rally in Tokyo on 14th April which was attended by more than 14,000 women to demonstrate their solidarity with consumers coops.
- The JCCU has organised a special committee to counteract the anti-coop propaganda by private trade.

#### University Cooperative Movement in Japan

- There are 158 university coops in 144 universities and colleges with a membership of nearly 900,000.
- The annual turnover for 147 university coops came to 120 billion for the year 1985.
- Almost all university coops in Japan are united into the National Federation of University Coop Association (NFUCA).
- The university coops are working for the welfare and benefit of their members by carrying out a wide range of activities viz. book stores, cafeteria, dining halls and supermarkets. In addition they are also undertaking cooperative insurance and travel business.
- Membership of university coops consist of students, professors, and non-teaching staff living at the campus.
- The principle of university coop activity lies in encouraging every member to participate in cooperative activities.
- In August 1985, the JCCU and NFUCA jointly organised the ICA Regional Seminar on Consumer Cooperation in Japan.
- NFUCA is keen to assist university cooperative movement in other countries in Asia and would



be prepared to offer technical assistance to interested movements.

#### Singapore

- The NTUC Fair Price Cooperative came into existence on 1st May 1983 as a result of amalgamation of three cooperative societies namely, SILO Multipurpose, and PIUE Multipurpose and WELCOME Consumers Cooperative Society. Today this is the biggest and probably the only consumer cooperative society in Singapore.
- The share capital of the NTUC Fair Price Cooperative has been contributed mainly by the trade unions. It aims to stabilise the cost of living in Singapore through its retailing and trading operations. The membership of NTUC Fair Price Cooperative consist of 70 institutional members and over 66,000 individual members.
- It is operating 32 supermarkets, 4 home appliances show rooms, 2 self-service coffee shops and a printing workshop. The cooperative has approximately 1705

employees and an annual turnover of about S \$ 330 million.

- NTUC Fair Price Cooperative has been catering to consumers in middle and lower income groups and it has been a deliberate policy with their management to price everything with little or no profit. Consequently they have not been able to accumulate any funds for further expansion. As on 31st March 1985 own funds amounted to S \$ 24.51 million including paid up share capital of 15.93 million.
- A recent survey in Singapore has revealed that an ordinary consumer family is spending 62% on perishable food and 38% on dry groceries. As against this the assortment in Fair Price Cooperative consisted of 10% of perishable and 81% of dry groceries. After the above survey, the management has decided to readjust their assortment, upgrade their shops and to give more attention on sale of fruits, vegetables, meat and other perishables.
- The future direction of the

management in NTUC Fair Price is on the following lines :

- increase attention on perishables
- to upgrade all supermarkets
- greater attention to consumers facilities and satisfaction
- Introduction of more house brands
- discontinue fashion business
- close down home appliances show-rooms
- improve labour productivity
- step-up training of employees
- encourage free communication between top management and executives at lower level through more frequent meetings
- introduction of management by objectives, fixation of targets by each department
- readjustment of sales mix and rationalisation of brands so as to achieve a minimum average trade-margin of 12.75%. ■



## National Cooperative Land Development Banks Federation of India

### Land Development Banks

Land Development Banking in our country has a history of our six decades. Though these banks were established with the main objective of meeting mainly the credit needs of the farmers, in 60's the banks completely switched over their operations for providing productive loans for developing agriculture. The banks further diversified their credit in the 70's during the V Plan period covering several non-land based developmental activities which are mostly taken up by the farmers as subsidiary occupation. During the VII Plan period, the banks aim at broadbasing their operation to cover even the non-farm sector in rural areas including Integrated Rural Development Programme launched by the Government.

There are 19 State Land Development Banks in the country with membership of about 10 million which operate through a network of Primary Banks and branches numbering about 2,400. Besides, about 265 officers of CLDBs function at regional/district level to control, supervise and regulate the operations of the lower level units. The banks have so far lent a sum of about Rs. 50 billion and their annual loan advances have touched the level of 50 billion mark during 1985-86. During the VI Plan period as against the target of Rs. 21.5 million the banks have lent about Rs. 204 million which gives a performance achievement of about 95%. During the VII Plan period, the banks have a target of Rs. 38 billion for the achievement of which, they will have to intensify their advance and reach the level

of Rs. 10 billion during the terminal year 1989-90.

The Land Development Banks which are also known as Agriculture Development Banks and Agriculture and Rural Development Banks, provide term loans, particularly for longer repayment period exceeding 5 years for various developmental activities in agriculture. They are thus specialised institutions exclusively taking care of the investment credit needs of the rural sector.

The banks are facing stiff competition from other agencies under the multi-agencies set-up accepted as a policy in the rural credit field. While the LDBs are more suited as specialised agencies to take care of the investment credit requirements of the rural areas, they are also at disadvantageous position being only the credit agency as compared to other rural agencies viz. commercial banks, co-operative banks and RRBs, which are banking institutions. Efforts therefore are being made to overcome some of the operational weaknesses by broadbasing and diversifying the business activities. This includes financing non-farm rural sector, wastelands development programmes and providing composite loans of investment and production credit besides deposit mobilization.

It may be mentioned that while 99% of the loan advances of the LDBs are for productive purposes, about 50% of the annual credit disbursements goes to the small and marginal farmers and other weaker sections. Credit support to special programme, particularly covering small farmers is being supported up

from year to year. The banks however have legal and other problems and have not been able to help the non-farming section of the poor i.e. landless labourers and artisans.

### National Federation

A significant development in the land development banking sector has been the establishment of the National Cooperative Land Development Banks Federation in 1960 for the promotion of the interest of all the LDBs in the country. Since its establishment it has been rendering useful service to its member banks. It has established coordination and also promoted understanding among member banks and other agencies such as the State and Central Governments, the Reserve Bank of India and NABARD.

Other activities of the Federation include organising conferences, seminars and workshop, undertaking research and studies through its Research and Development Cell, compilation of statistics of member banks' operations, sponsoring of study terms, coordinating investments in debentures, undertaking special training programmes, publicity work, providing guidance and advice on issues related to policies and procedures of loans, finance and administration. A quarterly 'Land Bank Journal' published by the Federation since last 25 years has gained considerable popularity.

As in the past, the Federation was actively involved in the process of formulation of the VII Five Year Plan (1985-90) by its association with the Working Group on Agricultural Credit and Cooperatives set up by

the Planning Commission under the Ministry of Agriculture. The Federation was also represented in the Task Force on Agricultural Credit and Crop Insurance and took the lead to formulate and present its VII Plan proposals for term loans for investment in agriculture through Cooperative Land Development Banks.

The Federation has set up a Project Cell in 1982 with financial assistance extended by the Rabobank Foundation of the Cooperative Rabobank Organisation in the Netherlands. The Cell is playing an useful role in providing consul-

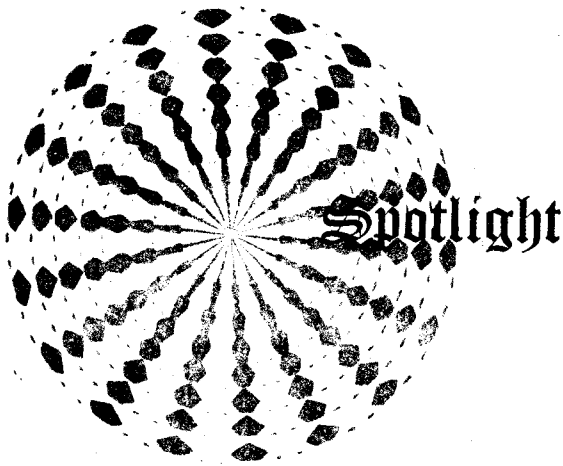
tancy services and in assisting member banks both in regard to identification and formulation of new schemes as well as evaluation of completed schemes. It has brought out several technical publications containing guidelines for formulation and implementation of agricultural development schemes. The Cell provides assistance and liaison service in getting the project/schemes of the member banks approved by NABARD and guidance to them in the implementation stage of such project/schemes. Most of the member banks have availed assistance from the Cell and its services are well appreciated by them.

