

ICA 02362



334: 25

ICA Library



ICA 02362



# ASIAN CONSUMER COOP NEWS

No. 1-7  
1900-91

A half yearly bulletin of the ICA Sub-committee on Consumer Cooperation for Asia

Volume 01

JULY-DEC 1988

ISSUE 01

## CONTENTS

|  | page |
|--|------|
| 1. Greetings for Inaugural Issue:  |      |
| i. Message from The Chairwoman of<br>The ICA Consumer Committee                        | 1    |
| ii. From the Chairman of the ICA<br>Sub-committee on Consumer<br>Cooperation for Asia. | 3    |
| iii. From the Regional Director of ICA ROA.  | 4    |
| 2. Consumer News from the ICA Congress.  | 5    |
| 3. Consumer News - Bangladesh, India,<br>Japan, Malaysia, Singapore.                   | 6    |
| 4. Consumer Legislation - Australia, India,<br>Sri Lanka.                              | 8    |
| 5. The Coop and the Society.   | 9    |
| 6. Calander of future ICA Activities.  | 10   |
| 7. Know your Coop Movements - Malaysian<br>Consumer Coop Society.                      | 10   |
| 8. Book Review.  | 12   |

## MESSAGE FROM THE CHAIRWOMAN OF THE ICA CONSUMER COMMITTEE

On this occasion, when you first publish your News Bulletin, I and my colleagues in the ICA Main Consumer Committee want to congratulate you for the initiative.

We are at present gathered at a meeting at the Headquarters of the ICA in Geneva, discussing the plans for the new period of the Committee which will last for the Congress term.

We all think that the effort to start a News Bulletin is very positive. It will give all the member organisations in the Region a possibility to closely follow all the experiences you gain. This is ofcourse not only a good help, it is a source of inspiration and can give a new impetus for cooperative work.

What we all have in common, whether we belong to cooperatives established in the Western world a hundred years ago or younger cooperatives in developing, is the basic principles of the Rochdale pioneers which ensures that our cooperative will be democratically controlled by the member to their mutual benefit, so as to give the members a measure of control over their own environment.

"Cooperatives and Basic Values" was the major theme of the 1988 Stockholm Congress, and the Consumer Committee is now continuing this discussion. The realization of fundamental cooperative values is a prerequisite to the success of all cooperatives throughout the world.

This discussion will certainly continue at our Members' meeting in October 1989 in New Delhi, where cooperative delegates from all over the world will gather to take advantage of the experiences of cooperative organisations in your Region.

We all look very much forward to this gathering which we think will further strengthen the relationship between consumer cooperatives from all parts of the World.

With cooperative greetings,

Your sincerely,

Turid Strom  
Chairwoman of the ICA Consumer Committee

## ASIAN CONSUMER COOP NEWS

A half yearly bulletin  
(For Private Circulation only)

Editor : WU Herath  
Office : ICA Regional Office for Asia,  
'Bonow House'  
43 Friends Colony (E)  
New Delhi-110 065 India  
Telephone: 6835123  
Telex: 31-75025 DICA IN

A bulletin by the ICA Sub-Committee on Consumer  
Cooperation for Asia.

---

### Liaison Officers

India : Mr. A.S. Negi  
: Mr. M.M. Alam  
Japan : Mr. S. Ohta  
Malaysia : Mr. Abdul Halim Abdullah  
Philippines : Ms. Teresita M. de Leon  
Singapore : Ms. Rosslyn P.C. Mak

---

### A REQUEST TO MEMBER ORGANISATIONS

We need your help to keep in touch with you closely through one of your committed staff members or leaders. He/she will be our communication link as well as our source of information on your activities and current consumer news from your country

We appreciate very much if you identify a liaison Officer as some of the countries have done already, and intimate the name and address to the Editor.

We also appreciate your comments and suggestions on the Bulletin for its future improvements.

Thanks,

Editor

## ICA Sub-Committee on Consumer Cooperation for Asia

### Chairman:

Mr. M. Ohya  
Executive Director  
Japanese Consumers  
Cooperative Union  
1-13-4, Sendagaya  
Shibuya-ku, Tokyo

### Bangladesh:

1. Mr. Mohd. Shahidullah
2. Mrs. Feroja Mohsin

### India:

3. Mr. M.K. Zutshi

### Japan:

4. Mr. M. Ohya
5. Mr. K. Ohyasa

### Rep. of Korea:

6. Mr. Soo Il Lee

### Malaysia:

7. Tuan Haji Salleudin bin Abdul Ghani
8. Datuk Hamzah bin Haji Yatim

### Philippines:

9. Mr. Filimino Bautista
10. Mr. Emilio Dilon

### Sri Lanka:

11. Mr. D.E. Pathirana
12. Mr. Raja Sinnadurai

### Thailand:

13. Col. Surin Cholpraserd
14. Mr. Snith Chittaporn

### Secretary:

Mr. W.U. Herath, ICA ROA

Indonesia:

Singapore:

15. Mr. Lim Ho Se

## ICA EXECUTIVE COMMITTEE ON CONSUMER COOPERATION

### Chairman:

Ms. Turid Stroem, Sweden

### Vice Chairman:

Mr. Manfred Dabrunz  
Federal Rep of Germany

### Vice Chairman:

Mr. Masao Ohya, Japan

### Members:

Mr. Luis Armendo Carello, Argentina  
Mr. Kalvei Suomela, Finland  
Mr. Istvan Szlamenicky, Hungary  
Mr. Giuseppe Fabretti, Italy  
Mr. Abdul Latif Al Kharaza, Kuwait

### Secretary:

Mr. Lajos Varadi.

## GREETINGS FOR INAUGURAL ISSUE OF ASIAN CONSUMER CO-OP NEWS



**Mr. Masao Ohya**  
**Chairman of ICA Sub-committee for**  
**Consumer, Cooperation for Asia,**  
**Executive Director of Japanese**  
**Consumers' Co-operative Union**

The Co-operative is an organisation of mutual help among people. It is really an organisation of members themselves who invest shares in it, patronage its services and participate in its administration. While the economy can be run by the private capitals or the public institutions such as governments, another sector run by people is also the important one, which is based on the will of its members and makes the utmost services to the needs of the constituent members.

In Asia, the Co-operative is not so highly developed, I dare say. While the producer's co-operatives, agricultural and credit ones, have achieved a certain level, the consumer co-operative is still less developed. Asia is so much diversified country to country that we should not talk about it in one category. There are some countries where the consumer co-operatives have considerably expanded. However, there are many countries where the consumer co-operatives scarcely exist or, if any, do not play the proper roles and face numerous difficulties. While the government's policy and the economic growth is no doubt the important basis for safeguarding and improving the consumer lives, it is of crucial importance for people themselves to interdependently seek the improvement.

It is a fact that people in every Asian society have been living on the basis of mutual help in the villages and the communities at each stage of their history. However, the economic development has disintegrated the traditional community ties through urbanization, and consequently, has generated the so-called isolated people. Such a tendency is surely accelerated by the rapid industrialization in the Asian countries. It has already brought about environmental pollutions and

violation of consumers' rights in certain extent. The typical phenomenon in the industrialized countries are coming into this Region. And, the Asian consumers' wishes for the better living will presumably become much stronger.

In other words, it is a high time when the consumer co-operatives are to be further promoted in the Asian countries. In that sense, the consumer co-operatives in each country are to face the challenging tasks to strengthen their organisation and to establish their future direction to go. To this end, it is of great importance for the co-operative managements to make the real views on their current situation and to find out the way to strengthen them step by step. How to realize members' wishes? How to expand their store network? I think these questions are priorities among many other phases. In this regard, the mere arguments or the critic's attitude are of no use in such a situation. I'm convinced that we should make the bold examination how the basic values or principles of Co-operative are put into practice, and that we should look at our own weakness without setting local exceptions. We have to focus our efforts on realizing the interests of many consumer members.

ICA Sub-committee for Consumer Cooperation for Asia is the common ground to cooperate among Asian consumer co-operatives in the spirits of mutual benefit, equality and trust aiming at their selfstanding and sound development. Now it is significant to learn from each other's experiences and to listen to the advises frankly. I would be delighted if this bulletin could help promote and realize these ends.

## FROM THE REGIONAL DIRECTOR, INTERNATIONAL COOPERATIVE ALLIANCE REGIONAL OFFICE FOR ASIA



Historically the cooperative movement in most countries of Asia developed as a credit and agriculture movement. This was reasonable as agriculture was the top priority sector to support its development as also to provide relief to the farmers especially the peasants. Consumer cooperatives were sponsored and encouraged as war time strategy to regulate the distribution of civil supplies, especially of scarce consumers goods. Once the scarcity situation was over, they got neglected and many of them became defunct. While the scarcity might have been over, but the fact of exploitation of consumers remains as a perennial problem. The consumer does not command the proverbial "consumers sovereignty." He is exposed to various malpractices prevalent in the market – deception in quality, quantity, price hikes, adulteration, victimisation through artificial shortages and so on. Consumers Cooperatives are not to be looked at as temporary measure. They have to be developed as a permanent retailing system over which consumers themselves will have control. Every one – farmer, artisan, factory and farm worker, social professionals and others – is a consumer and he must get a fair return of his money. That is what the consumer cooperatives are expected to aim at. The question is not how far they have done, the question is how they can do it. This is a big task, a challenge to the ICA, its Consumer Sub-Committee and the Consumer Movement.

Cooperatives are owned by people of limited means, and so are consumer cooperatives. While they are owned by people of limited means and are meant to serve them with fair means and their limited resources, they have to stand in competition with those who are much more powerful financially and do not care so much in means than end. Their source of supply of goods also remain in the hands of their competitors. Thus the common consumers must come together,

they must cooperate with each other; they must organise joint purchases, adopt modern management techniques, must be service-oriented and must educate their members about their problems and achievements. The consumer cooperatives which are stronger and successful must extend benefit of their experience to those consumer cooperatives that are weak and not so successful. Similarly, the weaker consumer cooperatives must benefit from the experiences of stronger and successful consumer cooperatives. Only when they stand united, they work together, they will have a future, a bright future. That will be the essence of solidarity and mutuality the foundation of cooperation. Greater attention has got to be given to develop consumer cooperative movement in the entire region.

The ICA Consumer Sub-Committee for Asia has been an active committee. This has been possible, inter alia, due to the constant generous support particularly by the Japanese Consumers Cooperative Movement along with the Swedish Cooperative Centre, Sweden. In the last meeting of the Consumer Sub-Committee held at Chiangmai, Thailand, in June 1988, it was proposed that it should publish a News Bulletin to disseminate to the member movement information in regard to the important developments in the field of consumer policies, programmes and activities of consumer cooperatives in various countries of the region as also outside, if possible. This is the first issue of the Consumer Bulletin. Its success will depend on the information and response which it gets from its members. I am sure this will help in bringing the consumer cooperative movement of the region closer to each other and will be able to fulfil the objectives for which the publication has been initiated.

New Delhi  
21 November, 1988

G.K. Sharma  
Regional Director

# CONSUMER NEWS FROM ICA CONGRESS IN JULY 1988

The ICA Consumer Committee held its congressional meeting on 3rd of July 1988 followed by a joint meeting with ICA Agricultural Committee on 5th July 1988 in Stockholm, Sweden. The meetings were held in connection with the 29th ICA Congress from 7th to 10th July, 1988.

The main items discussed at the Congress were: new consumer programme, basic cooperative values in consumer cooperatives and work programme for 1989–1992.

After discussions on the new consumer programme, a comprehensive document on the guidelines in cooperative consumer programme has been adopted. The document stressed the consumers right to:

- a reasonable standard of nutrition, clothing and housing,
- adequate standard of safety and a healthy environment free from pollution,
- access to unadulterated merchandise at fair prices and with reasonable variety and choice,
- access to relevant information on goods and services and to education on consumer topics, and
- influence in economic life and democratic participation in its control.

The adopted document also emphasizes the fact that consumer cooperatives, the world's greatest mass movement of consumers, whose business is guided by a set of ethical values such as honesty in business, high quality goods and services, correct pricing and advise to ensure that consumer reach the best possible solutions for the satisfaction of their needs.

As Consumer cooperatives are organisations based on equality, their internal life is regulated by democratic values and principles of equal division of the surplus.

It is also stressed that Cooperative Consumers Policy should not be limited to its own business operations but participate in a general consumer policy.

The document also says "Consumer cooperation has unlimited opportunities of helping to solve consumer problems and improving the quality of their lives. Much can be done alone. But much more can be done working together with other progressive elements wishing to improve the quality of life on the basis of democracy and equality."

An important issue that was taken up for discussion at the meeting was the Basic values of cooperation in relation to consumer Cooperatives. The paper was prepared by Mr. Sven Acke Book of the Swedish

Cooperative Research Institute. The paper highlights the issues of ideological crisis and identify crisis faced by consumer cooperative organisations which has been emphasized by Mr. Laidlow in his paper to the Congress in 1980 titled "Cooperatives in the year 2000". The paper takes this as a primary point of departure and identifies cooperative development as a long term societal project for many generations having following components:

- Cooperative people
- Cooperative values
- Cooperative forms and applications, and
- Cooperative environment.

He identifies the core of consumer cooperative policies as follows:

- They are put into action by cooperation's own instruments, which are established and developed to acquire and distribute goods and services according to needs.
- The consumer policies are carried out by and through a great many people.

Under the core of cooperative consumer policies, there are basic values which are built in to the cooperative method of work which have been identified as follows:

- Self-help values (activity, creativity, responsibility, independence, "do-it-yourself").
- Mutual self-help values (cooperation, unity, collective action, solidarity, peace).
- Democratic values (equality, participation, equity).
- Educational values (humanism, independence, constructiveness).
- Voluntary effort values (commitment, creative drive, independence, pluralism)
- Value of Universality and cooperatization (global perspectives, openness).
- Value of purpose (benefits to members).

The Consumer Committee meeting also approved the Work Programme for 1989–1992 submitted by the Secretariat. The meeting also elected new Executive Committee for the next four years, as follows:

|                            |               |
|----------------------------|---------------|
| Ms. Turid Stroem           | Chairman      |
| Mr. Manfred Dabrunz        | Vice Chairman |
| Mr. Masao Ohya             | Vice Chairman |
| Mr. Luis Armando Carello   | Member        |
| Mr. Kalevi Soumela         | Member        |
| Mr. Istvan Szlamenicky     | Member        |
| Mr. Guiseppe Fabretti      | Member        |
| Mr. Abdul Latif Al Kharaza | Member        |
| Mr. Lajos Varadi           | Secretary     |

**BANGLADESH****New General Secretary and President for BJSU**

Mr. Mohd. Shahidullah, who is a member of the ICA Sub-Committee on Consumer Cooperation for Asia, has been elected as the General Secretary of Bangladesh Jatiya Samabaya Union (BJSU), which is the National Cooperative Union of Bangladesh. Al Haj Liequat Ali, a former Board member of the BJSU, has been elected Chairman of the Union at the elections held recently. We wish them success in their new posts.

**INDIA****National Awards for Consumer Protection**

The Government of India has instituted 3 prizes of Rs. 20,000, Rs. 15,000 and Rs. 10,000 for 1988 to recognize and encourage the efforts made by youth and women in the field of Consumer Protection.

The Consumer Protection Act introduced by the Government in 1986 has created awareness of consumer protection within the community. It appears that the consumers are getting organised gradually. Six states have already formed Consumer Panels to hear consumer grievances. The Consumer Council set up under this Act would promote and protect rights of consumers such as the right to safety, the right to be informed, the right to be assured, the right to be heard, the right to seek redressal and the right to consumer education.

**NAFED Enters into Consumer business**

Although the National Agricultural Cooperative Marketing Federation of India Limited (NAFED) is basically an agricultural marketing organisation, they have taken interest in safeguarding consumer interests recently. It has set up a full fledged branch office in Delhi for distribution of essential commodities due to the hardship faced by the consumers, who had to pay escalating prices for their daily needs. The NAFED has arranged their distribution channels through Consumer cooperatives and super bazars. The important feature of this development is the link up with agricultural produce of the members in agricultural cooperatives. The NAFED has also ventured to import pulses and some other commodities for consumer cooperatives.

**NCCF Promotes Consultancy in Consumer Cooperation**

The National Cooperative Consumers Federation of India (NCCF), being the apex body for consumer cooperatives in India, has launched a programme of adopting specialised modern techniques of cooperative retailing suitable to Indian conditions through its Consultancy and Promotion Cell. The cell is also assisting the Government in implementing schemes for development and promotion of consumer cooperatives. However, consumer cooperatives handles only 3% of the country's total retail trade in essential consumer goods, but has greater potentiality to develop.

**JAPAN****CO-OP Detergent Keeping Health and Maintaining Environment**

Japanese co-ops have nearly 30-year history of development of Co-op products as the safer alternative. Co-op products are developed based on the following five concepts, 1) reliability, safety, 2) reasonable price, 3) high quality, 4) user-oriented, 5) social viewpoint. Japanese consumer co-ops started a campaign to improve detergents for home laundering in 1962 when safety of synthetic detergents came into question. Japanese Consumers' Co-operative Union, JCCU, conducted a study of the effects of synthetic detergents to human body, i.e. allergic reactions etc., and announced officially the study result in 1964 to draw public attention to the danger of such detergents. At the same time, JCCU developed in 1967 a Co-op high-fatti-alcohol content detergent which is safer than the private companies ones using ABS, Alkyl Benzene Sulfonate, or LAS, Linear Alkyl Benzene Sulfonate. Compared with LAS, high-fatti-alcohol, as a surface active agent surfactant of detergent, also has higher biodegradability which is an important factor of less bioactivity to water in rivers or lakes into which house drainage flows. Then, in 1976, a non-phosphorus detergent was also developed as a new Co-op product to counteract the problem of eutrophication in natural water reserves such as lakes. Since the Co-op's policy aiming at eliminating detergent containing LAS and/or phosphorus was adopted in 1980, the sales of Co-op's powder soaps have been significantly increasing. To meet such a member's demand, Co-op's powder soaps are manufactured by using recovered fatty acid which

assures the supply of a essential material for the high volume production. Furthermore, a combined powder soap appeared in 1983 as a new item to improve usage convenience of a powder soap as well as to keep safety. This soap uses Sugar Ester as a surface active agent surfactant. And very recently, in October 1988, Co-op's brand-new items were launched as compacted powder soap, combined powder soap and synthetic detergent prepared from high-fatti-alcohol. The feature of these items is easy-use with less powder volume at one time washing. This has improved convenience of washing and carrying the product's carton.

### **Friendship Agreement Between Cooperatives in Japan & China**

A friendship agreement between four Japanese Consumer cooperatives and one Chinese Cooperative has been reached in October, 1988 when the delegation from Japan, consisting of representatives of Nagoya, Gifuchiku, Mikawa and Miekita Citizen Cooperatives, visited China. They have visited Yen-T'ai City Supplies and Marketing Cooperative Society. This is the first instance of Japanese Consumer cooperatives establishing a sister relationship with another cooperative society in Asian Region. The contents of the agreements include the exchange of delegations and specialised groups, exchange of information and experiences in the field of economic, social and cultural activities and expects the relations to be diversified into various activities.

### **Japan's Cooptrade offices in the West Coast of USA**

Cooptrade Japan, a JCCU subsidiary dealing with foreign trade for the consumer cooperatives in Japan, will open its seventh overseas office in Sanfrancisco, USA in January, 1989. The office will undertake to strengthen and expand its business capacity of import, especially of essentially agricultural products from the USA and to take advantage of joint purchase with NAF. The office will be located in the same building in which NAF, Nordisk Andelsporbund, has its office.

Cooptrade Japan, established in 1966 has business relationship with cooperatives and corporations in 24 foreign countries.

## **MALAYSIA**

### **Coop Hand in Health**

The joint Consultative Committee on Consumer Protection in Malaysia has promoted the idea of cooperative

societies to pool the resources in backing a proposed National Health Services, as an alternative to the Malaysian Medical Associations fee schedule. Basically the scheme will involve setting up of clinics which are owned by cooperative societies. At present a few cooperative societies already have their own health schemes.

### **FOMCA opens its door to Cooperatives**

The Federation of Malaysian Consumer Associations (FOMCA), which has undertaken considerable services in protecting consumer interest in various fields such as consumerism, health and even environmental protection has opened its doors to Cooperatives, Trade unions, youth bodies, women's and charitable organisations. However, it has made clear that the organisations which would join should be non-political, non-profit and public interest civil organisations.

FOMCA is also a member of the International Organisation of Consumer Organisations (IOCU).

## **SINGAPORE**

### **Significant Contributions by NTUC fairprice Co-operative in Singapore**

NTUC Fair Price Co-operative in Singapore has not only helped workers to keep their cost of living down, but also contributed significantly in the development of the labour movement.

Speaking at the launching of the new logo of the labour co-operative and the official opening of NTUC Fair Price Centre on 27 April 1988, Mr Ong Teng Cheong, the Secretary-General of National Trades Union Congress (or NTUC, which is the apex organisation of trade unions in Singapore) listed some of its major achievements:

- \* Since it was set up in 1983, it had distributed about S\$9 million of its profits to its members as rebates to help them reduce their grocery bills;
- \* In addition, it paid out S\$5 million in dividends to members on their shares held;
- \* The co-operative has sponsored many of the activities of NTUC and its affiliated unions;
- \* Fair Price has donated S\$1 million towards the Singapore Labour Foundation's holiday resort and is to make another S\$1 million donation to top up the money required for the S\$37 million project;



- \* Since 1983, it has distributed free of charge 180,000 used textbooks to needy students. The books were collected yearly from the public.

Mr Ong said NTUC Fair Price must continue to strive to keep abreast of changes in consumer purchasing patterns. The location of population centres in government housing estates, the increasing affluence of the population are factors that have to be considered in planning the future of NTUC Fair Price.

Fair Price itself is today a successful consumer cooperative, mainly owned by the unions and members of unions. There are 70,000 union members who are direct share-holders, owning shares in Fair Price.

### NTUC Fair Price Cooperative Introduces its New Logo

NTUC Fair Price Co-operative's new logo reflects its continuing commitment to the policy of giving its customers value for money. It is in the form of a banner flying high, symbolising strength and its confidence in the future.

The logo is in two colours – blue and vibrant red. The blue represents excellence and the red, the colour of Singapore's national flag, restates Fair Price's dedication to the labour movement and the nation as a whole.



**While opening the NTUC Fairprice Centre and introducing its new Logo, Mr. Gopinath Pillai, Chairman NTUC Fairprice Cooperatives Said:**

'NTUC Fair Price is different from other retail organisations. Making profit is not our only motive. Our primary objective is to help moderate the cost of living in Singapore. However, we must still make sufficient profits so as to be able to pay reasonable dividends and rebates to our shareholders and also to finance our growth in order to remain competitive in this very competitive retail industry.

Since our formation in 1983, we have spent more than S\$700,000 in training our staff. This year alone, we are setting aside nearly S\$500,000 for our staff training and development budget. Such investment,

we firmly believe, will surely pay dividends in the long run and help the Co-operative achieve excellence in its operations.'

## CONSUMER LEGISLATION

### AUSTRALIA

Australia has amended its Trade Legislation to strengthen and improve the effectiveness of the Trade Practices Act. This includes in particular, the provisions leading with misuse of market power, mergers, anti-competitive effects in offshore mergers, private proceedings having extraterritorial implications and consumer protection. The new provisions of the Consumer Protection Act are aimed at consumer protection against unscrupulous trading practices.

### INDIA

The Consumer Protection Act, although ratified in 1986, is now being made effective through the setting up of a National Commission with State missions to bring about settlement of consumer disputes and redressal of consumer grievances. Under the Act, the Central Government has taken steps to set up Consumer Protection Councils in order to promote and protect the rights of the consumers such as the right to be protected against the marketing of goods which are hazardous to life and property. The council is also expected to promote consumer education.

### SRI LANKA

The Fair Trade Commission Act, 1987, which came into effect by 1988 has repealed the National Price Commission Law of 1975. This commission is to discharge the functions to control monopolies, mergers and anti-competitive practices and to formulate and implement a national price policy. The commission's primary function is the surveillance of prices since price regulation has disappeared with the liberalization of the economy.

## THE CO-OP AND SOCIETY

Larry Crump IASSW Co-op Specialist  
International Association of Schools of Social Work

The function of the economic organization is to enhance and improve the well-being of society. It makes no difference if an economic organization (e-organization) is an individually owned venture, partnership, corporation, government operated and/or co-operative venture. For centuries the conventional wisdom has been: e-organizations must make positive contributions to the well-being of society and if they fail, they are eventually outlawed. However sometimes, societies lose sight of this goal while experimenting with methods (free enterprise driven or government driven economies).

With this perspective, I left America three years ago to study how an Asian society seeks to achieve the goal. I came to explore the Japanese business community but along the way, I discovered something far more interesting: the Japanese consumer co-operative.

### Japanese Co-ops

Like most e-organizations Japanese consumer co-op's contribute to the well-being of society by creating jobs which provide employees and their families with the essential elements of life. But in creating work Japanese co-op's have also established certain standards. For example, some co-op's have special programs to train and employ handicapped or other traditionally discriminated persons.

The most complex and interesting program I found is at a new food processing factory in Nishinomiya, Japan. This factory was established by the joint investment of Nadakobe Co-op (51%), Hyogo Prefectural government and 8 Municipalities. Construction costs for the factory were 40 percent higher than other food processing plants of similar size but, this factory was specifically built to provide work skills to physically and mentally handicapped personnel. When I toured the factory there were 39 personnel, half were handicapped.

The General Manager reports that within four years factory production will stabilize at levels over 80 percent

of the amount which would be achieved, if they employed no handicapped personnel. But will the venture be profitable? I asked! Considering national depreciation rates and increased capital and labor costs, total factory expenses will be paid in five years. A private sector factory might expect profits after three years. Does this mean higher prices for co-op consumers? No, it only means a lower return on investment.

But, Japanese consumer co-op's are doing more than solving problems for the handicapped. I have visited several co-op's operating home-visitor programs. Elderly people with daily living problems may receive assistance from co-op volunteers. Annual costs are around \$40,000 (U.S.) to manage a program serving over 100 elderly Japanese. Where do these funds come from? Co-op Board of Directors' approve program budgets with funds from general revenue.

One co-op has been organizing summer activities for 50,000 children annually. They have also purchased several health care buses to provide medical services to co-op members at home and, they built and manage several Cultural Centres which conduct hundreds of community programs.

Japanese consumer co-op activity does not stop at the oceans edge. For example, at the second U.N. Special Session on Disarmament the Japanese co-op movement submitted a pro-disarmament petition signed by 3.8 million persons. In addition, the co-op movement has donated yearly to the United Nations Children's Fund (UNICEF).

### Additional Thoughts

Some of my colleagues tell me the Japanese co-operative movement is not worthy of study because their social well-being activities are minor when compared to governmental programs. However this is not the point, today it is unique and important any time we find e-organizations so directly and actively concerned with societies well-being.

Society has advanced. Some problems no longer exist while other problems continue. In addition, society creates new problems while solving old problems. Taken together, societies problems are far too complex

to be resolved through a combination of government programs, community or religious concern, corporate, union or individual philanthropy, or volunteerism. Our social problems will continue as long as we only depend on these strategies.

In the past society only expected their e-organizations to offer jobs, create wealth and provide useful, and hopefully safe and valuable, goods and services. Fortunately society is beginning to move beyond such simple notions. Today, society expects more from e-organizations.

Eventually, we may expect the emergence of a "results oriented society" where e-organizations will be evaluated based on their contribution to the well-being of society. As governments become weary of their responsibility to eliminate social problems, pro-growth public policy incentives may be distributed to e-organizations with contribution records. These pro-growth incentives might include: exclusive licenses to technology or production methods, R&D contracts or tax benefits, special advertising or marketing privileges, market access opportunities or even entire markets.

But for the present, I would be pleased if all societies began by eliminating unreasonable barriers which inhabit the growth and expansion of organizations which make significant contributions to the well-being of society.

## CALENDER OF FUTURE ICA ACTIVITIES

- |    |   |                          |
|----|---|--------------------------|
| 1. | Regional Workshop on evolving an appropriate strategy for the promotion and development of an effective and sound consumer cooperative movement             | Dec 1988<br>Kuala Lumpur |
| 2. | Meeting of ICA Sub-Committee on Consumer Cooperation for Asia   | Dec 1988<br>Kuala Lumpur |
| 3. | Orientation Seminar on University Cooperatives  | Jan 1989<br>Bangkok      |
| 4. | National Workshop on evolving an appropriate strategy for the promotion and development of a sound and effective consumer cooperative movement in Sri Lanka | Feb 1989<br>Colombo      |
| 5. | Regional Seminar on Member Participation and Housewives Involvement in Consumer Cooperatives for women from Asian Countries.                                | Apr 1989<br>Tokyo        |

**KNOW YOUR COOP. MOVEMENT**

### THE MALAYSIAN CO-OPERATIVE CONSUMER SOCIETY LIMITED



## HISTORY

The Malaysian Co-operative Consumer Society Limited (MCCS) formerly known as the Malaysian Co-operative Agencies Society Limited was formed on July 11th, 1969 by the Malaysian Co-operative Insurance Society Limited and the Co-operative Central Bank Limited.

Its name was changed to MCCS to reflect its emphasis on consumerism as well as to give it a wider scope in implementing its aims and objectives in serving the greater needs of its members and the public at large.

The MCCS is geared towards promoting consumerism in the country and it hopes to achieve its objective towards forming a national co-operative consumer movement with the support of other co-operative societies and their members.

The main objectives of MCCS are:

1. To carry on retailing/wholesaling activities.
2. To carry on import and export trade activities.
3. To provide general insurance services.
4. To market furniture products and undertaking general renovation works.

Some of the significant events relating to the growth and development of the Society are:

1. The Society commenced business of retailing consumer durables especially home appliances under Hire Purchase system. The system ceased in 1982 when the consumer Credit Scheme or better known as the CCS was introduced whereby the Co-operative Central Bank Limited (CCB) financed its members in the purchase of goods from MCCS.
2. It opened its first home appliance showroom in 1971 and today the Society has a network of 39 showrooms throughout the country.

### Shareholders and Equity

The total paid-up capital as at 31st December 1987 stands at \$9,740,000.00.

The Shareholders of the Society comprise the following:

1. The Co-operative Central Bank Limited.
2. The Malaysian Co-operative Insurance Society Limited.
3. The National Land Finance Co-operative Society Limited.

4. The Malaysian Co-operative Supermarkets Society Limited.
5. The Johore Co-operative Industrial Development Society Limited.

### Business Activities

The current business activities of MCCS can be summarized as follows:

1. Consumer Home Appliances (PROKOP)
2. Insurance Services.
3. Furniture And General Renovations.
4. Minimarkets (KOMART)

### Consumer Home Appliances (PROKOP)

Since the commencement of its retailing business in 1971, this division is by far the most popular and best patronized. It can be construed as the 'life-line' of MCCS.

Here, MCCS acts as an agent for the sale of several popular branded electrical home appliances. Initially, these goods were sold under the Hire Purchase system. In 1982, the Consumer Credit Scheme was introduced whereby the Co-operative Central Bank Limited extends consumer loans to individuals for the purchase of these goods up to a maximum repayment period of 36 months.

In May 1985, MCCS launched PROKOP, its own branded electrical products which covers all major range of home appliances by special arrangement with established manufacturers such as Hagemeyer, Philips, Toshiba, Akai and Sharp.

In a bid to expand the Consumer Home Appliances Division, MCCS has ventured into business participation with other suppliers for the provision of a greater variety of products and services to cater to an increasingly competitive, selective, knowledgeable and product conscious market. The new areas MCCS has ventured into are:

1. Light fittings and accessories.
2. Cameras and photographic accessories.
3. Gymnasium equipment.
4. Personal computers.
5. Organs and musical keyboards.
6. Jewellery.
7. Kitchenware.

In addition to the CCB Ltd, two other finance companies namely BBMB Kewangan Berhad and Kwong Yik Finance Berhad are also financing the Consumer Credit Scheme.

## Insurance Services

MCCS commenced its insurance activities in May 1984 in collaboration with the Malaysian Co-operative Insurance Society Limited (MCIS). Insurance services and coverage provided are as follows:

1. Fire insurance.
2. House owners and house holders insurance which covers both the building and contents therein.
3. Motor vehicle insurance.
4. Insurance against burglary.
5. Personal accident insurance and
6. Road tax renewal and transfer of ownership services.

## Furniture and General Renovations

The latest addition to MCCS activities is the furniture business. This division has significant potential especially in being the pioneer to sell household furniture on an instalment basis under the Consumer Credit Scheme.

In addition, it also supplies office furniture/equipment and undertakes general renovation works for both commercial and private sectors.

## Board and Management

MCCS is managed by a Board of Directors comprising 12 members who are elected annually at a General Meeting of Members. The Board is supported by a team of paid management officers who are responsible for the day to day business operations of the Society.

## Affiliation

MCCS is a member of the International Co-operative Alliance and ANGKASA – the national co-operative Organisation of Malaysia.

## Future Prospects

The MCCS has recently amended its by-laws to include primary co-operatives and individuals as members. The amendment is aimed at enlarging the membership of the Society which in turn would enhance its capital needed for future expansion of its activities to serve the greater needs of the members. With renewed strength and better management in line with the co-operative concept and philosophy, MCCS hopes to be a major contributor in the development of co-operative consumerism in Malaysia.

## BOOK REVIEW

**Glimpses of Cooperatives Through Press – A Compendium of 25 Years Press Clippings – Cooperative Image Series – Volume 5 – Consumer Cooperatives.** Edited by Dr. R.C. Dwivedi, published by COOP TIMES, Trivenidevi Bhawan, D-64, Saket, New Delhi – 110 017. Pages – 416, Price INR 200, US\$25, postage extra.

Glimpses of Cooperatives Through Press is a publication in eight volumes, each volume dealing with different subject areas of cooperative movement. These volumes contain 25 years of rich collections of news items, success stories, articles and editorials appearing in 9 national news papers in India. Arranged chronologically, the publication provides historical account of cooperative development and problems facing the cooperative movement.

Volume 5 is on Consumer Cooperatives. The contents

have been catalogued as Role of Consumer co-operatives, State policies and Programmes, Aid and support, Expansion and structure of consumer co-operatives, Production and supply of consumer goods, Divesification of consumer co-operatives, Progress and programme of consumer co-operatives. The volume also contains about fifty articles written by experts in the field of consumer cooperation. An interview of Mr. M.K. Puri, till recently Advisor on Consumer Cooperatives in the ICA ROA is an outstanding contribution.

The book will be of great utility to cross section of people – cooperators, administrators, policy makers and planners, researchers, cooperative organisations, especially consumer cooperatives and training institutions. The books, though relates basically to Indian situation, would be equally useful to other developing countries.



# ASIAN CONSUMER COOP NEWS

A half yearly bulletin of the ICA Sub-committee on Consumer Cooperation for Asia

ISSUE 2

MAY 1989

## CONTENTS

|   |    |
|---|----|
| ASIAN CONSUMER COOPERATIVE LEADERS REVIEW CURRENT TRENDS  | 3  |
| i) Government Policy  |    |
| ii) Management  |    |
| iii) Increase of membership & their Participation   |    |
| BANGLADESH IS EAGER TO REVIVE CONSUMER COOPERATIVE MOVEMENT   | 4  |
| JAPAN HOSTS COOPERATIVE HOUSEWIVES WORKSHOP   | 6  |
| CONSUMER NEWS AROUND THE REGION – Bangladesh, India, Japan, Philippines, Singapore, Sri Lanka, Thailand | 7  |
| CONSUMER COOP NEWS FROM OUTER REGION  | 13 |
| i) Message from the ICA Consumer Committee  |    |
| ii) Sweden, U. K., U.S.S.R., Czechoslovakia, E. E. C.   |    |
| HIGHLIGHTS  | 14 |
| Consumer Cooperative Retailing  |    |
| CONSUMER LEGISLATION  | 18 |
| India   |    |
| KNOW YOUR CONSUMER COOPERATIVE MOVEMENT   | 19 |
| Singapore Fairprice   |    |
| NILS THEDIN – A HUMANIST  | 23 |
| ICA CONSUMER CALENDER   | 24 |

## EDITORIAL

Consumer Cooperatives in many countries of the Asian Region are experiencing turbulences in maintaining atleast the existing level of business in retail trade. Some of them had their peak time during the last few years and were able to gain a market share in a satisfactory way. Their dependence on consumers who are non-members has created problems in the long run. Big private sector supermarket chains set up in big cities such as Bangkok, Manila and Kuala Lumpur were able to slow down the growth of consumer cooperatives. Therefore one has to re-think about the advantages of catering to a large clientele consisting of non-members. On the other hand, one could see the future trends of consumer trade from the new strategies adopted by big marketed oriented companies to reach the individual consumers. The cooperatives in developing countries too may have to face this psychlogical war by these companies.