At the international level the Federation is affiliated to the International Cooperative Alliance (ICA), International Raiffeisen Union (IRU) and Asian and Pacific Regional Agricultural Credit Association (APRACA) to share and benefit from experiences and expertise of cooperatives and agricultural credit institutions in other countries. At the national level during the course of last 25 years the Federation has emerged as the spokesman of the credit structure of Land Development Banks and has been recognised as such by the concerned authorities by its association at various policy-making levels.

#### STRUCTURE AND MEMBERSHIP FINANCIAL POSITION AS ON 30-6 1985

Amt Rs in 000,000

Sl. No.	Name of the bank	Operation Units	Supervisory Units	Membership	Share Capital	Reserves	Loans outstanding
<b>LDBs</b>							
1.	Andhra Pradesh	220	25	1113302	1444.75	2823.26	37782.54
2.	Assam	22	—	16273	91.44	0.68	686.50
3.	Bihar	164	47	465000	1897.57	159.39	13177.81
4.	Gujarat	182	17	493478	1055.78	1372.17	9081.97
5.	Haryana	43	4	223505	779.02	1121.17	20266.33
6.	Himachal Pradesh	22	—	9553	101.14	2.33	547.12
7.	Jammu & Kashmir	26	2	36767	70.29	29.07	542.71
8.	Karnataka	177	19	1086865	1144.55	1036.26	19472.78
9.	Kerala	63	9	479332	544.32	1125.16	15825.47
10.	Madhya Pradesh	405	9	987206	850.67	1019.90	15949.39
11.	Maharashtra	321	35	849693	3870.21	5562.97	32862.76
12.	Orissa	54	10	352689	447.94	387.23	7041.91
13.	Pondicherry	1	1	1450	28.61	10.72	87.55
14.	Punjab	46	—	382321	876.00	1152.00	24425.45
15.	Rajasthan	144	8	436135	526.74	539.62	13009.27
16.	Tamil Nadu	183	14	1272947	697.85	4888.30	11587.01
17.	Tripura	1	3	7143	22.07	2.69	142.40
18.	Uttar Pradesh	254	60	1440831	3257.57	3025.20	36777.86
19.	West Bengal	50	2	256966	445.82	186.05	6261.23
<b>SCBs</b>							
20.	Andaman & Nicobar	1	—	45	12.00	6.00	—
21.	Arunachal Pradesh	1	—	15	30.00	95.00	—
22.	Delhi	1	—	8763	142.90	171.58	71.77
23.	Goa	1	—	184	6.69	0.02	50.60
24.	Manipur	1	—	698	83.00	17.00	—
25.	Meghalaya	1	—	180	101.00	—	—
26.	Nagaland	1	—	229	50.00	67.00	—
<b>TOTAL</b>		<b>2385</b>	<b>265</b>	<b>9921570</b>	<b>18577.93</b>	<b>24800.77</b>	<b>265661.43</b>



# Role of Multipurpose Coops in a Developing Country—A Case Study of Tribal Areas in India\*

## THE TRIBAL SCENE IN INDIA

The term 'tribal' has not been defined in the Indian Constitution but the old practice under colonial administration was to treat primitive communities living in remote, hilly and forest areas as 'tribes'. The tribes are presumed to form the oldest ethnological sector of Indian population.

In the country as a whole there are about 250 different tribal communities and groups, speaking about 105 languages and dialects and varying widely in their level of socio-economic development cultural background and personality. According to the 1971 census, the tribal population numbered 38 million constituting about 7% of the country's total population. They have been mainly concentrated in Central India across the States of Orissa, Bihar, Madhya Pradesh, Andhra Pradesh, Maharashtra, Gujarat and Rajasthan. All these states put together represent 78.7% of the total tribal population in India and the maximum percentage are in Madhya Pradesh, being 24. However there are some smaller states in the north-eastern part of India, where their percentage out of the state's total population is very high but their total number is not very large. The total tribal population of such states as Nagaland, Arunachal Pradesh, Mizoram and Meghalaya is 1.9 million as against total tribal population of 38 million in the country.

### The Plight of the Tribals in India

Although large sections of the Indian population face poverty and deprivation, the tribals face them in a more aggravated form and many of them

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\*Abridged version of paper presented by the Author to the London School of Economics.

who live in remote forest and hilly areas have to struggle very often under sub-human conditions. Sometimes the tribal society is referred to as a fourth world in the third world—facing exploitation from better-off non-tribal society.

In their traditional economic set-up the tribals were not entirely dependent on land and to a large extent forests were a good source of sustenance to them. In fact in the tribal's view, forest is his ancestral home, his birth place and his cradle. He took to the jungle as fish takes to water. He never cut a tree to satisfy his whim or fancy. He was nature's child and like a loving mother nature fed him, nursed him, lulled him and protected him. He collected a large part of his food in the form of yams, fruits, edible nuts etc. from there and gathered several items of forest produce like medicinal herbs, honey, oilseeds of tree origin, 'lac', housing material, fuel, etc. However due to wasteful exploitation of forest resources in the past, government have adopted protective forest policies restricting the age-old rights of the tribes over the forest and thus the tribals have become more dependent on land.

On the other hand, construction of roads in tribal areas for mining and industrial activity opened up the tribal areas and gave easy access to exploitative elements from the non-tribal society to grab tribal lands and resort to other forms of exploitation. "Throughout vast areas of tribal India, the last hundred years present a melancholy history of encroachment, alienation and exploitation." (Verrier Elivin Committee Report, 1962). To arrest the transfer of lands from the hands of tribals into the hands of moneylenders for a pittance the legal measures through Regulations were taken. However still there are innumerable instances of hidden transfers of land possession without regular sale documentation in tribal area. The poor

quality of soil, inadequate irrigation facilities, old methods of cultivation, very limited access to credit and inputs are the problems which confront the tribals and these continue to cause low productivity among them. Poor access to 'basic needs' such as safe drinking water, primary health care, transportation and markets due to low levels of development of communications and infrastructure in tribal areas, are other major problem areas.

### **Tribals and the Cooperatives**

Cooperation in tribal societies is incidental, spontaneous and based on kinship bonds. The spirit of cooperation is especially very strong within a small autonomous group of villages or tribes. Its most significant aspect is that it is based on mutually reciprocal obligation. Traditional cooperative behaviour is based on conventions and norms, quite unlike the written rules regulations and bye-laws of modern cooperative societies. Due to spontaneity of the cooperative spirit among the tribals, as against the lack of it in non-tribal society, cooperatives are considered major instruments for bringing about tribal development especially since tribals will be directly involved in this development process.

### **TRIBAL DEVELOPMENT STRATEGY AND MULTI-PURPOSE COOPERATIVES**

#### **Evolution of Tribal Sub-plan Approach**

The first systematic efforts for the development of tribal areas were initiated in the early 1950s in the form of special Multi-purpose Tribal Development Blocks. During this period the main approach to development was the community development approach. 'Block' was the basic unit of administration and in tribal areas, it comprised a population ranging between 25,000 to 40,000 (Report of Working Group on Tribal Development, 1980, p. 32). A Block Development Officer with a team of extension officers and multi-purpose village level workers were to act as change agents. The country however experienced general disillusionment with the community development approach by the mid-1960s and this was experienced even earlier in the tribal development blocks. It is felt that up to the end of the Indian IV Five Year plan, there was a failure to comprehend the distinctive characteristics of tribal areas and the development programmes and the administrative machinery were hardly moulded to meet the felt needs of the tribal people.

The Government of India therefore took the

decision that from the Fifth Five Year Plan onwards, the major thrust for development of tribal areas and tribal communities ought to be provided for by each of the concerned sectoral authorities and it was laid down that the tribal development strategy would be "area development with focus on development of tribal communities". This led to the Tribal sub-plan approach, which has been followed as the broad strategy for tribal development since 1974. It recognises that there is variation in the social, economic, political and cultural milieu of the different tribes, that their demographic distribution reveals concentration in some areas and dispersal in other; and that there are some primitive tribal groups living in secluded regions.

The Tribal Sub-plan approach has been in operation for the past decade in 16 States and 2 Union Territories in India. It has been estimated by the Planning Commission in the Draft Seventh Five Year Plan, 1985-90 that the total financial investment in tribal sub-plan areas since inception of this approach may be around Rs. 45000 million during the period 1974-1985. While a number of evaluation studies on the performance and impact of tribal sub-plan in various sectoral fields have been undertaken by anthropologists and expert teams drawn from universities, there are ongoing wholistic evaluations by Programme Evaluation Organization of the Indian Planning Commission and it may be hazardous to comment on the extent of the success achieved. However the available information from the studies does point to gaps in achievements.

#### **Tribal Cooperatives, LAMPS**

As provision of credit for various production programmes and arrangements for marketing agricultural and forest produce on cooperative basis for the benefit of tribals was considered to be of special importance in tribal development, a study team was appointed by Government of India under the chairmanship of Mr. K.S. Bawa in 1971 to examine the working of cooperative organisations in tribal areas for effective implementation of tribal development programmes. The Study Team recommended the establishment of a special type of Large-Sized Multi-purpose Cooperative Societies (LAMPS) in tribal areas. The main objectives of these cooperatives were to provide at one contact-point different types of credit and marketing facilities. LAMPS were devised to provide a package of services to tribals, namely: (a) extension of production and consumption credit; (b) purchase from the tribals their surplus agricultural and forest

produce at remunerative prices, (c) sell to them their consumer goods of daily requirement and farm inputs at fair prices.

The basic characteristics of LAMPS, as suggested by the Bawa Committee were as follows :

- (i) One organisation should cater to all credit and marketing needs of the tribals living in any specified area and there should be no duplication of organisation at the primary and secondary level to avoid any scope for confusion;
- (ii) It should arrange for purchase of all produce that a tribal normally sells in the market including minor forest produce that he collects;
- (iii) Arrange for supply of all basic consumer goods at fair prices;
- (iv) Allow for an adequate production credit for his agricultural crop requirements;
- (v) Arrange for provision of consumption credit during the lean periods at a reasonable level to be repaid at the time of sale of his produce.

Following the recommendation of the Bawa Committee, a programme for establishment of LAMPS was initiated by states in areas of tribal concentration in the mid-70s. So far, 2196 LAMPS have been organized in various States. Accessibility of LAMPS to tribals needs to be however emphasised as tribal areas characterised by low density of population and large area spread.

Historically, weekly markets are held in some tribal areas and such sites are the most suitable sites for the location of LAMPS. National Committee on Development of Backward Areas (1981) have recommended setting up of one LAMPS per development Block in tribal sub-Plan areas to cover a population of roughly 10,000 for the sake of viability. However it could have its branches at weekly market centres within its area of operation. Mobile LAMPS could also be considered for better coverage.

#### The Need for Separate Cooperatives for the Tribals

Formal Cooperatives often fail to benefit the poorest members of the Community. It is desirable to identify specific needs of particular disadvantaged or poor groups and establish cooperatives appropriate both in structure and purpose to meet their needs. (OXFAM, 1981). Most cooperatives in

tribal areas have mixed membership and non-tribals are able to gain control of the cooperatives unless proper safeguards are provided in the bye-laws of the cooperative. There is general consensus among administrators and social scientists that cooperatives in tribal areas have become another instrument for exploitation of tribal folk by non-tribal office-bearers of the societies. It is observed that the rules and regulations of cooperatives are far too complicated and unsuited to the understanding and acceptance of tribal people with the result that even though the majority of the members of a society are tribals, the management is generally in the hands of non-tribals.

In the above situation, suggestion to form separate cooperatives for such disadvantaged sections needs to be given serious consideration especially in highly stratified societies. However the option of having duplication of cooperative societies within the same area, one for the tribals and the other for non-tribals can make matters complicated and the experience of Karnataka and Kerala where it was given a fair trial is encouraging. Hence setting up Large-Sized Multi-purpose Co-operative Societies (LAMPS) in areas of tribal concentration with certain safeguards have been recommended by the Bawa Committee. It is suggested that the majority of members of the Board of Management of the society—including the Chairman and Vice-Chairman should belong to tribal communities. Necessary provisions in the bye-laws of the societies could guarantee this and LAMPS could become true instruments of service to the tribal communities. These safeguards in the managements of tribal cooperatives have been tried with considerable success in the States of Maharashtra, Gujarat and Madhya Pradesh.

#### Multi-purpose or Single Purpose Cooperatives

The demands made on the scope, the turnover and availability of capital determines whether the cooperative has to restrict itself to one particular activity or a single cooperative should undertake related or complementary activities. Practically throughout the world, farmers have preferred co-operatives which can meet varied demands of its members and provide an assortment of services (Dooren, 1982). There has been long-standing debate in developing countries particularly in India on merits and demerits of single-purpose and multi-purpose cooperatives or about the possibilities of linking single-purpose credit cooperative with marketing cooperatives to obtain a guarantee of

repayment out of market proceeds, of loans taken through credit cooperatives.

In the western world the multi-purpose cooperatives have not been much developed, in spite of Raiffeisen's preference for the type. In the developing world, by contrast, the need for cooperatives which cater to all major needs of small producers has been felt much more strongly right from the start. Nicholson made the case for such a development in his report to the Madras Government in India in 1885 (Dooren, 1982). However, his advice was not heeded and only in the 1950s and 1960s, multi-purpose societies gained prominence in India. An FAO Technical Meeting on Cooperatives in Asia and the Far East held in 1949 suggested the setting up of multi-purpose cooperatives in its report :

"It is believed that generally, in the rural areas multi-purpose societies fulfil a greater need and have a better chance of success than single-purpose societies.....Their volume of business would be larger and overhead costs lower."

The performance of the cooperative movement in tribal areas of India suggests that multi-purpose societies stand a better chance of success than single-purpose ones especially since simple tribals cannot be expected to approach different specialised cooperatives to cater to their needs as they expect a single agency to provide services of credit, marketing of their produce and supply of their consumer goods, as they are used to getting similar services from the village trader, who of course has also been exploiting them. Some of the arguments in favour of multi-purpose cooperatives are : (Dulfer, 1974 and Helm, 1968) :

- (1) The cooperative can provide comprehensive all-round assistance for its members.
- (2) Share capital contribution required from the members in a multi-purpose cooperative will be smaller than what would be required if a member is to join a number of single-purpose societies.
- (3) The combination of credit, supply and marketing as basic activities of a multi-purpose cooperative like LAMPS, gives the management a better overall insight into credit worthiness and production possibilities of the members.
- (4) The multi-purpose cooperatives, being

larger and having a greater turnover are financially viable and more likely to employ professional managers than single-purpose cooperatives in isolation.

- (5) Risks can be spread over several activities and it also prevents staff being under-employed in the case of highly seasonal activities in a single-purpose cooperative.

Guided mainly by the above considerations, Large Sized Multi-purpose Cooperative Societies (LAMPS) have been recommended for formation in tribal areas of India as such societies are aptly suited to tribals whose main pursuits are agriculture and collection of minor forest produce and its sale. However the functioning of these tribal cooperatives has posed a multiplicity of problems as well e.g. finding a manager competent to run a complex cooperative like LAMPS, need for adequate working capital for business transactions, etc.

#### PERFORMANCE APPRAISAL OF TRIBAL COOPERATIVES

Large-sized Multi-purpose Cooperative Societies have been functioning in tribal areas of India for about a decade now and appraisal of their performance has been undertaken through evaluation studies by a number of organisations. The Reserve Bank of India Committee which was appointed to review arrangements for institutional credit for agriculture and rural development (CRAFICARD) reviewed the working of tribal cooperatives and observed as follows in its report (1981) :

"The Large sized Multi-Purpose Cooperative Societies (LAMPS) organized in tribal areas have not been able to make satisfactory progress for reasons such as lack of aggressive investment lending, non-availability of trained and experienced personnel for manning executive positions, frequent increase in royalties payable on forest produce, unhealthy competition from private traders, absence of effective marketing organization and marketing intelligence and lack of infrastructural arrangements for storage and transportation."