In the circumstances, it is evident, that we may have to go back to the basic ideals and practices of cooperatives which have not been taken seriously, in order to ensure a confident, steady and ever-growing group of members. The consumer cooperatives should represent the interests and needs of their members and also be governed by them. This phenomenon maintained and nurtured by the Japanese consumer cooperatives is a clear example of futuristic thinking. Commitment and the strength shown by the members would be the ultimate criteria of judging the performance of consumer cooperatives irrespective of being a developing or developed situation.

The values and the ethics being emphasized and propagated by the ICA from the last Congress would have to be integrated into practical work plans by the consumer cooperative movements in Asia if they are to develop further.

## ASIAN CONSUMER COOP NEWS

A half yearly Bulletin  
(For Private Circulation only)

*Editor* : W U Herath  
*Office* : ICA Regional Office for Asia  
'Bonow House'  
43 Friends Colony (E)  
New Delhi 110065 India.  
Telephone : 6835123  
Telex : 31-75025 DICA IN  
Telefax : 11-6447347

A bulletin by the ICA Sub-Committee on Consumer  
Cooperation for Asia.

### LIAISON OFFICERS

*Bangladesh* : Mr. Mohd. Shahidullah  
*India* : Mr. A. S. Negi  
Mr. M. M. Alam  
*Japan* : Mr. S. Ohta  
*Malaysia* : Mr. Abdul Halim Abdullah  
*Philippines* : Ms. Teresita M. de Leon  
*Singapore* : Ms. Rosslyn P. C. Mak  
*Sri Lanka* : Ms. Jayanti Nawaratne

### A REQUEST TO MEMBER ORGANISATIONS

We need your help to keep in touch with you closely through one of your committed staff members or leaders. He/she will be our communication link as well as our source of information on your activities and current consumer news from your country.

We appreciate very much if you identify a liaison officer as some of the countries have done already, and intimate the name and address to the Editor.

We also appreciate your comments and suggestions on the Bulletin for its future improvements.

Thanks

Editor

## ICA SUB-COMMITTEE ON CONSUMER COOPERATION FOR ASIA

### *Chairman*

Mr. M. Ohya  
Executive Director,  
Japanese Consumers Cooperative Union  
1-13, 4-Chome, Sendagaya  
Shibuya-ku, Tokyo (Japan)

### *Bangladesh :*

Mr. Mohd. Shahidullah  
Mrs. Feroja Mohsin

### *India :*

Mr. A. Bhattacharjya, I.A.S.

### *Indonesia :*

### *Japan :*

Mr. M. Ohya  
Mr. K. Okayasu

### *Rep. of Korea :*

Mr. Han Kyu Choi

### *Malaysia :*

Mr. Tuan Haji Sallehudin bin Abdul Ghani  
Dato' Hamzah bin Haji Yatim

### *Philippines :*

Mr. Felomino Bautista (Jr.)  
Mr. Emilio P Dilon

### *Singapore :*

Mr. Lin Ho Seng

### *Sri Lanka :*

D. E. Pathirana  
Mr. M.G.S. Jayaratne

### *Thailand :*

Col. Surin Cholpraserd  
Mr. Jankaews Muangjai

### *Secretary :*

Mr. W. U. Herath, ICA, ROA

## ICA EXECUTIVE COMMITTEE ON CONSUMER COOPERATION

### *Chairperson :*

Ms. Turid Strom, Sweden

### *Vice Chairmen :*

Mr. Manfred Dabrunz, FRG  
Mr. Masao Ohya, Japan

### *Members :*

Mr. Luis Armendo Carello, Argentina  
Mr. Kalvei Suomela, Finland  
Mr. Istvan Szlamenicky, Hungary  
Mr. Giuseppe Fabretti, Italy  
Mr. Abdul Latif Al Kharaza, Kuwait

### *Secretary :*

Mr. Lajos Varadi

# Asian Consumer Cooperative Leaders Review Current Trends



Seventeen leaders of Consumer Co-operative movements of Bangladesh, India, Japan, Republic of Korea, Malaysia, Philippines, Singapore, Sri Lanka and Thailand met at Kuala Lumpur, Malaysia from 5-9 December 1988 to discuss the current situation of the consumer cooperative movements in the Asian Region in order to evolve an appropriate strategy for the promotion and development of effective and sound consumer cooperative movements.

Mr. Masao Ohya, Executive Director, Japanese Consumers Cooperative Union, Mr. G. K. Sharma, Regional Director, ICA Regional Office for Asia, Mr. Bishan Singh Bahadur, Chairman, Federation of Malaysian Consumer Associations (FOMCA) and Mr. Andrew Aeria from International Organization of Consumer Unions (IOCU) served as resource persons.

Messrs. W U Herath, ICA ROA and S Ohta of JCCU functioned as workshop coordinators.

ANGKASA hosted the workshop. The workshop adopted the following Conclusions and Recommendations at the end of the workshop :

## *I. Government Policy*

- 1.1 Governments' financial assistance for setting up and running of consumer cooperatives is called for in least developed countries. This should be made available on easy terms. Governments should also extend outright grants without attaching conditions in any form.
- 1.2 Wherever the governments do not provide timely audit free of charge, the consumer cooperatives should be allowed to retain their own auditors.
- 1.3 In the countries where a clear national policy on cooperatives do not exist, those governments should formulate and declare such a policy.
- 1.4 It is seen that in some countries of the Region, no tax is

- ries of the Region, no tax is imposed on consumer cooperatives. Such concessions should be universally followed by all other countries in the Region.
- 1.5 The local laws in no country should be restrictive which cause hindrance for the growth of activities of consumer cooperatives.
- 1.6 There should not be any interference on the autonomous functioning of consumer cooperatives either by Law or executive actions.

## *II. Management*

- 2.1 Cooperative movements in many countries in the Region are unable to secure the services of competent and motivated staff and do not have adequate facilities to undertake training.
- 2.2 The workshop recommends that more advanced countries may extend their support and assistance in organizing manpower development plans and strategies by lending their training facilities as may be sought.
- 2.3 The Consumer Cooperative movements in the Region should formulate their own manpower development policies and plans where they are not available.
- 2.4 The Consumer Cooperatives at this stage have to largely procure their goods from private manufacturers or distributors. They should concentrate on developing cooperative manufacturers and distributors.
- 2.5 In the countries where national consumer cooperative federations do not exist, action should be taken to organize such federations. Such federations should take up the role



of central procurer, distributor, transporter and guide for its members.

2.6 Traditional management system cannot carry forward the movement much further. It is therefore recommended that modern methods of management be introduced as prevailing in private sector, which will ensure lower cost of operations and result in surpluses.

### III. Increase of Membership and their Active Participation

3.1 In countries where no mechanisms exist for securing active participation of members in the operations and manage-

ment of cooperatives, such mechanisms and strategies should be evolved.

3.2 The cooperative movements must attempt firstly to increase their membership and secondly to encourage existing members to increase their shares.

3.3 The management of cooperatives must regularly elicit the views and opinions of its members. They must conduct their operations in accordance with the views and opinions of members in order to ensure total satisfaction of its members.

3.4 Management must regularly inform all its members about the operations of their coope-

rative society.

3.5 The cooperative society should evolve strategies to maintain proper bilateral communication systems within the society in order to maintain close relations with the membership.

3.6 The consumer cooperatives should promote and encourage active participation of housewives in the movement on a larger scale. The concept of family membership could be adopted for that purpose.

Each country will take up discussions at the national level in workshop as to how they could implement the recommendations at the national level. Thus the Regional workshop was a beginning of an era for consumer cooperation.

## Bangladesh is eager to revive Consumer Cooperative Movement



163 US dollars are the worst who need to manage their purse to procure daily needs.

Hon. Nazair Rahman, State Minister of Local Government and Rural Development, who is in charge of cooperatives, declared open the national workshop. Mr. Rahman, Secretary to the Ministry and the Registrar of Cooperatives in Bangladesh too addressed the inaugural meeting.

The workshop had 22 members from various consumer cooperatives and the marketing federation and also from the Ministry of Cooperatives. One of the distinct feature was the active participation of women cooperative leaders of the country. Some of the important conclusions and recommendations of the workshop are :

Bangladesh Consumer Cooperative leaders, initiated by the National Cooperative Union, are eager to take steps to go into action to revitalise the consumer cooperative movement after their national workshop on the

development of consumer cooperative movement, held in Dhaka from 28-30, March 1989.

Bangladesh community which has an annual GDP per capita of only

1. Assuming that present Government policy and laws with regard to consumers cooperatives will not be changed in the near future, the development of present infrastruc-

ture of consumer cooperatives and democratic management in cooperatives. Under the present structure of consumer cooperatives in the country, there exists only primary societies. Although there are some secondary and national level cooperatives dealing with consumer goods, these organizations are not exclusively consumer cooperatives. Hence there is exigency for organizing a 3-tier structure of consumer cooperatives — primaries at the Union level, secondary at the District level and one Federation at the National level. The secondaries will be membered and controlled by the representatives of the primaries, while the national federation will be managed by the secondaries as per democratic management system.

2. Increasing infrastructural facilities (warehouse, retail shop, transport etc.): For enhancing the infrastructural facilities for the consumer cooperatives, funds will have to be raised by way of shares and deposits from members and credit from Government and commercial banks.
3. Import, local purchase and distribution of consumer goods among the primary societies and their members: In order to boost up business activities of the consumer cooperatives, it is necessary to revise government policy about import and distribution of consumer goods so as to enable the consumer cooperatives, (a) to import consumer goods direct from abroad, (b) to get quota of consumer goods from importers and distributors, and (c) to get agency of local manufacturers for distribution and sale of goods.
4. Increasing working capital in consumer cooperatives: The consumer cooperatives of different levels will raise their working capital by means of shares and deposits from members, profits from business turnover and credit from banks. In order to facilitate the consumer cooperatives to purchase and im-

port goods against an easy term of bank guarantee, the Bangladesh Bank's regulation in this regard need be relaxed.

5. Improvement of qualities of employees and managing committee : In order to develop the performance of the employees and managing committee members, it will be necessary to revise the syllabi of the Bangladesh Cooperative College and Cooperative Zonal Institutes and also to provide more training facilities for the consumer cooperative sector. For heightening the standard and quality of the employees and executives of the consumer cooperatives, they should be recruited from amongst the properly educated and experienced persons and they should be remunerated with suitable salary.
6. Active participation of members and housewives in the management of consumer cooperatives: The BJSU and the proposed National Consumer Cooperative Federation will jointly draw up and carry out a broad-based campaign of motivation, education and propaganda to enrol the common people and the housewives as members of the consumer cooperatives.
7. Increasing membership and formation of new consumer cooperatives: The consumer cooperatives will conduct intensive programme to raise the membership. Every consumer society should be kept under pre-registration observation for certain period so that it may, after registration, function self-reliantly and with reasonable efficiency.
8. Suggesting amendments in the existing laws and policy of the Government relating to consumer cooperative movement : It is necessary to incorporate special provisions in the existing cooperative laws for facilitating smooth working of consumer cooperatives. In particular, the extent of government control and authority on the cooperatives should be reduced for expediting the growth of voluntary leadership and democratic manage-

ment in the cooperatives.

9. Recommendations on the role of BJSU and ICA to enhance the consumer cooperative movement in Bangladesh : The BJSU should organize seminars, workshops and study tours for accelerating the growth of institutional network and leadership in the consumer cooperative sector. In particular with the assistance of ICA, and BJSU may undertake a study of the consumer cooperatives in Bangladesh for formulating future plan of action.
10. Suggesting methods and techniques for implementation of the recommendations :
  - Work Programme
  - Time Schedule :

The recommendations of this workshop may be identified into short term and long term proposals and accordingly elaborate development projects should be designed and worked out. For implementation of the short term and long term projects, the BJSU should hold discussions with concerned government agencies. At the same time, the BJSU will initiate vigorous steps for obtaining government support and political commitment to the Consume Cooperative Movement and get the short term and long term programmes in the current development plan of the country.

Mr. Ohya, Executive Director, JCCU and the Chairman of the ICA Sub-Committee on Consumer Cooperation for Asia presented a case study on consumer cooperative movement in Japan and also functioned as the resource person. Messrs. Zahurul Haque, Chief Executive of BJSU, Mr. Nurul Nabi, Deputy Secretary to the Government of Bangladesh and Mr. W U Herath of the ICA ROA too assisted the workshop as resource persons.

Mr. Liaquet Ali chaired the workshop.



### JAPAN HOSTS COOPERATIVE HOUSEWIVES WORKSHOP

### *Sri Lankan Cooperators Review their Consumer Movement*

Cooperative leaders and Government authorities met at a workshop organised by the National Cooperative Council of Sri Lanka in collaboration with the International Cooperative Alliance from 26 - 29 April 1989, to review the existing policy and structure of the consumer cooperative movement in Sri Lanka. The workshop was a timely event in the light of the new Minister of Cooperatives, Mr. Lalith Atulathmudali, intending to change the legislation and the structure of the cooperative movement in Sri Lanka.

32 members participated at the workshop. Mr. Ravi Samaraveera, Hon. State Minister of Cooperatives inaugurated the workshop. Mr. Atulath Mudali attended the the final session of the workshop. The Hon'ble Minister indicated the necessity to have a re-thinking on the legislation and functioning of the consumer cooperative movement. He stated that he would ensure full democratization of the movement by transferring many functions of the cooperative department to the cooperative societies.

### *Japan Hosts Cooperative Housewives workshop in Osaka*

The ICA ROA in collaboration with the Japanese Consumers Cooperative Union, organised a regional Follow-up workshop on Housewives involvement in consumer cooperatives, for the participants of a previous seminar held in Kuala Lumpur and Singapore during February-March 1988. The workshop was held from 12-18 April, 1989 at Osaka prefecture.

15 women cooperators from Bangladesh, India, Indonesia, Japan, South Korea, Malaysia, Philippines, Sri Lanka, and Thailand participated at the workshop.

The participants studied the functioning of HAN groups in 3 consumer cooperatives in Osaka Prefecture.

Mr. I. Takamura, President of the JCCU, Mr. Kazuo Nakagawa, Vice Governor of Osaka Prefecture and Mr. M. Ohya, Chairman of the ICA Subcommittee on Consumer Cooperation for Asia attended the opening session.

Mrs. N. Yuasa, board member of the JCCU functioned as the chairperson of the workshop. The participants were warmly welcomed by the cooperative leaders of Osaka Prefectural Cooperative Union, Isaka Izumi Consumers Cooperative Society, Osaka Kawachi Consumers Cooperative Society and Osaka Kita Consumers Cooperative Society. The members were given orientation of cultural heritage and also the family life in Japan during their visits to the families and HAN groups. Many participants expressed their gratitude and solidarity towards the Japanese cooperators. A meeting the participants had with Mrs. Nagathani, the pioneer of the Nada Kobe Consumers Cooperative Society was a memorable and sentimental experience. Although 83 years old, she still functions as an advisor to the society.

Each group representing countries prepared their action plans based on the experiences they have gained in Japan in order to adapt the systems prevailing in Japanese consumers cooperatives.

- i) An apex cooperative federation for the consumer cooperative movement should be established.
- ii) A provincial and district level warehousing and wholesaling system should be established wherever feasible.
- iii) The profitability and the economic feasibility of the existing multi-purpose societies should be assessed in order to re-organise the structure and functions of the primary societies, and
- iv) Modern management techniques should be introduced in the consumer cooperatives.

The Workshop also recommends that the ICA be requested to assist

the cooperative movement in Sri Lanka to undertake the implementation of the workshop recommendations.

A workshop committee consisting of the representatives from the govern-

ment and consumer cooperatives was set up to ensure the implementation of the recommendations of the workshop.

Messrs F.R. Maligaspe, Senior Assistant Secretary to the Minister of Trade

Mr. S. G. Wijesinha, former General Manager, Sri Lanka Institute of Cooperative Management and Mr. W U Herath of the ICA Regional Office functioned as resource persons to the workshop.

## Consumer News around the Region

### BANGLADESH

#### *A Government Policy on Cooperatives*

Bangladesh Cooperative movement will have a new Government Policy on Cooperatives very soon. Mr. Naziur Rahman, Secretary to the Ministry of Local Government and Rural Development, states that the government has appointed a committee to prepare the draft. The committee consists of cooperative leaders, including the Chairman of the National Federation of Cooperatives (BJSU) and also high level policy makers of the government. It is envisaged that the new policy would have more emphasis on democratization of cooperatives.

#### *Bangladesh Cooperatives Evaluated*

An independent evaluation team headed by Mr. Aziz ul Haque has completed evaluation of the cooperative movement in Bangladesh. The team consisted of Dr. S. K. Saxena, former Director of the ICA and five others sponsored by the Government of Bangladesh, World Bank and United Nations Development Programme.

Many changes in policy and structure of cooperatives are expected to be launched when the report was formally adopted.

### INDIA

#### *India holds Eleventh Indian Cooperative Congress*

Indian Cooperative Movement held its 11th Congress from 20-22 January 1989. Prime Minister Mr. Rajiv Gandhi inaugurated the Congress. The Congress is the highest forum of the Indian cooperative movement which meets every three years.

The Congress recommended setting up of a national commission to examine in detail all problems of the cooperatives and suggest solutions to the government.

The Congress also recommended to establish a separate ministry for Cooperatives.

There were very important resolutions adopted at the Congress on various subjects. Among them, the following recommendations were adopted on Consumer Cooperatives :

1. Steps should be taken to bring 75% urban families into membership of consumer cooperatives against the existing 27%.
2. The Government should announce a definite policy for implementing public distribution scheme through cooperatives.
3. Certain consumer industries should

essentially be set up in cooperative sector.

4. Provision for accommodation to cooperative department stores/consumer cooperatives should be integral part of town planning and development.
5. Pricing policy in relation to controlled items needs review and revision in favour of cooperatives: besides consumer cooperatives should be exempted from income tax and sales-tax provisions to the extent possible.
6. The cooperatives should be exempted from central excise duty on unit product.
7. Separate line of credit for refinancing facilities should be available to central cooperative banks from NABARD to undertake financing of consumer cooperatives at concessional rate of interest.

#### *Andaman & Nicobar Islands hold Silver Jubilee of their Cooperative Stores*

The Consumer Cooperative Stores, which is the largest wholesaler, celebrated its silver jubilee. Although the state is remote, the stores is the seventh biggest in India.

The Cooperative Stores is now planning to open an air-conditioned super-bazar in Port Blair.

## *Pondicherry go for Modernization*

The Pondicherry Cooperative Wholesale Stores opened its latest shopping complex on 16 March 1989. The facilities comprise of self-service shop and self selection section and covers around 13,000 sq.ft. The department store covers 3 floors.

The store has been given the mythological name of 'AMRUDHASURABI'.

The Consultancy and Project Cell of the National Cooperative Consumers Federation of India (NCCF) helped in the establishment of the complex and will continue to advise them.

—G. N. AWASTHY

\* \* \*

## *Incentives to KENDRIYA BHANDAR members*

All members of Central Government Employees Consumers Cooperative Society (Kendriya Bhandar) received 10% dividend in this year. They will also enjoy a benefit of insurance policy of Rs. 10,000 by the society. The annual turnover of the Society is Rs. 20 crores.

## *Trade Information Centre proposed*

Trade information from abroad is to be collected and collated for the first time in an integrated manner in India. As many as 30 countries and 54 Thrust areas have been identified for gathering company level micro-information to cover a wide range of subjects such as sales opportunity, trade and product statistics, consumption, demand outlook, competent suppliers, prices, raw materials supplies and standard specifications. The Trade Development Authority proposes to set up a Rs. 2.20 crore National Centre

for Trade Information for the purpose. It will have functions such as collecting, storage, processing and dissemination of trade information and includes creation of a network and linkages with organizations and data sources both in India and abroad.

## *March 15 to be National Consumers Day*

The Government of India announced March 15 as the First National Consumers Day. An announcement has also been made on the awards for best voluntary consumers organizations for their performance. A national youth scheme for consumer protection is already existing.

## JAPAN.

### *JJC decides to set up an examination Group on basic problems for overseas cooperatives*

The Japanese Joint Committee of Cooperatives (JJC) decided to set up an examination group on basic problems faced by the overseas cooperatives. The JJC is comprised of national level organisations of agricultural, consumer cooperatives, fisheries and forest owners' cooperatives.

The study group is expected to assist the JJC to take an active part in hardware problems and also in discussions at the forthcoming ICA Congress in Tokyo. The examination group will comprise of 4 experts on cooperative affairs in Japan and leaders of Central Union of Agricultural Cooperatives, Japanese Consumers Cooperative Union, National Federation of Fisheries Cooperatives and National Federation of Forest Owners Cooperatives. The group will study at present 'Basic values of Cooperation,' 'A re-examination of the basic principles of cooperation' and 'Actual conditions of cooperatives at different stages of socio-economic development and points at issue.'

## *1988's Ten most significant consumer-related News Stories*

The Japanese Consumers association selected the following items as the '10 biggest consumer events of 1988'.

- \* Concern over contaminated food imports,
- \* Beef and orange imports from U.S.,
- \* Amendment of door-to-door sales law,
- \* Legal restrictions on government food programmes,
- \* Compelling manufacturers to label their products for use of natural and synthetic food activities,
- \* 3% consumption tax on all consumer goods begins in April 1989,
- \* Growing environmental pollution,
- \* Abolition of non-taxable small lot savings system,
- \* Consumer education in schools to begin this year,
- \* Prime Minister's office survey found that 86% of respondents are concerned about nuclear power; increasing number of women participating in the movement.

\* \* \*

**JAPANESE  
CONSUMER  
COOPERATIVES —**

**SUM-UP OF JAPANESE COOPS**

**PROGRESS  
IN  
FIGURES**

|                                 | 1987       | 1986       | '87/'86(%) |
|---------------------------------|------------|------------|------------|
| Co-op societies (No.)           | 658        | 663        | -0.8       |
| Members (No.)                   | 11,801,752 | 11,070,985 | +6.6       |
| Han groups (No.)                | 746,474    | 659,592    | +13.2      |
| Han members (No.)               | 4,685,397  | 4,280,409  | +9.5       |
| Han members ratio (%)           | 39.7       | 38.7       | -          |
| Total turnover (Y Mil.)         | 2,209,894  | 2,016,478  | +9.6       |
| Retail sales (Y Mil.)           | 1,959,206  | 1,823,751  | +7.4       |
| Services sales (Y Mil.)         | 250,581    | 192,727    | +30.0      |
| Others (Y Mil.)                 | 107        | -          | -          |
| Share capital (Y Mil.)          | 162,149    | 137,744    | +17.7      |
| Share capital per member (Y)    | 13,739     | 12,442     | +10.4      |
| Co-op bonds (Y Mil.)            | 77,728     | 80,008     | -2.8       |
| Retail outlets (No.)            | 2,190      | 2,143      | +2.2       |
| Sales area (m <sup>2</sup> )    | 984,319    | 942,840    | +4.4       |
| Full-time employees (No.)       | 47,890     | 46,702     | +2.5       |
| JCCU wholesale (Y Mil.)         | 339,147    | 304,090    | +11.5      |
| JCCU CO-OP brands               |            |            |            |
| Wholesale (Y Mil.)              | 228,869    | 216,256    | +5.8       |
| Co-op retail share in Japan (%) | 2.58       | 2.41       | -          |

**JAPANESE TOP 10 COOPS**

|                         | Turnover<br>(Y Mil.) | '87/'86<br>(%) | Members<br>(NO.) | '87/'86<br>(%) |
|-------------------------|----------------------|----------------|------------------|----------------|
| 1. Nadakobe             | 266,559              | +4.0           | 896,150          | +6.7           |
| 2. Kanagawa             | 128,105              | +4.5           | 692,776          | +8.9           |
| 3. Sapporo Citizen      | 120,881              | +2.0           | 561,144          | +5.8           |
| 4. Tokyo Citizen        | 67,876               | +9.7           | 314,232          | +14.8          |
| 5. Toyota               | 56,921               | +2.1           | 152,275          | +9.3           |
| 6. Saltama              | 55,111               | +9.6           | 221,670          | +16.3          |
| 7. Miyagi               | 51,641               | +5.6           | 258,483          | +8.6           |
| 8. Efu                  | 49,022               | +6.3           | 210,565          | +8.8           |
| 9. Kyoto                | 46,220               | +5.3           | 247,619          | +9.3           |
| 10. Osaka Izumi citizen | 38,846               | +12.5          | 155,032          | +9.1           |

**MAJOR JAPAN DATA**

|                        |                                  |
|------------------------|----------------------------------|
| Population             | 121,049,000 (1985)               |
| Households             | 38,133,000 (1985)                |
| Gross National Product | 344,880 billion yen (1987)       |
| Private consumption    | 198,784 billion yen (1987)       |
| Retail sales           | 101,719 billion yen (1985)       |
| Consumer Price Index   |                                  |
| Food                   | 98.2 (fiscal year 1985 as *100*) |
| Total                  | 100.4 (1985 as *100*)            |

## BASIC FIGURES OF NON-RETAIL COOPS

### (MEDICAL COOP)

|                                    |           |
|------------------------------------|-----------|
| Co-op societies (No.)              | 117       |
| Members (No.)                      | 1,088,968 |
| HAN groups (No.)                   | 17,628    |
| HAN Members (No.)                  | 282,717   |
| Hospitals (20 and more beds) (No.) | 80        |
| Clinics (less than 20 beds) (No.)  | 187       |
| Beds (No.)                         | 12,336    |
| Doctors (No.)                      | 1,546     |
| Nurses (No.)                       | 7,764     |
| Other staff (No.)                  | 6,915     |
| Turnover (Y Mil.)                  | 143,322   |

### INSURANCE COOP

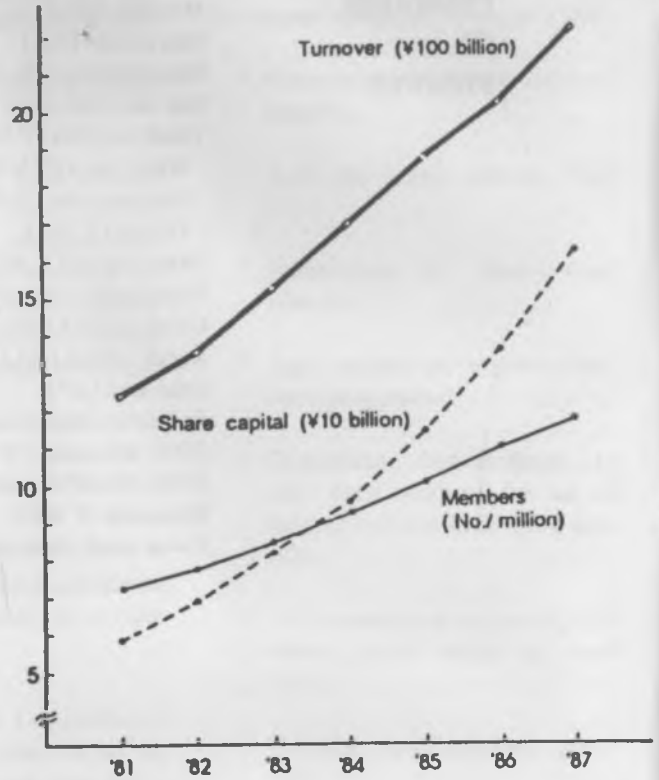
|                         |            |
|-------------------------|------------|
| Co-op societies (No.)   | 47         |
| Policies (No.)          | 25,800,000 |
| Premium income (Y Mil.) | 162,700    |
| Claims paid (Y Mil.)    | 77,600     |
| Full-time employees     | 2,278      |

### UNIVERSITY COOP

|                           |         |
|---------------------------|---------|
| Co-op societies (No.)     | 160     |
| Members (No.)             | 925,923 |
| Turnover (Y Mil.)         | 143,151 |
| Full-time employees (No.) | 2,500   |

### HOUSING COOP

|                                 |         |                             |      |      |      |
|---------------------------------|---------|-----------------------------|------|------|------|
| Co-op societies (No.)           | 49      | - 200m <sup>2</sup>         | 46.5 | 9.8  | 14.6 |
| Members (No.)                   | 866,000 | 201 - 500m <sup>2</sup>     | 27.4 | 20.0 | 21.7 |
| Housing units constructed (No.) | 2,769   | 501 - 1,500m <sup>2</sup>   | 20.7 | 38.8 | 38.1 |
| Full-time employees (No.)       | 460     | 1,501 - 3,000m <sup>2</sup> | 3.9  | 16.9 | 14.1 |
|                                 |         | 3,000m <sup>2</sup> -       | 1.5  | 14.5 | 11.5 |



### COMPOSITION OF COOP. STORES

| <i>Number</i> | <i>Sales</i> | <i>Turnover</i> |
|---------------|--------------|-----------------|
| (%)           | area(%)      | (%)             |

- S. OHTA

\* \* \*

## PHILIPPINES

### *New Legislation for Cooperatives*

Two bills have been passed recently concerning the future of cooperatives. This would have more significance to the economy in Philippines.

One of the bills call for the enactment of a Cooperative Code of the Philippines while the other bill pushes for the creation of a Cooperative Development Commission (CDC). The Code consolidates all laws governing the establishment and operation of all types of cooperatives while CDC will be the cooperative movement's counterpart to the Corporate business sectors' Securities and exchange commission.

### *Consumer Cooperatives in the Philippines : Indications of Size and Strength*

From the *initial results* of the 1987 census of cooperatives, self-help groups (SHGs) and *Samahang Nayons* (SNs) (village associations or pre-cooperatives) conducted with the cooperation of the National Confederation of Cooperatives, Inc. (NATCCO) and the Cooperative Foundation of the Philippines, Inc. (CFPI), the following picture of consumer cooperatives in the Philippines emerged.

In number, consumer cooperatives are the second biggest group of cooperatives in the Philippines (second to credit cooperatives which has since the very start dominated the Philippine coop. movement). Out of the 2,888 coops. SHGs and SNs (including only in this category, SNs with economic activity, that is, as distinguished from those doing solely capital build-up which was their only mandate originally\*) reached by the census, 680 or 23.5% are consumer

\* Census results of SNs without economic activity are treated separately.

coops (including in this term, SNs with economic activity and SHGs unless otherwise specified). For comparative purposes, credit coops total to 37.4%.

In terms of assets, consumer coops are, however, dominated by other coops. Average assets of full-fledged cooperatives (excluding SHGs and SNs which have generally more incomplete and disorderly *financial* information) was registered at P1.8 billion; that of consumers full-fledged cooperatives was registered at P0.3 billion.

Membershipwise, consumer coops are also smaller. Average membership of other coops was 651, that of consumer was 192. In terms of membership breakdown by sex, coops' national average was 54%—46% in favour of males. For consumer coop, the average was almost exactly 50%—50%.

A big difference was, however, observed in terms of membership breakdown by occupation. For all coops, farmers constitute the biggest block of members, 35.4%. Employees (both of government and private institutions) constitute a close second at 33.8%. For consumer coops, however, employees form the biggest block, 53.6%. Farmers account for only a quarter of the membership. Considering that the profiles as to the coverage of membership—i.e., community or institution-based—of all coops and consumer coops are the same, almost 80% community and 20% institution-based, the explanation for the highly different occupational breakdown of membership must lie somewhere else.

Indeed, from these initial results of the census, more facts can be made to emerge. Including, probably, an explanation as to why consumer coops in the Philippines seem to lag behind the other coops in terms of assets and membership.

TERESITA M de Leon

## SINGAPORE

### *Singapore Cooperatives offer technical assistance*

The successful Singapore cooperative organizations are prepared to offer technical assistance to other cooperatives in the Region. The Singapore National Cooperative Federation (SNCF) announced the proposal at the development forum held during March 1989. A working group consisting of cooperative leaders which included Messrs. Ivan Baptist, R.K. Panadam and To Tse Ming assisted by Messrs. L. Skaaret and A. Magnuson from the ILO and Mr. W U Herath from the ICA ROA worked out the details of the programme.

The objectives of the programme are :

- \* To share the experiences of the Singapore Cooperative Movements with cooperatives in other developing countries.
- \* To promote goodwill and cooperation among cooperative movements at local, regional and international levels which is in tune with the 6th principle enunciated by the ICA.

The programme will serve consumer, insurance, transport and computer training fields.

The programme will be carried out through the ICA and the ILO.

\* \* \*

### *NTUC Fairprice opened 35th Supermarket*

NTUC Fairprice Cooperative opened its 35th supermarket in a new housing estate called Jurong East in January this year. About S\$ 1.8 million was spent on renovation and merchandising for the new outlet which covers 1,115 sq. metre of floor area. It sells groceries, fresh, frozen, household and department store goods. It is the 5th new outlet opened by the Cooperative since December 1987.



Speaking at the official opening ceremony of the Jurong East Supermarket on 6th January, Mr. Gopinath Pillai, Chairman of the Cooperative's Board of Directors, said that in the financial year ended 31st March 1988, of the S\$ 18 million profit made by the Cooperative, S\$ 7.2 million was paid to members as rebate (at 8%) and S\$ 2 million as dividend (at 10%).

Professor S Jayakumar, Chairman of the Cooperative's Board of Trustees who is also the Minister of Law and Home Affairs, in his speech at the ceremony, revealed that a price survey by the Consumers Association of Singapore showed that Fairprice prices were lowest for 62% to 75% of the total number of items surveyed; as such, customers shopping at Fairprice stores could enjoy meaningful savings. He pointed out that the presence of NTUC Fairprice today serves as an effective check on profiteering, and helps to ensure reasonable supermarket prices for consumers.

#### *'Service Excellence' training Programme*

NTUC Fairprice Cooperative will be launching a 'Service Excellence' programme soon for its sales staff, from managers, supervisors to cashiers and sales assistants. This one year training programme, to be formulated by consultants, will be launched in June this year and cost S\$ 200,000.

This training programme will be different from the rest as it concentrates on changing attitude rather than just equipping staff with service skills. The programme will enable

staff to manage their own feelings and beliefs and how to be more sensitive about customers' needs and problems.

Managers and supervisors will undergo three days' training, while cashiers and retail assistants, two days. It will take the form of what experts call experimental learning, rather than lecture-based.

NTUC Fairprice, which has 35 supermarkets, aims to provide high-quality service to its customers and has been giving great emphasis to the upgrading of the service quality of its staff.

#### *Loan Scheme for Fairprice Members*

NTUC Fairprice Cooperative has a loan scheme to help its 115,000 members to buy some home appliances, computer, furniture or motor-cycle. The interest for the loan is low— .76% per month on a reducing balance—but applicants must get their employers to give a free check-off facility.

Other than this, Fairprice also provides study loans for members as well as their children. Members who are working and studying part-time diploma/degree courses in institutes of higher learning in Singapore and overseas accredited universities/colleges are eligible to apply for these two loans.

#### *Singapore Establishes Computer Services*

Many cooperative organisations sponsored a subsidiary enterprise named 'Premier Computer Cooperative

Society Ltd.' in March 1989. Dr. Tay Eng Soon, Senior Minister of State for Education, officially opened its computer training centre on 11 March 1989.

The society will promote the use of computer technologies to more than 300,000 cooperative members, provide computer training and consultancy services to SNCF affiliates.

— ROSSLYN MAK

## **SRI LANKA**

### *New Minister for Cooperatives*

Hon. Lalith Athulathmudali, former Minister of Trade and National Security, took over the Ministry of Cooperatives in the new cabinet appointed after the Parliamentary elections held in January 1989. The Ministry of Cooperatives earlier functioned separately has been amalgamated with the Ministry of Agriculture and Food under the new re-shuffle.

Mr. M.D.D. Peiris remains the Secretary to the Ministry as before.

## **THAILAND**

### *University Coops urge for a National Body*

23 Cooperative leaders from 14 University Consumers Cooperative societies participated in a 3-day seminar sponsored by the Cooperative League of Thailand (CLT) in collaboration with the ICA ROA, JCCU and NFUCA (National Federation of University Cooperative Associations, Japan) from 18-20 January, 1989. The main consensus of the seminar was to establish a University Cooperatives Federation for Thailand. Another recommendation was to sponsor a study visit to University Cooperatives in Japan.

# Consumer Coop News from outer Region

## MESSAGE FROM ICA CONSUMER COMMITTEE

on the occasion of the

### 3rd International Consumer Day

15 March, 1989

The Consumer Committee of the International Cooperative Alliance calls upon cooperatives all over the world to celebrate, or in other way call attention to, International Consumer Day on March 15, 1989

Today, consumer protection is not only limited to safe and healthy products at fair prices. Increasingly we realize that the protection of the environment is, and must be, an important part of our consumer protection policy.

Many consumer cooperative organizations have taken initiative to safeguard the environment, many have

also reminded us of one of the most serious dangers mankind is now facing, namely the diminishing of the ozone layer.

Ozone prevents untra-violet rays from reaching the earth at dangerous levels. If the ozone layer is reduced, too many UV rays will reach the ground and change the earth's temperature, in addition to causing diseases, such as cancer, and other problems for mankind, animals and plants. Hence the need to put a halt to any further depletion!

Chloro-fluoro hydro-carbons (CFC) is a substance which causes a chemical

reaction in the ozone layer, thereby reducing it. Consumer cooperatives should ensure that products and systems containing CFC (aerosol sprays, cooling systems in refrigerators etc) are withdrawn from the market and, unless modified to satisfy safety standards, no longer produced.

Let us join our efforts and contribute towards a concerted global effort to protect the ozone layer!

**TURID STROM**  
Chairwoman  
ICA Consumer Committee

Geneva 20 January 1989

#### SWEDEN

KF, the Cooperative Union and Wholesale society in Sweden emphasizes on environment pollution free commodities now. There is a growing concern on the part of the cooperative members and consumers in regard to pollution free environment. The KF would review what the products contain, how they are produced, packaged and transported to the cooperative shops. The environment-friendly products will be given greater prominence in the shops.

KF launched its environment drive in December 1988.

#### UNITED KINGDOM

A recent conference held in London sponsored by the government, industry and environmental groups called 'Attracting the Green Consumer' revealed that there is a growing influence by environmentalist movements on the supermarkets in Western Europe. It also reported the action taken by the governments :

— The 12 nation European Common Market and 23 other countries have committed themselves to cutting back consumption of chlorofluorocarbons (CFCs) by 50% by the end of the century. CFCs used as pro-

pellants are thought to deplete the earth's protective ozone shield.

- Italy plans a 100 Lire tax on consumers for each non-biodegradable plastic bag they take from the store.
- Holland is offering tax breaks to people who buy cars that meet strict anti-pollution standards.
- West Germany for years had put 'Blue Angel' labels on products which meet its environmental standards. The Scandinavian countries, Holland, France, Japan and Canada are following suit!
- The Common Market is studying the feasibility of introducing a Europe-wide 'Eco-Label' following

1992 when trade barriers within the Common Market are to be abolished.

## USSR

### *Restructuring the USSR's Cooperatives*

New Soviet policy of Prestroika initiated a review of cooperative system in USSR. The ILO assisted the process to create a new legislation. Eventually all efforts would be made to create a separate sector in the economy equal to that of state.

The restructuring will influence the consumer cooperatives greatly. In the process, the Wholesale Cooperative Depots will take responsibility for consumer demand studies, merchandising and transport systems. All regional, territorial and republican unions of consumer societies will have a network of large inter-district depots to supply retail outlets with wide mix of consumer goods. District consumer unions are to build wholesale depots to provide shops with commodities.

### *New Rules for Consumer Cooperatives.*

The twelfth Congress of Consumer Cooperatives is to adopt new model rules.

The new rules outline the new status of a consumer society as the basic component of consumer cooperative system and provide a complete overview of the principles of cooperative democracy and the role of shareholders as real owners of a cooperative society.

The draft rules will observe full agreement with democratic principles in internal structure by bridging the gap between the needs of members and the cooperative activities. They will be allowed to set up local committees, self manage bodies, to organize a manifold network of producer and other cooperatives, open comprehensive purchasing and processing enterprises.

The rules provide for election of Chairman and two Deputy Chairmen from the general meeting. The board will serve as the societies' executive body. The elections will be held on a competitive basis.

## CZECHOSLOVAKIA

### *Food Production Kitchens in Consumer Coops :*

Supplementary food production of Czech Consumer Cooperatives has increased substantially. From a total number of 73 cooperatives in the Czech region, 66 engages in food pro-

duction having established 103 kitchens. The production is done through these 'centralized delicatessen kitchens.' They provide snacks, cream cheese deserts, frozen products and fruit dumplings etc.

These products are delivered to cooperative shops, food stalls and public catering establishments as well as to the works canteens of various enterprises. This supplementary food production amounts to about 2% of Czech consumer cooperatives overall trade turnover. The Czech consumer cooperatives have about 17,000 permanent shops and 9500 public catering establishments, hotels and other lodging facilities.

## EEC

The European parliament of the EEC adopted a resolution supporting cooperatives at its 1988/89 session held in Strasburg. It has recognized cooperatives as a structural constituent of the community's development policy. It recommends that the state should formulate national policies which define clearly the different roles of government and the cooperative movement. It also encourages the movement-to-movement aid policy by European cooperative organizations to foster the development of cooperatives in developing countries. It emphasizes the role of specialized international organizations to assist such processes.

## High Lights

### **Consumer Cooperative Retailing Life Saving Stations or Clubs**

*(A presentation made by Mr. Andrew Area of the International Organization of Consumer Unions (IOCU) Regional Office for Asia and Pacific, at the ICA Regional Workshop on evolving appropriate strategies to strengthen the Consumer Cooperative Movements, at Kuala Lumpur, Malaysia on December 8, 1988)*

#### *Introduction*

1. Mr. Chairman, fellow consumerists, I bid you a very good afternoon. Thank you very much for inviting me to share with you how we at IOCU see "Consumer Cooperative Retailing" at this ICA Regional Workshop. Let me begin with a story on Life-Stations and Clubs.

#### *Life Saving Stations and Clubs*

2. On a rocky and treacherous coastline, there were numerous shipwrecks and deaths. For a long time, there was nobody to save these poor, unfortunate seamen.

Then, some people decided to come together to remedy the situa-

tion. An ever vigilant group, they built a wooden shack, huddled together around a lamp and rushed out in their wooden boat to save the drowning whenever they heard the crash of a ship against the rocks.

They were saving lives, with no other motive than that of human love and respect for life.

Over time, various innovations crept in. More new members joined the group. The shack became a stone building, the boat was modernized into a pleasure craft and the members played snooker, played cards and socialized among themselves. They called themselves "The Seamen's Club" and forgot that they were associated for the sole reason of saving lives. Instead of keeping alert for shipwrecks, they enjoyed themselves while ships crashed and lives perished on the rocky coast.

After a while, some members whose conscience was pricked by the lack of life-saving activity of their Club, left to form their own life-saving station. They effectively began anew the original vision complete with a wooden shack, huddled together around a lamp, ever vigilant to rush out in their wooden boat to save the drowning whenever a ship wrecked itself against the rocky coastline.

This short story exemplifies the history of all organizations. A history of organizations beginning with a vision but eventually losing that vision over time.

3. When I was asked to write about this paper on 'Consumer Cooperative Retailing,' a few words and concepts flashed across my mind. Among these key words/concepts were : common vision, economic democracy, social movements, service, a question of alternatives, consumer conscience, prophetic—In a sense a picture of a *life saving station*.

But reality is never always rosy. When I thought of 'Consumer Cooperatives Retailing,' words and concepts like degeneration, dilution of vision, concentration of power, betrayal of trust, self-centeredness, exorbitant pricing also came to mind. One sees a picture of *The Club* in my earlier study.

#### *A Common Vision*

4. Since the dawn of recorded history, there has been a consumer movement which abhorred dishonesty and worked to protect the poor, low-income consumer. In our modern times, we have seen the development of three kinds of consumer organisations.

- \* Economic/Service Organizations (which include cooperatives)
- \* Advocacy/Social Organizations (consumer groups)
- \* Political/Empowerment Organizations (consumer/political groups).

Today is significant because we see two groups of the Service and Advocacy type coming together to reflect on our common vision, our history and hopefully, our common future.

5. When the cooperative movement first began in 1844 in Rochdale, it was because a group of people-consumers felt that the existing market relationship was both unequal and unjust. The weak bargaining position of the poor, unorganized workers/consumers in relation to the all powerful suppliers (i.e. producers, wholesalers and retailers) was unacceptable. Consumers were really getting a raw deal. There was chronic indebtedness, there was massive adulteration of food, poor quality products, excruciatingly poor wages for the workers and monopoly pricing.

6. In the same pioneering spirit, the modern consumer movement was born—out of the same fires of indignation at unequal market relations—

with a quest to better the lot and future of all consumers.

#### *The Cooperative Movement.*

7. The cooperative movement began as an endeavour to forge economic democracy in the face of untrammelled and unfettered private capitalism. It was an enterprise to conduct *business with a human face and feelings*. In fact, the cooperative movement was quite distinct from "free but private enterprise" on quite a few grounds. For instance, while the corporation/company existed for the sake of profit, the cooperative aimed to provide quality goods at reasonably cheap prices for its patron-owners. Cooperative ownership was shared as opposed to corporate ownership thus, ensuring that control and distribution of profits was equitable. Cooperatives were 'Common Wealth' organizations.

In a sense, cooperatives were radical organizations wherein Labour worked with capital rather than labour working for capital. Cooperatives were radical because they espoused a service association of people and for people. It encouraged self-help, participatory decision-making and collective action. It aimed to be an alternative retail outlet (product-wise, price-wise and service-wise) to existing businesses. It aimed to develop a 'communitarian' spirit based on equality, justice and compassion for the plight of the less well-off. In short, cooperatives developed as a viable business and ethical alternative to free enterprise in a historical period of economic development wherein private capital was only talking of 'I, Me and Myself.'

8. Cooperatives were a refreshing development—A new social movement concerned about social change. To a great extent, the modern cooperative movement has been fruitful to this pioneering vision. A vision, and I quote from an ICA document, "in continuation of the work of the Rochdale Pioneers to substitute for the profit-making regime, a coopera-

tive system organized in the interest of the whole community and based upon mutual self-help."

### *Degeneration*

9. However, having a vision and remaining true to it in today's extremely competitive and profit-oriented society is very difficult. Often enough, we see cooperatives—and quite a few cooperatives if I may add—succumb to a tension between corporate profit and cooperative service. You have cases of cooperatives degenerating into purely BUSINESS OPERATIONS which serve their own corporate interests rather than those of their members. Product and service quality is compromised. Prices soar! Wages drop! Hazardous and unsafe products find their way onto cooperative shelves. Some cooperatives become investment arms and money spinners for political parties. Cooperatives lose their sense of accountability and turn into hierarchical power structures controlled by petty dictators. The original "collective and cooperative" people vision gets diluted, cooperative values degenerate and the end result is corruption—not only of the original Rochdale Vision, but corruption in the very sense of the word. But, as far as this is concerned, I am sure you are all more familiar about such instances than I am.

10. The world today, my friends, has no need nor desire for such degenerate consumer cooperatives. Profit-oriented business organizations, Trans-national corporations and at times, even some governments already contribute overwhelmingly towards the world's problems. Never before in the history of the world have we been confronted with such :

VIOLENT TECHNOLOGY (Hazardous Technology & Dumping of Toxic Waste—Violent to people and planet).

Gross MANIPULATION OF CONSUMER BEHAVIOURS, (Advertisements—Sexiest and Misleading) and,

WASTEFUL LIFE-STYLES (Disposable wooden chopsticks, Cars changed annually, Electric tooth-brushes).

This Terrible-Trio, Violent Technology, Manipulation of Consumer Behaviour and Wasteful Lifestyles form the crux of perhaps nearly all our problems today. Problems, the cooperative movement can help solve.

### *Wanted : A Prophetic Movement*

11. What the world does look for, my friends, and what the consumer world wants, are *Prophetic Organizations*. Organizations which will stand up, be seen and say "No!"

No to Violent Technology  
No to Manipulation of Consumer Behaviour, and  
No to Wasteful Lifestyles

12. We need Prophetic Organizations which will say :

"YES" wholeheartedly to ICA's Consumer Policy Programme drawn up in 1981 (circulated). Concretely, it means saying "yes" to :

The Right to Health and Safety  
The Right to be Informed  
The Right to Representation and Participation  
The Right to Redress  
The Right to Choice

And if I may add, we need prophetic organizations which will say "Yes"; to two more 'Rights,' i.e.

The Right to Basic Needs which guarantees survival. For many parts of the world, this right has become the foremost consumer right, and

The Right to Consumer Education.

13. In other words, we need organizations with a *Consumer Conscience*. Cooperatives are in a crucial position to have such a conscience. Indeed, cooperatives must have such a consumer conscience if cooperatives want to remain true to the vision of Rochdale.

14. Now, why do I say this? Why do I say that cooperatives are in a crucial position to be prophetic and to conduct its affairs with a consumer conscience? Well, the reason is this.

When you retail or purchase a product/service, it's not only the exchange relationship that's involved, rather, it's a whole set of social relations that underlie the sales transaction. In other words, what are the larger and often unseen implications in retailing/purchasing a product?

It is a question of *Production*  
Do the manufacturing inputs destroy our environment?

Is the production process safe for workers?

Are hazardous chemical inputs used in the product with adverse effects.

It is a question of *Exchange*  
Are the products overpriced?

Do workers get exploited ?  
Does the company make supra-profits?

It is a question of *Distribution*.  
Who is the distributor? Which market is catered for?

What are the links with racist regimes, eg. South Africa?

What are the marketing/advertising strategies used?

It is a question of *Consumer*  
Is the product necessary?

Status symbol? Values promoted?  
Is it safe to consume?

Does it endanger my lifestyle eg. debt?

It is a question of *Disposal*  
Can it be disposed? Where is it disposed?

How is it disposed?  
Effect of economy/social environment?

15. As such, it does make a tremendous amount of difference if we market products which have no corporate conscience. Products like CFC's pesticides, hazardous technology, toxic chemicals, useless drugs, etc. If we see these products in the light of their production to disposal process, then we realise that these companies are guilty of destroying the earth. We want to move away from violent technology, crass advertising and wasteful lifestyles.

16. The rôle of cooperatives then is crucial both in taking an activist business stance to promote the survival of this our earth and its peoples, as well as educating its members about this quest. A quest which basically involves the five *Consumer Responsibilities*, which are :

- Critical Awareness
- Active Involvement
- Social Concern
- Ecological Awareness
- Solidarity

My friends, consumers are moving ahead. We have to adopt these five consumer responsibilities and reject the Terrible Trio. We are seeking change for the better. This is a new broader consumer outlook which reflects our solidarity and responsibility to create a better world. A responsibility to future but silent generations . . . our unborn children.

17. Such an outlook also demonstrates the maturity of the consumer movement. Consumption does not any more entail getting value for your money. It is more than that. Consumption is a serious responsibility to be exercised wisely. The questions, "Why Consume" and "Who benefits" are now extremely significant when deciding about product choice.

"Right things at Right Prices" takes on a new dimension integrating concerns about injustice, ecology and the future. These concerns are all

the more important, given the fact that we are the Third World—A world confronted by a massive debt crisis, by underdevelopment, by dumping of useless products in our markets, ecological disaster, and assaulted by new "use and throw away" lifestyles.

18. Yes, my friends, prophetic cooperatives with a conscience are crucial. Marketing policies and consumer education activities of cooperatives must reflect the eight consumer rights and its con-comitant five consumer responsibilities. Cooperatives must choose to champion or rather, wholesale and retail, the fundamental needs of millions of consumers for access to clean water, food, shelter, medicine, clothing housing, and a clean environment over the transient value of profit. For too often than not, these basic needs and rights have been denied to consumers by unresponsive markets, irresponsible governments, inefficient and profiteering enterprises, careless and corrupt officialdom sometimes even by cooperatives themselves.

Cooperatives are crucial because as a "people-oriented" business, you have the power to direct considerable human and other resources on behalf of society. You can have a far reaching influence over the way your members and the public live via your cooperative activities.

#### *Cooperatives with a Conscience : A Challenge*

19. Perhaps then, the challenge facing cooperatives today is to be prophetic and to re-interpret its consumer conscience in a new and vibrant way. Allow me to share some ideas.

a) Cooperatives should set very high standards of excellence in every aspect of our work. Not only should our work reflect our principles but our levels of research, provision of information, personnel training, participatory leadership and economic democracy should

be professional and of high quality.

- b) Cooperatives should consider developing more democratic forms of audit and accountability. Besides financial audits, the idea of SOCIAL AUDIT should be adopted. A social audit is basically a test of public acceptance of a cooperative's business standards and practices. It means putting forward for public scrutiny all the policies and practices of a cooperative and asking the public to pass judgement based on their evaluation of the cooperative's performance. A social audit could also form the basis of a cooperative's continued sales policy.
- c) Cooperatives should try to re-interpret its basic concept of economic democracy. This entails cooperatives going back to its members and establishing better and more accurate avenues of dialogue and feedback.
- d) Cooperatives should not only comply with UN guidelines for Consumer Protection but should actively work for its propagation and adoption by governments and the cooperative membership. Consumer education and lobbying activities should be intensified (document circulated).
- e) Cooperatives should link with the consumer and ecology movements to learn, share and lobby for the earth's survival.
- f) Cooperatives should involve themselves in business practices consistent with their original cooperative vision and the welfare of the public, and promote viable alternative lifestyles. In other words, this is a life-long journey which will see cooperatives go through its own ups and downs. A journey to be a leader of consumer conscience in the business world. To be good business and not bad business.

#### *Some Concrete Suggestions*

20. On my part, I wish to end this pre-

sentation about 'consumer cooperative retailing' with just five concrete steps which cooperatives could easily undertake in their quest to be prophetic, consumer "conscience" organizations.

- i) Re-evaluate our cooperative business practices in the light of the original Rochdale 'vision,' in the light of today's consumer rights and responsibilities, and the problems which confront our world today.
- ii) Linkup, *network* with other consumer organizations, eg. IOCU's Consumer Interpol, PAN, IBFAN, eg. Green peace and other environmental groups to learn about

current trends and developments in the consumer world.

- iii) Seriously consider developing a "Code of Good Cooperative Business Practices" to guide the growth and development of cooperatives.
- iv) Celebrate World Consumer Rights Day every March 15th widely with special marketing promotions to promote consumer awareness of cooperatives (The Alternative Store!).
- v) We must expand cooperative membership and outlets among low-income consumers. Consumer education efforts among cooperative members must also be intensified.

### *Conclusion*

My friends, consumer cooperatives have come a long way since Rochdale. Some of us are now CLUBS while some of us are thankfully, still LIFE-SAVING STATIONS. The challenge of course, is to be a life-saving station.

Whether your cooperative becomes, or remains a life-saving station in touch with the consumer concerns of today, is very much a question of what you decide to do here today. The power to shape the future lies very much in the choice you make. Thank you. □

## Consumer Legislation

### INDIA

#### *Enforcing Consumer Protection Laws*

Implementation of Consumer Protection Act passed in 1986 has become a much discussed topic today. Many states have adopted the legislation and are trying their best to implement the provisions. The Monopolies and Restrictive Trade Practices Act of 1969 with its recent amendments has given teeth to authorities to deal with low-quality and contaminated commodities.

Many states including the Union Territory of Delhi are setting up consumers forums to help law enforcers. There is also a National Con-

sumers Disputes and Redressal Commission and at least 3 states commissions. Andhra Pradesh has 23 district forums and Rajasthan State has a state commission and 6 district forums. Uttar Pradesh has 10 district forums besides the state commission. Eight states and union territories have notified setting up of these agencies.

However, the mechanism of operation of these agencies has not been very successful due to the shortage of funds and lack of competent personnel.

Newspaper media and voluntary

organizations also have started taking more interest in maintaining the agitation in an increasing open market economy.

#### *Consumer Experts Meet in Delhi*

Consumer experts from many countries gathered during the last week of February to discuss the problems of consumer protection in the present market economy. It was revealed that whether it is in highly developed countries like West Germany or socialist countries like Poland, consumers are alert and fighting for their rights. Role of mass media was emphasized at the seminar.

# Know Your Consumer Cooperative Movement

## SINGAPORE FAIRPRICE

### I. INTRODUCTION

#### *1.1 Brief History of Singapore Cooperative Movement*

The Cooperative concept was introduced to Singapore as early as 1924 when the Cooperative Societies Ordinance for the Straits Settlements was enacted. It was introduced at a time when money-lending was a roaring business. Wage-earners in the middle and lower income groups at that time could hardly make ends meet because of poor wages and the high cost of living. These workers had no one else to turn to except the unscrupulous money lenders who charged exorbitant interest rates. The Government introduced the cooperative scheme not only to provide facilities for borrowing but at the same time to provide regular savings.

With the Cooperative Societies Ordinance enacted, 34 public spirited men got together to form the Singapore Government Servants' Cooperative Thrift and Loan Society Ltd., which was registered on 7th October 1925. Hence the movement was started as a result of the spontaneous response of the people then—the people who felt the pressing need to help themselves to overcome the financial problems they were running into.

The cooperatives were, therefore, initiated with the thrift and credit activities. Today, the credit cooperatives still form the bulk of the movement in Singapore (29 thrift and loan cooperatives out of the 59 cooperatives in Singapore).

By 1960, there were 104 cooperatives with 37,844 members and a paid-up capital of \$13.2 million.

The most significant development of Singapore cooperative movement happened in 1970s when the first cooperative supermarket was set up by the labour movement against a background of rampant world-wide inflation which spread to Singapore as well. The National Trades Union Congress (NTUC) decided then that it was time to act on the resolutions passed at the 1969 "Modernisation of the Trade Union Movement" Seminar where workers endorsed the proposals to set up a consumer cooperative, an insurance cooperative, etc. These ventures were meant to provide for more economic and social benefits to the workers by allowing them a stake in the economy of Singapore.

Within a span of nine years, from 1969 to 1978, 13 cooperatives were established by the NTUC and its affiliated unions. This resulted in a tremendous upsurge in membership and created a significant impact on the daily lives of the workers and population at large.

Today there are 59 registered cooperative societies in Singapore, with a total personal membership of over 300,000 and a paid-up capital of over \$ 111 million.

#### *1.2 Consumer Cooperatives in Singapore*

The significant development of the consumer cooperative movement in Singapore was the launching of cooperative ventures by the Singapore National Trades Union Congress (NTUC) and its affiliated unions in the 1970s.

The Singapore Industrial Labour Organisation (SILO) Multi-purpose Cooperative and the Pioneer Industries' Employees Union (PIEU) Multipurpose Cooperative were registered in November 1971 and August 1972 respectively. NTUC Welcome Consumers' Cooperative (NTUC Welcome) which was registered in March 1973, set up the first cooperative supermarket in 1973.

Since the 1970s, the consumer cooperatives set up more supermarkets to check profiteering, hoarding and adulteration of basic essential consumer goods so as to protect and benefit the man-in-the-street.

In July 1981, SILO Multi-purpose Cooperative absorbed PIEU Cooperative to form the Singapore Employees Cooperative (SEC).

#### *1.3 NTUC Fairprice Cooperative—An example of a Consumer Cooperative*

##### *1.3.1 History*

As NTUC Welcome and SEC shared the same objective of controlling inflation and moderating the cost of living in Singapore, it was only logical that the two cooperatives merged to form a single, enlarged cooperative so as to operate more effectively and efficiently. It was against this background that NTUC Fairprice Cooperative was formed on 1st May 1983, i.e. through the merger of NTUC Welcome and SEC.

At the time of merger, NTUC Welcome operated 15 super-



markets, while SEC operated 18 supermarkets. In addition, SEC also operated, 2 self-service coffee shops, 4 Home Appliances showrooms and a printing workshop. All these came under the operation of NTUC Fairprice from 1st May 1983.

### 1.3.2 Policy/Objective

The policy of NTUC Fairprice is to keep prices low and fair, hence its name "FAIRPRICE." NTUC Fairprice aims to achieve this policy by setting low profit margins for its products and going for high volume.

As stated in the by-laws of Fairprice, the cooperative's primary objective is to contribute towards a reduction in the cost of living in Singapore. Nevertheless, Fairprice still needs to achieve sufficient profits so as to be able to pay dividends and rebates to its shareholders (members), and also so as to provide a source of funds for its growth.

### 1.3.3 Performance

#### Performance of Fairprice for the Financial Year ending 31.3.88

Total Sales (From Supermarket & Department stores and other divisions) S \$ 329,545,000

Net Profit S \$ 17,958,000

\*Net profit was 2.8% higher as compared to \$ 17,462,000 in the previous year.

Total Sales (S \$ 329,545,000)

| Division/Section          | Percentage of Total Sales |
|---------------------------|---------------------------|
| Supermarket/Deptt. Stores | 92%                       |
| Rice trading              | 6%                        |
| Trading—Others            | 1%                        |
| Others                    | 1%                        |
|                           | 100%                      |

### 1.3.4 Business Activities

#### Supermarket/Department Stores

\* 35 Supermarkets/Department stores located mainly in the Housing and Development Board (HDB) estates.

\* Average size of outlet is 950 sq. meters (the largest outlet is 3,000 sq. meters and the smallest is 250 sq. meters)

### Purchasing Division

\* Imports rice and a fair range of products, including canned and frozen food from various countries. These are in turn supplied to the cooperative's supermarkets and sold to wholesalers and other retailers (including about 1,200 provision shops).

### Coffee Shops

Self Service coffee shops located near the Singapore Bus Service bus termini.

### Printing Workshop

\* Provides printing services to both the unions and commercial clients.  
\* Caters to the cooperative's own printing requirements.

### 1.3.5 Membership Structure and Benefits

#### Membership Structure

Fairprice has 3 categories of members :

1. Founder Member — which is the National Trade Union Congress (NTUC).
2. Institutional Members — Institutional membership is open only to trade unions or cooperatives in Singapore.
3. Personal Members — Personal membership is open only to :

- i) Members of the institutional members, or
- ii) Members of trade unions affiliated to the NTUC, or
- iii) Trustees or Directors, or
- iv) Members or employees of organizations approved by NTUC and the Registrar of Cooperative Societies.

The minimum shareholdings required to be held are as follows :

|                        |                  |
|------------------------|------------------|
| —Founder Member        | 100,000 @ S \$ 1 |
| —Institutional Members | 5,000 @ S \$ 1   |
| —Personal Members      | 20 @ S \$ 1      |

As at 31st July, 1988, the membership composition is as follows :

| Type of Member        | No.     | %age of *total shares |
|-----------------------|---------|-----------------------|
| Founder Member        | 1       | 1%                    |
| Institutional Members | 74      | 55%                   |
| Personal Members      | 112,500 | 44%                   |

\* The total share capital stands at \$ 19.43 million.

## Membership benefits

### 1. Rebates

As Fairprice is a cooperative, the rationale for payment of rebates to members is to share the net surplus or profits of the cooperative among members in proportion to the volume of purchases made by members at Fairprice supermarkets.

The cooperative implemented its computerized rebate system on 1st April 1984 :

The rebate payments for the past three years :

| <i>Year</i> | <i>Rate of rebate payment</i> |
|-------------|-------------------------------|
| 1985/86     | 6%                            |
| 1986/87     | 8%                            |
| 1987/88     | 8%                            |

### 2. Dividends

Members are paid dividend on their shares.

The dividend payments for the past three years :

| <i>Year</i> | <i>Rate of dividend payment</i> |
|-------------|---------------------------------|
| 1985/86     | 8%                              |
| 1986/87     | 10%                             |
| 1987/88     | 10%                             |

### 3. Loans

Attractive low-interest loans are provided to members to purchase home appliances, furniture, and other items from major showrooms in Singapore.

### 4. Sponsorship

Funds are set aside by Fairprice to sponsor activities organized by the Founder Member and Institutional members.

### 5. Study Grants for Member's Children

In July 1988, study grants worth a total of S \$ 200,000 were awarded to children of needy members to help pay for their education from primary upto University level.

#### 1.4 Reasons for the Growth of NTUC Fairprice

##### 1.4.1 Sound Business Policy

Fairprice concentrates its efforts on supermarkets/department stores business—92% of its sales turnover comes from

this core business. The cooperative is cautious in diversifying and expanding its other business. As a result of this cautious approach its performance was not affected by the 1985 economic recession as consumptions of basic necessities sold by supermarkets do not see drastic decline even during an economic downturn.

##### 1.4.2 Effective Management

The cooperative is run by full-time professional staff. It is headed by a General Manager and his management team. This group of experienced full-time staff enables the cooperative to be managed efficiently and ensures that it can compete effectively with other commercially-run retail organizations.

##### 1.4.3 Convenient Location of Retail outlets

Fairprice has a network of 35 supermarkets/department stores strategically located in government housing estates which house 85% of Singapore's total population. Convenient location is one of the strong built-in advantages of Fairprice outlets.

##### 1.4.4 Responsible Pricing Policy

Fairprice has established itself as the price leader in the market. Its fair-price policy and giving consumers better deals have ensured customer loyalty and patronage.

##### 1.4.5 Service Excellence

It is the Corporate Objective of the Cooperative to provide high-quality services to customers and staff have been trained by various in-house courtesy and public relations courses and service programmes to achieve this. The service philosophy of Fairprice includes :

- \* No customer, no job.
- \* Provide quality products at a price and high-quality services.
- \* Treat customers as you would like to be treated.
- \* Satisfy customers' needs.
- \* Total customer satisfaction.

##### 1.4.6 On-going Renovation and Upgrading Programmes

Fairprice has a on-going renovation programme to upgrade all stores. In 1987/88, nine supermarkets were renovated at a total cost of S \$ 2.2 million to improve the stores' shopping environment and ambience.

#### 1.4.7 High Productivity in Operation

|         | <i>Sales per Employee<br/>per month<br/>S \$</i> | <i>Sales per sq. meter<br/>per month<br/>S \$</i> |
|---------|--|---|
| 1985/86 | 15,323   | 572   |
| 1986/87 | 15,859   | 685   |
| 1987/88 | 17,239   | 789   |

The above productivity ratios have shown improvements during the last 3 years.

#### 1.4.8 Good Customer Relations

##### a) Give customers better deals whenever possible

In line with its efforts of giving customers a better deal, over 60 products (food and non-food) were introduced under the brand name, 'NTUC Fairprice.' These housebrand products are of comparable quality to that of popular brands that are lower priced. There are plans to increase the range over time.

The cooperative also features in the major newspapers over 20 products every week at attractively low prices.

##### b) Good Feedback Systems

###### 1. Consumer Panel

In September 1987, the Cooperative launched the Fairprice Consumer Panel to enable its customers to provide feedback to the cooperative on a regular basis. To date, 160 regular customers who are mainly Fairprice members are on the Panel.

###### 2. Other Channels of Feedback

Other channels of feedback include a Consumer Hotline in the Head Office, Suggestion boxes, printed consumer feedback forms, etc.

##### c) Other Facilities for Customers

1. Payment through NETS systems
2. Sales of bus stamps, car parking coupons
3. Lottery betting counters
4. Express Lane
5. Trolley pick-up points.

#### 1.4.9 Training and Development

Training and development of staff in the cooperative is entrenched as a management philosophy. In 1988/89, total commitment for training of staff amounts to S \$ 500,000

with 1,550 places for training, implying that almost every staff in the cooperative has a chance to be trained as the average staff strength of the cooperative stands at 1,593 in March, 1988.

#### 1.4.10 Good Communication System with Customers

##### a) Publication

Fairprice jointly publishes a bi-monthly magazine (called 'Lifestyle') with the NTUC Club to update customers and union members on 'Fairprice Happenings,' the leisure and fashion, scenes, etc. Money-saving 'cut and save' offers and contests (with attractive prizes) are also featured in every issue.

##### b) Weekly Advertisements

Every week, over 20 offer products are advertised in the major newspapers. The weekly advertisements also publicize major promotions and community service projects of the cooperative.

##### c) In-store Announcements

The cooperative tied up with Rediffusion, the local broadcasting station to produce quality entertainment tapes which carry messages on the cooperative's promotional activities, community service projects, suppliers' new products/services, etc. These tapes are being played by all the 35 outlets daily.

#### 1.4.11 Community Service

The cooperative has undertaken many community service projects and its contribution to the needy and to enhance its image as a caring organization. Two notable projects are :

##### a) Used Textbooks Project

Since 1983, the cooperative has undertaken the "Used Textbooks Project" every year whereby used textbooks are collected from the public and subsequently distributed free of charge to needy students.

To date, a total of over 200,000 books have been collected and distributed under this on-going annual project.

##### b) 'Heartstrings Buys' Programme

In September 1988, Fairprice launched a 'Heartstrings Buys' project to help the Community Chest of Singapore to raise S \$ 200,000 for over 65,000 beneficiaries from 30 charities through the sales of 28 products at its outlets during a 3-week period.

## 1.5 Strategies to strengthen the present position

### 1.5.1 Increase Market Share

It is the cooperative's policy of setting up at least one supermarket in each housing estate whenever a suitable site is available and if it is successful in the tender of the site. The expanded network of outlets would lead to an increase in market share.

### 1.5.2 Make its Presence Felt

Besides opening new outlets to serve as many Singaporeans as possible, the cooperative has launched a Franchise Scheme in June 1987 to make its presence felt in locations not served by a Fairprice supermarket. Under the scheme, the franchisees enjoy various benefits such as better prices and credit facilities for goods purchased, advertising and promotion support, etc. To date, 30 franchise shops operating under the trade-name 'NTUC-minimart' have allowed more Singaporeans to benefit from value-for-money purchases as the advertised weekly offers of Fairprice are also available at all franchise shops at advertised offer prices. The cooperative is extending the scheme to cover more provision shops and minimarts.

### 1.5.3 Strive for Better Costs

To remain competitive in prices, the cooperative has to

continually secure better cost prices as as to be able to offer fair prices to consumers and remain as the price-leader.

### 1.5.4 Progressive Retail Organization

Fairprice aims to be the leading progressive retail organization by being, e.g. the pioneer in introducing bar-coding or teleshopping.

### 1.5.5 Diversify into Other Business

Diversification into other profitable business areas would enable Fairprice to generate funds to finance the growth of its primary supermarket business. The cooperative is now reviewing various diversification possibilities to invest its surplus funds so as to get better returns as compared to the present returns on investments in fixed deposits, stocks and shares, etc.

### 1.5.6 Buy Product Marketing Rights

For consumer products with proven sales records and suitable for local consumption, it would be profitable for the cooperative to buy up exclusive marketing rights for these products as it has its supermarkets and franchise shops as its ready distribution outlets.

— PETER CHAN/NTUC FAIRPRICE

## NILS THEDIN—A HUMANIST

Ulla was selling a new book titled 'A Moral Commitment' by Nils Thedin, at Folket Hus during the ICA Congress in July 1988. The collection would go to help disadvantaged groups in developing countries. The book I bought gave me a new insight into Nils Thedin—A great humanist in our times. It was equally sad to hear that he passed away in February 1989.

I met Nils Thedin for the first time in 1978 at Stockholm when he was Chairman, SCC. There was a deadlock over a Womens Consumer Orientation Project to be implemented in Sri Lanka. He was humble enough to respect uncompromising demands by recipients of support in Sri Lanka. His book touches on the positive

effects of the Project. Since then, I used to see him in different capacities. Once he visited slum areas to observe the misery of children, when he was working for UNICEF. Another occasion I used to meet him with government policy makers and politicians trying to persuade them to provide more autonomy to cooperatives when he was working for the ILO Project on Government Policy on Cooperatives.

Nils Thedin left a half century of cooperative service within the Swedish Cooperative System being a Swede and in developing countries being a humanist. He did his share at KF before joining as Chairman, SCC. He was a close associate of Dr. Moritz Bonow,

who propagated the concept of 'Without Boundaries'.

His efforts through involvement in UN agencies such as UNICEF, ILO or through the SCC and ICA were towards one ideal he believed in: 'A World without Boundaries'. He was the mentor for Albin Johansson's dream.

His humanism reflects even in the draft policy document he prepared for the ICA on Cooperative Development in 1982.

Nils Thedin initiated new thinking in the SCC, SIDA and ICA towards a world of cohesion and mutual understanding. He was existential to con-

# CONSUMER CALENDER

temporary changes in the modern society and ahead of others in future vision in spite of his age. His last book is the ideal example for this.

The last time I met him was during the ICA Congress in Stockholm. He remembered many cooperators from developing countries and inquired about them. He looked pale. He said that he would fight his dreading sickness (cancer) to the end in order to complete the mission he had in mind. Such a courageous man he was.

We lost a friend, philosopher and a guide.

— UPALI HERATH

- |  |                           |
|--|---------------------------|
| 1. Meeting of ICA Sub-Committee on Consumer Cooperation for Asia                                 | May 1989<br>Yokohama      |
| 2. Meeting of the ICA Regional Council for Asia  | May 1989<br>Seoul         |
| 3. Strengthening management and operations of consumer cooperation consultancy in Thailand       | August 1989<br>Bangkok    |
| 4. Job related training for selected executives of consumer cooperatives in developing countries | August 1989<br>Japan      |
| 5. Perspective Planning exercise for strengthening consumer cooperatives in Bangladesh           | Sept. 1989<br>Dhaka       |
| 6. Joint Committee meeting with ICA Main Consumer Committee                                      | October 1989<br>New Delhi |
| 7. ICA Central Committee Meeting   | October 1989<br>New Delhi |



# ASIAN CONSUMER COOP NEWS

A half yearly Bulletin of the ICA Committee on Consumer Cooperation for Asia

ISSUE 3

OCTOBER 1989

## CONTENTS

|  |    |
|--|----|
| ICA Central Committee Meets in Delhi       | 3  |
| 67th International Co-operative Day        | 3  |
| Consumer News from Asia                    |    |
| i) ICA regional office                     | 4  |
| ii) Bangladesh                             | 4  |
| iii) India                                 | 4  |
| iv) Indonesia                              | 5  |
| v) Japan                                   | 5  |
| vi) Malaysia                               | 5  |
| vii) Philippines                           | 5  |
| viii) Singapore                            | 5  |
| ix) Sri Lanka                              | 8  |
| x) Thailand                                | 12 |
| Environment is a concern for Everyone      | 7  |
| How to Kill a Cooperative                  | 8  |
| ICA Calendar of Consumer Activities        | 9  |
| Cooperative of Total Living—An Alternative | 9  |

*For Private Circulation only.*

## WELCOME TO DELHI!

Asian Cooperators will have the privilege of hosting the first ever ICA Central Committee Meeting held in Asia since the inception of the ICA in 1895. The meetings will take place from 3-7 October 1989 in Delhi. We, from the ICA Committee on Consumer Cooperation for Asia, warmly welcome the cooperators from all over the world.