National Institute of Cooperative Management at Poona undertook an evaluation study of LAMPS in five states, viz. Gujarat, Orissa, Madhya Pradesh, Bihar and Rajasthan and made the following salient observations in its report of June 1982 :

- (i) It is very difficult for tribal cooperatives to thrive merely on credit business since absorption as well as repayment capacities of tribals is very low. Non-credit business like distribution of consumer articles, collection of agriculture and minor forest produce, should increasingly be taken up by the cooperatives, if they are to develop as viable organizations.
- (ii) The staff available with LAMPS is too small to deal with credit as well as non-credit business efficiently. Besides strengthening the staff, it would be desirable to have credit and non-credit wings separately in the LAMPS.
- (iii) Posting of duly qualified and trained personnel in LAMPS is essential to the introduction of appropriate technology both in agriculture and allied activities. Its financial burden will have to be shared through subsidies from government at least at initial stages.
- (iv) There has been considerable progress in the marketing of minor forest produce by the LAMPS and they have thus helped in providing better financial return to the tribals. Performance has varied depending on the legal support provided to the LAMPS to keep private traders in check and on financial arrangements from Cooperative Banks.

A similar study was conducted by the National Bank for Agriculture and Rural Development (NABARD) in 1980-81 with a view to ascertain how far tribal cooperatives have fulfilled the objectives for which they had been organized. The study team collected data and made spot visits to 404 LAMPS in 12 states. The main conclusions of the NABARD study are :

- (i) Despite a majority representation of tribals in the Managing Committee of LAMPS, it was found to be ineffective as the Managers of the societies did not evince sufficient interest in undertaking the variety of developmental activities expected of LAMPS.
- (ii) A large number of tribal population continued to borrow from village money-lenders/traders for various purposes paying exorbitant rates of interest varying from 100% to 300% per annum.
- (iii) A large number of LAMPS, even after 3-4 years of functioning were not financially viable and had not reached even the minimum business of half a million rupees.
- (iv) There were heavy overdues inhibiting further

flow of credit and overdues showed a rising trend.

The above evaluation study however also observed that majority representation of tribals in the management committee is heartening and it "gives rise to hope that such continued representation would train the tribal cooperators to take charge of affairs of LAMPS in times to come and participate in decision making in the interests of tribal community."

Even though there have been a number of evaluation studies by many other organisations like the Cultural Research Institute in West Bengal, the Reserve Bank of India team in Rajasthan, etc, I would like to refer to another very methodical evaluation of the functioning of 60 LAMPS by Bihar State Planning Board. Some of the salient recommendations of the study are given below (Committee Report on Management of Cooperatives in Tribal Areas, 1984) :

- (a) The share capital base of LAMPS was too weak to undertake the credit and marketing activities envisaged by the Bawa Committee. The average paid-up share capital per LAMPS worked out to Rs. 35,000 out of which Rs. 23,000 could be apportioned to financial contribution from the Government
- (b) A very small percentage of tribals and Harijans (untouchables) are covered by the LAMPS. Percentage of their membership in the Societies was found to be 56.56 only and this constituted only 6.338 of the total tribal and harijan population in Bihar.
- (c) LAMPS have been able to extend only short-term credit facilities covering a small fraction of total credit requirements of the tribals and thus have failed to cater to their medium-term, long-term and consumption credit requirements.
- (d) LAMPS being area cooperatives covering non-tribal population also within its areas of operation, there are two non-tribal members in its managing committee. Although the Chairman of LAMPS belong to tribal communities the two non-tribal members in the managing committee exercised a dominant position in the affairs of the LAMPS.
- (e) Development of LAMPS as unified credit-cum-marketing centre requires multi-disciplinary support and coordination among different Government Departments like forest, industries, cooperation and state level



organisations like Forest Development Corporation, Tribal Development Cooperative Corporation, etc. A State-level Coordination Committee needs to be set up to review the programmes and sort out inter-departmental issues.

#### **Analysis of Reasons for Poor Performance**

The above evaluation studies have provided varied conclusions on the development and functioning of LAMPS. However the picture that emerges shows definite lacunae in the provision of credit, supply of inputs and marketing of output to ensure a fair return to the tribals. It may be desirable to identify the factors responsible for such gaps in the performance of these multi-purpose cooperatives.

First it has been observed that these cooperatives have very rarely developed as a result of felt needs of the members. Instead of the urge for cooperatives coming from tribals themselves, the tendency has been for Government officials to initiate cooperatives without relating them to tribal behaviour patterns or enlightening the tribals fully about the programme's objectives (eds. G. Hunter and Bottrall, 1974). This has resulted in cooperatives getting in a vicious circle of poorer member participation—poor benefits to members—poor member participation. Complexity of cooperative regulations is also responsible for lack of involvement of members in decision-making resulting in over-dependence on professional staff. (OXFAM, 1981).

Secondly, it has been noticed that the non-tribals have tended to dominate over the tribal cooperatives resulting in biased flow of credit and benefits to them inspite of safeguards like majority representation of tribals in managing committee, provided in the bye laws of the cooperative. The institutional arrangement for giving credit are such that they favour the richer farmer who can provide collateral security for a loan. Rao's (1975) analysis of Indian agriculture showed that farmers in higher income groups are the principal borrowers from cooperatives; 35% of all borrowing being taken up by farmers with assets of over 20,000 rupees and only 0.5% by those with less than 50 rupees. (Hardiman and Midgley, 1982). This emphasises the need for separate cooperatives for the poor (like tribals) in such mixed or stratified societies existing in developing countries.

Thirdly, the intimate relationship between the tribal and his trader/moneylender has also been a

constraint on the success of cooperatives in tribal areas. The tribal has a sort of mutual understanding with the village trader/moneylender from whom he borrows in the hour of need on personal security and repays by selling his produce to the same trader. Usurious interest rates do not deter him from approaching a moneylender who is prompt and flexible enough to provide money to him at the time of need. Unfortunately the cooperatives do not have such flexibility of approach and there is a time gap extending up to even 2-3 months between the date of his application for loan and the date of disbursement. Such long-drawn, cumbersome, procedures need to be done away with in cooperatives for the poor especially those which involve the vast majority of illiterate tribals. In dealing with the simple tribal folks, simple procedures based on trust need to be devised. It should also be possible to take repayments of loan in kind like harvested grain and adopt barter systems as a sizeable segment of tribal economy remains non-monetised.

Fourthly, the tribal economy all over India is at a subsistence level and there is little urge to commercialise production. Most of the credit taken from moneylenders by the tribals is for unproductive social functions. Two surveys of tribal villages in Andhra Pradesh indicated that 67% of indebted households borrowed for unproductive purpose such as family maintenance, social ceremonies, redemption of old debts, etc. However, cooperative institutions have so far not ventured to advance consumption credit to tribals despite repeated recommendations from various committees and have confined advances for production purposes only. The tribal is therefore compelled either to borrow cooperative loans on the pretext of some productive purpose and then use it unproductively or is thrown into the clutches of unscrupulous moneylenders for meeting his consumption credit requirements (Hunter and Bottrall, eds., 1974). In the absence of any satisfactory arrangements for consumption credit, tribal cooperatives have failed to work as true instruments to fight exploitation.

Finally, the critical input in tribal cooperatives is suitable personnel. Managers in these cooperatives need to have (a) sympathy, dedication and competence, (b) knowledge of tribal areas and tribal communities and (c) a degree of expertise in cooperative, administrative and forest-arrangement fields. Since a vast majority of tribals are illiterate and not very articulate, official functionaries running the multi-purpose cooperatives play a vital role and need to have a proper orientation towards tribals.

The Committee on Cadre Management of Cooperatives in Tribal Areas appointed by the Ministry of Home Affairs has in its Report 1984 made comprehensive recommendations and suggested professionalisation in management of tribal cooperatives by having a separate cadre of managers at the state level with a minimum of 50% of manager posts being reserved for tribals. The cadre scheme recommended by the Committee includes general training of the appointee in cooperation, banking and marketing practices, and specific training to acquaint them with features of the tribal economy and culture. Former Prime Minister of India, Mrs. Indira Gandhi underlined this administrative problem and wrote to all Chief Ministers of States (in March 1980) "that a critical requirement is the creation of a dedicated and sensitive administrative framework for the tribal areas". Suitable monetary and non-monetary incentives need to be provided forgetting the willingness of competent persons to serve in these areas.