Asia has become vulnerable to global peace and development with the emergence of economic and political powers. Being the most populated continent with biggest geographical area, it has a great potential for future global influence as predicted by many futurists. The cooperative movements too would have more influence in terms of future ideology and future directions of cooperativism.

However, many developing countries in the Region are infested with internal strifes and even cold war among friends which have resulted in either stagnation or setbacks in development. Arms race has crept into even developing countries, consuming substantial resources. Protectionism by developed nations and also pressures from multi-national companies have hindered the progress of peoples organisations such as cooperatives. Some of the one time strong consumer cooperative movements are undergoing a difficult period in these market economies.

The Central Committee of the ICA meets at this crucial period in the Region. They would discuss the basic issues concerning development integration globally. The world has developed into segregated forums and regionalisms which hinder free dialogue and understanding.

Let us discuss the fundamental issues influencing cooperatives in the path of development and critically evaluate what we are doing. We will build up strength by mobilising members and consolidating cooperatives to ensure a strong force against all forms of evils affecting the mankind—arms race, monopolistic and expanding market forces, hazardous industries, destroying environment.

The Consumer Coop News bring best wishes for successful delegations during meetings and pleasant and comfortable stay to all cooperative leaders.

—Editor

## ASIAN CONSUMER COOP NEWS

A half yearly Bulletin  
(For private circulation only)

Editor : W U Herath  
Office : ICA Regional Office for Asia  
'Bonow House'  
43 Friends Colony (East)  
New Delhi 110 065, India  
Telephone: (91)11-6835123  
Telefax : (91)11-6835568  
Telex : (81)31-75025 DICA IN

A bulletin by the ICA Committee on Consumer  
Cooperation for Asia.

### LIAISON OFFICERS

Bangladesh : Mr.Mohd.Shahidullah  
India : Mr.A.S.Negi  
              : Mr.M.M.Alam  
Japan : Mr.S.Ohta  
Malaysia : Mr.Abdul Halim Abdullah  
Philippines : Ms.Teresita M. de Leon  
Singapore : Ms.Rosslyn P.C.Mak  
Sri Lanka : Ms.Jayanti Nawaratne  
Thailand : Mr.Surasit Impol

### TO THE READER...

We would like to receive contributions from you. Your opinions, ideas and even information on new innovations in consumer cooperatives are welcome. Your contribution will undoubtedly bring more information inputs and strength to the Bulletin. We also invite you to comment on the information and lay-out of the Bulletin so that we may improve upon future issues.

-Editor.

## MEMBERS OF THE ICA COMMITTEE ON CONSUMER COOPERATION FOR ASIA

### Chairman

Mr.M.Ohya  
Executive Director  
Japanese Consumers Cooperative Union  
1-13, 4-Chome, Sendagaya  
Shibuya-ku, Tokyo (Japan)

### Bangladesh

Mr.Mohd.Shahidullah  
Mrs.Feroja Mohsin

### India

Mr.A.Bhattacharjya

### Indonesia

### Japan

Mr.M.Ohya  
Mr.K.Okayasu

### Rep.of Korea

Mr.Geon Ho Lee

### Malaysia

Mr.Tuan Haji Sallehudin bin Abdul Ghani  
Dato' Hamzah bin Haj Yatim

### Philippines

Mr.Felomino Bautista (Jr.)  
Mr.Emilio P.Dilon

### Singapore

Mr.Lim Ho Seng

### Sri Lanka

Mr.D.E.Pathirana  
Mr.Hilarian Gunawardane

### Thailand

Col.Surin Cholpraserd  
Mr.Jankaew Muangjai

### Secretary

Mr.W.U.Herath, ICA-ROA

### ICA EXECUTIVE COMMITTEE ON CONSUMER COOPERATION

*Chairperson* : Ms.Turid Strom, Sweden  
*Vice Chairmen* : Mr.Manfred Dabrunz, FRG  
                  : Mr.Masao Ohya, Japan  
*Members* : Mr.Luis Armendo Carello,  
                  : Argentina  
                  : Mr.Kalvei Suomela, Finland  
                  : Mr.Istvan Szlamenicky, Hungary  
                  : Mr.Giuseppe Fabretti, Italy  
                  : Mr.Abdul Latif Al Kharaza,  
                  : Kuwait  
*Secretary* : Mr.Lajos Varadi

# ICA CENTRAL COMMITTEE MEETS IN DELHI

For the first time in the history of International Cooperative Alliance, the Central Committee meets from 04-07 October 1989 in New Delhi, India. Prime Minister of India, Mr. Rajiv Gandhi is expected to inaugurate the Central Committee meeting. The event is very important to Asian Cooperatives in the context of growing difficulties faced by many developing countries in the Region. It is expected that more than 600 cooperative leaders from 75 coun-

tries would participate at the meeting and affiliated committee meetings.

The main themes of the meeting will be 'The Challenge of Global Integration and Cooperation in Asia'. Many speakers from US, Canada, Australia, India, USSR, Singapore, South Korea and Japan are expected to speak on the subjects.

Many specialized committees such

as Agriculture, Consumer, Fisheries, Women activities, Housing, Banking, Tourism, Intercoop, CICOPA, Research and Librarians Working Party are expected to have their meetings from 03 to 07 October, 1989.

The National Cooperative Union of India, in collaboration with the ICA Regional Office for Asia will host the meeting.

□

## 67TH INTERNATIONAL CO-OPERATIVE DAY

*Saturday, July 1, 1989*

### Message from the International Cooperative Alliance

#### "Unity in Diversity"

The ICA represents almost 600,000,000 individual members worldwide. These members are drawn from every area of our world, every social and economic sector, every political party and every religious denomination.

Unity in this diverse membership is possible because co-operators are united by a common ideal: the economic and social advancement of people everywhere through democratic, voluntary, member-owned organizations run in the interests of the whole community and based upon mutual self-help.

For almost a century, this unity of purpose has permitted ICA, the movement's apex organization, to represent the interests of its diverse constituencies and to articulate their needs at the

national, regional and international level and the ICA in particular, have been a model of international collaboration; they serve as a source of inspiration to all.

During his address to the 29th Congress of the ICA, in Stockholm in July 1988, Mr. Javier Perez de Cuellar, the Secretary General of the United Nations, stated: *"The International Cooperative movement in general, and the ICA in particular, have been a model of international collaboration; they serve as a source of inspiration to all."*

*"The ICA is one of the few organizations in the World where North/South and East/West find a common meeting ground."*

*"Unity in Diversity is more than a*

*theme or slogan in ICA"* stressed Mr. Perez de Cuellar, *"It is a daily work ethic"*.

The International Cooperative Alliance calls on its large and diverse constituency of members to live upto these motivating words.

Peace and prosperity are possible for all nations, for we are all working towards the same objectives- even if we have taken different roads to reach our goals.

Let us as cooperators make "Unity in Diversity" our work ethic not only on this International Co-operative Day - 1989, but on each and every day of our lives.

□

#### TREES...

"Look, these trees are more lucky than all of us and their time is spent in doing good to others. They themselves bear hot winds, chill, sunshine and splash of rain and bestow upon us protection, full of love. I would say that no other life is so good. Just as no beggar goes empty-handed from the house of a good man, in the same way, no animal goes from the tree without enjoying its services. Tree experiences great satisfaction by offering to all the living beings its twelve limbs, viz., leaves, fruits, flowers, shade, roots, bark, wood, smell, ash, coal, buds and shoots. Looking to the worthy lives of trees, benevolent feelings in ourselves wake up so as to dedicate ourselves to the work of doing good to others." (Lord Krishna in Bhagwat Gita)



# CONSUMER NEWS FROM ASIA

## ICA REGIONAL OFFICE ACTIVITIES

### *ICA Committee meets in Yokohama*

The ICA Committee on Consumer Cooperation for Asia held its 14th meeting at Yokohama, Japan on 11 May 1989. The Kanagawa Consumer Cooperative Society hosted the meeting.

Messrs. Bruce Thordarson, Director, ICA, G.K.Sharma, Regional Director, ICA ROA and Mr.Wada, Director of Health and Welfare Bureau, Japan, were special invitees. Mr.Thordarson emphasized the need to activate the specialized committees of the ICA in order to be able to play a facilitating role of the ICA. He also commended the Asian Consumer Committee for its excellent performance.

The committee approved the budget for the forthcoming year. One of the important event was the declaration of the committee on the occasion of the 3rd International Consumer Day, emphasizing the need for consumer cooperatives to launch campaigns on

consumer protection against hazardous technology and to campaign for environmental protection.

The committee also decided to organise a Joint Meeting with the Main ICA Consumer Committee.

### *A New Agriculture Advisor for ICA ROA*

Mr.Guo Yong Kang, from the Peoples Republic of China, has been appointed as Advisor on Agricultural Cooperative Development in the ICA Regional Office for Asia. Mr.Guo worked as Deputy Division Head (Foreign trade) in the All China Federation of Supply and Marketing Cooperatives, prior to this appointment. He possesses 16 years' of experience in various capacities in the cooperative movement in China.

### *Job Related Training for Consumer Cooperative Managers*

ICA ROA organised a two-week Job Related Training Programme in

collaboration with JCCU and Kanagawa Cooperative in Japan for 6 selected managers of consumer cooperatives from Malaysia, Singapore and Thailand, with effect from 14 August 1989. They were given in-depth training in supermarket operations, retailing and stock management.

### *Consultancy Services to Thailand*

Large consumer cooperatives in Bangkok are undergoing a difficult time due to sudden influence of supermarkets with multinational collaborations. Pranakorn Consumer Cooperative Society, which was the pioneer in supermarkets in Thailand, too has faced problems. The ICA Committee on Consumer Cooperation for Asia, arranged a study on the problem, by a team consisting of Mr.Oka from JCCU and Mr.W.U.Herath from the ICA ROA in August and September 1989. It is expected that a new strategy would be suggested to overcome the situation. □

---

## BANGLADESH

Bangladesh National Cooperative Union (BJSU) is making arrangements for the identification of areas for pilot projects for the revival of consumer cooperatives as a result of the National Workshop on strengthening of consumer cooperatives. It is expected that atleast 10 consumer cooperatives will be promoted with active participation of womens groups.

## INDIA

### *A New Managing Director for the National Cooperative Consumers Federation of India*

Mr.A.Bhattacharjya of the Indian Administrative Service has been ap-

pointed as the new managing director of the National Cooperative Consumers Federation of India, as a step towards reorganizing the Federation which has gone into financial and operational difficulties. He belongs to the 1962 batch of IAS and held several posts including District Magistrate, Divisional Commissioner, Senior Regional Manager of Food Corporation of India, Additional Secretary in the Union Public Service Commission and Joint Secretary to the Government of India.

We wish him success in his new career.

### *Increasing Public Awareness on Consumer Rights*

There is a growing interest in creating public awareness of consumer

protection laws as shown from increasing accommodation in mass media such as national daily newspapers and womens magazines, journals and television. It is a noteworthy development as the Consumer Protection Act in India was passed only in December 1986. Many district forums have been set up to provide redress to consumers. Some have shown to be more active. Delhi forum alone has received more than 1000 complaints by now. Nearly half of them has been decided. Redressal included compensation for poor quality of goods, compensation for sickness arising out of contaminated milk power. One interesting feature of the Act is the inclusion of services for consumer protection in addition to goods. Some consumers have already been given relief against

delay of supply of services, etc. A hot subject being discussed is whether government services too are included or not. Cases against Delhi Development Authority too are pending as recorded by the daily, Times of India.

## INDONESIA

Dewan Koperasi Indonesia has renewed its membership with the ICA Committee on Consumer Cooperation for Asia recently after some years of inactivity.

## JAPAN

### *Japanese Consumer Delegation at UN Sessions*

A delegation promoted by the Japanese consumer cooperative movement attended recent UN session on peace and disarmament. Consumer cooperatives have been actively involved in campaigns against nuclear weapons during recent times in Japan.

### *JCCU Launches Campaign for Food Safety*

The Japanese Consumer Cooperative Union has launched a fund raising campaign called 'CINKEP' for product safety and water purity.

## MALAYSIA

### *Consumer Cooperatives Face Problems*

The KOMART Cooperative Consumer shops which were sponsored by the Central Cooperative Bank have faced operational difficulties recently. The CCB is not in a position to assist them as the Bank itself has run into liquidity problems and managerial problems.

The Malaysian Consumer Cooperative Society has requested international assistance to find ways and means of preventing further deterioration of consumer cooperatives.

## PHILIPPINES

### *Cooperatives Face Tax Problems*

With the introduction of corporate tax by the government, the cooperatives have faced problems of heavy

operational costs. They are compelled to pay 35% corporate tax and also set aside 10% for the educational fund. This has hit severely sugar farmers' cooperatives which have already faced liquidity problems. The ultimate result would be to withdraw the registration under the Cooperative Legislation and turning many cooperatives in to corporations as in the case of NATCCO affiliated cooperatives.

### *Environmental Campaign in Negros Island*

Negros Island is as distant as 1 hour's flight from Manila. Sugar plantations and timber trade have eliminated many forest reserves causing ecological imbalances. The H.O.P.E. Volunteers Foundation working closely with First Farmers' Cooperatives Association has launched a campaign for 'Negros Green' ecology drive. A statement issued by the Foundation is universal to others too. It says "Forests are a crucial link in the web of life. They are home to nearly half the earth's plant and animal species. They maintain ecological processes essential to food production, health and other aspects of human survival. Forests are an indispensable life-support system as they supply lumber and other products of great value, influence local and regional climates, and help to ensure a continuous flow of clean water.

Watershed forests are particularly important because they prevent soil erosion and protect areas below from excessive floods and drought. Watershed forests also help prevent the clogging of reservoirs, irrigation systems, canals and waterways, and the smothering by sediment of another life-support system, our coral reefs. In short, the earth would not survive without its forests.

Yet these forests are being devastated with no regard for the future. The vultures and scavengers of nature took turns in casting their spell like the wraths of Sodom and Gomorrah. The beautiful and verdant forests have been raped of its natural wealth and assets. Today, statistics show that of the total

forest area of about 259,264 hectares in Negros Occidental, only 50,000 hectares now remain, representing 6.3% ratio of the total provincial land area (792,607 hectares). This is very far from the ideal forest area - 40% - that we should maintain for ecological balance.

As a result of forest denudation, Negros is beginning to suffer the consequences. Our irrigation systems in the province are producing 25% less water today than they were 15 years ago. Water levels have gone down drastically by an average of about 10 metres during the last 10 years. Prices of wood and non-wood products from the forest have gone up due to shortages, agricultural production is affected, and our once fresh, cool and green environment has lost its magic spell.

This mindless forest denudation is caused by our ignorance, lack of concern, greed and poverty. It is actually contributing to destruction, suffering and death!!! But it can be stopped if enough negrenses bind together and act immediately."

## SINGAPORE

### *NTUC Fairprice Study Grants Awards*

NTUC Fairprice, in July this year, held a Study Grants Presentation Ceremony to award 174 study grants totalling S\$200,000 to children of its members studying from primary to university levels.

Since 1983, the Cooperative, as one of its several community projects, has been awarding study grants to members to help them meet the education costs of their children. To date, study grants totalling S\$576,000 have been awarded to its members.

### *NTUC Fairprice to Help Pakistan Retail Chain*

NTUC Fairprice Cooperative has been appointed by the International Labour Organisation (ILO) under its technical assistance scheme to help Pakistan expand and modernise a big

chain of provision stores.

The Cooperative is to lend a hand to the Pakistan government-owned Utility Store Corporation (USC) to bring its outlets up-to-date, set up a training centre, introduce its own products and computerise its operations.

Mr.Lim Ho Seng, NTUC Fairprice's General Manager said that USC, with annual sales of US\$100 million, has similar operations and objectives as Fairprice. It was established in 1971 under the wing of the Ministry of Industries to provide essential consumer goods at low prices to help the poor and to deter profiteering. USC expanded rapidly in 1976-77, which put a heavy strain on its management and finances. Earnings were not enough to cover overhead costs, resulting in losses.

In order to redress the financial situation, a series of measures were taken: re-organisation of administrative set-up at all levels, improvement of financial controls and internal audit systems, etc. The above borne fruits

and sales increased manifold with favourable results in terms of gross and net profit earnings. In order to maintain and improve the current level of profitability, public image and services rendered to consumers, the Corporation need to expand and modernise its operations.

Mr.Lim Ho Seng and NTUC Fairprice's Operations Manager, Mr.Andrew Lim have been appointed as ILO's experts to review and assess USC's operations, and to present a report incorporating proposals to USC.

*10% Dividend, 8% Patronage Rebate for NTUC Fairprice members*

It has been another good year for NTUC Fairprice Cooperative and its members, mostly union members. The members will be getting a dividend of 10 per cent and a patronage rebate of 8 per cent on purchases at the 35 NTUC Fairprice Supermarkets for the period 01 April '88 to 31 March '89. This means that Fairprice will be returning about S\$12 million to members, 30 per cent

more than that given back last year.

Speaking at the NTUC Fairprice's 7th Annual General Meeting on 04 Aug '89, Mr.Gopinath Pillai, Chairman, Board of Directors, said net profit amounted to S\$24.3 million or 35 per cent more than the previous year.

This improvement is largely due to higher investment income and a write-back of provision made previously. Operating profit went upto S\$19.7 million, a gain of S\$976,000 over the previous year.

After contributions and appropriations, retained profit of S\$9.7 million will be added to reserves.

Mr.Pillai said that the good results achieved would not have been possible without the contribution and dedication of the staff.

Meanwhile, Fairprice is spending S\$200,000 to get experts to develop a more customer conscious service among its employees.

-Ms.Rosslyn Mak at Singapore

.....  
**SRI LANKA**

*A New President for National Cooperative Council*

Mr.P.A.Kiriwadeniya, representing Sri Lanka Thrift and Credit Cooperative Federation, was elected as the President of the National Cooperative Council of Sri Lanka at the election held in May 1989. He pioneered progress of credit cooperative movement from late 1970s and became the founder president of Sri Lanka Thrift and Credit Cooperative Federation. He was elected as the Chairman of the Asian Credit Cooperative Union (ACCU), based in Bangkok (Thailand) from 1989.

We wish him success in his new position.

*Sri Lanka Consumers Cooperative Federation formed.*

First ever Consumer Cooperative Federation was established in June 1989 at a formal meeting attended by 250 delegates from consumer service

*Collaboration with Cooperatives in Japan*

The NTUC Fairprice Cooperative Society signed a Sistership agreement with Sapporo Citizens Consumer Cooperative Society in Japan recently. The agreement aims at exchanging experiences in new technology, management systems and bilateral trade.



# ENVIRONMENT IS A CONCERN FOR EVERYONE

ICA Consumer Committee issued a message on the occasion of the Third International Consumer day, which we published in the last issue of our bulletin. In keeping with the emphasis of the year, the ICA Committee on Consumer Cooperation for Asia, at its recent meeting held in Yokohama, Japan, adopted a declaration on the subject which is quoted below:

## DECLARATION OF THE ICA COMMITTEE ON CONSUMER COOPERATION FOR ASIA ON THE OCCASION OF THE THIRD INTERNATIONAL CONSUMER DAY

(15 March 1989)

The ICA Committee on Consumer Cooperation for Asia, while endorsing the message of the ICA Consumer Committee on the occasion of the Third International Consumer day;

- Emphasizes the need to protect consumers from the hazardous technology and its products and services.
- Identifies the pollution of environment and such acts contribute to the creation of ecological imbalance as major hazards which threaten the existence of the mankind and also animals and plants.
- Notes the growing damages by chloro-flouro hydro-carbonic (CFC) products to ozone layer which prevents ultra-violet rays from reaching the earth at dangerous levels,

### And in the Circumstances,

- Resolves to contribute to the efforts made by all concerned organizations in safeguarding people against hazardous products and systems, pollution of environment and damage to ozone layer, and
- Urges all its member cooperative movements in the Region to make determined and well-planned attempts to ensure that their shops and offices do not entertain hazardous products or any other services originated from such institutions or manufacturers who negate environmental protection and who produce or contribute for the production of goods and systems containing CFC, and
- Appeals all its member cooperative movements to publicize dangers of environmental pollution and ill-effects of using products containing CFC, with the object of realizing an enlightened society which protects and nurtures environment for the existence of mankind, animals and plants”.

The member countries of the committee will prepare their national plans on the subject accordingly. It has been noted that many countries in the Region have public awareness programmes launched by government environmental agencies. Countries like Japan in the Region have integrated the activities into their civic life too. However it has been found that inspite of all efforts, the forests are getting thinner and thinner and hazardous industries continue to pollute the environment, affecting the ozone layer. Japan, China and India continue to make chloro-flouro-carbons (CFC) and South Korea will be one more country after completion of Ulsan Chemical company plant.

An attempt has been made to curb the situation with the Montreal Protocol in 1987 with the aim of halving the CFC emissions by the end of 1998, from the level of 1986 consumption. However, the consumption of CFC is 90% in developed industrial countries. Japan has successfully tried to introduce a biologically destroyable synthetic fibre in place of plastics. It is expected that China, India and South Korea will soon agree to sign the Montreal Protocol, which prohibits signatories from importing CFCs from non-signatories after 1990 and goods containing CFC from 1993.

The CFC invented 60 years back, however, has provided important uses being a non-toxic and safe molecule. On the other hand, CFC's chemical stability resulted in releasing molecules to the atmosphere. The chemical reaction between chlorine containing CFC and oxygen atoms which make up ozone has resulted in the depletion of the ozone layer.

Researchers say that even if production of all comonly used CFC are stopped now, it may take more than 300 years to recover the ozone layer. If countries such as China, India and South Korea, who have just entered into CFC production continue with the plan of increasing the production, the attempt may become futile and add to increased effects of ultra-violet radiation on all life organisms on the earth.

# HOW TO KILL A COOPERATIVE

By David Klugman\*

*(The consumers cooperative society of Berkely in US has filed a bankruptcy protection and is in the process of selling its assets. The society closed down its operations in October 1988 owes its creditors more than \$6 million. The ICA Review No.1 of 1989 carried an interesting story as told by one of its members as how it happened. We would like to extract the story with acknowledgement to the ICA Review. We think this case illustrates many such similar stores in the making in the Asian Region too- Editor)*

Killing a Cooperative is not easy. It took the Consumers Cooperative of Berkely (CCB), California, once the flagship of American Consumers cooperatives, 25 years to commit suicide. The decisive moments at which the CCB went wrong could have been pinpointed at the time they occurred. Yet, as in Anderson's tale, the crowds kept "admiring the emperor's clothes" until it was too late, when every one developed hindsight.

## *How was the Cooperative Killed?*

CCB was unintentionally killed through a mixture of miscalculations, policy errors, and personality clashes, most of which reflected a violation of the cooperative principles:

1. In 1962, a key decision was taken in secret by the board of directors, a violation of the Democratic Control Principle. The CCB bought out a larger chain of grocery stores, thereby biting off more than it could chew. This was repeated in 1974 with another chain. The customers of those stores could not be turned into "instant cooperators", yet they had to be serviced by way of notices, election materials, the Co-op News, etc.- a huge burden on the CCB's resources.
2. For years the board of directors was dominated by different factions, reflecting Berkely city politics. This violated the "Principle of Political Neutrality". Business concerns clashed with social concerns.
3. Starting in 1971, following the departure of the CCB's General Manager, who had served for 24 years, there was a seemingly unending flow of general managers, each recruited at great expenses, hailed as a saviour and greeted with great expectations. A year or two later, each went out of the revolving door, freely or by request, under a cloud, with a great deal of bitterness on all sides. No manager can satisfy opposing factions.
4. The CCB and its co-operative wholesale supplier engaged in open warfare, in violation of the "Cooperation Among Cooperatives principle".
5. General Managers were permitted to indulge in their whims, regardless of cost. One wasted tens of thousands of dollars on luminous signs at each cooperative store, spelling out his favourite slogan, at a time of financial stress. Another launched a pet project which turned into a \$2 million disaster before it could be terminated. This turned out to be "the straw that broke the camel's back".
6. Despite repeated promises, no serious cooperative education for employees ever took place, a violation of the "Constant Education Principle". In 1968, the Education Director who had served for 18 years, was sacked following a riotous membership meeting. He received a so-called "golden parachute", one year's paid leave. He was succeeded by a string of education directors, most of whom did not last very long.

## *Two 25-Year Spans*

From 1937 to 1962, the CCB operated well, all indicators rising. Those were the golden years. The following 25 years, 1962-1987, were the years of decline. 1962, with the acquisition of a larger food chain (its debts included), originally drove all indicators way up. They were not to stay up. Starting in the early 1970s, with the purchase of yet another chain of food markets, the CCB had to throw out ballast, like balloonists trying to regain altitude.

Education assistants, home economists, child care supervisors, a petrol station, a repair garage, a hardware store and finally the grocery stores eliminated. The closing of each store forced the CCB, in accordance with the union contract, to relocate the most senior, most highly paid employees to the remaining stores, a big drain on operating costs.

In the changing America of the 60s, 70s and 80s, dishonoured cheques became more common. With a tradition of paying for groceries by cheque, losses ran into many thousands of dollars each year. Yet, despite alarm signals by concerned members, little was done. A proposal to reserve one check-out stand for "cash only" was half-heartedly attempted and it predictably failed.

## *Conclusion*

Successful cooperatives are those for which the need is clearly perceived, such as housing, credit, agriculture or production. The need is much less clear in a consumer cooperative and, as services in Berkely decreased, the perception grew that the cooperative was no different from competing supermarkets, which were larger and could offer better prices owing to a greater volume

\*David Klugman has been a member of the Berkeley Cooperative since 1954, and has been writing about cooperative topics since 1962

of sales and lower labour costs. Yet, over the years, the CCB had set some standards which other supermarkets adopted.

The CCB had one asset left, namely membership loyalty. It took 25 years to kill even that asset. When, in 1988, the CCB offered to sell the last remaining stores to repay its \$6 million debts, a vote was held, as required by law. Over 90,000 ballots were mailed out, only 8,000 were returned. When membership input was finally sought, under pressure, membership loyalty had worn thin.

If a lesson can be drawn from this tragedy, it points to the need to abide by cooperative principles. Breaking them is like breaking the 10 Commandments. You pay for it in the long run.

## ICA CALENDAR OF CONSUMER ACTIVITIES

- |    |  |                                |
|----|--|--------------------------------|
| 1. | 15th meeting of the ICA Committee on Consumer Cooperation for Asia   | 03 October '89<br>New Delhi    |
| 2. | Joint Meeting of ICA Committee on Consumer Cooperation for Asia with the Main ICA Consumer Committee               | 04-06 October '89<br>New Delhi |
| 3. | ICA/CUP National Seminar on University Cooperatives in Philippines   | 16-18 October '89<br>Manila    |
| 4. | Feasibility study on the establishment of Central Distribution Centre for Consumer Cooperatives in the Philippines | Oct/Nov 1989                   |
| 5. | Leaders Exchange programme for consumer cooperatives in India by Japanese consumer cooperatives                    | October 1989                   |

## COOPERATIVE OF TOTAL LIVING - AN ALTERNATIVE

Many consumer cooperatives in the Region which depend on non-members for their profitable and successful competition with private retailers and supermarkets have faced severe problems. Market economy has entered into intensive operations with the advent of economic development in some countries. Open market system brought in a different value system to consumers with rapidly growing throw-away culture and obsolescence in consumer products. Multinational manufacturing and selling agencies started influencing the consumers mind by using heavy advertising with most sophisticated mass communication systems and also using consumer reference groups. The cooperatives which adopt same merchandising strategies and sales strategies could no longer cope up with this race.

With this background, there is an increasing awareness among cooperative researchers and intellectuals as to unearth the basics of cooperative associations. The ICA Congress in 1988 itself adopted a resolution on the subject to be emphasized during the next few years. Distortion of the concept of cooperative economic enterprise has

taken place in developed as well as developing countries. In order to preserve the character of a cooperative society, one has to go back to basic values and principles and re-organise the present form of cooperative enterprises accordingly.

Is it possible for a pure cooperative to exist in the present market economy? Here is a story about a cooperative organisation in Japan, which is trying to achieve cooperative ideals in the present context.



Han leaders discuss annual policies and activities at Branch Assembly in March

It is simply called Cooperative of Total Living or **SEIKATSU CLUB**. It is another form of consumer cooperative society based on HAN groups.

### *History of Seikatsu Club*

Japanese had to work long hours during industrialization with a poor salary. With the rising inflation which hit 10% during sixties, one housewife from Tokyo's Setagaya district organised 200 women to buy 300 bottles of milk in 1965. That was the club's first collective purchase. Three years later, when the membership reached 1000 households, the *Seikatsu Club* cooperative was born. This was achieved through educating housewives on the meaning of bulk and the advantage of cooperative buying. The club maintained non-shop operations all throughout by adhering to a principle of advance buying. The goods were ordered from producers and distributed by members themselves.

The club grew rapidly and set-up branches in Tokyo in 1968, Kanagawa in 1970, Saitawa in 1974 and Chiba in 1976. The number of members grew to 144,754 households in 1987.

tribution of goods. The leader is elected annually. HAN group meetings are held once a month. They discuss their cooperative situation and also family issues. 25 HAN groups are organised into a Residential Quarter unit.

When membership reaches 1000, they would form an association which has legal status. This unit could have independent buying of goods uncommon to Seikatsu Club. They also organise voluntary committees to buy local fresh vegetables collectively and also to observe quality and price of goods.

The central organisation of Seikatsu Club located in Tokyo looks after inter-association management and joint business.

### *Financing without Capital Gain*

Members save 1000 yen per month for their share capital to the value of 47000 yen. They are not entitled to claim interest on share capital. Share is refunded at the time of withdrawal.

In 1987, Seikatsu Club had a share capital of 6800 million yen. Turnover per member is 23000 yen which is 1.4 times the average of all consumer co-

### *Business Operations without Commercialism*

The Seikatsu Club relates members' needs to producers directly. Market economy separate consumers from producers and controls the supply and demand.

The Club maintains its own values in business. No shop policy; the number of items are limited to 400 with one brand policy. The biggest company of consumer business has 300,000 items. A normal household in Japan needs 800-1200 items. The biggest company earns 4.7 million yen per item annually, whereas Seikatsu Club achieves 130 million per item a year. It is more profitable to achieve more sales per limited number of items than carrying a heavy inventory of merchandise.

The club insists on advanced ordering by the Han groups. Once a month members plan orders through Han groups atleast one week before purchases. The club sets minimum number of items per commodity for purchase by the group. At the beginning of the month order forms, catalogues and news letters are distributed to members by the member on duty in the group.

One week later, members pay for their previous month's order. The leader collects the orders and coordinate with the distribution centre.

The club, while adhering to 'one product- one variety' concept encourages members participation in producing home made salad dressings, etc.

The pricing is not subject to much fluctuations as the prices are determined in consultation with producers. The agreement on flat rates are made annually. The club representatives visit farms and breeding centres to have dialogue with producers and ensure the quality of products.

The overheads of the club is marginal as it does not have a shop chain or full time staff in comparison to other business houses. The mark up is normally around 17% whereas other consumer cooperatives maintain a level



Goods delivery centre in Tokyo- One of 65 nationwide

### *Organisation*

'HAN' or neighbourhood women group is the basic unit. This group comprised of 8-10 members in the neighbourhood. Every member is equally responsible for the ordering and distri-

operatives. Extra funds are utilised for recreation, education and information services.

The club procures money for construction of new branches etc. through membership bonds.



Local Farmers are sometimes assisted by members

of 22 to 25%. Therefore, the member gets a better retail price.

Patronage dividends are made to members annually.

### Club's Contribution to Environment Protection

The club is not keen on grabbing market share from other consumer busi-

ness houses but create a clientele, conscious of quality and safety. The club insists on organically produced farm products and synthetic free detergents etc. When soap was found containing hazardous synthetic substances, it set up its own factory. The society contributes by action, towards prevention of CFC based products and environment protection.

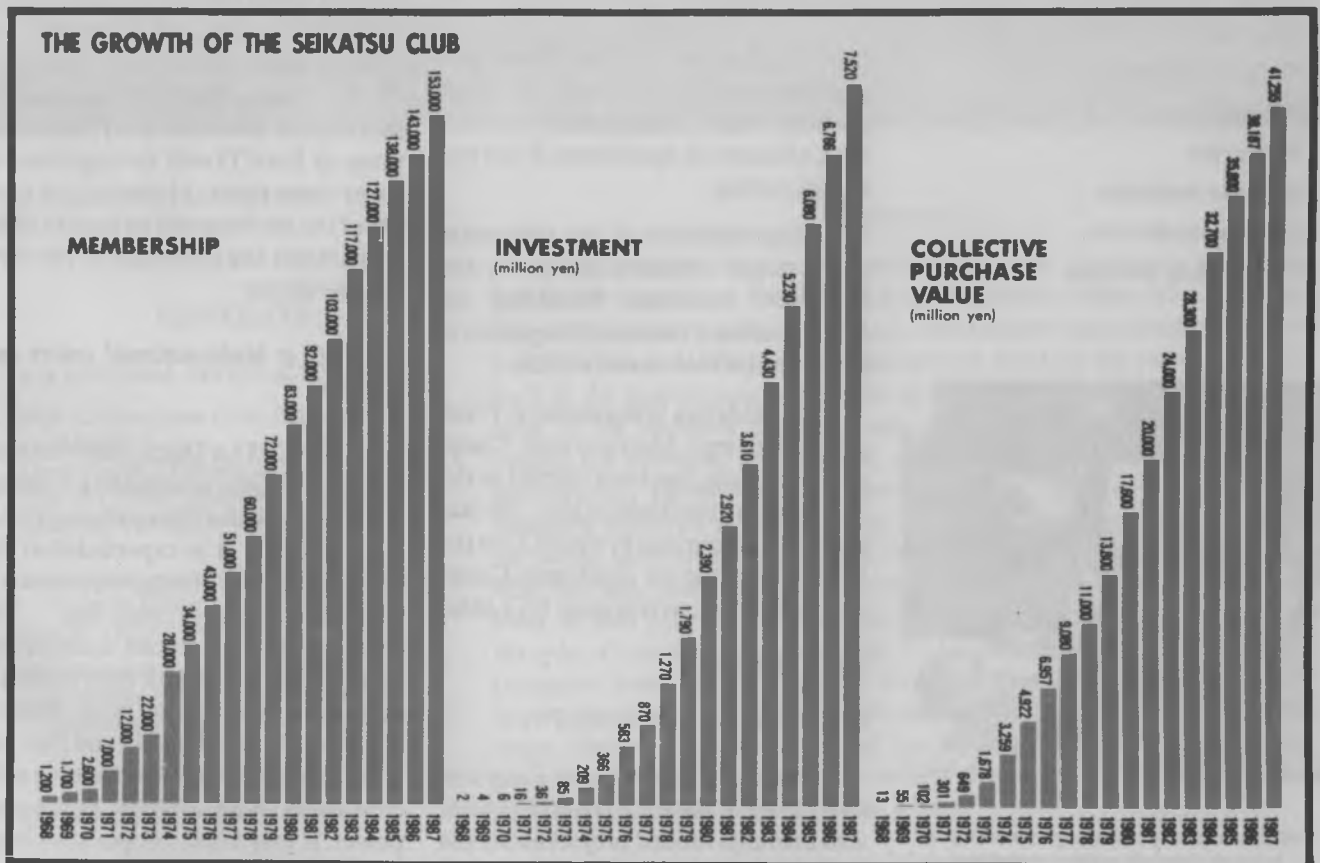
The society refuses to handle products that are detrimental to the health or the environment. When the producer gets a better contract price, he is compelled to adhere to conditions of chemical free products. Members also help producers during harvesting time whenever necessary. The society purchases oranges from families with Minamata disease as a symbolic gesture of Japanese societies' responsibility for past crimes due to indiscriminate industrialisation.

The club developed into a political movement in its own right as in



Goods delivered to Han are examined and distributed by members

the case of United Kingdom through campaign against the use of synthetic detergents. It also campaigned against plants for nuclear products or dangerous industrial waste. First they started a petition campaign. Failing that they entered into the political movement. With the result the society was able to get 35 women elected as assemblymen to serve in 29 local governments in





1987. The club however is free from any political party affiliation and try to show an alternative aimed at better livelihood, healthy environment and disarmament.

### *From Collective Buying to Total Life*

The club had full time housewives as members at the beginning and was able to utilise their voluntary services. During 1970s, opportunities were open to women and many women became employed. The Han groups were affected by this. Therefore, the club encouraged part-time work in the society itself in order to become self-reliant within their own society. The society organised workers' collectives to undertaking various services to members. In 1987, there were 57 collectives consisting of 1550 members. Their collectives undertake following services:

- Daycare services or help for house work
- Services providing homemade dishes
- Bazar of local vegetable and raw fish
- Community college
- Distribution service
- Recycling shops
- Restaurants
- Nurseries
- Chinese medicine
- Soup manufacture
- Counselling services.