The above factors responsible for the tardy growth of tribal cooperatives emphasize the need for definite policy measures that are to be taken by the government, if tribal cooperatives have to become true instruments of service to tribal communities. Further these cooperatives function at the primary level and their affiliation to secondary or apex level organisations for credit and non-credit purposes needs to be strengthened if they are to emerge as viable institutions.

While deciding the policy measures, one needs to remember that the performance and growth of tribal cooperatives depends on individuals who run it. Paid managers, accountants or salesmen of a society may not have much at stake but the members of tribal communities would definitely wish the societies to thrive. Observations made in the NABARD study about the majority representation of the tribals in the Managing Committee indicate the hope that with such continued involvement of tribals and having a say in decision-making in cooperatives, the institution could become the training ground for tribal leadership in the field of management, self-reliance and participation in wider national organisations.

## SUGGESTIONS ON POLICY MEASURES AND CONCLUSIONS

### Utilisation of Weekly Markets as Focal Points

The tribal comes into contact with the non-tribal and is exposed to modernisation and change

at the weekly markets known as 'hat' which is held in certain villages on appointed week days. The tribal villages do not have shops and the inhabitants have to depend on these weekly markets even for some of their daily needs. His main aim is to procure certain necessities like salt, agricultural implements, kerosene oil, clothes, tobacco, etc. and he buys them by parting with part of this produce almost under a barter system. But it has been noticed that, whether the tribal has anything to exchange in the market or not, he would visit the weekly market to meet his friends and relatives, perhaps to negotiate a marriage in the family or to exchange information. The weekly market or "hat" is thus very much a part of his life and he makes it a point to visit it regularly, walking as far as 10 miles to get to the market place.

'Hats' are thus the channels through which the innovation reach them. In any tribal development planning, the essential role of 'hats' must be appreciated and it should be made the focal point for the provision of various services and inputs. Measures need to be taken to preserve this institution. Tribal cooperatives must have their headquarters or branches at these 'weekly' markets. In an focal situation these weekly market centres should constitute a "growth centre" and have a post office, a market yard of similar other ancillary services. Multi-purpose cooperatives can especially make use of these "hats" for selling consumer goods of daily requirement to the tribals at a fair price while simultaneously purchasing tribal produce at remunerative prices eliminating the exploitation of the traders through their unethical business practices. In case the cooperatives do not find it economically viable to locate a branch at these weekly markets due to vastness of area and paucity of suitable personnel, mobile branches to cover the important weekly markets within the area of operation of cooperative could be considered within the limitation of the terrain and communication facilities.

### Provision of Managerial Subsidies

Tribal cooperatives by their very nature are service cooperatives meant to eliminate exploitation by vested interests and improve the lot of the tribals by providing them with a remunerative price for their produce. Such cooperatives are not in a position to earn adequate profits to maintain trained staff to perform the multiple functions envisaged from it due to high overhead costs in difficult terrain areas. In the previous chapter it has been highlighted as to how the absence of

suitably qualified and oriented managers and staff in the tribal cooperatives have weakened them.

As the tribal cooperatives cannot meet expenditure on maintaining the staff until they acquire sufficient business to pay for them, administrative cost of maintaining the manager and a complement of staff may have to be provided for by the Government from the tribal sub-Plan funds. Provision of such managerial subsidy is basic for the development of tribal areas to bring the poor tribals out of the clutches of the exploitative forces like moneylenders, traders, forest contractors, etc. In some States, funds of Integrated Rural Development Programme (IRDP) have been used at the Project level to provide such managerial subsidy to the weaker section's Cooperatives on a tapering scale at the rate of 100% reimbursement of staff cost in the first year, 75% in the second year and 50% in the third year of the cooperative. But it would be foolhardy to expect tribal cooperatives to stand on their own feet within three years and the provision of managerial subsidies needs to be made at least for a period of five years to provide a sound and professionalised management to the tribal cooperatives. However in the long run the best contribution which government can make to the emergence of a strong, self-reliant cooperative movement is to take steps to educate and train both those who serve the cooperatives as managers' including those elected to the managing committee, and the rank-and-file membership, which needs to be educated about the complex cooperative procedures.

#### Administrative Linkages of Tribal Cooperatives

Tribal Cooperatives cannot function in isolation without due support from secondary apex level institutions for credit and non-credit purposes. Even though for the flow of credit, the District Central Cooperative Banks provide the needed linkages, it is noticed that these institutions hardly appreciate the special needs of the tribal areas. There is no recognition of the special features like the need for consumption credit or recovery of loans by taking over of tribal produce through barter arrangements as mentioned in the previous chapter. With a view to ensure smooth flow of credit to tribal cooperatives through the District Central Cooperative Banks and proper recognition of their special needs, it is essential that some enlightened members of tribal communities are only represented in the Board of Management of Central Cooperative Banks located in the tribal areas. Suitable provision in the bye-

laws/Acts etc. need to be incorporated to enforce their due representation.

To help the tribal cooperatives in the marketing of the produce procured from the tribals, state apex level tribal development cooperative federations have been constituted in most of the States. These apex level institutions are expected to provide marketing support, supervise and guide the tribal cooperatives at the primary level. They should use these primaries to act as their agents to the procurement of agriculture and minor forest produce. Tribal Development Cooperative Federations should either provide or arrange provision of working capital to the primary level cooperatives as in the absence of the required working capital many a tribal cooperative has failed to undertake the marketing activity expected from a multi purpose cooperative. Similarly at the national level, there is a need to have a federation of all State Tribal Development Cooperative Federations to provide marketing support to the State level bodies for inter-State marketing of the produce. The ultimate objective of forging these linkages will be to provide a remunerative price to the tribal for the produce purchased from him by the cooperative.

In addition to the policy measures suggested above, there is need to enlarge the membership coverage of tribal cooperatives as only 4.27% of tribal population or 21.35% of tribal families appear to be covered by these tribal cooperatives. Measures to enrol more members by subsidising their share capital contribution need to be taken. However, improved performance of these cooperatives in extending benefits to the tribals itself may prove an adequate incentive for better enrolment of tribals at a later stage. Financial assistance from the Government to improve the equity base of tribal cooperatives is also essential with a view to enlarging their borrowing capacity from financial institutions for undertaking the needed marketing operations. Measures to assist the cooperatives in setting up minor processing units for value addition to the procured tribal produce would also help in providing better returns to the tribal for his produce provided the activity is appropriately planned keeping in view the available markets.

#### Conclusions

An attempt has been made to analyse the role played by cooperatives as instruments to bring about socio-economic development of tribals in India. Tribal sub-plan strategy adopted to bring about this development has proved to have definite improvem

over previous approaches as it provides for non-divertibility of funds from tribal areas and ensures formulation of appropriate schemes for tribal areas. Under this strategy, for the first time, every wing/department of government was made to realise its responsibilities towards tribal development. Multi-purpose cooperatives were to play a crucial role in tribal sub-plan strategy. We have identified the weakness in the functioning of these cooperatives in the last decade and suggested remedial measures to improve their performance and end exploitation from moneylenders, traders and other vested interests.