### *Future Vision*

Seikatsu Club has developed a vision for the future society it hopes to create.

Build up a cooperative community in urban desert

Reorganisation of large cooperatives to become autonomous, democratic and self-reliant and bypassing the market systems to integrate consumers with producers.

Promotion of sound style of life in cooperation with other new waves in Asia.

Seikatsu Club Consumers Cooperative Society provides one such alternative which will survive within the market economy. More than that, it generates confidence in cooperators on the permanency of cooperative ideol-



Caravan tour in 1980 marketing their own soap. Club members collect signatures to eliminate the use of synthetic detergents

ogy and its contribution towards a more humane society.

*(I acknowledge with gratitude, the contributions made by Seikatsu Club members and leaders at Yokohama through discussions and also the writings of Dr. Takashi Iwami- Editor)*

## CONSUMER NEWS FROM ASIA

*Continued from Page 6*

### SRI LANKA

from consumer service based multi-purpose cooperative societies. The Federation was inaugurated by the Hon. Minister of Agriculture, Food and Cooperatives.

Establishment of the federation was a major recommendation by the ICA/NCC National Workshop on Strengthening Consumer Cooperatives in Sri Lanka held in early 1989.

Mr. Hilarian Gunawardane, President, Madampe Multipurpose Cooperative Society, has been elected as the President of the Federation. He has also been nominated by the NCC to the ICA Committee on Consumer Cooperation for Asia, to represent Sri Lanka.

### THAILAND

#### *NACTI merges with the CLT*

National Agricultural Cooperative Training Institute (NACTI), hitherto a foreign funded project under the Thai government, has recently been

merged with the Cooperative League of Thailand. This will strengthen the training and consultancy capacity of CLT. According to Mr. Narong Marukatut, Director, CLT, the functions of NACTI will be expanded to cover other fields. However, the identity of the institute will be kept in order to maintain the efficiency of the services, he added.

#### *MAKRO a Multi-national enters into Business*

MAKRO, a Dutch multi-national has entered into wholesaling business in Thailand with a Thai collaborator in August 1989. It is expected that the new venture may change the consumer wholesale business radically. The company has introduced membership and close relations with their constituents as in the case of most modern company strategies in US and Europe. If the company start functioning with consumers with higher purchasing power, it may affect cooperative business drastically.



Yokohama members develop 'home helpers' business through workers collectives



# ASIAN CONSUMER COOP NEWS



For Private Circulation only

A Half Yearly Bulletin of the ICA Committee on Consumer Cooperatives in Asia

ISSUE 4

APRIL 1990



A bird's eye view of Fiji's Islands.

## CONTENTS

### ICA REGIONAL OFFICE ACTIVITIES

|  |    |
|--|----|
| New ICA Consumer Coop. Committee Member                              | 3  |
| Coop Minister's Conference in Sydney                                 | 3  |
| New ICA ROAP Consumer Advisor  | 3  |
| Consumer Committee Chairman visits Fiji                              | 3  |
| Consultancy services to consumer coops in Philippines                | 4  |
| New ICA ROAP member  | 4  |
| ICA Consumer Committee meeting                                       | 12 |
| 16th meeting of ICA Committee on Consumer Cooperation in Philippines | 12 |

### PLANNED ACTIVITIES OF ICA

### CONSUMER NEWS FROM ASIA

|  |   |
|--|---|
|  | 5 |
|  | 5 |

## EDITORIAL

It has been felt that the Consumer Cooperative Movements in the Asia and Pacific region have been in the stage of decline resulting from the strong competition from private sectors and multi-national organisations as well as from the financial difficulty and management faced by the movements. This leads to the exploitation of the poor and the under-privileged by the traders. Most of the problems faced now-a-days are related to adulteration, short-weights and measures, excess prices, unfair trade practices, misleading advertisements etc. Therefore, the Government and the Cooperative Movements in respective countries should stand up to protect the consumers. Fortunately, the Indian Government has realised this and issued special measures to cope with this very problem. Among them are: the designation of Nodal Department to deal with the matters relating to consumer affairs, recognition of the role of consumers and consumer affairs, amendment of major consumer protection laws, enactment of the Consumer Protection Act, 1986 and the Implementation of the Consumer Protection Act, 1986 etc. as shown in this paper. Therefore, it is recommended that the Governments and the Consumer Cooperative Movements in other countries should also issue similar measures to protect the consumers and general public.

-Editor

## ASIAN CONSUMER COOP NEWS

A half yearly Bulletin  
(For private circulation only)

Editor : Pradit Machima  
Office : ICA Regional Office for Asia  
'Bonow House'  
43 Friends Colony (East)  
New Delhi 110 065, India  
Telephone: (91)11-6835123  
Telefax : (91)11-6835568  
Telex : (81)31-75025 DICA IN

A bulletin by the ICA Committee on Consumer  
Cooperation for Asia.

### LIAISON OFFICERS

Bangladesh : Mr.Mohd.Shahidullah  
India : Mr.A.S.Negi  
Mr.M.M.Alam  
Japan : Mr.S.Ohta  
Malaysia : Mr.Abdul Halim Abdullah  
Philippines : Ms.Teresita M. de Leon  
Singapore : Ms.Rosslyn P.C.Mak  
Sri Lanka : Ms.Jayantanti Nawaratne  
Thailand : Mr.Surasit Impol

### TO THE READER...

We would like to receive contributions from you. Your opinions, ideas and even information on new innovations in consumer cooperatives are welcome. Your contribution will undoubtedly bring more information inputs and strength to the Bulletin. We also invite you to comment on the information and lay-out of the Bulletin so that we may improve upon future issues.

-Editor.

## MEMBERS OF THE ICA COMMITTEE ON CONSUMER COOPERATION FOR ASIA

### Chairman

Mr.M.Ohya  
Executive Director  
Japanese Consumers Cooperative Union  
1-13, 4-Chome, Sendagaya  
Shibuya-ku, Tokyo (Japan)

### Bangladesh

Mr.Mohd.Shahidullah  
Mrs.Feroja Mohsin

### India

Mr.A.Bhattacharjya

### Indonesia

### Japan

Mr.M.Ohya  
Mr.K.Okayasu

### Rep.of Korea

Mr.Geon Ho Lee

### Malaysia

Mr.Tuan Haji Sallehudin bin Abdul Ghani  
Dato' Hamzah bin Haj Yatim

### Philippines

Mr.Felomino Bautista (Jr.)  
Mr.Emilio P.Dilon

### Singapore

Mr.Lim Ho Seng

### Sri Lanka

Mr.D.E.Pathirana  
Mr.Hilarian Gunawardane

### Thailand

Col.Surin Cholprasert  
Mr.Jankaew Muangjai

### Secretary

Mr. Pradit Machima, ICA ROA

### ICA EXECUTIVE COMMITTEE ON CONSUMER COOPERATION

*Chairperson* : Ms.Turid Strom, Sweden

*Vice Chairmen* : Mr.Manfred Dabrunz, FRG  
Mr.Masao Ohya, Japan

*Members* : Mr.Luis Armendo Carello,  
Argentina  
Mr.Kalvei Suomela, Finland  
Mr.Istvan Szlamenicky, Hungary  
Mr.Giuseppe Fabretti, Italy  
Mr.Abdul Latif Al Kharaza,  
Kuwait

*Secretary* : Mr.Lajos Varadi

## ICA REGIONAL OFFICE ACTIVITIES

### New Member of ICA Consumer Cooperative Committee for Asia

The Fiji Cooperative Association Ltd. has become the newest member of the ICA Consumer Cooperative Committee for Asia. The admission was made unanimously among committee members at the 15th meeting of the ICA Consumer Committee held in New Delhi, India on October 3, 1989.

### Cooperative Ministers' Conference in Sydney, Australia.

The International Cooperative Alliance Regional office for Asia and the Pacific (ICA ROAP) with the cooperation of the Australian Association of Cooperatives had jointly organised the Cooperative Ministers Conference of the region in Sydney, Australia on February 8-11, 1990. Ministers, high-ranking officials, responsible for cooperative development and leaders of cooperative movements in the region from 18 countries attended the meeting. The main theme of the discussion of the Conference was "Cooperative-Government Collaborative Strategies for the Development of Cooperatives during the 90s". The conference discussed the role of governments, the role of national cooperative organisations and the role of international organisations in national and cooperative development in the region.

The conference declared that government assistance is an important factor in the development of cooperatives.

Main recommendations on action for 1990s made by the conference were:

- The Conference recommends that national governments in collaboration with the national cooperative organisations should develop clear perspective for the development of cooperatives in specific areas during the 90s. In the identification of target groups : small farmers, artisans, workers, women and un-employed

youth and other down-trodden people should be given special attention.

- The Conference recommends that the strengthening of cooperative values by building up self-reliant cooperative movements should be given priority during the 90s.
- The ICA should work out guidelines to evolve a practical system of cooperative-government relationship to combine cooperative values, socio-economic objectives and competitive strength.
- The ICA should organise national workshops and other relevant activities to take up follow-up action on the above declaration and recommendations in collaboration with national cooperative organisations and national governments.
- The Conference recommends that the ICA, along with its member organisations and international agencies, should take measures to develop skills and transfer of technology to facilitate trade.
- The Conference recommends that the ICA ROAP should organise Asia-Pacific Ministerial Conferences periodically to review the development of cooperatives in the region and to promote regional collaboration.
- The Conference appreciates the invitation of the Minister of Cooperatives, Government of Indonesia for hosting the next Conference in Indonesia. The Conference requests the ICA ROAP secretariat to finalise the dates and other arrangements in consultation with the Government of Indonesia and the Indonesian National Organisation-DEKOPIN.

### Pradit Machima, New Consumer Advisor for ICA ROAP.

Mr. Pradit Machima (Thailand) has been appointed Consumer Cooperatives Advisor of the ICA ROAP since February 1, 1990. Formerly he was the Executive Director of the Cooperative League of Thailand between 1973 and 1977; ILO Expert in Cooperative Mem-

ber Education in Indonesia between 1981 and 1983 and between 1985 and 1988. Prior to this assignment, he served ILO/UNDP/DANIDA Cooperative Training and Management Project in Zimbabwe, Africa for one year.

### Consumer Committee Chairman visits Fiji

Mr. Masao Ohya, Executive Director of JCCU and Chairman of the ICA Committee on Consumer Cooperation for Asia and Mr. W. U. Herath, Advisor on Human Resource Development and Mr. Pradit Machima, Advisor on Consumer Cooperative Development of the ICA ROAP visited Fiji on 12-15 February 1990. The visit was to have the first hand knowledge of the cooperative movement in Fiji, its structure, organisation, administration, activities and results of operations, especially in the field of consumer cooperatives. The team had been cordially received by Mr. V.S.J. Gonelevu, Honourable Minister of Primary Industry and Cooperatives; Mr. A. P. Sharma, Director and Registrar of Cooperatives and high ranking officials and cooperative leaders. Certain discussions on cooperative organisation, promotion and cooperative development were made, especially on consumer cooperatives. From the study and field visits, it is anticipated that the cooperative movement in Fiji is moving towards the right direction through government assistance and its own efforts.



One of the Fiji Islands

## ICA REGIONAL OFFICE ACTIVITIES

### Consultancy services to Consumer Cooperatives in Philippines.

The International Cooperative Alliance Regional office for Asia and the Pacific (ICA ROAP) fielded to the Philippines Prof. S.B. Rao, Consultant on Consumer Cooperatives to undertake a Feasibility Study/Consultancy Mission for the possible establishment of a Central Distribution Centre for the National Capital Region. The Feasibility Study covered an assessment of the consumers cooperative situation in the Philippines taking in stock the existing demand and supply of consumers commodities of primary consumers cooperatives particularly in Metro-Manila and determined whether such situation is feasible for the establishment of a Distribution Centre will initially cater to consumers cooperatives affiliated with the Metro Manila Federation of Consumers Cooperatives, Inc, and later on expand its activities to outlying provinces and regions.

Prof. Rao's one month consultancy mission which started on November 11, and ended on December 8, 1989, consisted of visits to various consumers cooperatives, area marketing cooperatives and government offices in the country. His Mission started last November 11, 1989 and ended on December 8, 1989. His Study revealed a unanimous voice for the establishment of a Distribution Center to help alleviate various problems of consumer cooperatives in the country. It stressed cooperation among cooperatives as an imperative tool to have an effective purchasing power with the cooperative sector. It further stressed that besides performing the role of centralised purchasing agency, the wholesale consumers society or federation can perform other important roles like promoting and developing the consumers coops, protecting the interests of the consumers as well as lobbying for the consumers and consumers'

cooperatives.

This Feasibility Study requested by the Metro Manila Federation of Consumers Cooperatives (MMAFECCO) is in collaboration with the Cooperative Union of the Philippines (CUP).

This Study was completed in December, 1989 and the report on the "Establishment of a National Distribution Centre" by MMAFECCO, Philippines was finalised and submitted to the ICA ROAP in January, 1990.

### FIJI—A new ICA ROAP Member

One of the most beautiful countries in the world—Fiji, is made up of 332 islands. Its total land area is 18,333 km<sup>2</sup> with approximately 750,000 people. Out of this 48% are Indians, 46% Fijians and the rest 6% are Europeans and others. Its main products are agriculture, especially sugarcane. The income per capita in 1988 was \$1,000.

*History of the Cooperative Movement* : The Cooperative development in Fiji began in 1947 when the first cooperative Act was passed in the then Legislative Council. Subsequently, Copra Marketing and Consumer Cooperatives evolved as dual functional units to serve the rural population. In the early stages of cooperative development in Fiji, the capabilities of the local persons involved were limited by the total lack of any prior involvement in or familiarity with the cooperative structure.

In 1955, the Fiji Government, Department of Cooperatives was set up with the primary function to actively promote the establishment and development of cooperatives in Fiji. This was a reflection of Government recognition of the positive role cooperatives are able to play in the economy of the Nation not only in harnessing and effective use of

the collective resources of the rural population but also as a vehicle for the redistribution of wealth to the poorer sector of the economy. During the same period, training of the administrative personnel began to gain importance. Such training concentrated on the very technical aspects such as interpretation of the Cooperative Societies Act, supervision of cooperatives, proper and accurate recording of transactions etc.

Over the years the Cooperative Movement steadily grew in size and functions. There were 110 registered cooperatives in 1958, 1129 in 1974 and 989 in 1990.

The Cooperative system came to be recognised as an important tool for the involvement of the rural sector in modern commercial activities.

The Department of Cooperatives is responsible for the formulation of policies pertaining to cooperative development, laying down of strategies for the promotion and establishment of cooperatives and the monitoring of their implementation.



A view of social life in Fiji.

*Present Day Cooperatives* : At present, there are five main types of cooperatives :

- 1) Producer/Marketing Cooperatives, mainly agricultural production, such as cocoa, dairy, copra and sugar-cane,
- 2) Consumer Cooperatives, mainly retail trade in the rural areas.
- 3) Thrift and Credit Cooperatives, mainly organised in the cane farming areas,
- 4) Land Settlement Cooperatives.
- 5) Other Cooperatives, such as garment, iron work, handicraft, manufacturing and school etc.

In June 1988, there were 994 cooperative societies in Fiji :-

|                         |            |
|-------------------------|------------|
| Consumer Marketing      | 350        |
| Consumer                | 284        |
| Thrift and Credit       | 162        |
| Land purchase & Housing | 68         |
| Marketing               | 51         |
| Dairy                   | 9          |
| Fishing                 | 8          |
| Others                  | 62         |
| <b>Total</b>            | <b>994</b> |

*contd. on page 12*

## PLANNED ACTIVITIES OF ICA CONSUMER COOPERATIVE DEVELOPMENT PROJECT (July 1990 – June 1991)

1. Perspective planning to strengthen the Consumer Cooperative Movement in Bangladesh.
2. Perspective planning to strengthen the Consumer Cooperative Movement in Sri Lanka.
3. Assist in the establishment of Central Cooperative Distribution System in the Philippines.
4. Fact finding mission to Malaysia on the problems faced by the Consumer Cooperative Movement.
5. Follow-up consultancy work on the Consumer Cooperative Movement of Thailand.
6. National Seminar on University Cooperatives in India.
7. Training of selected managers of consumer cooperatives in super market operations in Singapore/Japan.
8. Provide specific orientation of the newly formed national level consumer cooperative enterprises (Sri Lanka and Philippines).
9. Follow-up assistance to selected action plans on Housewives Involvement in Consumer Cooperatives.
10. Technical assistance to Fiji and Vietnam to study the development of their Consumer Cooperative Movements.
11. Two meetings of the ICA Committee on Consumer Cooperation for Asia and the Pacific.
12. Publish two issues of Asian Consumer Coop News.
13. Set-up a data bank and information system at the ROAP for the benefit of the member consumer cooperatives.
14. Exchange programme between countries in the Region.

## CONSUMER NEWS FROM ASIA

### AFGHANISTAN

*Scope for development of Consumer Cooperatives.*

Mr. Jan Mohammad, M.P., Vice-President of the Union of Peasants' Cooperatives of Afghanistan (UPCRA) mentioned that the consumer cooperative organisations in Afghanistan have been expanding their operations with a view to provide consumer goods at reasonable prices to the people in Kabul and in other parts of the country. During the course of his discussions with Dr. Daman Prakash, ICA Regional Consultant—TCDC/UNDP, who was in Kabul recently in connection with the preparations for the forthcoming Asian Regional Bilateral Discussion Meeting planned to be held in May 1990 in

New Delhi, informed that there were about 450 consumer cooperatives with 550 retail outlets throughout the country. These cooperatives have a combined membership of over 125,000. There is an urgent need for a re-orientation and improvement in the organisation and management of consumer cooperatives so that these could effectively compete with private traders. Some of the urgent needs of these consumer cooperatives, according to Mr. Mohammad are : Management of financial and business operations, training and development of personnel, consumer education for the members and better trading practices.

Mr. Jan Mohammad was keen to develop greater trading relations with

other countries on barter or other basis. Afghanistan can supply a variety of dry fruits, handicrafts, hides and skins etc. According to him, Afghanistan would like to enter into agreements with other countries in various sectors e.g., agro-processing, joint ventures and infra-structural development activities.

UPCRA is in the membership of the International Cooperative Alliance for the last two years.

### BANGLADESH

National Cooperative Policy declaration by Government.

The National Cooperative Council has formulated and finalised a National Cooperative Policy in collaboration with

the National Cooperative Union of Bangladesh and members of the Council. The Hon'ble President of the People's Republic of Bangladesh who is the chief patron of the Council has been kind enough to approve the policy and the Government has declared a National Cooperative Policy in December 1989. The National Cooperative Policy declared by the Government has given a new dimension for guiding, promoting and streamlining cooperatives on a sound footing through people's participation and management with strict adherence to the internationally accepted cooperative principles with special emphasis on a spirit of self-help, self management and self-discipline.

## INDIA

### *Consumer Day observed in India*

Consumer Day was observed in India on 15th March 1990. A number of activities including publicity campaigns were launched throughout the country with a view to create awareness among the consumers. Messages from the President of India, Vice-President of India, Prime Minister of India and the Minister of Food and Civil Supplies of the Government of India were released. In his message, Mr. R. Venkataraman, President of India said: "I am happy to learn that Consumers Day is being celebrated in the country on March 15, 1990. The consumer movement is growing apace in the country with a large cross-section of society especially women from the middle or lower middle classes, becoming aware of its potential. Multi-pronged efforts are needed to spread the movement throughout the country in order to make it steadily more efficacious. I am confident that Consumer Day will help bring all sections of society together to safeguard the interests of the consumers".

Dr. Shanker Dayal Sharma, Vice-President of India, stated: "Consumers face many problems relating to quality, quantity, and standards of goods and services. Government can provide a suitable legal and administrative framework but the real protection of the consumers

can only be achieved through active participation by consumers themselves in the Consumer Movement. Consumer organisations have a significant role to play in this respect."

The Prime Minister of India, Mr. Vishwanath Pratap Singh said in his message: "The Consumer protection programme requires sustained and concerted efforts to make it a success. Government accord very high priority to the programme. All possible steps will be taken to ensure that the interests of the consumer are protected. While legal and administrative measures are important to make the programme a success, equally important is the role of non-government organisations. They must work with dedication to build up a nation-wide consumer movement. I hope the Consumer Day celebrations will focus attention on the needs and interests of the consumer. I send my best wishes for the success of the consumer movement."

The Minister for Food & Civil Supplies, Govt. of India, Mr. Nathu Ram Mirdha, in his message said: "We are all consumers in one form or the other. Even a producer who produces goods or services is a consumer of many others. Government is aware of the problems of consumers and has taken a number of steps to solve them. Enactment of Consumer Protection Act, 1986 is one such step. I appeal to the consumers of India to come forward and take full advantage of the various measures taken by the Government for their benefit."

### *Measures for Consumer Protection*

The Consumer Protection Unit in the Department of Civil Supplies of the Government of India outlined the following measures for consumer protection:

A consumer faces a number of problems in his day-to-day life. Most of the problems relate to adulteration, short weights and measures, excess price, unfair trade practices, mislead-

ing advertisements etc. Over the years these problems have assumed an alarming proportion.

Aware of these problems the Government has accorded high priority to the programmes of consumer protection. It has taken a number of measures to promote a strong and broad based consumer movement in the country. The most significant of these is creation of a suitable legal and administrative framework which is within easy reach of the consumers. Some of these steps are as follows:

#### *i) Designation of Nodal Department to deal with matters relating to consumer affairs:*

Since 1986, Department of Civil Supplies in the Ministry of Food and Civil Supplies has been designated as the Nodal Department for matters relating to consumer affairs. It coordinates the activities of State Governments/UT Administrations and other Central Ministries/Departments in consumer affairs matters. In most States/UTs the Department dealing with civil supplies functions as the Nodal Department. Some States/UTs such as Uttar Pradesh, Delhi etc. have set up a Directorate of Consumer Affairs as well.

#### *ii) Recognition of the role of Consumers and Consumer Organisations:*

The Government has recognised the role of consumer and consumer organisations in promoting a responsible and responsive consumer movement in the country. It is associating the representatives of the consumers with the various committees and groups constituted for the welfare of the consumers. A directory of voluntary consumer organisations in the country has also been brought out.

#### *iii) Amendment of major Consumer Protection Laws:*

In December 1986, seven major consumer protection laws namely the Essential Commodities Act, 1955, the Prevention of Food Adulteration Act, 1954; the Drugs and Cosmetics Act, 1940;

the Standards of Weights and Measures Act, 1976; the Standard of Weights and Measures (Enforcement) Act, 1985; the Monopolies and Restrictive Trade Practices Act, 1969 and the Agricultural Produce (Grading and Marking) Act, 1937 were amended to empower consumers and registered consumer organisations also to file complaints in the Courts. Till then such rights were also vested with the Government officials only.

*iv) Enactment of the Consumers Protection Act, 1986:*

The Consumer Protection Act, came into being in 1986. This Act enshrines rights of the consumers, and provides for suitable grievance redressal machinery at district, State and national level, based on the law of torts, the Act enable the consumer to seek compensation/damages in case of faulty goods and services. The Act provides for setting up of a Consumer Protection Council at the Centre and in the States whose main functions are to promote and protect the rights of the consumers.

In addition, the Act provides for a three quasi-judicial machinery at national, state and district level to redress the grievances of the consumers, which will be easily accessible to consumers. The aim of this machinery is to provide simple, inexpensive and speedy redressal to consumer grievances. The Act applies to all goods and services covering public, private and joint cooperative sectors.

*v) Implementation of Consumer Act, 1986 :*

The Consumer Protection Act, 1986 has been enforced throughout the country except Jammu & Kashmir. The Central Government/UT Administrations have set up the Consumer Protection Council. So far, the redressal machinery has been made functional in 14 States/UTs namely—Andhra Pradesh, Bihar, Gujarat, Goa, Maharashtra, Orissa, Rajasthan, Haryana, Uttar Pradesh, West Bengal, Andaman & Nicobar Islands, Chandigarh, Delhi and Pon-

dicherry. Other states are in the process of setting up machinery. The National Commission has started functioning.

*vi) Consumer Education and Promotion of Consumer Protection Organisation of National/Regional /State level seminars on consumer protection :*

Consumer Protection is a promotional programme. To this end the government organises National level Seminar/Conferences from time to time where representatives of consumer organisations from all parts of the country are invited to attend. These seminars and conferences enable consumer activists and all others (including Government officials) involved in consumer protection, to exchange ideas, evolve fresh strategies and be exposed to current developments in consumer affairs. Similarly, the Government of India also gives financial assistance to State governments/UT administrations for organising Regional/State level seminars on Consumer Protection with the main objective of involving consumers at the grass roots level as well.

*Involvement of Mass Media :* Awareness and coverage by media has increased. Articles and programmes relating to various aspects of consumer protection such as adulteration, drug abuse, weights and measures, the Consumer Protection Act, 1986 etc. have appeared. Doordarshan is telecasting a regular fortnightly programme "Sanrakshan Upphokta Ka". Government is preparing some video films and a documentary on consumer protection for the purpose of telecasting on Doordarshan. Government is also in the process of devising a fortnightly radio programme which will be broadcast on commercial stations of All India Radio very soon.

*Publications :* The Government is also bringing out literature in order to educate consumers. So far, it has brought out four brochures namely "Shopping of Packaged Commodities," "Help Prevent Adulteration," Salient Features of the consumer protection Act, 1986"

and "Consumer Protection and Weights and Measures" for the guidance of the consumers. These publications explain in a simple and effective manner, various aspects of consumer protection and laws relating to it. In addition, a directory of the addresses of consumer organisations functioning throughout the country has also been released.

*National Award for Consumer Protection :* To involve youth and consumer organisations in the consumer protection programme, the government has instituted two awards, namely, 'National Youth Award on Consumer Protection.'

For the National Youth Award on Consumer Protection young persons in the age group of 15-35 years and who have done outstanding work in the field of consumer protection are eligible. The award consists of prizes of Rs. 20,000/-, Rs. 15,000/- and Rs. 10,000/- alongwith certificates of merit. It is an annual award. For this purpose young people can apply to respective State Governments along with their bio-data and report of their activities by 15th January of every year.

The National Award on Consumer Protection, has been constituted for this purpose of encouraging voluntary consumer organisations. The award consists of prizes of Rs. 50,000/-, Rs. 40,000/- and Rs. 30,000/- alongwith certificate of Merit. It is also an annual award. For this purpose consumer organisations can apply to respective State Governments by 15th of January.

## **CONSUMER PROTECTION ACT**

### *Safeguarding the Consumers' Interest*

The Consumer Protection Act 1986 has been enacted to promote and protect the rights of the consumer. The new law provides for simple speedy and inexpensive redressal of grievances and is compensatory in nature.

**Extent and Coverage of the Act :**  
The Act applies to all goods and services whether in private, public or cooperative sector.



Who can file a complaint? A consumer or any voluntary consumer organisation (registered) or the Government.

What constitutes a complaint? A complaint in writing should state whether one has suffered a loss due to unfair trade practice, the goods bought are defective, the services mentioned suffer from deficiencies, the trader has charged a price in excess of the price displayed on the goods.

Where to file a complaint? If the cost of goods or services and compensation asked for is less than Rupees One lakh, then in the District Forum, more than one lakh but less than ten lakhs—the commission; for more than 10 lakhs at the National Commission, New Delhi.

How to file a complaint? The complaint can be made in person or by any authorised agent or by post. There is no fee to be paid. Give the facts relating to the complaint, when and where it arose supported by if possible by any document and the relief asked for alongwith the signature, name and address.

**Relief available to the consumer :**  
The redressal forum may give orders for removal of defects from goods, replacement of the goods, refund of the price, award of compensation for injury suffered.

**Time limit for deciding the case :**  
The National Commission, State Commission or district forum are required to decide complaints as far as possible within a period of three months from the date of notice received by the opposite party where complaint does not require testing of the commodities.

#### TIPS FOR CONSUMERS

1. Be an alert consumer.
2. By spending a few seconds on inspecting weights and measures before a purchase, you may save in terms of money and quality.
3. Consumer Protection Act enshrines following rights of the consumers :
  - a) Right to safety.



A Cooperative store in Jakarta, Indonesia.

- b) Right to be informed.
- c) Right to choose.
- d) Right to be heard.
- e) Right to seek redressal.
- f) Right to consumer education.

Consumers must know their rights and exercise them.

4. Consumers should be quality conscious. This is the only way to eradicate the problems of adulteration.

## INDONESIA

### *Consumer Cooperative Movement in Indonesia*

There is no properly developed consumer cooperative movement in Indonesia, except some consumer cooperatives organised in government offices, such as Ministries, Armed Forces and State Enterprises. However, there are consumer units or cooperative stores operating in various types of cooperatives, namely KUDs (Village Unit Cooperatives), Workers Cooperatives, Student Cooperatives, Government employees cooperatives and Functional Cooperatives (Armed Forces).

The consumer business in Indonesia basically remains with the private sector. The share of cooperatives is

negligible. The main concentration of private sector is in the urban areas. However, there is a strong need to develop urban consumer cooperatives in order to counter balance the monopoly of the private sector, which has a virtual monopoly. This cannot be done by creating big supermarkets aimed at non-members, but mobilising small groups who are motivated to organise themselves into cooperatives. One positive factor in the open economic policies of the government which can be utilised to develop bargaining power with distribution companies.

The KUDs functioning at the villages have a great potential to be developed as consumer cooperatives.

## JAPAN

### *Coop. Japan Information (CJI) formed*

The Japanese Consumers' Cooperative Union (JCCU) has recently developed a new technique of cooperative publicity network through the issue of cooperative information and member relations called "Coop Japan Information-CJI". It aims at publishing and promoting on specific activities of the

Japanese Consumers Coop. Movement as well as national and international affairs that effect the coops. It is a quarterly issue which began in December, 1989. Later on it will be a bi-monthly issue.

*JCCU delegation visited India and Singapore*

The JCCU's 17-member delegation was sent to India and Singapore in October 1989 to deepen the cooperative ties of Consumer Coops in Japan with ones in those countries. In India, the group visited National Federation of Cooperatives in India's central women's division, a multi-purpose cooperative, Super Bazaar Cooperative in New Delhi and Women Mobilization Projects in Agra.

The delegation members also attended the ICA Central Committee Meeting in New Delhi on October 4-7. They sat in on the ICA Women's Committee and Consumer Committee meetings.

In Singapore, the members visited the NTUC Fair Price Cooperative's head office and two of its shops.

*Nation-wide members' activities exchange meeting held*

JCCU holds nation-wide members' activities exchange meeting twice a year in February and July. At Such meetings coop members from all over Japan report on and introduce to each other the activities they have been engaged in.

This year it was held in Kobe from January 31st to February 1st and 2,500 representatives from Eighty-four cooperatives participated. It was divided into nineteen sub-committee meeting with fifty-seven sessions, and reports were made on 255 activities.

The members' experiences were introduced using plays and picture-card shows prepared by the members, slides, and overhead projectors. The members reviewed their dietary habits through

activities dealing with the products, methods for promoting coop products as well as direct distribution of agricultural products.

They also discussed other subjects such as raising children and cooking. Reports were also made on improving house cleaning and washing, organising cultural events, and participating in peace and welfare activities.

These discussions and reports will be taken back by the representatives to their respective cooperatives, to plan new activities and to make efforts in upgrading their various activities.

pective countries, and discussed the role of agricultural cooperatives for integrated rural development.

As the host organisation, NACF guided the participants to Garak Agricultural cooperative Marketing Centre, primary cooperatives in the countryside and Kyungbuk provincial office of NACF during the three day study tour.

This seminar was held as a joint collaboration activity between NACF and Hans Seidel Stiftung according to the agreement of cooperation between the two organisations signed on August 30,1989 in Munich, Germany.



The International Seminar on Integrated Rural Development and Agricultural Cooperatives sponsored by NACF and HSS.

**REPUBLIC OF KOREA**

*International Seminar on Integrated Rural Development and Agricultural Cooperatives :*

The International seminar on the "Integrated Rural Development and Agricultural Cooperatives" was held in Seoul jointly sponsored by Hanns Seidel Stiftung of Germany and NACF on October 23-25.

At this seminar, 13 specialists from 5 countries—China, Japan, Philippines, Germany and Korea participated.

They introduced situations of integrated rural development of their res-

*Consumer Cooperative Movement in Republic of Korea*

There is no legislation for consumer cooperatives at present. There are informal groups who have joined consumer cooperatives and also there are 4 national consumer cooperative federations functioning at present. They do not have relation with each other. They are also not recognised by the government.

The formalised consumer activity is carried out by the agricultural primary cooperatives and the NACF.

The major activities of the NACF are :

1. Guidance (farm, living, information, cultural and research).
2. Purchasing (agricultural inputs, consumer goods).
3. Market (domestic and foreign)
4. Processing
5. Banking and Credit.
6. Cooperative Insurance.
7. International cooperation.

Following figures represent the importance of consumer activity at the NACF.

| Item             | Turnover in 1982<br>(in million won) |
|------------------|--------------------------------------|
| Food             | 62,026                               |
| Clothing         | 3,174                                |
| Kitchenware      | 3,457                                |
| Sanitation goods | 8,955                                |
| Housing material | 4,175                                |
| Stationery       | 730                                  |
| Durable goods    | 14,794                               |
| Sundries         | 4,983                                |
|                  | 102,294                              |

The primary agricultural cooperatives maintain 1435 chain stores in Korea. The NACF helps them in procuring consumer goods through their central distribution centre in Seoul and 6 provincial distribution centres located in major cities. Chain stores of primary cooperatives are the only consumer cooperative shops in rural areas. The primary cooperative also operate mobile stores to supply consumer goods to farmers.

## MALAYSIA

### *Plan for strengthening the consumer coop movement*

Recently the consumer cooperative movement in Malaysia has faced many problems and difficulties, such as lack of adequate membership, lack of working capital, lack of member participation and lack of leadership. Therefore, intensive efforts are undertaken to improve the performance of consumer cooperatives through (i) intensive member education, (ii) strengthening and modernizing the management, (iii) close supervision of the department of

cooperative development (iv) close cooperation with all agencies that promote and protect consumer rights, (v) strengthening the role of consumer cooperative committee at ANGKASA, (vi) using successful cooperatives as learning centres for education and promotion, (vii) promoting cooperatives in schools and universities and leadership training for consumer cooperative leaders and staff.

## PHILIPPINES

*Launching of the National Partnership for cooperative development by President Corazon C. Aquino at Malacanang on February 5, 1990*

In recognizing the growing role of cooperatives in the political and socio-economic life of the Philippines, the President of the Philippines, President Corazon C. Aquino led the nation in bestowing these people's organisation the status of partners in nation-building. The signing of this tripartite agreement took place at Malacanang Palace, Manila on February 5, 1990.

On this occasion, the President called for a stronger partnership among the government agencies, non-governmental organisations, the business and religious sectors to work together to strengthen cooperative development.

While the President directed all Government agencies concerned in cooperative formation, development and assistance to set up their programmes, she however underscored a "continuing adherence to our Government's commitment towards cooperative development and uphold the principles of subsidiarity. This means our Government will assist cooperatives without compromising their integrity as an independent people's organisation and without interfering in their internal affairs."

Adherence to subsidiarity is a recognition that people not at Government's behest organised themselves but as a result of their desire to be viable and active participants in the rebuilding of the nation.

*CUP/ICA/JCCU/NFUCA, University Consumers Cooperative Orientation Seminar in Quezon city, Philippines on 7-9, March, 1990.*

A National Orientation Seminar on University Consumers 'Cooperatives' was held by the Cooperative Union of the Philippines (CUP) in collaboration with the International Cooperative Alliance (ICA) Regional Office for Asia and the Pacific, Japanese Consumer Cooperative Union (JCCU) and the National Federation of University Cooperative Association (NFUCA) of Japan from 7-9 March 1990 at the Metropolitan Apartelle, Quezon city, Philippines. Seventeen (17) participants and one (1) observer from sixteen (16) university cooperatives representing (9) nine regions out of the 13 regions of the country attended the seminar.

The seminar discussed about the working of University Cooperatives in Japan and the role played by them in improving life at the school campus. Emphasis was focused on existing active student member participation as a vital source of dynamic leadership and management experience in the promotion and development of the consumer cooperative movement in Japan.

One of the important features of the orientation seminar was the action commitment by the participants. Through the Seminar workshop, the participants identified and selected proper strategies from the Japanese experience which enabled them to prepare an action plan after thorough interaction of such strategies and methods which can be adopted for the development and strengthening of the University Consumers Cooperatives in the country. The group action plans and recommendations submitted by the participants can serve as valuable reference document for follow-up action by the seminar members and as a monitoring document of the CUP and the ICA Consumers Committees.