The main conclusions that may be drawn are :

- (1) There is a need to form separate cooperatives for the poor if they are to be instruments of service to them. There is conflict of interests in cooperatives having large and small farmers as their members and there is a tendency of large farmers to dominate the cooperative especially if they see a chance to take over executive positions. Most of the problems of cooperatives in tribal areas can be traced to their mixed membership as non-tribal office-bearers of the cooperative tend to act as exploitative elements.
- (2) Safeguards in the bye-laws providing for tribals as Chairman of the Cooperative and their representation in majority in the Managing Committee of the cooperative have met with mixed success. Even though it has helped in the involvement of tribals in decision-making and trained them for participation in regional/national level organisations, even the two non-tribal members of the managing committee exercised a dominant position in the tribal cooperatives.
- (3) Multi-purpose cooperatives are more suited to meet the requirements of poor and disadvantaged people than single-purpose cooperatives as these simple, uneducated people need to be provided with a package of services under one roof. A network of cooperatives organized to meet their varied needs is not only likely to confuse them but also may be non-viable. Cooperatives combining credit, supply and marketing functions should be preferred as they provide a better guarantee of repayment out of market proceeds of the produce of the members. In tribal societies the practice of barter arrangements could be strengthened and utilised by the multi-purpose cooperatives to their advantage.
- (4) The tribal economy is mostly at subsistence level. Consequently, the requirement of production credit is very limited. The need for a grant of consumption credit to meet obligations like marriage and other social ceremonies has not been recognized by the cooperatives with the result, the tribal is driven

**Statewise Information on Large-sized Multi-purpose Cooperative Societies (LAMPS) and their membership in India**

Sl. No.	Name of State	No. of LAMPS (on 30.6.80)	Total Membership	Tribal Membership
1.	Assam	23	13000	10000
2.	Bihar	474	408000	219000
3.	Gujarat	62	46418	27180
4.	Karnataka	10	6559	6559
5.	Madhya Pradesh	693	732000	419000
6.	Maharashtra	258	454000	324000
7.	Manipur	52	39200	39200
8.	Orissa	222	542302	318558
9.	Rajasthan	125	98762	66086
10.	Tamilnadu	12	30633	29212
11.	Tripura	38	42147	34984
12.	Uttar Pradesh	103	96000	25000
13.	West Bengal	62	42000	34400
14.	Kerala	61	15292	15292
15.	Goa, Daman & Diu (Union Territory)	1	1206	1206
<b>Grand Total</b>		<b>2196</b>	<b>2,567,549</b>	<b>1,534,577</b>

into the clutches of the unscrupulous money-lender, undermining his confidence over the cooperative. Even though such a credit is meant for non-productive purposes, the realities of the tribal situation have to be faced and recognized and modification in the credit policy for tribal areas needs to be brought about.

- (5) As the absorption capacity of the tribals in the field of credit is limited, the main challenge ahead for the tribal cooperatives is in the field of marketing to ensure payment of a remunerative price to the tribal for his produce. They need to have effective administrative linkages and infrastructural support for the provision of working capital, market intelligence, storage and transportation from regional/stage level organisations like Central Cooperative Banks or Tribal Development Cooperative Federations.
- (6) Cumbersome cooperative producers need to be replaced by devising simple procedures for lending and recovering advances which could be easily grasped by simple tribal folk. Barter arrangements may be allowed for repayment of advances.
- (7) Traditional 'weekly' market system in tribal areas should be preserved and utilised and these should be considered most suitable sites for the establishment of tribal cooperatives or its branches. Weekly market centres should constitute a 'growth centre' and should be provided the ancillary services like a post office, godown, market yard, etc. in a phased manner.
- (8) Tribal cooperatives by their nature being service cooperatives are not in a position to meet expenditure on maintaining staff from their own resources at present. The provision of managerial subsidies from tribal sub-plan funds is essential for sound management of tribal cooperative by employing suitably qualified and trained personnel.
- (9) Personnel to work in these cooperatives need to have requisite sympathy, dedication and knowledge of the tribal economy and their minor forest and farm produce. A suitable recruitment policy needs to be evolved by reserving 50% of the posts in the managerial cadre for educated tribal youths who could be providing the needed training in accounts, marketing, book-keeping, etc.. The other 50% trained personnel recruited from among the non-tribals need to be provided orientation

training in tribal economy and culture. Grants of suitable monetary and non-monetary incentive should be an integral part of a sound personnel policy.

- (10) There is need to bring professionalisation in the management of tribal cooperatives. As recommended by the Cadre Committee on Management of Tribal Cooperatives in its report in 1984, a separate managerial cadre needs to be formed at the State level. District level Cadre Committees may attend to recruitment, training and disciplinary control over the cadre staff. As marketing of tribal produce is the major task foreseen in the future of these cooperatives, staff should have marketing orientation and State-level Tribal Development Marketing Federation which is expected to support and arrange for the marketing of procured produce from the primary level cooperatives, should have a degree of control over the managerial staff of the primaries, which is conspicuously absent at present.
- (11) Tribal cooperatives need to be assisted financially with a view to enlarging their equity base and increase their borrowing capacity from the financial institutions for undertaking the required marketing operations. They may also be assisted in setting up processing units for the procured tribal produce as the major objective in all its operations is to provide a fair return to the tribal.

Finally, I would suggest that we should guard against any "blanket approach" to development seeking to impose a uniform pattern of cooperative structure conceived along the lines of general areas, to tribal areas. These cooperatives need to meet the problems which are peculiar to tribal areas and should relate to receptivity of their tribes and stage of their development.

Present feeling of disillusionment with the cooperatives can be dispelled and confidence in cooperatives can be restored if concerted measures to adapt and strengthen the tribal cooperatives could be taken on the lines suggested above. I am confident that moves in this direction are likely to be taken by the State Governments and Central Government in the Seventh Five-Year Plan (1985-90) of India so that multi-purpose cooperatives may emerge as effective instruments for eliminating tribal exploitation by vested interests, protecting them from social injustice and may simultaneously serve their economic interests. ■

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## REGIONAL NEWS ROUNDUP

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### INDIA

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#### IFFCO LAUNCHES SERVICE CENTRES

The Indian Farmers Fertiliser Cooperative Limited (IFFCO), the largest fertiliser marketing organisation in the country, has initiated a comprehensive programme of strengthening the cooperative distribution network through establishment of cooperative farmer's service centres.

Under the programme, 2,500 primary agricultural cooperative societies would be developed into service centres by 1987-88. Each centre would be provided with full subsidy on equipment including seed-cum-fertiliser drill, sprayer, duster and seed treatment drum, besides 60 per cent subsidy on furniture and fixture.

The training of salesmen and supply of inputs like fertiliser seeds and pesticides would be arranged by the IFFCO. The NCDC would provide a marginal amount as loan through IFFCO to these societies.

The IFFCO had adopted 20 districts for socio-economic development of the farming community.

It had also launched a farmers integration scheme, under which farmers were exposed to the social agriculture and economic conditions in other states thereby bringing about national integration.

Besides, the projects to promote dryland farming and reclamation

of barren land had been taken up. A farmer's education programme, soil conservation and land improvement measures, introduction of suitable cropping systems and increasing high-yielding variety cultivation were also proposed.

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### Japan

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#### JCCU SEMINAR ON COOPERATIVE SUPERMARKET OPERATIONS

For the past few years, the Japanese Consumers Cooperative Union (JCCU) has been extending training facilities for on-the-job training in supermarket operations in Japan for selected professional employees of consumers cooperative societies from Asia.

Due to interpretation and other difficulties, the JCCU has now decided to substitute the training programme by a three week Seminar-cum-Study Visits in Super Market Operations. A group of eight participants from India, Malaysia, Singapore and the Philippines, will be trained in supermarket operations in Japan from 20th August to 13th September 1986. The seminar will be held in Tokyo and Kobe. Professional managers of consumers coops engaged in supermarket store operations will be participating in the seminar.

The participants will have an opportunity of studying the Nada Kobe Consumer Cooperative Society during this period.

#### CUAC LAUNCHES "ZENCHU FARM NEWS"

The Central Union of Agricultural Cooperatives of Japan has launched a new coop journal entitled "Zenchu Farm News". Zenchu Farm News, a bi-monthly, is intended to make known the trends of Japanese agriculture and agricultural policies, and the views of Japanese farmers as extensively as possible with a view to deepening the understanding of the current state of affairs in Japanese agriculture. Present state and problem of Japanese agriculture has been dealt with in the first inaugural issue of May 1986.

#### IDACA MOVES TO NEW PREMISES

The Institute for the Development of Agricultural Cooperation in Asia (IDACA) established by the Japanese Agricultural Cooperative Movement to provide education and training to Asian Cooperators has moved to new spacious buildings within the Central Cooperative College complex at Takao, in suburban Tokyo in April 1986. IDACA, established in 1963 at Setagaya, Tokyo, has trained more than 2,200 cooperators from all countries of the South-East Asian Region. In addition several cooperators from Brazil and some African countries have also received training at the Institute.