The Seminar was conducted by two

Lecturers from NFUCA namely, Mr. Masami Kobayashi and Mr. Yoshikazu Osa. The inaugural session of the orientation seminar was addressed by Engr. Glicerio Lorejo, Sr., President of CUP, Mr. Kisaburo Okayasu, General Manager of NFUCA, Mr. Pradit Machima, Consultant on Consumers Cooperation, ICA ROAP and Gen. Arcadio Lozada, Chairman, ICA Regional Council for Asia and the Pacific.

## SINGAPORE

### *Consumer Cooperative success in Singapore*

Singapore, the smallest land of ICA ROAP member made a big success in cooperative venture. Mr. Eric Cheong, Chairman of the National Singapore Federation Ltd., stated that the Cooperative Movement in Singapore has come of age after 65 years of its establishment. The movement developed slowly at the beginning but it took a quantum leap in 1969 when the National Trades Union Congress (NTUC) at its Modernisation Seminar that year laid the blue print for the formation of union-backed cooperatives. Within a span of nine years from 1970 to 1979, 13 cooperatives were established by the NTUC and its affiliated unions. This resulted in a tremendous upsurge in membership and created a significant impact on the daily lives of the workers and the population at large.

Several of these pioneering cooperatives have become well established and are house-hold names in Singapore.

NTUC Fair-price, the largest consumer cooperative with a network of 35 super market branches nation-wide is synonymous with good quality consumer goods at economic prices. In fact in certain staple commodities, such as rice, it is the market leader in terms of competitiveness and quality.

Our more active societies, such as NTUC Fair Price, have established commercial contacts with other cooperatives, e.g. with the Japanese Con-

sumer Movement. Other bilateral links and regional liaisons are also being undertaken.

Our movement has come of age, and we are ready to share our experiences with other movements such as through our recently launched Singapore International Cooperative Technical Assistance Programme (SINCOTAP). At the same time we hope to learn more from the international cooperative fraternity and increase our range and level of contacts, both commercial and others, with other cooperative movements and organisations.

## SRI LANKA

### *Consumer Cooperative Federation of Sri Lanka formed*

The national body of Sri Lanka—Consumer Cooperatives of Sri Lanka—formed “Consumer Cooperatives Federation of Sri Lanka” and it started its functions on 07 March, 1990. All consumers and multi-purpose cooperative societies in Sri Lanka have already become its members. It also got support from the Government and National Cooperative Council of Sri Lanka. Its main objectives are as under :

- To strengthen the Multi-purpose Coop Movement in Sri Lanka.
- To arrange markets for local producers and importers.
- To provide better services to the consumers through MPCs's.
- To create awareness among the member societies and the general public.

## THAILAND

### *Need for restructuring consumer cooperatives*

More competition between the consumer cooperative movement in Thailand and the private sector is being fought. Unfortunately, being the smaller and the weaker organisation, the consumer cooperative movement cannot compete with the private sector especially in the field of financial manage-

ment and business management. Recently the situation has been aggravated due to the influx of multi-national consumer business companies from Japan and Hong Kong. Compelled with the weaker financial situation and the age-old business management techniques, the Consumer Cooperative Movement has faced a stiff competition. The trend will continue to be in the future, unless the Government, the Cooperative Movement and the cooperative leaders are going to do something for it, especially on the “re-structuring of the consumer movement and its management.” said a cooperative leader.



A young girl carrying oranges to sell in the market.

## VIETNAM

### *Cooperative movement in Vietnam*

The cooperative movement in Vietnam has an integrated mechanism under the democratic centralisation of economic development in Vietnam. The Central Union in the country is concerned with industrial and handicrafts cooperative organisations. The cooperatives are free to choose production activities in the private sector arrangements. However, there is a certain degree of direction and control in terms of allocation of resources, quota and pricing systems.

The 6th National Congress has emphasised the need for restructuring economy with a view to improve productivity levels. The decision of the Congress was to adopt a multi-sector economic structure i.e. there will be

the state sector and private sector. The cooperative production groups and collectives would belong to private sector. The individual and family enterprises too would belong to private sector.

There are about 24,000 cooperatives functioning under the apex federation called the Central Cooperative Union. About 6000 cooperatives are of large size having between 150-1000 employees. Approximately 75% of all industrial employment is concentrated in cooperatives and small enterprises. The cooperatives are a major force in the production of consumer goods, having more than 60% of the share. There are also export-oriented cooperatives. The intermediary cooperatives or secondary level cooperatives are at the provincial level. There are 40 cooperative unions, supervising the work of cooperatives in 500 districts. The cooperative union provides a range of services to the primary cooperatives, such as procurement, marketing technology and managerial training and research.

### *Consumer cooperative movement in Vietnam—Problems and future prospects*

The Consumer Cooperatives in Vietnam play an important role in channel-



Rural workers in Vietnam

ing the consumer commodities to the community. One of the distinct features under these services is the barter system. These consumer cooperatives also handle supply of inputs, marketing of products etc. The northern part of Vietnam has a long history of cooperatives but southern Vietnam has recent history only. The consumers and training

cooperatives were founded in late 1970s. The consumer cooperatives in southern part of Vietnam have restaurants and tailor shops in addition to the sale of consumer commodities. The consumer cooperative movement in southern Vietnam is comparatively more developed than those in the northern part. High inflation rate as high as 700% has gripped Vietnam in recent times. This has effected the consumer business especially.

The Vietnam consumer cooperative movement, has undergone certain changes during the recent times. It has been influenced by the technical training from Socialist countries and has adopted their techniques and methods. However, shortage of training and educated man power has been the major handicap in the functioning of consumer cooperatives. Shortage of resources and facilities have been constraints for efficient functioning of cooperative systems. With the introduction of private trade, the government is withdrawing subsidies and compel the cooperatives to become self-governed and self-sufficient.

*(Continued from page 5)*

### **16th Meeting of ICA Committee on Consumer Cooperation in Philippines**

The 16th meeting of the ICA Committee on Consumer for Asia will be held at Sulo Hotel, Quezon City, Philippines on May 7, 1990. All member countries have been invited. The meeting will discuss about general situations of consumers activities in the region as well as to discuss framework and future plans for development of consumer cooperatives in the region.

### **ICA Consumer Committee Meeting**

The ICA Committee on Consumer Cooperation for Asia held its 15th meeting at the ICA Regional Office for Asia and the Pacific, New Delhi, India on October 3, 1989. The meeting was hosted by the National Cooperative Consumers Federation of India (NCCF). Four member countries out of ten attended the meeting, namely Bangladesh, Japan, India and Malaysia. The

meeting was chaired by Mr. Masao Ohya, Executive Director of JCCU and Chairman of the Consumer Committee. The meeting discussed general problems and results of consumer activities of member countries including the admission of a new member—the Fiji Cooperative Association Ltd.



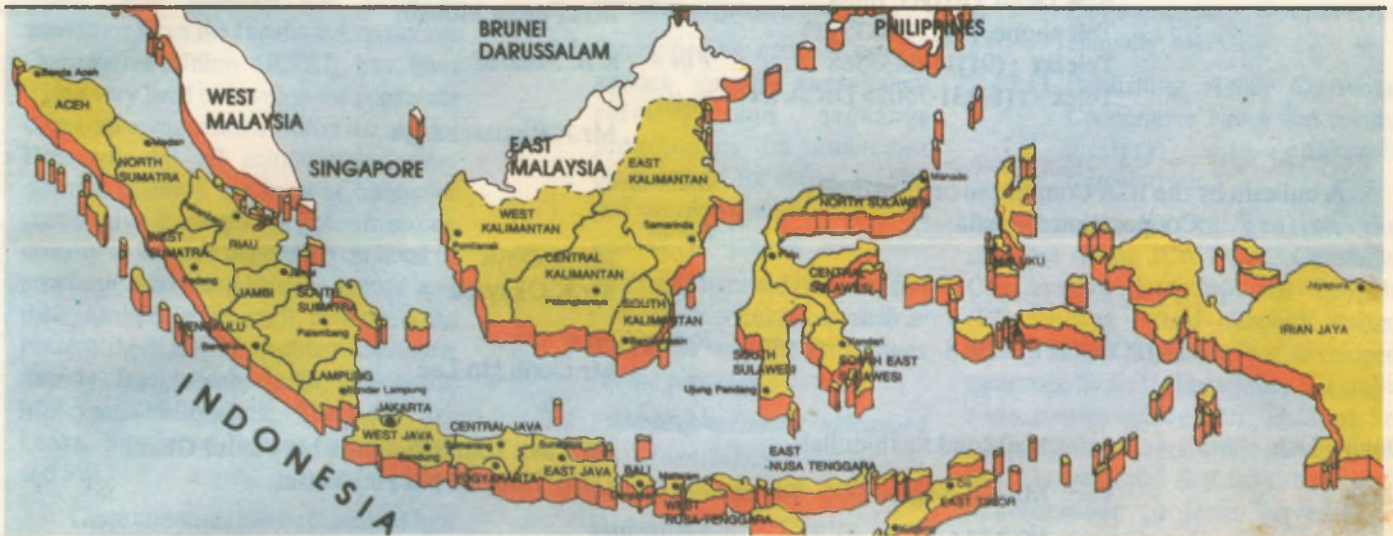
# ASIAN CONSUMER COOP NEWS

For Private Circulation only

A Half-Yearly Bulletin of the ICA Committee on Consumer Cooperation for Asia & the Pacific

Issue 5

November, 1990



## CONTENTS

### ICA REGIONAL OFFICE ACTIVITIES

|   | Page |
|---|------|
| Progress Report on Consumer Coop. Development Project 1988-91   | 3    |
| Three year consumer Coops. Development Plan 1991-94             | 4    |
| Consumer Coop. Project Tentative Plan July 1991-June 92         | 6    |
| ICA Central Committee meets at Madrid                           | 6    |
| 16th Meeting of ICA Committee on Consumer Cooperation in Manila | 6    |
| Indonesia : A Profile   | 7    |

### CONSUMER NEWS FROM ASIA

|            |    |
|------------|----|
| Bangladesh | 8  |
| India      | 9  |
| Indonesia  | 10 |
| Japan      | 11 |
| Singapore  | 12 |
| S. Korea   | 13 |
| Thailand   | 14 |
| Vietnam    | 14 |

## EDITORIAL

Every 3 years the ICA makes an assessment of its operations and prepares its plans for the following 3 years' activities. This also applies to ICA ROAP Consumers Cooperative Committee. Thus, the Consumer Secretary under the advice and guidance of its Chairman and the Senior development Advisor, ICA ROAP had made an assessment of 3 years' performance and 3 years' plan for the future as given in the Asian Consumer coop. News, November 1990. Although it is not yet finalized but it is believed that the main activities of the consumer activities in 1991-94 will be developed along this plan.

The plan aims at the long term development attitudes based on the self-help and self-development efforts. This is because the Swedish International Development Authority (SIDA) has decided to reduce its financial support to the ICA in the following years. Therefore, it is necessary for members of Consumer Cooperative Committee to be prepared to meet its own costs on certain activities besides the support from JCCU in the future.

It is now upto the member-organisations of the International Cooperative Alliance to come forward to undertake several development programmes on their own and with their own resources. The process of development is a participatory process. In this region we have fortunately some of the positive developments, as for instance in Japan, where consumer cooperative movement has demonstrated its efficiency and capability. The other consumer movements will benefit from such experiences, and for this purpose the ICA Regional Office is an effective and most reasonable and appropriate forum. We, at the Regional Office and through the Consumer Cooperative development Project, are willing to further develop the programmes of exchange of expertise and the required technology. Let us work together in the spirit of "working together" and on self-help and participatory basis.

—Editor

A half yearly Bulletin  
(For private circulation only)

*Chairman*

Editor : **Pradit Machima**  
Office : ICA Regional Office for Asia  
'Bonow House'  
43 Friends Colony (East)  
New Delhi 110 065, India  
Telephone: (91)11-6835123  
Telefax : (91)11-6835568  
Telex : (81)31-75025 DICA IN

Mr.M.Ohya  
Executive Director  
Japanese Consumers Cooperative Union  
1-13, 4-Chome, Sendagaya  
Shibuya-ku, Tokyo (Japan)

*Bangladesh*

Mr.Mohd.Shahidullah  
Mrs.Feroja Mohsin

*Fiji*

K.B. Matalau

*India*

Mr.A.Bhattacharjya

*Indonesia*

*Japan*

Mr.M.Ohya  
Mr.K.Okayasu

*Rep.of Korea*

Mr.Geon Ho Lee

*Malaysia*

Mr.Tuan Haji Sallehudin bin Abdul Ghani  
Dato' Hamzah bin Haj Yatim

*Philippines*

Mr.Felomito Bautista (Jr.)  
Mr.Emilio P.Dilon

*Singapore*

Mr.Lim Ho Seng

*Sri Lanka*

Mr.D.E.Pathirana  
Mr.Hilarian Gunawardane

*Thailand*

Col.Surin Cholpraserd  
Mr.Jankaew Muangjai

*Secretary* Mr. Pradit Machima.

ICA EXECUTIVE COMMITTEE ON  
CONSUMER COOPERATION

*Chairperson* : Ms.Turid Strom, Sweden  
*Vice Chairmen* : Mr.Manfred Dabrunz, FRG  
Mr.Masao Ohya, Japan

*Members* : Mr.Luis Armendo Carello,  
Argentina  
Mr.Kalvei Suomela, Finland  
Mr.Istvan Szlamenicky, Hungary  
Mr.Giuseppe Fabretti, Italy  
Mr.Abdul Latif Al Kharaza,  
Kuwait

*Secretary* : Mr.Lajos Varadi

A bulletin by the ICA Committee on Consumer  
Cooperation for Asia.

LIAISON-OFFICERS

Bangladesh : Mr.Mohd.Shahidullah  
India : Mr.A.S.Negi  
Mr.M.M.Alam  
Japan : Mr.S.Ohta  
Malaysia : Mr.Abdul Halim Abdullah  
Philippines : Ms.Teresita M. de Leon  
Singapore : Ms.Rosslyn P.C.Mak  
Sri Lanka : Ms.Jayanti Nawaratne  
Thailand : Mr.Surasit Impol

TO THE READER...

We would like to receive contributions from you. Your opinions, ideas and even information on new innovations in consumer cooperatives are welcome. Your contribution will undoubtedly bring more information inputs and strength to the Bulletin. We also invite you to comment on the information and lay-out of the Bulletin so that we may improve upon future issues.

-Editor.

# ICA REGIONAL OFFICE ACTIVITIES

## PROGRESS REPORT ON CONSUMER COOPERATIVE DEVELOPMENT PROJECT 1988-89 — 1990-91

1. **Background:** Consumer Cooperative Development Project (CCDP) ICA ROAP with financial and technical assistance from the Japanese Consumers Cooperative Union (JCCU) has been trying very hard to develop the consumer cooperative movement within the region. However, not all achievements were made as planned, the level of consumer cooperative development varies from one country to another depending on level of economic and social development and their leadership in each country. At present there are 11 member countries, namely Bangladesh, India, Indonesia, Malaysia, Philippines, Thailand, Sri Lanka, Singapore, Japan, South Korea and Fiji.

These countries can be classified into 3 groups :

1. **Strong:** Japan and Singapore;
2. **Medium:** Thailand, Malaysia, Sri Lanka, S. Korea and some parts of India;
3. **Weak:** Bangladesh, Indonesia, Philippines and Fiji.

2. **Achievements:** Since July 1988, some achievements were made and several problems have been faced. Main achievements were:

2.1 Creating awareness on consumer cooperatives, consumers protection, women's participation, etc. through member education, publicity, group discussions, education and training for cooperative leaders and staff, such as in Bangladesh, Sri Lanka, Philippines, etc.

2.2 Improving cooperative knowledge and managerial skills for members of Board of Directors and staff through training,

seminar and workshop and exchange programmes for all member-organizations;

2.3 Strengthening national organizations through consultancy services and exchange programmes on consumer cooperatives for coop. leaders and managers, such as Thailand and the Philippines;

2.4 Setting up national federation of consumer cooperatives, such as Sri Lanka and the Philippines (in the process);

2.5 Providing technical assistance on feasibility study of establishment of National Distribution Centre of Consumers Cooperative in the Philippines; technical study on consumer cooperative movement in Malaysia and India;

2.6 Developing consumer cooperative movements through technical assistance and seminar and workshop on perspective planning of consumer cooperatives, such as in Bangladesh, Sri Lanka and Thailand;

2.7 Developing women's activities through study visit-cum-training for various countries in Japan;

2.8 Orientation of University Consumer Cooperative Seminar in Thailand, the Philippines and India.

2.9 Developing consumer cooperative network in member-countries through meetings, seminars and workshops, etc.

2.10 Organizing two meetings of ICA Sub-Committee on Consumer Cooperation annually; and

2.11 Publishing Asian Consumer Cooperative News and related matters on consumer cooperatives.

3. **Assessments:** In general, the outcome of the ICA ROAP Consumer Cooperative Development Project (CCDP) was good although started slowly at the beginning but developed quite rapidly and satisfactorily in certain areas, such as in Singapore, Thailand, Sri Lanka, Malaysia and certain parts of India and Bangladesh. Self-help and self-development projects have been developed in certain areas of some countries, such as women's activities have been initiated in Bangladesh, India, Philippines and Sri Lanka, although slowly because of financial problems. It is expected that with continuing support of ICA ROAP & JCCU the future development will be good.

In some countries, like Thailand and Malaysia, a self-help and self-finance education and training, seminars and workshops on consumer coops have been initiated and organized by their own efforts and strengths because these countries have strong national coop. councils administratively and financially. In the long run, it is expected that these two countries can provide technical support to sister members.

Singapore has developed rapidly and strongly because of sound socio-economic background and strong leadership. At this moment, Singapore has prepared to train 13 participants on various subjects to member-countries by providing technical & financial assistance to member-countries in 1990.



All local costs will be met by the Singapore movement. This is another good example of ICA ROAP cooperation within the region.

It is expected that mutual assistance and bilateral assistance on consumer coops within the region will be developed.

**4. Problems :** However, many countries have been facing difficulties resulting from low socio-economic background of the country and the general public, lack of technical and financial support from the Governments and lack of qualified leaders and managing staff of cooperatives. In addition to this, other problems are as under:

1. Low productivity and low income among coop. members and general public;
2. Lack of operating funds and development funds;
3. Lack of awareness and support from coop. members and

- general public;
4. Lack of member relations and member participation;
5. Difficulty in getting adequate supply at fair prices;
6. High operation costs because of poor infrastructure, poor management and high interest rates;
7. Lack of professional staff because of low pay and overburden;
8. Lack of professional training on consumer coops and lack of leadership among coop. leaders and management staff;
9. Lack of strong national consumer cooperative organizations;
10. Lack of training institutions on consumer cooperatives domestically and internationally;
11. Lack of study, research and data

- collection on consumer cooperative operations and lack of exchange of information among cooperatives and member-countries;
12. Lack of clear-cut policy on consumer cooperative development both from the Government and the movement;
13. Stiff competition from private sectors;
14. Poor financial and business management on consumer coops; and
15. Lack of strong national organizations (Coop. Councils) organizationally, administratively and financially, such as Sri Lanka, Philippines, Fiji, Indonesia. So they cannot cooperate with ICA ROAP & JCCU projects effectively.



### THREE-YEAR CONSUMER COOPERATIVES DEVELOPMENT PLAN 1991-1994

A 3-Year development plan on consumer cooperatives in the ICA ROAP region during 1991-1994 was prepared. The plan covers objectives, strategy and methods, priorities and major activities as follows:

#### 1. Objectives

- 1.1 To improve standards of living of coop. members and the general public.
- 1.2 To create awareness on consumers protection and coop. knowledge among women and youth and the general public.
- 1.3 To improve coop. knowledge and managerial skills among coop. leaders, education/extension officers and managing staff for the government and the movement.

- 1.4 To strengthen the organization, administration and business operations of consumer coop. at all levels to enable them to compete with private sectors.
- 1.5 To strengthen the national consumer coop. movement through the establishment of strong national federations of consumer coop. within the region.
- 1.6 To promote self-help and self-development of consumer coop. network within the region.
- 1.7 To coordinate and integrate the ICA programmes on consumer coop. development with member-organizations.
- 1.8 To coordinate with strong movements to provide technical and financial assistance to the

weaker movements.

- 1.9 To create suitable environment for consumer coop. development within the region.

#### 2. Strategy and Methods

- 2.1 Initiate income generating schemes for coop. members and women and youth.
- 2.2 Develop a self-help and self-development attitude within the movements.
- 2.3 Assist member-organizations to prepare strategic plans on consumer cooperative development for each country according to its situations, needs and potential for development.
- 2.4 Propose or initiate steps in constituting a joint committee

to formulate Coop. policy comprising the officers of Government, the Consumer Cooperative Movement and the Coop. training institutions in each country.

2.5 Encourage governments to provide technical and financial support to the Consumer Coop. Movements.

2.6 Transfer of technical know-how to weaker movements by stronger movements.

2.7 Collect information on consumer coop. operations and prepare strategic plans for implementation and development accordingly.

2.8 Train consumer coop. leaders and professional staff to enable them to develop and manage consumer coop. business as well as to be able to compete with private sectors within the region.

2.9 Provide consultancy services on business management to national federations of consumer coops in respective countries;

2.10 Organize study visit-cum-training programmes for coop. leaders within the region.

2.11 Organize national & regional workshops on financial management and business management for consumer coop. leaders & staff within the region.

2.12 Set-up national and regional consumer coop. training institutes within the movements and in the ROAP region.

2.13 Set-up data bank and information system at the ROAP for the benefit of member-countries.

### 3. Priorities

Priorities of work are set as follows:

3.1 Data collection, research and study of success and failure of consumer coop. in the region must be made;

3.2 Systematic planning and strategy for implementing and developing the projects and activities of consumer coops. in the region must be carefully prepared;

3.3 Train government coop. officials, coop. leaders and staff to be able to carry out and manage the designed projects;

3.4 Establish-cum-reorganize national federations of consumer cooperatives within the movements;

3.5 Transfer of technical know-how and provide consultancy services to the weaker movements;

3.6 Develop self-help and self-development projects;

3.7 Establish national and regional training centre for consumer coop. development within the region;

3.8 Organize national and regional seminars or workshops;

3.9 Set-up pilot projects on consumer coop. development in each country.

### 4. Major Activities

#### 4.1 Study and Research

a) Collect relevant information concerning consumer coop. operations within the region regularly.

b) Conduct specific study, survey or research on consumers coop. development projects in certain countries.

c) Conduct case study on the success and failure of consumer coops in specific countries.

#### 4.2 Perspective Planning

a) Provide technical assistance to

national level organizations as well as to some strong organizations that can assist others in their perspective planning exercises.

b) Organize regional/national seminars on perspective planning on cons. coops for coop. leaders and management staff.

#### 4.3 Income-Generating Activities

a) Assist national organizations to set-up pilot projects on income—generating activities within the region.

b) Promote coop. trade and inter-trade within and among the coop. movements to increase income of coop. members, women and youth.

#### 4.4 Development of Consumer Cooperative Movements

a) Establish national federations of consumer coops.

b) Train government coop. officials, coop. leaders and management staff on specific subjects, especially on financial management and business management.

c) Set-up pilot projects on consumer coop. development in certain areas/countries.

d) Set-up national and regional training centre on cons. coops.

#### 4.5 Technical Assistance

a) Provide technical assistance on organization, business administration and management on consumer coops to needed member organizations.

b) Provide consultancy services on financial management, business administration & management to national organizations/strong coops to member-countries.

c) Organize study visit-cum-

- training programmes among member-organizations, assisted by ICA, ICCU and NTCU Fair Prices (Singapore)
- d) Organize Orientation University Consumer Co-

operative Seminar in member-countries (once a year) by NFUCA Japan.

- 4.6 *ICA Committee on Consumers Cooperation Meeting*
- a) Organize two meetings yearly

4.7 *Establishment of Communication System & related work*

- a) Publish Asian Consumer Coop. News
- b) Set-up a data bank and information at ROAP.

**CONSUMER COOPERATIVE PROJECT  
TENTATIVE PLAN FOR JULY 1991-JUNE 1992**

| Act. Code | Activity details  |
|-----------|---|
| 2311      | Collect relevant information on consumer cooperative in all member countries.   |
| 2312      | Conduct case study of success and failure of consumer cooperatives in Bangladesh, India, Indonesia, Malaysia, Philippines, Sri Lanka, Rep. of Korea and Thailand. |
| 2321      | Perspective planning to strengthen consumer cooperative movement in India.  |
| 2322      | Perspective planning to strengthen the consumer cooperative movements in the Republic of Korea.   |
| 2331      | Set up pilot project of income generating activities in cooperative organisations in Bangladesh, India and Sri Lanka.   |
| 2341      | Leadership training on consumer cooperative development in Sri Lanka.   |
| 2342      | National Seminar on consumer cooperative development in Thailand.   |
| 2343      | National Seminar on consumer cooperative development in Malaysia.   |
| 2351      | Training of selected members of consumer coops in Singapore for Indonesia, Philippines and Vietnam.   |
| 2352      | Training of coop leaders and managers of consumer cooperatives in Japan for Malaysia, Philippines, Singapore and Thailand.  |
| 2353      | Consultancy services on management improvement of national federation of consumer cooperatives in the Philippines.  |
| 2354      | Consultancy services on management improvement of national federation of consumer cooperatives in Fiji.   |
| 2355      | University consumer coop orientation seminar in Indonesia.  |
| 2356      | Exchange programme for women leaders of consumer coops from Sri Lanka, Malaysia and the Philippines to stronger movements.  |
| 2361      | Two meetings of the ICA Committee on Consumers Cooperation for Asia & the Pacific.  |
| 2371      | Publish two issues of Asian Consumer Coop News.   |
| 2372      | Set up a data bank and information system at ROAP.  |
| 2373      | Publish research findings, booklets, pamphlets, etc. on consumer cooperatives.  |
| 2381      | Support service   |

**ICA Central Committee meets at Madrid**

The ICA Central Committee met at Madrid, Spain from 18-21 September. The main subject for discussion were (i) Basic values, and (ii) Environment. Mr. G.K. Sharma, Regional Director and Mr. Karl Fogelstrom, Senior Development Advisor of ICA/ROAP attended the meeting. The services of Mr. P. Nair of the ROAP were requisitioned by the ICA Head Office to assist the ICA Secretariat for bringing out the Central Committee bulletin.

ICA had also organised a book exhibition on the occasion of the Central Committee meeting. ICA/ROAP publication were also put on display.

**16th Meeting of the ICA Committee on Consumer Cooperation in Manila**

The 16th Meeting of ICA Committee on Consumer Cooperation was held in Manila on May 7, 1990. Twelve committee members from 10 countries out of 11 attended the meeting. The meeting was hosted by the Cooperative Union of the Philippines (CUP).

The meeting discussed about the work done by the ICA Committee on Consumer Cooperation in the region during the past 6 months (from November 1989 to April 1990) and the planned activities for the following year which, inter alia, include data collection, planning and education and training of Board Members and staff. The basic approach is to improve the managerial skills. It is also planned to exchange leaders from among the countries in the Asia Pacific region.

## INDONESIA

### INDONESIA : PROFILE

Area : 1,919,443 SL Km.

Population : 180 million in 1990.

Gross Domestic Product : US \$ 82.8 billion (1988).

GDP Per Capita : US \$ 471 (1988).

Major export : Oil and Gas 40% (1988).

Exchange rate : US \$=1821 Rupiah (30.4. 90).

#### Land :

Indonesia is the largest archipelago in the world. It consists of 5 main islands and about 30 smaller archipelagoes totalling 13,667 islands and islets of which about 6,000 are inhabited. The Indonesian archipelago forms a crossroad between two oceans, the Pacific and Indian oceans and a bridge between two continents, Asia and Australia. Because of its strategic position, therefore, Indonesia's cultural, social, political and economic patterns have always been conditioned by its geographic position.

The Territory of the Republic of Indonesia stretches from 6°08' north latitude to 11°15' south latitude, and from 94°45' to 141°05' east longitude. The estimated area of the Republic of Indonesia is 5,193,250 km<sup>2</sup> which consists of a land territory of 2,027,087 km<sup>2</sup> and a sea territory of 3,166,163 km<sup>2</sup>.

Indonesia's 5 main islands are : Sumatra which is about 473,606 sq km in size; Java and Madura 132,107 sq km; the most fertile and densely populated islands; Kalimantan or 2/3 of the island of Borneo measuring 539,460 sq km; Sulawesi 189,216 sq km; and Irian Jaya 421,981 sq km which forms part of the world's second biggest island of New Guinea. The other islands are smaller in size.

The Indonesian archipelago is divided into 3 divisions. The islands of Java, Sumatra and Kalimantan, together with the small islands in between, stand on the Sunda Shelf which extends from the coast of Malaysia and Indo China, where the sea depth never exceeds 700

feet. Irian Jaya on the island of New Guinea and the Aru islands stand on the Sahul Shelf which stretches from the north coast of Australia north wards, the sea depth of which is similar to that of the Sunda Shelf.

#### People :

The population of Indonesia is the fifth largest in the world, after the People's Republic of China, India, the Soviet Union and the United States of America. According to the latest population census held in 1980, Indonesia's population was 147,490,298. In comparison with the 1971 census which put the population at 119,208,229, the rate of population growth in Indonesia is regarded as relatively high, 2.3% per annum. In 1990 it is estimated that the total population of Indonesia is 180 million.

#### Cooperatives :

Article 33 of the 1945 constitution stipulates that co-operatives shall have a place and even an important role to play in Indonesia's economy and development. Consequently, the People's Consultative Assembly has in its session of 1983 resolved on the matter of co-operatives and has issued a decree emphasising the necessity to increase activities in the field of co-operatives to enable them to play a more effective role in the Indonesian economic order.

The objective of the development of co-operatives is to make co-operatives the main vehicle for the development of economic activities and promotion of the welfare of the people belonging to the economically-weak bracket through the intensification of supervision of activities, aimed at improving the capability of the members to manage their organisation, to raise and mobilise funds: to carry out their enterprise and to exercise internal control.

In the efforts to promote co-operatives, Village Unit Co-operatives (KUD) and primary co-operatives have continuously been given first priority, in addition to functional co-operatives, to make them popular among the people of Indonesia. Policies pursued will cover

the promotion of co-operatives and enterprises as well.

The policy of institutional promotion covers primarily the improvement of the organisation, administration and supervision of co-operative through education and the provision of guidance to co-operative personnel in the framework of strengthening the existing co-operative organisations, rendering assistance and guidance in the field of administration and supervision as well as promotional aid provided primary to co-operatives in fostering the co-operation between co-operatives and banks and also with private and state enterprises.

The policy on business promotion of co-operative is primarily aimed at increasing the ability to do business in development sectors, to raise capital and to obtain credits by improving the production capacity of co-operatives, especially the rural co-operatives, in food crop farming, plantations, animal husbandry, fishery, small-scale industries and smallholders' handicrafts, rural electrification, credits for housing, and the supply and distribution of production means and consumer goods.

For the development of co-operatives institutions and enterprises, the promotion of their personnel is needed in sufficient number with the required knowledge and skills as well as the supply of complete data. For this purpose, under the Fourth Five-Year Development Plan, education on co-operatives is promoted in the national education system. Training and education have been stepped-up for the development of co-operatives, officials and employees. In addition, research activities on co-operatives are being encouraged.

In 1983, the number of co-operatives was 25,161 units, which in 1984 rose to 26,432 units, in 1985 the number rose to 28,103 units and in 1986 rose again to 30,446 units. Meanwhile the number of co-operatives membership also rose from 20,285,000 members in 1985 to 21,578,000 members in 1986 which means an increase of 6.4%. Moreover, Village Unit Co-operatives numbering

6,979 in 1985 rose to 7,350 in 1986 which means an increase of 5.3%. In addition, the number of the membership of Village Unit Co-operatives totalled 14,916,000 in 1985 which rose to 15,733,000 in 1986 which was an increase of 5.5%.

As co-operatives annual meetings are concerned up to 1986, 16,608 co-operatives had held their annual meetings or 54.5% of the total number, namely 30,446 co-operatives.

The total savings of co-operatives' members was worth Rp 131,958 millions in 1984, Rp 178,088.9 millions in 1985, and rose further to Rp 414,995 millions in 1986, or an increase of 40.7%.

Activities of credit supplies, especially pertaining to hawkers' credit facilities showed a progress. In 1984, there were 4,964 co-operatives, serving 13,893,891 clients and granting a total credit supply of Rp 166,861.7 millions. In 1985, the number of co-operatives rose to 5,485, serving 15,041,349 members, granting a credits totalling Rp 204,555.4 millions, whereas in 1986, the number of co-operatives declined to 5,476 units, serving 15,984,499 members, granting Rp 225,103.4 millions of credits.

Development of co-operatives was reflected in the following figures. In 1984/85 there were 2,291 Village Unit Co-operatives which were able to stockpile 2,046,428 thousand tonnes of rice and in 1985/86 the figure dropped to 2,082 Village Unit Co-operatives and only bought 1,481.3 thousand tonnes of rice; whereas in 1986/87 the number of co-operatives dropped to 1,992 units and

the stockpiling of rice dropped to 1,362,989 thousand tonnes due to improvement of market prices, resulting in farmers selling their produce directly to the public.

Besides, Village Unit Co-operatives were also taking part in the distribution of fertilisers and pesticides. During the planting season of 1984/85, there were 3,555 Village Unit Co-operatives distributing 143.4 thousand tonnes of fertilisers and during 1985, there were 3,092 co-operatives distributing 393,268 thousand tonnes. Whereas in 1986/87,



2,197 Village Unit Co-operatives were distributing 448,649 thousand tonnes. Besides, in 1986/87, 751 Co-operatives were distributing 360,400 litres of pesticides.

In the sector of smallholders' fisheries progress was recorded by co-operatives. A total of 669 co-operatives with 153,330 members were engaged in business in 1985 involving a turnover of Rp 88,648 millions. Furthermore in 1986, the same number of 669 co-operatives with 153,356 members had a turnover of Rp. 88,753.0 millions.

Co-operatives in the field of cattle

breeding have greatly contributed towards increasing the efficiency of the production of the livestock trade. In 1985, 494 co-operatives with 53,855 members were scoring a turnover value of Rp 92,724.0 millions, whereas in 1986, 494 co-operatives with 53,855 members achieved a turnover value of Rp 89,567.0 millions.

In the handicrafts sector the total number of co-operatives' members and their turnover value have increased from 789 co-operatives with 70,402 members and a turnover of Rp 240,800.0 millions in 1985 to 1,010 co-operatives with 199,902 members with a turnover of Rp 341,027.0 millions in 1986.

In the field of land transport services, there were up to 1986, 154 co-operatives and 27,000 members with 8,000 transport available units, and in the field of sea and river transport services there were 37 co-operatives and 7,000 members with 2,000 transport units.

In support of the rural electrification programme, in co-operation with the State-owned Electricity Company, co-operatives had been appointed to be electricity distributors in rural areas. In 1986, 617 co-operatives spread over 20 provinces had managed the distribution of electricity in 1,644 villages and to 907,714 consumers.

The distribution of foodstuffs, such as sugar and flour were handled by co-operatives in order to meet their needs. Up to 1986, 386,391 tonnes of sugar and 106,616 tonnes of flour had been distributed to their members.

## CONSUMER NEWS FROM ASIA

### BANGLADESH

*Follow-up workshop for development of consumer cooperatives in Bangladesh, Dhaka, 25-27 June, 1990*

A follow-up Workshop for development of Consumer Cooperatives in Bangladesh was held in Dhaka from 25-27 June, 1990. The Workshop was organised jointly by ICA ROAP and Bangladesh Jatiya

Samabaya Union. 70% of the total cost of the Workshop was borne by ICA ROAP and 30% by B.J.S.U.

27 persons including 7 women cooperators from Primary, Secondary & National level cooperative organizations in and around Dhaka participated in the Workshop. In addition to this, 4 observers from Cooperative Training College, BARD, etc. also participated in

the Workshop. One participant from CIRDAP also participated.

The Workshop was inaugurated by the Additional Secretary, Deptt. Of Cooperatives, Govt. of Bangladesh and presided over by the Registrar of Cooperative Societies, Bangladesh. The Workshop was designed, planned & conducted by Mr. Pradit Machima, Consumer Advisor, ICA ROAP.

The Workshop was designed to improve the Managerial skill of the participants and it proved quite successful in that direction.



**Women Cooperative Leaders (Bangladesh)**

A Study visit was also arranged to show the participants a successful and unsuccessful consumer co-operative stores. Also a private consumer store in Dhaka. Thereafter discussions took place among the participants.

The valedictory address was given by the Registrar of Cooperative Societies, Bangladesh.

## INDIA

### *Centre Formulating Policy for Cooperative Growth*

The Union Government is seriously engaged in formulating a longterm policy for growth and revitalisation of cooperatives, the Union Minister of State for Agriculture and Cooperation, Mr. Nitish Kumar, said.

Inaugurating a national conference of marketing cooperatives, organised by the National Cooperative Development Corporation (NCDC) Mr. Nitish Kumar said that the Government was considering the recommendations of high-power committees headed by Messers Ardhanareeswaran, Khusro and Bhanu Pratap Singh Legal and organisational aspects of cooperative movement were being considered with greater emphasis on cooperative content, democratic functioning and self-help.

Action plan: Mr. Nitish Kumar, who

is also chairman of the NCDC board of management, said that the Central government had launched an action plan envisaging a network of ware-house godowns in the public and cooperative sector, which was likely to get a lion's share of additional storage capacity of 15 to 20 lakh tonnes programmed to be created during the Eighth Plan. In addition to announcing minimum support prices for various commodities to safeguard the interests of farmers in times of glut, the Government was also introducing a scheme for market intervention in respect of perishable goods like potato, onion, ginger, pineapple, grapes and would extend the scope to cover more fruit and vegetables.

*Hindu, 15th Sept., 1990.*

### *Call to promote consumer awareness*

It is imperative to promote consumer welfare awareness both in the urban and rural sector, Union Minister for Food and Civil Supplies Nathu Ram Mirdha, said here today.

He stressed that the National Front Government's prime endeavour is to curb all malpractices prevailing in distribution and quality control of consumer items and principally ensure that the consumer is benefitted to the maximum.

The Minister was speaking at a national seminar on the role of public sector in consumer welfare and protection.

The worst exploitation in the country is that of the consumers both by the traders and manufacturers. Infact the exploitation of the consumers has become the national trade, Deputy Chairman of Planning Commission R. K. Hegde said in his presidential address.

He said ironically the process of such exploitation still continue despite several laws and acts regarding protection of consumer interest and a large number of governmental bodies designated to curb trade malpractices.

Since the country still reels under the bracket of being a sellers market, Mr. Hegde suggested that the Government

should ensure further growth of expansion of manufacturers mainly through the public sector. However, statistics reveals that the performance of public sectors have not been satisfactory, he added.

Commenting on the role of public sector Mr. Hegde said emphasis should be made to make it more accountable to the public. Hence the public sector further ensure not only consistency in productional area but also quality of consumer items, he said.

Others who spoke at the seminar included Mrs. Kailash Rekhi, president of Indian Federation of Consumer Organisation, Mr. Rashid Jilani, Chairman and MD of Punjab National Bank, Mr. H. D. Shourie, Director, Common Cause, Mr. S. S. Dawra, managing director of NAFED and Prof. R. C. Dutt, ICS.

*Hindustan Times, New Delhi, May 15, 1990*



**Discussion with Registrar (Mrs. Meera Pande), W. Bengal India.**

### *National Seminar on University Cooperatives at Pune, India*

The National Federation of University Co-operative Associations (NFUCA) of Japan with the cooperation of ICA ROAP and the National Cooperative Union of India (NCUI) is going to organize a National Seminar on University Cooperatives at Vaikunth Mehta National Institute of Cooperative Management (VMNICM) at Pune, India between 5 and 7 November, 1990.

The objective of this seminar is to promote consumer cooperative activities within Indian Universities similar to that of Japanese as well as to promote

education and training on cooperation in Indian Universities in the future. It is expected that 36 participants from major universities in India will attend the seminar. Costs of the seminar is shared by ICA ROAP and NCU. And the seminar is organized and executed by VMNICM.

### *Impression of Indian Women on their visit to Japan*

The ICA ROAP with the cooperation and assistance of JCCU, Japan, had organized

a training visit to Japanese Cooperative Movement for Indian women delegation between 1-10 July, 1990.

The delegation comprised of Prof. B. Jayalakshmi, Kerala (Leader), Smt. Meera Pandey, West Bengal, Smt. Rekha Karkal, Goa, Smt. Pushpa Rai, Karnataka and Ms. Uma Mukherji, New Delhi (Convenor). During the visit, the delegation presented the very picture of the unity in diversity of India. They expressed the feeling that it is with a sense of purpose to have closer and better understanding between the two countries and a mission to initiate mutually beneficial strategy for the women cooperatives of India and the counterparts in Japan and above all an obsession to learn about the success story of Japanese Consumer Cooperative that we departed from Delhi on 30th June, 1990.

Ever since landing at Narita Airport on 1st July till 11th July the day of our return, Japan has been offering us a treasure house of ever unfolding pleasant surprises & discoveries that has enriched our vision & refined our cooperative sense. For 10 days, it was nothing but being transported into a world, rich and strange, yet generous and friendly. Every hour was packed with action sugarcoated by entertainment and pleasure.

They further expressed that the shores of Japan have been the first part of Asia to be awakened by the rising sun, revealing a land of steep mountains, verdent forests, simmering hot springs and waveswept coasts. We witnessed the awakening of the cooperative movement, especially the awakening of women through the

cooperatives in Japan. Japan a homogenous nation of hard working individuals, a country with beauty, truth and character, inheriter of a human tradition rich in nuance and form, developer of the technology of tomorrow's new age has the potentials to be India's 'Friend, Philosopher & Guide'. We in India are rich with vast natural resource, human resource and abundant ideals and ideologies. In Japan, we find the Indian vision translated into reality. What we preach they practice. In the cooperatives they have proved Budha's saying, 'that government is the best which trains the minds of its people'. The minds of the people are trained in such a way that there is no internal confrontation and hence the rapid progress of Japan. It means unity is strength. They do not mind working overtime and thus prove 'Hard work pays'. Nobody turns up late. For them punctuality is politeness. Waiting at the long queues, in obeying the traffic rules they demonstrate 'self discipline is the way to success. Corruption is not known to them' 'honesty is the best policy'. The cooperatives of India should also start educating its members and training their minds.

— The HAN groups, the foundation stone of Japanese Consumer movement with total participation of housewives can be laid in India too, to build up the consumer cooperatives. To begin with, this experiment may be launched in the primary cooperatives to generate women's participation.

— Few consumer cooperatives with a multi dimensional approach modelled on Nada Kobe consumer Cooperative with variations according to the Indian context can be started in the cosmopolitan cities, to begin with.

— It is high time that we sought the collaboration with Japan to get our women cooperators trained in manufacturing with quality finish, packing with style and selling with pleasure.

— The export potentials of our fruits,

flowers, spices, fish, handloom and handicrafts are worth exploring in detail. Japan offers 'Fresh woods and pastures new to the sensible cooperators of India.

They concluded that ten days in Japan has illuminated our hopes for a 'Cooperative Commonwealth'. Japanese Consumer Cooperative Union, the organisers, fed us with a fund of information, exciting sights and treated us with a variety of food ranging from Japanese, Indian, Indonesian, Chinese, Continental and American. It was feast to the eye & food for thought, an experience we would like to nourish and share with our fellow cooperators and then cherish for ever to be the bliss of solitude! There was not even a single loophole in the organisational level. Everyone from top to bottom was equally concerned and meticulously to the core. Our interpreters did an excellent job. We did not incur any difficulty anywhere. It was an honour that the Leader of the Delegation was given a chance to address the meetings celebrating the International Cooperative Day in Tokyo and Kobe and to be interviewed by the Japanese Television. We place on record our sincere gratitude to JCCU, ICA and NCU.

### **INDONESIA**

#### *Joint Meeting of the ICA Consumers Committee & Committee on Trade and Industry (CTI)*

ICA ROAP in collaboration with DEWAN KOPERASI (Indonesian Cooperative Council) is going to arrange a joint meeting of Consumers Committee and Trade & Industry Committee in Yogyakarta from 21 to 24 November, 1990. This is because the activities of both committees are related to each other and some committee members are members of both the committees. So it is more economical to hold the meetings at one place for both the committees.

#### *Indonesia needs consumer coop. network*

Mr. Kusmiyat, an Indonesian cooperative leader, who attended a

training on super market operations in Japan during 21-28 August 1990, stated that the Japanese Consumer Cooperative Movement has done a remarkable job for its members and its community. This is partly due to a good organization, strong leadership and a strong network of consumer cooperatives. Unfortunately, there is no network of consumer cooperatives in Indonesia. Each type of consumer cooperatives: (1) Citizen coops, (2) Functional coops (civil servants, police and armed services) and (3) workers' coops, are working independently and separately. That's why the movement is rather weak and somewhat dis-organized. He further stated that:

1. Coop. network should be re-constructed and organized among existing consumer cooperatives.
2. Citizen coops. should be strengthened especially in the urban areas.
3. A coop. wholesale society should be set up in order to support existing consumer societies doing business.

## JAPAN

### *Consumer-Co-op Aims for the 90s*

The JCCU held its 40th annual General Assembly on June 14 and 15 in Tokyo. With exactly a decade remaining until the year 2000, the meeting was an occasion for the presentation of the JCCU's vision for the twenty-first century, as presented in the theme "The Japanese Co-op Strategy for the '90s." Also presented was the JCCU's fifth mid-term plan charting the Co-ops' operational direction. Mid-term plans have been formulated since 1978 in three-year periods.

Mr. Isao Takamura, president of the JCCU, in his opening address at the meeting, stated his view that "in the next five to ten years, Japan and the rest of the world will probably witness vast changes that are unimaginable to us today." The sentiment heard during discussions echoed this and reflected the severe market competition facing Japan's Co-

ops, as the distributive trade shifts major emphasis to large-scale reorganization in line with the easing of restrictions on large-scale retail store developments. These discussions underscored the drastic need to pursue greater solidarity in Co-op business activities within a new framework as part of a strategy to ensure the survival of Japan's Co-ops.

Following is a simple introduction to "The Japanese Co-op Strategy for the '90s," the vision which will serve as the basis for determining the future direction of Japan's Co-op movement.

**1. Movement to create a comfortable life:** It is important that all consumers cooperate with each other as independent creative individuals, rather than being passive consumers. Co-ops aim to develop activities for creating a better life.

**2. Co-operatives in which anyone can take part anywhere:** Co-operatives will expand businesses into areas of culture, leisure, services, mutual aid and welfare so that anyone can take part in and use services while working to create communities where everyone cooperates and benefits from the movement.

**3. A wide range of consumer co-operative businesses:** It is essential that there be a wider range of goods in the food sector and that the clothing and furniture/DIY sectors be strengthened. Co-operatives will pursue other areas of business such as information, services and culture, etc.

**4. Creating comfortable living circumstances and addressing human-related issues of environment and peace:** It is an important role of consumer co-operatives to contribute to the economic development of the community, work towards improved welfare programmes, and assist in conservation of nature, the environment and culture. Creating a caring community represents the ultimate goal of the co-operative movement.

Co-operatives should address human-related issues such as natural

resources, energy, food supply and agriculture, as well as world peace. A fundamental principle of the co-operative movement is to promote these issues on a community, national and international level.

**5. Establishing consumer's rights :** Co-operatives will promote movements that establish and expand consumer's rights. To be pursued are consumer's rights to access of information, purchase of safe goods, prices commensurate with quality and informative labelling on goods.

**6. Community and nationwide co-operative networks :** Working towards the establishment of a co-operatives sector will be established through:

— Expansion of community-based activities; network of medical co-operative clinics, hospitals and jointly-run welfare facilities for the community; and promotion of joint planning in co-operation with university, worker, insurance and housing co-operatives.

— creation of a co-operative network in conjunction with agricultural and fishery co-operatives, as well as small business co-operatives.

**7. Social role of co-operatives :** Co-operatives movements will contribute to development of society as well as strengthen the consumer's position. Co-operatives will endeavour to improve their social position by playing a vital role in the community and economy when the majority of households in cities and towns become co-operative members.

*Symbol for the 1992 ICA Tokyo Congress Decided*

The Japan Joint Committee of Co-operatives (JJC) established the Organizing Committee of the 30th ICA Tokyo Congress on May 23, and confirmed the dates and place for the ICA Tokyo Congress to be from October 20, 1992 to October 30, 1992 at Keio Plaza



Hotel, Shinjuku, Tokyo. The symbol for the congress was decided and presented as shown below:



*Symbol for the 1992 ICA Tokyo Congress*

Consisting of powerful and sharp brush strokes which express enthusiasm and industry, the overall design is well-suited to be the symbol of the International Co-operative Alliance which presently has 600 million individual members under the affiliation Co-ops and boasts of its long history and tradition. It expresses the ICA theme to fight environmental destruction and poverty and to create a world that respects peace and humanity in light of the approaching twentyfirst century.

#### *Women's Delegation of Indian Co-operatives Visits Japan*

The Women's Delegation of Indian Co-operatives, sent by the National Co-operative Union of India, visited Japan from July 2 to 9. The delegation was made up of five members, and they visited the JCCU, Co-ops in the metropolitan area, and Nadakobe Co-op.

The visit represents a complete cross-cultural exchange in light of the visit by a JCCU delegation to India in October 1989. The program is part of the ICA Consumer Co-op Development Project for Asia and the Pacific, and aims to foster international exchange and mutual understanding among co-op members.

On July 3 and 4, the Indian group visited Co-ops in Tokyo and



*The delegation experiences a Japanese tea ceremony.*



*Indian women participate in the Japanese summer festival, "Tanabata" with Japanese members.*

neighbouring areas, spending one night at members' homes. They also held Indian cooking classes and demonstrated how to wear the traditional sari, providing Japanese Co-op members with a close look into India's culture.

They then went on to Kobe where they toured the department store and food plant of Nadakobe Co-op, as well as attending the commemorative International Co-operative Day meeting on July 7.

Through ICA's project, JCCU hopes to continue contributing to the development of Co-operatives in Asia

and the Pacific by promoting future Co-op. exchange programs with other countries in the region.

#### **SINGAPORE**

##### *Training of Consumer Coop. Managers in Super Market Operations*

ICA ROAP with the cooperation of Singapore National Cooperative Federation Ltd. (SNCF) is going to organize a one-week training in super market operations for 6 Managers of Consumer Cooperatives - (2 each from Malaysia, Sri Lanka and Thailand) between 29 October and 6 November,

1990 at FAIRPRICE, Singapore. The SNCF under the SINCOTAP is going to bear the costs of board and lodging for trainees while staying in Singapore and ICA ROAP is going to pay half-way round-trip ticket by economy class for the trainees. This year Singapore could accommodate only 6 participants for consumer cooperative training because of financial and other constraints. It is expected that next year, it may accommodate more participants for the same training.

## SOUTH KOREA

### *Farm-visit Program for Consumer Groups*

The NACF conducted a two-day farm-visit program for delegates of ten consumer groups. The program, which took place on 31 May - 1 June, 1990 provided a unique opportunity for the delegates to gain a better awareness of the difficulties faced by our farmers.

During their two-day visit, the delegation visited two farming villages in Kyungbuk province. The first stop in their visit was Bankye, located in a major grape-producing area of the country. Unfortunately, the increasing importation of grapes is forcing farmers in this area to give up grape farming. The

group then visited Jisan and learned of farmers efforts to cope with increasing imports by producing higher quality products such as melons and water melons with better taste without the use of chemicals.

At both locations, the group had open discussions with the farmers and received a vivid description of the farming situation and rural living conditions. The farmers made it clear that without the patronage of domestic farm products by urban consumers, the farmers will soon be driven off the land and the rural areas of the country will collapse.

The members of the group were impressed with the efforts being made to revive the agricultural sector and preserve rural communities. They also indicated that they would become more involved in the campaign to raise the awareness of the importance of buying domestic farm products. At the same time, however, they pointed out the need for the farmers to produce higher quality products and for the NACF and member cooperatives to continue to improve the effectiveness of marketing activities.

### *Delegation of CENTROSOYUS visited NACF*

On February 10, 1990, a delegation

of the Central Union of Consumer Societies of the USSR (CENTROSOYUS), consisting of four persons including Mr. Pavel Fedirko, Chairman of Centrosoyus, visited NACF for five days on the invitation of Dr. Ho-Sun Han, Chairman & President of NACF.

On February 12, Dr. Ho-Sun and Mr. Pavel Fedirko signed a nine-point Memorandum of Understanding to further enhance business-like and friendly relations aiming at consolidating the position of cooperative movement of both countries and promoting the role of cooperative movement at the international level.

Both parties agreed to join in efforts to further develop of the international cooperative movement and pledge support for the initiatives of the ICA Asian Regional Council.

Following are the major points included in the agreement:

- To exchange information of the guideline of the cooperative movement, and recent changes in its organization and by-law.
- To exchange information on the problems of farm production and marketing.
- To identify possibilities for establishing commercial relations and to set up joint ventures in a number of areas of mutual concern such as farm produce processing.
- To regularly exchange cooperative periodicals and other cooperative literature.
- To discuss possibilities for establishing direct links between Kajakh Consumer Union and NACF in the sphere of commerce, production, and cooperative tourism.
- To exchange articles by the leaders of Centrosoyus and NACF to be published in the each country's national media in 1990.
- To receive a NACF delegation in the USSR in 1991 with the purpose of facilitating cooperation and signing a memorandum for 1992.



**Representatives of Consumer groups discussing with farmers on their living conditions & farming situation.**

They also visited the Farmers Handicraft Sales Center, Kyunggi Provincial Office, Kyungju primary cooperatives, Hyundai Automobile Industry & Heavy Industry and Samsung Electronic Company.

The cooperative exchange started during the Seoul Executive Committee Meeting of ICA held on March 29 - April 3, 1983 in which Centrosoyus dispatched two delegates A.I. Krashennikov and A. Leukhin.

On December 5-9, 1988, Mr. A. Starych, deputy president of Centrosoyus, suggested staff exchanges for consolidating mutual cooperation, cooperative trade and joint ventures to Dr. Ho-Sun Han, during his official visit to NACF.

Meanwhile, on September 4-6, 1989 a delegation from NACF including Dr. Ho-Sun Han, Chairman & President of NACF visited Centrosoyus by formal invitation of Mr. Pavel Fedirko, and signed Agreement on cooperation between Centrosoyus and NACF.

Through these exchange of delegates it is expected that both cooperatives will keep close relations, not only in exchange of information and personnel but also in various cooperative businesses.

#### THAILAND

##### *National Seminar on Consumer Cooperatives*

On 18th and 20th August 1990 the Cooperative League of Thailand with the cooperation of National Federation of

Consumer Cooperatives and the Department of Cooperative Promotion had organized a seminar on Joint buying and consumer cooperative development at Golden Dragon Hotel, Nontaburi Province. Eighty two consumer cooperative leaders throughout the country attended the seminar.

##### *Follow-up consultancy work on Consumer Cooperatives in Thailand*

Two consultancy works on consumer cooperatives in Thailand was held in Thailand on 10-20 September 1990. One was made at the Pra Nakorn Cooperative Store Ltd. in Bangkok and the other was done at Nakorn Chiang Mai Cooperative Store Ltd., Chiang Mai. The consultancy work was conducted by a team of experts from JCCU, Japan and ICA ROAP comprising Mr. Ohtani, Mr. Kurosawa, Mr. Amano from Japan and Mr. Machima from ICA ROAP. Results of the consultancy were good. Final reports are being prepared by the Consumer Secretary of ICA ROAP.

##### *Cooperatives in Thailand:*

The cooperative movement in Thailand was firstly organized in the country in 1916 along with the Raiffeisen model or known as village cooperative. At present there are six types of cooperatives operating throughout the country as shown below :



*Dr. Ho-Sun Han, Chairman & President of NACF and Mr. Pavel Fedirko, President of CENTROSOYUS, shake hands after exchanging memorandum of understanding on mutual cooperation.*

| Serial No. | Types                          | No. of Societies | No. of Members   | No. of Employees |
|------------|--------------------------------|------------------|------------------|------------------|
| 1.         | Agricultural Cooperatives      | 1,253            | 902,515          | 4,453            |
| 2.         | Land Settlement Cooperatives   | 95               | 90,207           | 170              |
| 3.         | Fishery Cooperatives           | 22               | 5,126            | 42               |
| 4.         | Thrift and Credit Cooperatives | 788              | 1,161,892        | 1,520            |
| 5.         | Consumer Cooperatives          | 388              | 690,989          | 941              |
| 6.         | Service Cooperatives           | 275              | 88,016           | 221              |
|            | <b>Total</b>                   | <b>2,821</b>     | <b>2,938,745</b> | <b>7,347</b>     |



A young Branch Manager & staff, Chiang Mai (Thailand)

## VIETNAM

### *ICA Mission in Vietnam*

A team of three officers from the ICA ROAP visited Vietnam during the first two weeks of October 1990; i.e. Mr. Guo Yong Kang, ICA's Agricultural Project, Mr. Pradit Machima, ICA's Consumer Project and Mr. Karl-Johan Fogelstrom ICA's Development Planning and Coordination Project.

The purpose of the visit was to identify areas of possible future collaboration between ICA, its member organisations and the Vietnamese Cooperative movement. The visit was also a follow up of earlier visits by the President of the ICA, Mr. Lars Marcus, the ICA ROAP Regional Director, Mr. G.K. Sharma and other ICA representatives.

The ICA ROAP had been approached by the SCC to assist in investigating the role and development of the cooperatives in Vietnam and also the development needs of the movement.

The team had visited the Central Council of Vietnam Supply and Marketing Cooperatives in Hanoi and Cooperative organizations in Hanoi, Haiphong and Quang Ninh in the north

and Ho Chi Nink City, Hua Giang and Vung Tau in the South.

During the visit the team held discussions with the chairman of the Central Council of Supply and Marketing Cooperatives of Vietnam, Dr. Nguyen Quang Quynh resulting in an Aide-Memoire which is attached to this report.

In the Aide-Memoire the areas of possible future collaboration are identified:

#### a. *Cooperative legislation*

The ICA would through the

programme assist the Vietnamese cooperative movement in the process of preparing the new legislation by:

- making cooperatives laws of other countries available for research and study,
- providing consultancy assistance

#### b. *Re-organisation of the cooperative structure*

The ICA would assist in:

- carrying out an in-depth study of the present cooperative structure and also study the relationship between the cooperative sector and related economic sectors and give recommendations regarding the future cooperative structure.

- organise exposure of cooperative leaders and decision makers on district, provincial and national level to cooperative organisation and management in selected countries in the region. (China, India, Japan, Indonesia, Thailand ....)

#### c. *Education and training*

The ICA would assist in:

- carrying a survey of the manpower situation and give recommendations regarding the future policy and



Morning market in Quang Ninh (Vietnam)

action plan.

- organise within Vietnam and abroad training and study opportunities for senior cooperative staff in the fields of management and organisation, improvement of language skills, trade, accounting and finance and communication.

d. *Promotion of contacts and collaboration between the Vietnamese cooperative movement and other cooperative movements in the region.*

The ICA would assist in:

- organising exchange visits.
- strengthening Vietnamese cooperative export and import organisations.



Cooperative Bank, Hua Giang (Vietnam)

- promoting joint ventures between Vietnamese cooperatives and foreign organisations.
- introducing knowledge and technology of agro-processing to the Vietnamese cooperatives.

e. *Cooperative pilot projects.*

The ICA would assist in:

- establishing primary cooperative pilot project one in each of the major zones: North, Central and South with the aim of developing and testing replicable methods and procedures for: administration and planning, credit, farm extension services, farm input supply, marketing of agricultural produce, agro-processing etc.



From l to r :

Mr. Tuy, Foreign Relations Deptt. Head, Dr. Quynt, Chairman, Central Council of Vietnam Supply & Marketing Coops. and Mrs. Lu, Chairman of Haiphong Coop. Union, (Vietnam)



# ASIAN CONSUMER COOP NEWS

For Private Circulation Only

A Bulletin of the ICA Committee on Consumer Cooperation for Asia & the Pacific: Issued every 4 months

ISSUE 6

MARCH 1991



## CONTENTS

### ICA Regional Office Activities

|  |   |
|--|---|
| Cooperative values, principles and identity before the turn of the century | 3 |
| Coops and Basic Values (Excerpts from the speech of Mr. Lars Marcus)       | 4 |
| Coops and Environment  | 6 |
| Singapore Coop Movement  | 7 |

### Consumer News From Asia

|              |    |
|--------------|----|
| Bangladesh   | 12 |
| India        | 12 |
| Indonesia    | 13 |
| Japan        | 13 |
| Malaysia     | 15 |
| Philippines  | 15 |
| Singapore    | 15 |
| Sri Lanka    | 16 |
| Thailand     | 16 |
| Rep of Korea | 16 |
| Vietnam      | 16 |

## EDITORIAL

*It is generally felt that the basic values of cooperatives in some countries, especially among the third world countries have eroded. This might be partly because of poor cooperative operations, poor socio-economic background among cooperative members and general public and poor member education activities within the movements. But this is not true among the strong movements, such as in Sweden, Finland, Japan and Singapore. The ICA and its strong affiliates are now discussing ways and means to improve the image of cooperative institutions and cooperative basic values through education, training, seminar and symposium, as was discussed by the ICA Congress in Stockholm in 1988. Details of the discussion and the plans of action have been elaborated by Mr. Sven Ake Book, Manager of the ICA Basic Cooperative Values Project and Mr. Lars Marcus, the ICA President in this issue.*

*In order to further strengthen world peace and to ensure better living conditions for cooperative members, the ICA has linked up the Cooperative Basic Values and the world environment. It is believed that the cooperatives can do a lot for preserving world environment. In this issue are also included the discussions which were carried out by the Japanese Cooperative Movement to improve Cooperative Basic Values, world peace and world environment through educating its coop. members and leaders of coop. movements in the Asia and Pacific region.*

*In the Asia and Pacific region, Singapore has been a show case of cooperative success among emerging countries, both in its operations and in cooperative basic values. This is not because of the incidental but the "planned development". Its success depends on good services, coop. education, leadership and staff training, management consultancy and community services and social development. We hope that the information on the success of Cooperative Movement in Singapore will be of some use to our member-movements in this region.*

-Editor

**ASIAN CONSUMER COOP NEWS**  
(For private circulation only)

Editor : Pradit Machima  
Office : ICA Regional Office for Asia & the Pacific  
'Bonow House'  
43 Friends Colony (East)  
New Delhi 110065, India  
Telephone : (91) 11-6835123  
Telefax : (91) 11-6835568  
Telex : (81) 31-75025 DICA IN

**A bulletin by the ICA Committee on  
Consumer Cooperation for Asia.**

**LIAISON OFFICERS**

Bangladesh : Mr. Mohd. Shahidullah  
India : Mr. A.S. Negi, Mr. M.M. Alam  
Japan : Mr. H. Amano  
Malaysia : Mr. Abdul Halim Abdullah  
Philippines : Ms. Teresita M. de Leon  
Singapore : Ms. Rosslyn P.C. Mak  
Sri Lanka : Ms. Jayanti Nawaratne  
Thailand : Mr. Surasit Impol

**To the Reader.....**

We would like to receive contributions from you. Your opinions, ideas and even information on new innovations in consumer cooperatives are welcome. Your contribution will undoubtedly bring more information inputs and strength to the Bulletin. We also invite you to comment on the information and lay-out of the Bulletin so that we may improve upon future issues.

-Editor.

**MEMBERS OF THE ICA COMMITTEE ON  
CONSUMER COOPERATION FOR ASIA**

*Chairman*

Mr. M. Ohya  
Executive Director  
Japanese Consumers Cooperative Union  
1-13,4-Chome, Sendagaya  
Shibuya-ku, Tokyo (Japan)

*Bangladesh*

Mr. Mohd. Shahidullah  
Mrs. Feroja Mohsin

*Fiji*

K.B. Matalau

*India*

Mr. A. Bhattacharjya

*Indonesia*

*Japan*

Mr. M. Ohya  
Mr. K. Okayasu

*Rep. of Korea*

Mr. Geon Ho Lee

*Malaysia*

Mr. Tuan Haji Sallehudin bin Abdul Ghani  
Dato' Hamzah bin Haji Yatim

*Philippines*

Mr. Felomino Bautista (Jr.)  
Mrs. M. Climaco

*Singapore*

Mr. Lim Ho Seng

*Sri Lanka*

Mr. D.E. Pathirana  
Mr. Hilarian Gunawardane

*Thailand*

Col. Surin Cholprasert  
Mr. Jankaew Muangjai

*Secretary* Mr. Pradit Machima.

**ICA EXECUTIVE COMMITTEE ON  
CONSUMER COOPERATION**

*Chairperson* : Ms. Turid Strom, Sweden  
*Vice Chairmen* : Mr. Manfred Dabrunz, FRG  
Mr. Masao Ohya, Japan  
*Members* : Mr. Luis Armendo Carello, Argentina  
: Mr. Kalvei Suomela, Finland  
: Mr. Istvan Szlamenicky, Hungary  
: Mr. Giuseppe Fabretti, Italy  
: Mr. Abdul Latif Al Kharaza, Kuwait  
*Secretary* : Mr. Lajos Varadi.

# ICA REGIONAL OFFICE ACTIVITIES

## Co-operative Values, Principles and Identity before the turn of the Century : A Discussion of a Project Approach

By *Sven Ake Book* \*

The subject "Basic Co-operative Values and Principles" was discussed at the ICA Congress in Stockholm 1988 as the main theme of the agenda. The Congress carried out a resolution in which it:

Entrusts the ICA Executive Committee to set up an independent International Committee of Experts to analyze these principles in the light of the new challenges facing cooperators and cooperative institutions today and in years to come;

Requests that the ICA Executive Committee regularly inform the ICA Central Committee on the progress being made in implementing the provisions of this resolution and draw appropriate conclusions and recommendations as to the future policy of the ICA to be presented at the ICA Congress in 1992. In that context I am responsible for a project about "Basic Cooperative Values" to be used as basis of decisions. This paper introduces the project and discusses some aspects on it. In this early stage of the project, I am particularly considering meaningful ways of how to approach this quite big subject.

### The Task

The leading issue of the project can briefly be worded like this: What are the basic cooperative values for the future and what are the basic cooperative principles against the background? The perspective must be global, as it is a main role for the ICA to make its recommendations in this perspective. To be relevant, this perspective must reflect the perspectives of important parts of the world cooperative movement.

This is not a true research project in the academic sense. The leading

character of the project will be normative and it will result in a main report of estimations and judgements. On the other hand these will, as far as possible, be built on findings and empirical observations from cooperators, cooperative organisations and cooperative research.

In fact, in order to emphasize the normative character, the final issue of the project should more correctly be worded like this: What should be the basic values for the future and what should be the basic cooperative principles against that background?

### Action-oriented basic values

One can express the nature of the cooperative movement in many ways e.g. compare with the values of other kind of associations or put them into more or less utopian visions about future societies. I will also do that in the background aspects of project, but for the future I prefer to try to express them more as overall action oriented cooperative values within some conceptional contexts, in a short outline something like this:

#### i) *Resource mobilization*

Cooperative organisations will encourage a development with conditions for people to be active, to participate and to take responsibility together with other people. Cooperative organisations will encourage a combination of individualism and collectivism, in such a way, that the collective way will be regarded as means to strengthen and to promote individual development and liberation. These are the original values of self help and mutual help, in a modern way expressed as mobilization, participation, autonomy, independence,

solidarity and social dynamism.

#### ii) *Economic democracy*

Cooperative organisations believe fundamentally in democracy and will encourage a development with equal rights and abilities for people to join decision-making in smaller or larger contexts of societies. Cooperative organisations then make no distinction between political and economical spheres, but believe in the possibility for people to conduct economic activities in democratic ways. These are the original values of democracy, equality and equity.

#### iii) *Social responsibility*

Cooperative organisations will encourage a development, in which people can raise their standards of living without exploiting others. The economic activity must be manifested in the interest of the whole society, or the majority of the people, and not as means for minority of owners to secure profits for themselves. These values are usually expressed as non-profit orientation of activity.

#### iv) *Human resource deliberation*

Cooperative organisations regard education in its broad sense as basic for social advancement and to increase social consciousness and social/cultural liberation of people. Education is also regarded as a necessary precondition for the people to effectively take "the economy in their own hands" according to cooperative ideas. This is the basic value of education.

#### v) *Liberty*

Cooperative organisations believe that a development of economies in the hands of people will contribute to a

\* Mr. Book is Manager of the ICA Basic Cooperative Values Project.



process of human deliberation. This must, however, be encouraged in a spirit of a free will and not be forced on people. Such a development must also as much as possible be open to anyone who wants to join the cooperative. These are values often expressed as voluntariness and openness.

#### vi) Cooperation

Cooperative organisations imply basically cooperation between people

for common ends and will encourage the development of cooperative approaches to economic and social issues of importance to the majority of the people. These kind of values belong to the original basis of cooperation and are implicit in the other value aspects.

#### vii) Universality

Cooperative organisations regard it as fundamental to encourage and

work for the universal applications in order to gradually cover all the important needs of the people. The international aspect of this is becoming more important as more of the crucial needs for mankind tie people together in all parts of the world. These values are often expressed as cooperativisation. □

## COOPERATIVES AND BASIC VALUES

*Excerpts here are reproduced from the speech of Mr. Lars Marcus, President of the International Cooperative Alliance delivered at the ICA Congress held in Stockholm, 1988.)*

### Coop Principles Based on Basic Values

Not only cooperators but also many others have taken part in forming a cooperative ideology-builders of nations, philosophers, religious leaders and, of course, also some of the best-known names in economic science. Documents from practically all of our 28 Congresses bear witness to this and to the fact that ICA and its principles are built on a foundation of basic values.

Ideas about such basic values about a cooperative value base are certainly not new. It is just that, as we have seen, this base may lie fallow. Nor is it entirely unequivocal with respect to value components and their relative importance. I believe we can identify the following values as having an important bearing on cooperative development now and in the future:

- \* self-help values (activity, creativity, responsibility, independence, "do-it-yourself")
- \* mutual-help values (cooperation, unity, collective action, solidarity, peace)
- \* non-profit interest values (resource conservation, elimination of profit

as a driving force, social responsibility, utilitarian goals, "not profiting from others work")

- \* democratic values (equality, participation, "equity")
- \* voluntary-effort values (commitment, creative power, independence, pluralism,)
- \* universal values (global perspectives, openness)
- \* education values (knowledge, understanding, insight etc.)
- \* purposeful values (benefit to members etc.)

Of these eight value categories, the first seven are what I call "concept-determined": they should apply to all kinds of cooperative development. The last is dependent on the type of cooperation which is involved - e.g. whether it is consumer cooperation; agricultural cooperation, etc.

The main basic values of Cooperation are :

- \* Participation
- \* Democracy
- \* Honesty
- \* Caring

What do they mean today in the cooperative world of change and problems?

### Participation

To me participation is a word that describes a movement. Members demanding, proposing and pushing, criticizing, supporting and when necessary consoling, propagating, defending, caring about progress as well as setbacks, sufficiently informed to select their leaders and to employ the right professional specialists - that is participation. What makes people believe in something so much that they are ready to make sacrifices - to offer their time and risk their money - in short, to participate? Let us look at the new popular movements: Pro-health. Pro-safety. Pro-honesty. Pro-tolerance. Pro-peace. Pro-solidarity. Pro-equality. Pro-environmental quality.

What makes them so attractive at the same time that cooperative economic self-help is being questioned by so many? There are different answers, all containing some truth. We are too big. We are too bureaucratic. We are commercial (sic!). We are undemocratic. To me the major answer is that we have not cared enough to fight for the participation of members in our work.

I have blue eyes but not in the sense that I am innocent about participation. It is dangerous if it is left without cultivation. It is the task of leaders to listen, to interpret and to channel the wishes

of our members. It is therefore also our task to educate members and future leaders and not least the staff about the reasons for broad member participation. To lead, but also to let member participation become meaningful, is not easy, but it adds immensely to the cooperative strength - morally, economically, qualitatively. We have, to our peril, neglected participation as a major force of cooperative success.

## Democracy

Democracy is the system through which participation can become meaningful. Why do people go to meetings? Because it is important to those who have something to say. Because it is interesting to listen and to watch. Because you do not want to be alone.

For these reasons, cooperative democratic structures must offer influence, attractions and social interaction. Attractions are what people care to watch and listen to, something interesting for them as members and something that they understand.

Cooperators have increasingly gained more and more a reputation for being bad communicators, talking over the heads of their members and escaping into figures, figures and more figures. We elect people to our boards who are not communicators, but then we insist that because they are elected they have to talk at member meetings.

That is one difference between us and the new popular movements. Another one is the fear that often strikes cooperative leaders when they are confronted face-to-face with real members.

There can be different reasons for this. There can even be good reasons, but generally it is a question of "us and them" at the meetings. It creates alienation. But members are not enemies!

Another reason is the complexity of activities in areas unknown to the

participants. The new popular movements often concentrate on a single issue, often of a local nature. In return they seldom live very long, sometimes they disappear and are revived only when there is enough new enthusiasm.

What we can learn from this is perhaps only that we should stick to local issues as much as possible and build our organization from this fact. Bigger and bigger cooperatives - in the end on a national scale - do not make democracy and participation easier, since few people care about what happens far away.

The complicated issue of efficiency and local independence is well known. Consumer cooperatives nowadays face franchising operations among competitors which seem to combine the big and the small. Maybe a cooperative democratic revival can take place along these lines also in other sectors.

## Participation

Of course we are aware that generally there is little controversy between cooperatives and what I have called the new popular movements. Most of the activities are in line with the needs of our members. Health. Security. Peace. Solidarity. In short, their members are our kind of people. It is not my preoccupation that they should join us. We could never do their job, but we could do some of it for our own members.