The new buildings located at the foot of Mt Takao amidst scenic beauty, has all the modern facilities for comfortable stay of participants and are equipped with modern audio-visual devices for training. The lodging facility includes 25 single rooms with attached baths.

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## Philippines

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### FIRST NATIONAL COOPERATIVE CONGRESS URGES COOPS TO PLAY LEADING ROLE IN NATIONAL RECONSTRUCTION

The Supreme Cooperative Council of the Philippines, comprising the Cooperative Union of the Philippines and other apex level cooperative organisations in the country, held the First National Cooperative Congress of the Philippines in Quezon City, from June 6th to 7th, 1986.

The main objective of the Congress was to help the Government in its programme of national reconstruction by marshalling the peoples' collective talents, energies, and resources towards the promotion of greater income, productivity and purchasing power especially among the poor, unemployed and underemployed. The theme of the Congress was on "Cooperatives and National Development".

The Chairman of the Supreme Cooperative Council and the Cooperative Union of the Philippines, General A.S. Lozada, presided over the Congress. Mr. Manuel Manahan, Chairman of the Board of the Cooperative Foundation of the Philippines, delivered the key note address.

Addressing the delegates, General Lozada, said "for the first time in the Philippines history, all cooperatives registered under various Philippine laws have agreed to come together and discuss vital issues affecting the nation and what the cooperative movement can contribute to the great task of

rebuilding our shattered country". Emphasising the role the cooperatives can play in national rebuilding, he added "cooperatives, being people oriented organizations, can do a great deal in helping our country solve the problems now before us. We hold the view that cooperatives marshal the collective talents, energies and resources of the people and channel them to productive endeavours, thus, generating, substantial employment, income and productivity. To us, it is just a question of cooperatives being given the chance and opportunity to prove their worth under a favourable atmosphere for growth and expansion".

The Congress divided itself into four Commissions covering general areas of interest of the Cooperative Movement. The Commissions discussed economic issues, inter-cooperative relations, law and government and cooperative concerns. The Commissions addressed themselves to the specific issues and the commission reports were considered at the plenary during the closing session.

The Congress requested the government fiscal agencies not to proceed with their proposals to withdraw the tax exemption privileges of cooperatives.

Propositions based on Commission findings were adopted for consideration of relevant authorities in the government and organisations connected with cooperative development in the country. The Congress asked the Supreme Cooperative Council of the Philippines to conduct a follow up seminar/workshop among the cooperative sectors to operationalise the proposals before the end of 1986.

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## Sri Lanka

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### DASWATTE RE-ELECTED PRESIDENT, NCCSL

Mr. M. R. B. Daswatte, President of the National Cooperative Council of Sri Lanka, has been re-elected as President of the Council for another term of three years at a recently held general meeting of the Council in Colombo. Mr. Daswatte will also continue to be a member of the ICA Regional Council for South-East Asia representing the non-agricultural sector of the movement.

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## Thailand

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### NACTI TO MERGE WITH COOPERATIVE LEAGUE OF THAILAND

The National Agricultural Cooperative Training Institute (NACTI) of Thailand will be merged with the Cooperative League of Thailand in the near future. A decision to this effect was taken by the Thai Parliament on 6th May 1986.

Negotiations will be carried out with donor agencies in the European Economic Community on how to use the balance of NACTI funds for the overall development of cooperatives in the country.

### CONSULTANCY SERVICES ON INVENTORY AND FINANCIAL MANAGEMENT PROVIDED

As requested by the Cooperative League of Thailand, the management of the Nakorn Sawan Consumers Cooperative Society was provided consultancy services in May/June this year. Consultancy was provided by the ICA RO

*(Continued on page 29)*

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## NEWS AROUND THE WORLD

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### CUC IMPLEMENTS TASK FORCE PROPOSALS

The Cooperative Union of Canada took steps last year to implement several recommendations of the report of the 1984 National Task Force on Cooperative Development, and this helped make 1985 a significant year for the CUC, according to the annual report of the national association of English-language cooperatives.

The report notes that the CUC continued to pursue its government affairs objectives and participated in pre-budget consultations before the May 1985 budget and in later consultations before the February 1986 budget.

It also made a presentation at an historic Oct. 18 meeting in Regina at which the federal and provincial ministers responsible for cooperatives met together for the first time.

"At year-end the federal government had not completed its response to the task force, but Charles Mayer, the minister responsible for cooperatives, appointed two co-operators to help prepare the response," the report said.

The CUC continued to follow up task force recommendations on worker cooperatives, health care services, fisheries, and housing.

A new cooperative housing programme was announced Dec. 12, 1985, by the federal government after lengthy consultation with the Cooperative Housing Foundation of Canada. "While the foundation's initial response was positive," the annual report said, "several issues considered by the foundation to be

vital to the programme's success remained to be solved."

An audio-visual presentation on worker cooperatives has been prepared by the CUC and the Cooperative College of Canada and a manual to help emerging workers cooperatives was published.

The CUC worker cooperative programme provided advice and assistance to several provincial governments that were developing their own programmes and discussions continued with federal officials regarding access by worker cooperatives to funding programmes.

Officials of the Federal Department of Fisheries and Oceans have been actively consulting the cooperative sector in order to prepare their department's response to the task force recommendations.

The CUC advisory committee on health care services made a presentation at the Nov. 24-27, 1985, national conference, in Ottawa, on Improving the Delivery of Community-based health care. The committee outlined the benefits to communities of health care cooperatives and proposed several options for action by the cooperative sector to promote them.

### FIFTEEN U.S. COOPERATIVES IN FORTUNE 500 LIST

Fifteen U.S. cooperatives appear in *Fortune* magazine's list of the top 500 industrial firms in the U.S.

The highest ranking cooperative was Land O'Lakes which ranked 164th.

CENEX placed 250th and Mid-America Dairymen 254th.

The other cooperative businesses included are: Farmland Industries (87th), Agway (95th), Gold Kist (236th), CF Industries (326th), National Cooperative Refinery Assn. (339th), Ag Processing, Inc. (402nd), Ocean Spray Cranberries (422nd), Michigan Milk Producers (460th), Sun-Diamond Growers of California (471st), and Wisconsin Dairies (483rd).

### YOUNG IN THE COOPERATIVES-SUCCESSFUL DRIVE BY KF

The drive to increase the participation of young members in the activities of the cooperatives, started by the KF, Sweden, in 1984 has become very successful.

"Young in the Coop" is the internal umbrella name of the youth project organised by KF's marketing service in collaboration with 12 retail societies involving a total of about 35 department stores in Sweden. Since the beginning of the project in 1985, 17,100 new teenage members have joined Swedish consumer cooperatives.

In half of the societies concerned, over 20 per cent of the teenagers in the area are members of the coop. In the other six societies, 5 to 15 per cent of teenagers are members. In many places the cooperatives function as the largest youth association of the area.

Special membership cards have been designed for young members.

### RAIN ENDS FAMINE BUT GRASSHOPPERS FOLLOW

The rain that ended Africa's long drought may have brought an unwanted but predictable side effect: fertile breeding ground for an upsurge of grasshoppers that now are threatening countries of the western Sahel region.



The Food and Agricultural Organization of the United Nations warns that thousands of hectares of food crops in eight countries are at risk unless an immediate control campaign is launched.

The most threatened region is western Mali but also under attack

will be Guineau-Bissau, Burkina Faso, Chad, Gambia, Mauritania, Niger and Senegal, A \$4 million control campaign proposed by FAO would cover more than half a million hectares of infested territory.

The pest is *Oedaleus senegalensis*, the Senegalese grasshopper. Eggs

are hatching at very high densities which may reach 125 per square metre in some areas. The young hoppers will attack seedlings of millet and sorghum and, depending on conditions, produce a new generation that could reach plague proportions, FAO warns. □

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## REGIONAL NEWS ROUNDUP

*(Continued from page 27)*

Adviser, Consumers Cooperatives Development Project, Mr. M. K. Puri, in areas of inventory, financial management and store operations.

Nakorn Sawan is a provincial town situated 250 km away north-east of Bangkok. The Nakorn Sawan Consumers Cooperative has 4750 members, 80% of whom are women. It has a paid up capital

of 1.8 million bahts. In 1984-85 it sold goods worth 17 million bahts and earned a net profit of 628000 bahts. Over 80% of its sales were to its own members.

The rearrangement of the shop into a mini-mart was achieved within the existing premises with only few minor and inexpensive alterations in the building structure. An inservice training programme was

also carried out for the employees of the cooperatives during the consultancy mission period itself.

The board of directors and the management of the society as well as officials of the Cooperative promotion Department of Thailand evinced keen interest in the Mission and extended their full cooperation in carrying out the project. ■

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The second Edition has been presented by Mr. P.E. Weeraman, former Regional Director of the ICA and the principal author of the book.

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45, Fu Xing Men Nei Street, Beijing  
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National Agricultural Cooperative Marketing Federation of  
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National Cooperative Land Development Banks Federation,  
Shivshakti, 2nd Floor, B. G. Kher Road, Worli,  
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Tel : 4934349 & 4931359

National Federation of State Cooperative Banks,  
Garment House, 2nd Floor, Dr. Annie Besant Road,  
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Indian Farmers Fertiliser Cooperative Ltd.,  
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Telex : IFCO-IN 31-3887/3260

National Federation of Industrial Cooperatives Ltd.,  
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New Delhi-110016. Tel : 664006, 663865  
Telex : 31-62246 NFIC-IN

Krishak Bharati Cooperative Ltd,  
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Japanese Consumers Cooperative Union  
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(CONSUMUNION)  
Tel : 404-3234 Telex : 2423380 NCOOP J.

National Federation of Fisheries Cooperative Associations,  
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Tokyo (NAFEDEFISH)  
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National Federation of Forest Owners Cooperative Associations  
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Tel : 293-9711

Central Cooperative Bank for Agriculture and Forestry,  
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National Mutual Insurance Federation of Agricultural  
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7-9, Hirakawa cho, 2 chome, Chiyodaku, Tokyo.  
Tel : 265-3111 Telex : O-232-2973 ZEKI J

## KOREA, REPUBLIC OF

National Agricultural Cooperative Federation,  
75 1st Street Chungjong-Ro. Jung-Ku, Seoul (KONACOF)  
Tel : 723-0021, 7252681 Telex : NACOF K. 27421, 27235

National Federation of Fisheries Cooperatives,  
88, Kyun Wun Dong, Chongro Ku, Seoul 110,  
(FISHFEDER)  
Tel : 720-6211-20 Telex : FISHCO K. 24359

National Livestock Cooperative Federation,  
YPO Box 87, Yeoevido Dong, Young-Deungpo-Ku, Seoul,  
(NALICOF)  
Tel : 783-0051-59, Telex : NALICOF K-23517,

## KOREA, DEMOCRATIC REPUBLIC OF

Central Union of Consumers Cooperatives  
Central District, Pyong Yong

## MALAYSIA

Angkatan Kerjasama Kebangsaan Malaysia Limited,  
ANGKASA, No 2, 4 & 6, Jalan 222  
Peti Surat 368, Petaling Jaya 46440  
Tel : 570858. Telex : 37478 ANKASA MA

Cooperative Union of Malaysia  
107, Jalan Bunus, off. Jalan Masjid India, Peti Surat 10685  
Kuala Lumpur, Malaysia. Tel : 914155

Cooperative Central Bank Limited,  
107, Jalan Bunus, P.O. Box 10685, Kuala Lumpur (COOP)  
Tel : 914155, Telex : 33504 COBANK MA

Malaysian Cooperative Insurance Society Limited,  
Wisma MCIS, Jalan Barat, Peti Surat 345, Petaling Jaya,  
Tel : 772577 Telex : 37493-MA (MCIS)

National Land Finance Cooperative Society Ltd.,  
Bangunan Tun Sambanthan. No. 2, Jalan Sultan Sulaiman  
Peti Surat 2133, Kuala Lumpur 02-12  
Tel : 207044 (NALFICD) Telex : 32891 NLFCS MA

Federation of Housing Cooperatives Ltd.,  
Tingkat 2, No. 20, Lorong Bunus Enam, Off. Jalan  
Masjid India, Kuala Lumpur-0404  
Tel : 932935, Telex : 31765 COOP MA

## PAKISTAN

National Cooperative Union of Pakistan  
5 Court Street, PO Box 2234, Lahore-1 (ENCUP)  
Tel : 54674, 211749

Merchantile Cooperative Finance Corporation  
197A, The Mall, Rawalpindi,  
Tel : 67630, 62155-58, Telex : 5828 FELAB PK

## PHILIPPINES

Cooperative Union of the Philippines Inc.,  
Room 400G, (4th Floor) N. Dela Merced (Delta) Building,  
West Avenue, Quezon City, Philippines  
Tel : 967534, 991073, Telex : 45383 SUPERB PM

Sugar Cooperatives Development Institute of the Philippines Inc.  
Post Box 452, Bacolod City-6001. Tel : 20666

National Association of Training Centres for Coops  
San Dionisio Credit Coop. Building, Quirino Avenue,  
San Dionisio, Paranaque, Metro Manila, Philippines.  
Tel : 827-14-16

## SINGAPORE

Singapore National Cooperative Federation Ltd.,  
510, Thomson Road, 12-02, Block A, SIF Complex  
Singapore 1129 Tel : 2590077C

Singapore Amalgamated Services Cooperative  
Organisation (SASCO)  
P.O. Box 366, Maxwell Road Post Office, Singapore-9007.  
Tel : 2735183

## SRI LANKA

National Cooperative Council of Sri Lanka  
455, Galle Road, Colombo-3 (NACOSIL)  
Tel : 84638, 85496 Telex : 21217-COCOBOD-CE

Sri Lanka Cooperative Fisheries Federation Ltd.,  
127, Grandpass Road, Colombo-14 (COOPFISH)  
Tel : 25057

Sri Lanka Coconut Producers Cooperative Societies Union Ltd.,  
PO Box 796, 127 Grand Pass Road, Colombo. 14.  
(COCONION) Tel : 23540

## THAILAND

Cooperative League of Thailand,  
4 Pichai Road, Dusit, Bangkok, 10300  
Tel : 24-13634, 24-13332

## COOPERATIVE PRINCIPLES

### *Voluntary Association and Open Membership*

1. 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.

### *Democratic Control*

2. 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 should enjoy equal rights of voting (one member, one vote) and participation in decisions affecting their societies. In other than primary societies the administration should be conducted on a democratic basis in a suitable form.

### *Limited Interest on Capital*

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

### *Equitable Division of Surplus*

4. The economic results arising out of the operations of the society belong to the members of that society and shall be distributed in such a manner as would avoid one member gaining at the expense of others.

This may be done by decision of the members as follows:

- (a) By provision for development of the business of the Cooperative
- (b) By provision of common services; or
- (c) By distribution among the members in proportion to their transactions with the society.

### *Cooperative Education*

5. 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.

### *Cooperation Among Cooperatives*

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

## 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 72 countries, serving over 500 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 Geneva, there are three regional offices, viz., the Regional Office for South-East Asia, New Delhi, India, started in 1960, the Regional Office for East and Central Africa, Moshi, Tanzania, started in 1968, and the Regional Office for West Africa, Abidjan, Ivory Coast, started in 1981.

The main tasks of the Regional Office are to develop the general activities of the Alliance in the Region, to act as a link between the ICA and its affiliated national movements, to represent the Alliance in its consultative relations with the regional establishments of the United Nations and other international organisations, to promote economic relations amongst member-movements, including trading across national boundaries, to organise and conduct technical assistance, to conduct courses, seminars and conferences, surveys and research, to bring out publications on cooperative and allied subjects and to support and supplement the educational activities of national cooperative movements. The Regional Office now operates on behalf of 17 countries, i.e. Afghanistan, Australia, Bangladesh, China, India, Indonesia, Iran, Japan, Republic of Korea, Democratic Republic of Korea, Malaysia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka and Thailand. □

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### INTERNATIONAL COOPERATIVE ALLIANCE

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*South-East Asian Office*  
Regional Office for South-East Asia  
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*East & Central African Office*  
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*West African Office*  
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