We often look upon our members as if they were all the same kind of people: standardized. I remember a time when this was almost true in Sweden. We were all dressed in the same clothes. We all had the same furniture and the same flats. We ate brown beans and salted pork on Tuesday, pea soup and pancakes on Thursday, beef with pickled cucumbers or chicken with rice and curry on Sunday. Cooperatives face some difficulty in attracting participation because we do not reflect this change. We could offer peace activities to groups in our ranks. We could organize soli-

darity actions for cooperative development. We could sponsor health campaigns and organize anti-pollution representations to legislators - and tell the members that we care. I do not think we should be afraid. They will always recognize that we have a major aim - and that there are economic restrictions. But their continued interest in the cooperative alternative depends on whether the members care in what we do.

## Honesty

Honesty is a pretentious word. I prefer to use it just for this reason.

Cooperatives are business organisations, complicated and often huge. Their owners are generally illiterate when it comes to commercial economy. Member influence must be based on expertise, which can be bought, but then has to be trusted and controlled.

In no other form of economic life is honesty more required than among cooperatives, and also the courage to be honest. In cooperatives this constitutes a problem - in the developing countries because of illiteracy, but in highly developed countries as well. And I do not speak about honesty only in the sense of a correct financial control. The word applies equally to the structural and staff problems.

To close a shop. To employ a new manager. To buy a new boat.

To select new machinery. To acquire a site for housing. To import a new breed of livestock. Mergers. Prices, qualities, quantities.

Honesty is a basic value for every cooperative - and it has to be fought for. We have seen huge European cooperatives disappear because the honest message about their situation did not reach the members until it was too late.

## Caring For Others

In order to understand the needs of our members you have to listen to them,

then to discuss with them, and then to unite them into action. Generally more things can be achieved than is generally realized.

In the introduction of this paper I found it necessary to underline the fact that a cooperative has economic tasks above all. If they cannot be achieved, the cooperative is lost.

But our success must be built on confidence and confidence can have no better foundation than the degree of a cooperative's caring for its members.

## COOPERATIVES AND ENVIRONMENT - ICA PLANS A REGIONAL STUDY

Growth in population and improper use of technology contribute to the pollution of environment. Healthy environment leads to: i) better standards and quality of life, ii) life support systems operate for the benefit of mankind, iii) conservation and regeneration, and iv) pollution-free environment. In view of the limited information available on this subject in a systematic way, it is proposed that an indepth study is undertaken with the following broad objectives:

1) to identify the environmental issues faced by cooperatives in various major activity sectors in the region; 2) to take stock of the effective and visible measures already undertaken by cooperatives in protecting environment and the contributions made by cooperatives and other self-help groups; 3) to suggest methods and techniques of developing greater awareness about environmental issues among all member-countries of the ICA in the region hence making environment an integral part of sustainable cooperative development planning; 4) to develop programme/strategies and action plans (short-term and long-term) for environmental enhancement for each participating or-

### Conclusions

Underlying cooperative practice there are basic values which can be expressed in many ways, or quite simply. Thanks to them we have been able to turn a commercial operation into a popular movement for self-help in a very broad sense.

In many cases-but by no means all - our reflection of basic values has become weaker. As a result, many cooperatives have lost stature, attraction and strength.

Great changes are now taking place

in all fields of economy where cooperatives are active. Many problems-already noticeable-will be there for us in the future. To solve them, cooperatives have no other real source of strength than their members. For members our basic values are also the fundamental reason for their participation and ownership.

It is up to each of us as members of the ICA to analyse our basic identity regularly and profoundly. Only in this way will cooperatives be strong and develop. In the final analysis our success will depend on our ability to serve our members well.

ganisation for their organisations and country; and 5) to make suitable recommendations for each country and to the ICA ROAP and suggest follow-up activities required to implement and monitor local, national and regional plans of action.

The ICA ROAP is planning to cover five countries of the region e.g., Indonesia, Thailand, India, the Philippines and China. The ICA is developing collaborative arrangements with the Canadian Cooperative Association, the Japanese Consumers' Cooperative Union and the IFFCO (Indian Farmers' Fertiliser Cooperative Ltd.) to undertake the study during the period July 1991-June 1992. The ICA ROAP has already taken the initiative of publishing an awareness material entitled **A PLACE TO LIVE** written by, Mr Daman Prakash, ICA Regional Advisor (Development Planning and Coordination).

The Canadian Cooperative Association had also organised a regional level workshop on Cooperatives and Environment in Thailand in 1990. The following Declaration was adopted by the regional workshop:

"We, Cooperators of Earth, who have gathered for a common cause, at the CCA Asian Regional Conference on Environment and Sustainable Cooperative Development, who believe the time for concern and action is now, do hereby declare:

- That every person is entitled to live in a clean and ecologically balanced environment;
- That future generations of humankind should not be deprived of their share of Earth's bounties;
- That it is every person's duty to conserve, protect and enhance his/her environment.

To these ends, we pledge ourselves and our cooperatives to implement the recommendations of the Conference."

The ICA publication **A PLACE TO LIVE**, which has been well-received in the region by cooperative organisations and cooperative workers, is being serialised in several cooperative journals and its translated versions are being published.

# SINGAPORE CO-OPERATIVE MOVEMENT AND ITS EXPERIENCES

## Brief History of the Singapore Co-operative Movement

Co-operation was introduced in Singapore as early as 1924 when the Co-operative Societies Ordinance for the Straits Settlements was enacted. It was introduced at a time when money-lending was a roaring business. Wage-earners in the middle and lower income groups at that time could hardly make ends meet because of poor wages and the high cost of living. These workers had no one else to turn to except the unscrupulous money-lenders who charged exorbitant rates of interest. The Government introduced the co-operative scheme not only to provide facilities for borrowing but at the same time to provide for regular savings.

Between 1925 and 1940, more and more people began to see the usefulness of the co-operative concept of self-help and mutual assistance. Altogether 43 thrift and loan societies were formed to cater to the needs of civil servants, teachers, custom officers as well as the urban workers in many private companies. These societies managed to release their members from the clutches of the money-lenders by the granting of low-interest loans to help them pay off their debts. An important development during this period was the formation of a co-operative union in 1933 to foster inter-co-operative relations.

The war period of 1942 to 1945 brought all co-operative societies to a standstill. Nevertheless, rehabilitation in the postwar years was rapid. High inflation after the war brought undue hardship to the urban workers. On 23 August 1946, the first consumer co-operative was formed to fight inflation. A housing co-operative made its appearance in 1948.

The fifties saw further development in the co-operative movement. Co-

operatives with marketing, transport, land purchase and banking activities began to appear. By 1960, there were 104 societies with 37,844 members and a paid-up capital of \$13.2 million.

The number of societies began to decline in the sixties. In 1968, a producer co-operative was formed. At the end of 1970, there were only 90 societies with 47,956 members and a paid-up capital of \$27.1 million.

## The turning point in Co-operative Development in Singapore

The most significant development of the co-operative movement in Singapore since 1970 was the launching of co-operative ventures by the Singapore National Trades Union Congress (NTUC) and its affiliated unions. These ventures were meant to provide for more economic and social benefits to the workers by having a definite stake in the economy of Singapore. The Modernisation Seminar organised by the NTUC in November 1969 provided the blueprint for the formation of co-operatives with the backing of the labour movement. Within a span of nine years (1970-1979), 13 co-operatives were established by the NTUC and its affiliated unions. This resulted in a tremendous upsurge in membership and created a significant impact on the daily lives of the workers and population at large.

## The Movement Today (as at 1 April 1990)

Today there are 63 registered co-operative societies in Singapore with a total personal membership of 448,471 and a paid-up capital of over \$ 125 million. They can be classified as follows:

Thrift and Credit .. 28

|                     |    |    |
|---------------------|----|----|
| Multi-Purpose       | .. | 15 |
| Consumer            | .. | 5  |
| Housing             | .. | 1  |
| Insurance           | .. | 1  |
| Transport           | .. | 1  |
| Medical             | .. | 1  |
| Service             | .. | 6  |
| School Co-operative | .. | 3  |
| Investment          | .. | 1  |
| Apex                | .. | 1  |

The current business activities of these Co-operatives, range from thrift and loan, transport, life and general insurance, supermarkets, canteens, security service, dental surgery, printing, confectionery, home appliances, to computer education and travel services.

## Co-operative Legislation

The Co-operative Societies Act, (Cap 62) came into operation on 1 January 1980. It repealed the previous restrictive Act which was enacted in 1924. Besides providing better control of co-operative societies, the new Act also encourages the orderly development of the co-operative movement in Singapore by, among others, the establishment of a Central Co-operative Fund and an Apex Organisation for co-operatives.

## The Central Co-operative Fund

The Central Co-operative Fund (CCF) was established as a Trust Fund pursuant to Section 71 of the Co-operative Societies Act, (Cap 62). The Fund is under the control of the Minister for Community Development with a Committee to advise him on the administration of the Fund.

Every co-operative society is required to contribute 5% of the first \$500,000 of annual surplus to the CCF and 20% of any surplus in excess of \$500,000 either to the CCF or to the Singapore Labour Foundation. The CCF is intended to further co-operative education, training, research and audit and for the general development of the co-operative movement in Singapore.

### The Apex Organisation

The Singapore National Co-operative Federation Ltd (SNCF) was registered on 18 December 1980 as the apex organisation for all types of co-operatives in Singapore, pursuant to Section 13(2) of the Co-operative Societies Act, (Cap 62). The by-laws of the SNCF outline the following objectives:

- (a) To propagate the principles and practice of co-operation;
- (b) To promote co-operative education, carry out research and collect and disseminate information connected with and for the purpose of co-operative development;
- (c) To provide management, accounting, legal, educational and other advisory services for affiliates; and
- (d) To organise and represent the co-operative movement in Singapore.

The individual membership of SNCF as at 1 April 1990 stands at 446,396 representing 58 co-operative societies. This figure represents 99.5% of the total number of members of co-operative societies in Singapore.

The SNCF co-ordinates and facilitates the activities and growth of the co-operatives in Singapore. It does so by organising and supervising effective services for co-operative education and training, management services, accounting, audit and other needs. It also organises social, cultural and recreational activities for its members. The SNCF is financed by the Central Co-operative Fund.



300 Junior college students listening to a talk on "Co-ops And You" given by Mr George Tan, Education & Development Officer, SNCF.

Since its inception, the SNCF has succeeded in providing educational and training, accounting, auditing and other services to its affiliates. Courses and seminars on important co-operative topics such as principles, philosophy and practice of co-operation; co-operative management; financial analysis; investment management and problem-solving and decision-making are being conducted regularly by local and foreign experts for the benefit of the members. Seminars and dinner talks with international participation are also held.

The SNCF has assisted its affiliates in the simplification of their accounting system to save costs, drawing up of balance sheets and introduction of approved methods of accounting to facilitate checking and to discourage mismanagement of funds. In this regard, it has produced a booklet, the General Financial Manual, to guide thrift and loan co-operatives in the proper financial systems and procedures to be adopted.

The Registrar of Co-operative Societies has partially transferred the external audit function to SNCF with

effect from 1 April 1985. At present SNCF is providing external audit services to 30 of its affiliates.

### Registry of Co-operative Societies

The registry of Co-operative Societies is a department of the Ministry of Community Development. It administers the Co-operative Societies Act, (Cap 62) and the Co-operative Societies Rules, 1979, which provides extensive framework for the registration and control of co-operative societies in Singapore.

The Registry guides and supervises the co-operative movement. It provides co-operative societies with a wide range of services. The Registry gives advice on matters relating to the Act, questions of procedures and registration, drafting and preparation of by-laws or rules, procedure relating to amalgamation and formation of societies besides liquidating non-viable co-operatives. It administers the Central Co-operative Fund and the Co-operative Societies Liquidation Account. Information on co-operative principles and practices and management are provided. The Registry also compiles statistics on co-opera-

tives and publishes information pamphlets on co-operative subjects.

In its supervisory role, the Registry inspects the books of co-operatives, carries out examinations of the books of indebted societies and conducts inquiries into the construction, working and financial conditions of co-operatives. It also gives advice on the management of a co-operative society to assist its officers and members to comply with the Act and to achieve the objects and purposes on a co-operative basis. Besides settling disputes by mediation or arbitration, the Registry also monitors the balance sheets of co-operatives to detect adverse trends and practices and to give timely cautions.

### Recent Trends and Developments

The Singapore Co-operative Movement has, over the recent years, focused on special purpose projects to cater to the changing needs of the socio-economic environment. Since the inception of consumer, transport and insurance co-ops by the National Trades Union Congress co-operatives, recent major developments have seen the introduction of a loan default insurance scheme, first proposed by Mr Teo Chong

Tee, Parliamentary Secretary (Environment and Social Affairs) in 1984; and the call for the formation of a national league for credit Co-ops by Mr Wong Kan Seng, then Minister of State for Community Development and Communication and Information in 1986.

In parallel to these developments was the formation in 1984 of a specialised co-operative venture to provide a wide range of security and related services namely, the Premier Security Co-operative Society Ltd. In 1988 a computer training school was formed. Namely, the Premier Computer Co-operative Ltd, focussing on computer education for co-operative members and the general public. A more recent development was the registration of the Premier Travel Co-operative to cater to the travel needs of members. 1989 also saw more co-op development work being encouraged which resulted in the registrations of the Industrial and Services Co-operative Society (ISCOS); the State Inn Foods Co-operative Society, the Le Meridien Singapore Co-operative Thrift and Loan Society, the Outram Institute Co-operative Society and the Upper Serangoon Technical Co-operative Society.



Visit to the JSMC by some officials from the Singapore Polytechnic Co-op and the SNCF for bilateral discussions.

Further SNCF development work on the formation of the Singapore Credit Co-operative League (SCOPE) received support through the election of a 13-man protem committee to oversee its formation. After much hard work, SCOPE was registered on 8 August 1990.

Singapore International Co-operative Technical Assistance Programme (SINCOTAP) was launched recently to share Singapore's Co-operative development experience with movements in the developing countries.

Delegates under SINCOTAP 1990 (October) were attached to consumer (NTUC FairPrice) and transport (NTUC Comfort) co-operatives in Singapore for training. A total of 9 delegates came from Philippines, Malaysia, Sri Lanka and Thailand.

### The Future

Co-operatives have an important role to play in the economic well being of their members and the socio economic development of the country. The new Co-operative Societies Act, a departure from the restrictive old Act, provides a sound legal basis for the development of co-operatives in Singapore. The Apex organisation (SNCF) will co-ordinate the activities of co-operatives by providing centralised services to ensure the positive growth and widening of the areas of activities. The long-term results will be to foster the spirit of self-help and to create group consciousness and social cohesion. The SNCF will continue to play an active role in promoting co-operative development in the years ahead and also in creating greater awareness among the general public of the services provided by co-operatives to members in particular and to fellow citizens in general.

## ACTIVITIES OF SNCF

### Our Growth

Since the inception of the Singapore National Co-operative Federation Ltd

in September, 1980, Singaporean co-operators saw a further consolidation of the 65 year-old Co-operative Movement.

The total national co-operative members in 1980 which stood at 180,229 has risen to the present 448,471 (as at 1 Apr 1990) of which 446,396 (99.5%) are SNCF members from 58 affiliates out of the 63 registered co-operative societies/credit unions in Singapore.

We are, therefore, pleased to say that 446,396 families representing half the population of Singapore (i.e. considering four to a family) are within the SNCF fold.

### Our Services

The apex co-operative organisation continues to make every effort to reach out to its members. This important function of keeping affiliates posted of the progress of the Co-operative Movements here and abroad is undertaken through our publicity and information service.

### Co-op Education

Education and training, another essential service of the co-operative Movement in Singapore, is an on-going activity. Co-operative member education is carried out throughout the year. It caters for every strata of the co-operative membership from the leaders down to the general members and the co-operative full-time staff.

### Leadership Training Programme

The Education Programmes are usually reviewed before they are drawn up during the last quarter of the year. Feedback from course participants provided during an evaluation conducted at the close of each course is considered and this helps in planning the Education Programme to meet the needs of the affiliates. Some of the courses held for co-operative leaders are:

- (a) Leadership Effectiveness

- (b) Communication Skills
- (c) Problem-Solving
- (d) Everyday Communication
- (e) Effective Communication
- (f) Decision-Making in a Changing Society
- (g) Human Relations for Effective Performance
- (h) Assertiveness Skills
- (i) Presentation Skills, and
- (j) Computer Related Subjects

### Staff Training Programmes

These are conducted regularly. Co-op officials are usually supportive. They encourage their staff to participate. the Staff Training Programmes include courses like:

- (a) Basic Accounting
- (b) Principles of Co-operation

- (c) Co-operative Financial Auditing
- (d) Public/Customer Relations
- (e) Public Speaking
- (f) Computer Appreciation

### Other Educational Activities

Whenever needed, Co-operative Study Missions are organised for co-operative officials to explore at first-hand the operations of co-operative movements abroad.

When experts from overseas visit Singapore, Dinner Talks are held to enable an exchange of experiences on co-operative subjects.

Seminars, Workshops and Conferences are also planned. They are held locally or overseas to help co-operative officials to discuss problems of common interest.

Co-operative Study Visits, too, are

### Logo of the Singapore National Cooperative Federation



*The SNCF corporate logo of a triangular apex resting upon a symbolic double infinity conveys the main theme of a dynamic apex organisation linked to the international co-operative movement.*

*The component symbols have the following representation:*



*Triangle in 3 segments represents the apex body (top triangular segment) resting upon the middle segment (which represents the group of secondary societies), which in turn rests upon the base segment (representing the broad base of primary societies).*

*The overall triangle (comprising the 3 segments together) represents upward direction, growth and progress.*



*The linked double infinity represents the international co-operative movement to which our movement is linked. Its wave-like form denotes overall movement in progress and development.*



*The bright red used denotes life, vitality and prosperity for the co-operative movement in general.*

*Red colour*

arranged from time to time when overseas co-operators are here to familiarise themselves with the workings of our co-operatives.

**Public Education Programmes** like talks can be arranged for organisations interested to know more about the functions of a co-operative. SNCF welcomes enquiries and will be too glad to be of service.

### **Management Consultancy**

The following services are also being provided to affiliates:

- i) Conduct overall reviews of their financial and operational systems and suggest methods to improve on existing systems;
- ii) Conduct feasibility studies
- iii) Audit services;

### **Audit Service**

Pursuant to Section 78(3) of the Co-operative Societies Act, 1979, the Registrar of Co-operative Societies had partially delegated the exercise of his power to audit co-operative societies to SNCF since 1 April 1985. To-date 30 affiliated societies are enjoying this service. The fee charged is nominal.

### **Other Management Services**

SNCF assisted (i) Pulau Bukom Co-operative Thrift and Loan Society Ltd, (ii) Shell Group Malay Employees Co-operative Thrift and Loan Society Ltd, and (iii) Shell Staff Co-op Thrift and Loan Society Ltd to merge into the Shell Staff Co-operative Society Ltd.

At the request of the Premier Security Co-operative Society Ltd, SNCF conducted an overall review of the accounting and internal control systems of the society and recommended improvements.

As a result of SNCF representation the Registrar of Co-operative Societies approved (i) with effect from April 1987, the revision of the scale of audit fees where a maximum limit of \$1,500 is

fixed and the percentage on the turnover was reduced from 0.25% to 0.15% chargeable by SNCF; and (ii) the splitting of Subscription Capital into Share Capital and Thrift Savings.

SNCF has computerised the following areas:

- i) General Ledger - Accounting records and financial reports.
- ii) Membership system - Affiliates' statistics and financial data.
- iii) Word processing - Reports, circulars and minutes of meetings.

### **Social Activities**

To foster better interaction among officials, members and staff of affiliated societies, SNCF organised the following:-

- (a) Three get-togethers for SNCF Executive Council Members and officials of affiliates to enable them to know the SNCF better and vice-versa.
- (b) A visit to Kuala Lumpur co-operatives for 35 members of SNCF affiliates was organised in June 1985.
- (c) Two Inter-Co-operative Society Badminton and Table-Tennis Games were held in 1985 and 1986. The Challenge Trophies were donated by the late Mr P Ramasamy.
- (d) SNCF Anniversary and the International Co-operative Day were celebrated annually on the first Saturday of July with a grand dinner and dance and attended by about 600 members.

### **Co-operative Development**

Apart from the education courses organised to bring about co-operative development through the participants, SNCF had embarked on the following projects:

- (a) *School Co-operative Education Promotion Programme*

This was introduced in early 1985

when the student leaders of the Catholic Junior College Co-operative attended some training sessions on School Co-operative Management conducted by the SNCF. Talks on "Co-operatives and You" were also given to some 1,200 secondary school and junior college students. In this respect, two booklets on "A Co-op Way of Life" and "Co-ops and You" were published for distribution among the students and their teachers.

### *(b) Development/Formation of Co-ops*

SNCF, wherever possible encouraged the development of co-operatives/credit unions. SNCF was pleased to be able to play its role in helping to establish for the first time in Singapore a church co-operative credit union at the Church of Saints Peter and Paul in December 1986.

In 1986, SNCF initiated and engaged an international management consultancy firm to do a feasibility study on the formation of a League for credit co-operatives (SCOPE). Following this, we sought WOCCU assistance in forming the league. After much hard work, SCOPE was registered on 8 Aug 1990.

With the support of SNCF together with the Singapore Police M/P Co-op and the Singapore Government Servants' Co-op, 1988 saw the establishment of the first computer co-operative society in this region. Registered on 28 April 1988, the Premier Computer Co-operative Society has set up a training school known as the Premier Computer Training Centre, which was operational in mid-September.

### *(c) The Singapore Co-operative Movement Book*

SNCF is proud to state that for the first time in the history of the Singapore Co-operative Movement a book titled "Co-operative Societies in Singapore 1925-1985" has been published and is now available at selected bookshops and the SNCF secretariat.



## Community Welfare Services

The SNCF continued to contribute \$400 monthly to the Radin Mas Senior Citizens' Recreation Centre for the upkeep and maintenance of the centre for the approved a period of 3 years up to 31 March 1987. The Executive Council subsequently responded to a request by the Singapore Amalgamated Services Co-operative Organisation (SASCO), an affiliate of SNCF, for financial assistance to run The Senior Citizens' Home in Telok Blangah.

## SNCF Awards

The SNCF Awards are granted annually to co-operators/organisations which have made significant contributions towards the Co-operative Move-

ment in Singapore and/or internationally.

The awards are as follows in order of importance:

| Individual         | Organisation                           |
|--------------------|--|
| Rochdale Medal     | Rochdale Plaque                        |
| Commendation Medal | Commendation Plaque                    |
|                    | Certificate of Honour and Appreciation |

## International Relations

The SNCF continues to maintain

close ties with foreign co-operative organisations and established institutions in the pursuit of education and training, co-operative development and other areas of co-operative activities.

SNCF is affiliated to the International Co-operative Alliance (ICA) and the ASEAN Co-operative Organisation (ACO) and is a member of the Consumer Association of Singapore (CASE).

From 1990, SNCF in conjunction with ICA has offered technical assistance to co-operative movements in the developing countries in the Asian, Pacific and African regions under the Singapore International Co-operative Technical Assistance Programme (SINCOTAP).

# CONSUMER NEWS FROM ASIA

## BANGLADESH

### Perspective Planning Workshop

The Bangladesh Jatiya Samabaya Union (BJSU) with the cooperation of ICAROAP is going to organize a workshop on "Perspective Planning to Strengthen the Consumer Cooperative Movement in Bangladesh" at Dhaka on 26-28 May, 1991. Mr. Masao Ohya, Chairman of the ICA Committee on Consumer Cooperation is expected to deliver a 'talk' on one of the subjects.

## INDIA

### Stepping up cooperative education in Universities and Colleges

Mr. Pradit Machima, Secretary of the ICA Committee on Consumer Cooperation and the participants (most of them Professors and Readers), who attended the National Seminar on University Cooperatives in India at Vainkunt Mehta National Institute of Cooperative Management, Pune, on 5-7 November, 1990, have planned to

activate cooperative education and cooperative activities among students in Universities and Colleges in India, especially in the South and the West, where University Cooperatives are well established, such as Madras, Bangalore, Mangalore, Kohlapur, Pune and Bombay. If successfully implemented, it can be extended to other parts of the country.

### Need for Integration of University Consumer Cooperatives with General Consumer Cooperative Movement

The International Cooperative Alliance and National Federation of Universities Consumer Cooperative Association of Japan (NFUCA) organized a 3 day seminar in collaboration with the National Cooperative Union of India and National Council for Cooperative Training, New Delhi, recently.

This Seminar was organized with a view to discuss the problems of consumer cooperatives in universities and academic institutions. In India there

are over 200 universities and institutes of national importance with the status of a University. Most of the universities have more than one campus in the form of either constituent colleges or affiliated colleges. The students and academic community in these institutions are subjected to exploitation of competitive market. It is, therefore, necessary that consumer cooperative movement in universities and academic institutions should be expanded and strengthened.

The Seminar strongly recommended that effective steps should be taken to diversify and strengthen the activities of University Cooperative stores to improve the quality of life of the members of the Universities and academic community.

The Seminar also suggested that the membership of these institutions should be made broad-based and comprehensive so as to include students, teachers and other staff members and in specific situations the staff of other academic institutions adjacent to the Universities, besides developing mana-

gerial and professional competence of those who run these Cooperatives.

The Seminar also emphasised that the principal activities of these stores should be supply of grocery, stationery, books, newspapers and magazines, milk, textiles, running and management of messes and canteens. The general consumer cooperative movement of the country should provide required business support to these cooperatives

## INDONESIA

### Joint Meeting of ICA committee on Consumer Cooperation and Cooptrade in Yogyakarta:

A joint meeting to ICA Committee on Consumer Cooperation and Cooptrade & Industry was held in Yogyakarta, Indonesia, on 21-24 November, 1990. Seventeen participants from member-countries attended the meeting. The meeting was inaugurated by the Honourable Minister of Cooperatives Mr. Bustanil Arifin and the reception was given by Sultan Paku Alam VIII, the Governor of Yogyakarta at his palace on 23 November, 1990. The party given by the Governor was a very impressive one.

## JAPAN

### Co-operative Basic Values were discussed at Tokyo International Symposium

"The International Symposium on Basic Values of Consumer Co-ops in Industrialized Countries" was held in Tokyo on November 6 and 7, 1990. The primary goals of the symposium were to stimulate discussion and debate among co-ops in Japan and to contribute to the formulation of the JCCU standpoint concerning Basic Values, which will be the main theme of the 30th ICA Congress to be held in Tokyo in 1992. The symposium was chaired by Mr. S.A. Book



Joint meeting of ICA Committee on Consumer Cooperation and Co-op Trade & Industry at Shahid Garden Hotel, Yogyakarta, Nov 21-24, 1990.

(Manager of the ICA Basic Values Project). Taking part as panelists were Dr. S. Rom (Director of Konsum Austria), Prof. I. MacPherson (President of Canadian Cooperative Association), Ms. R. Itkonen (International Secretary of KK Finland), and Mr. Isao Takamura (President of JCCU).

The symposium had the following themes: the background and fundamentals of Basic Values; Basic Values as maintained by each consumer co-op (including the relationship between Co-op Values and Principles); and Basic Values in regard to the future direction of the Japanese consumer co-op movement. Also considered was the relationship between the Co-op federation and primary co-ops; the recruitment and training of managers; the promotion of participation by women and youth; and the Co-op's commitment to peace and environmental issues.

At the third session, 16 out of 177 participants actively contributed to the lively discussion, proposing their own views on Basic Values. The symposium proved to be a good starting point for discussion on these matters, attracting a wide range of interests within and

outside the movement.

### Co-op Promotion Months: Wide-Ranging environmental Activities Conducted Nation wide

Every year the months of October and November are dubbed by Japanese co-ops as "co-op promotion months." During this period, co-ops throughout the nation extensively focus their energies to define and address current issues of concern. The main purposes of the two-month campaign are to provide an opportunity for both Co-op members and employees to stress the value of co-ops within the Co-op community and society in general, enhance member awareness of Co-op activities, promote the sales of Co-op products, and increase Co-op membership. During this period last year, co-ops dedicated themselves to environmental issues.

The high level of concern for environmental issues today is unprecedented. Such large-scale environmental problems as acid rain, deforestation, and destruction of the ozone layer pose an immediate threat to the survival of civilised life. The problems facing Japan include water polluted by toxic waste,



Symposium panelists and chairman (l to r): Prof. I. MacPherson, Ms. R. Itkonen, Mr. S. A. Bök (Chairman), and Dr S. Rom

air polluted by NO<sub>2</sub> emissions, and garbage disposal management. JCCU, whose efforts to deal with these problems have been named the "Ten-Million-Person Environmental Movement" (based on the roughly 13 million Co-op membership), proposed the following activities to co-ops nationwide:

**1. Promotion of activities for the improvement of water resources**

This includes comparison tests of Co-op soaps with other detergents; production of soap made from used cooking oil; drainage inspection; environmental monitoring of local seas, lakes and shores; and investigation of water-side wildlife.

**2. Promotion of milk carton recycling activities**

This project began three to four years ago and is now being carried out by more than 30 co-ops throughout Japan. The number of milk cartons collected by 1989 totalled roughly 35 million, or about 1,000 tons. This figure is expected to more than double for fiscal year 1990.

**3. Promotion of garbage recycling activities**

This includes encouraging the reuse of grocery bags provided at check-out counters as well as developing campaigns such as "Decreasing Garbage at Home."

**4. Promotion of campaigns to prevent air pollution**

Governmental regulations on air pollution will be monitored through simple testing of NO<sub>2</sub> levels in the atmosphere and pin-pointing the sources of air pollution.

**5. Promotion of campaigns to recover our natural environment and live harmoniously with it**

This includes afforestation projects, bird watching, national trust movements, and so on.

**6. Proposals to local governments and joint efforts with them**

Mutual discussion between co-ops and local governments should be pursued to clarify the responsibilities of citizens and governments.

**7. Promotion of the supply of environment-friendly products**

As the environment-friendly prod-

ucts developed by co-ops come into wide use, the environmental movement is expected to be strengthened and attract greater member participation.

**Co-op Switching to the Exclusive Use of Recycled Paper Products**

The Resource & Environmental Action Programmes, launched in October 1990 by Nagoya Co-op (105,000 members), has been well received among its members for such efforts as the use of an "environment-friendly" mark on its environmentally safe products and the introduction of plastic trays that are less harmful to garbage incinerators. Yoshiaki Nono, Managing director of the co-op, says, "The goal of the movement is to get each person to reevaluate his or her lifestyle, from kitchen duties to all aspects of daily life."

The concrete steps being taken by the co-op to achieve this goal include the following: (1) switching from the use of conventional polyethylene meat trays to plastic trays with do not use any CFC foaming agents; (2) switching to the use of recycled paper for printed matter, price tags, and all other paper products used within co-op stores; (3) placing an "environment-friendly" mark on such environmentally safe products as soap produced from used cooking oil, thus providing co-op members with a standard of selection when purchasing products; and (4) publicizing a call to co-op members for suggestions concerning ways to live harmoniously with the environment and preserve resources. This will insure that members ideas will be incorporated into co-op movements. The number of suggestions sent in from co-op members has already exceeded 1,000

The Nagoya Co-op is also actively conducting joint research with other co-ops, such as the development of an exhaust-free electric car. Future research plans include developing a substitute for dry ice, which is a source of carbon dioxide and one of the causes of the greenhouse effect.

## National Consumer Co-op Congress Held

JCCU held the 24th National Consumer Co-op Congress in Sendai, located in north-eastern Japan, on November 14, 1990. At the Congress, which adopted the theme, "The Co-op and Community Life," 1,400 Co-op members came from all parts of Japan to give presentations and exchange information on recent co-op activities.

There were a large number of presentations describing the grass-roots level activities initiated to tackle environmental issues, highlighting the steady growth of efforts undertaken by Co-op members to deal with environmental problems. Presentations addressed a variety of activities, such as the recycling of milk cartons, research on the relationship between home drainage and pollution of local rivers, monitoring of air pollution and garbage, and checking water pollution caused by agricultural chemicals used on golf courses.

These measures are being conducted with the conviction that they will increase the motivation of Co-op members in protecting their environment as part of their everyday lives; expand social consensus regarding protection of the environment; and develop into a movement that will put pressure on governments and companies to accept responsibility and take action on behalf of environmental protection.

## Departure of Mr. Susumu Ota

Mr. Susumu Ota, one of the most brilliant foreign relations officers of JCCU and a good friend of ICA has resigned from JCCU for other business. We feel sorry to lose a good friend, but we are proud of him for the excellent work he had done during his tenure. We wish him good luck and success in his future endeavours.

## JCCU's 41st Annual Congress Meeting in Kobe

This year the 41st meeting of the Annual Congress of the Japanese Consumers' Cooperative Union will be held

in Kobe city on 13th and 14th June 1991. On behalf of the ICA ROAP, Mr. G.K.Sharma, Regional Director, has sent very cordial and sincere greetings to the JCCU and the participants of its Congress.

Mr. Sharma further hailed the success of JCCU in promoting consumer cooperative activities within Japan and abroad, especially its roles in promoting sister cooperative movements in the Asia and the Pacific region through education and training and its efforts to preserve world peace and environment.

## MALASIA

### Fact finding mission to Malaysia

Between 11 and 26 of February, 1991, the ICA ROAP with cooperation of the National Coop. Organisation of Malaysia (Angkasa) had sponsored a study on "Problems faced by the Consumer Cooperative Movement in Malaysia". The study was conducted by Mr. Sunil G. Wijesinha of Sri Lanka. It is expected that he will submit his report to the ICA ROAP very soon.

## PHILIPPINES

### National Skills Training on Consumer Cooperatives

The Cooperative Union of the Phil-

ippines (CUP) and ICA ROAP will conduct a Skill Training on Consumer Cooperatives for Consumer Coop. Managers and staff in Manila between 2 & 4 April, 1991. It is expected that 20 participants from Primary Consumer Cooperatives in Metropolitan Manila area and Luzon will attend the training.

Mr Pradit Machima, Consumer Advisor, ICA ROAP, will be assisting CUP in conducting the Training.

## SINGAPORE

### 18th Meeting of ICA Committee on Consumer Cooperation

The Singapore National Cooperative Federation Ltd. (SNCF) is going to host the 18th meeting of ICA Committee on Consumer Cooperation at Plaza Hotel, Singapore on 29 May 1991. The following day (30th May) is reserved for the study visit to local cooperatives. All members of the ICA Committee on Consumer Cooperation are expected to attend the meeting.

Mr. Masao Ohya, Chairman of the Committee on Consumer Cooperation addressed the meeting at the opening ceremony.

### Co-ops on the Air

Starting in early 1991 the people of



Multi-purpose Cooperative Society in Sri Lanka

Singapore will be able to tune into two more FM stereo channels: 91.3 MHz (English and Malay) and 100.3 MHz (Chinese and Tamil). The NTUC Voice Co-operative Society Ltd. will be running the radio station which will broadcast issues of interest for the working population and their families.

## **SRI LANKA**

### **Canada supports environment programme**

Canadian co-operators are supporting projects to protect and enhance the physical environment in two districts of Sri Lanka. The projects will educate co-op leaders, school children and the public to be environmentally conscious. The work is to be carried out by the National Co-operative Council of Sri Lanka and the Canadian Co-operative Association is providing C\$80,000.

## **REP OF KOREA**

### **Chain Store Business of NACF**

As cooperative members, farmers are both producers and consumers. The cooperative purchasing business for consumer goods is regarded as a business in which farmers patronize their cooperative as consumers.

The major objectives of the purchasing business for consumer goods conducted by agricultural cooperatives are as follows:

- 1) To supply member farmers with high quality consumer goods at reasonable prices;
- 2) To reduce marketing cost and stabilize consumer goods markets in rural areas by linking producers and member farmers; and
- 3) To operate convenient shops located at the village level and to contribute to a more rational consumption pattern.

### **Historical Development**

#### *i) Emergence of the Business for Consumer Goods*

Since the multipurpose cooperatives were established in the early 1960s,

they had carried out the purchasing business for consumer goods to protect farmer consumers. As was the case in other similar business at that time, business activities remained stagnant due to various constraints, including insufficient operational funds, inadequate management skills and weak organizational structure, and poor understanding of the cooperative business. The primary cooperatives established their sales shops at village level. As such, there was little variety and quantity due to the absence of an organized nationwide network.

#### *ii) Introduction of Chain Store System*

With the change in the consumption patterns of farmers and marketing innovations, the importance of and the need for cooperative system to supply consumer goods to farmers and function as consumer cooperatives in the rural areas began to be recognized in the late 1960s. To meet that need, the NACF introduced a nationwide cooperative chain store system to supply the daily necessities of member farmers at reasonable prices.

#### *iii) Expanded Functions of Chain Store*

A chain store was first established in January 1970 by the primary cooperative in Janghowon, Kyunggi Province. This paved the way for the subsequent opening of modern consumer chain stores in all farming areas of Korea. Since then, chain stores have mushroomed all over the country. In September 1990, there were 1,428 chain stores with 523 branch stores being operated by the primary cooperatives and 14,062 sales shops being operated at village level by women's clubs. Collectively, this represents the largest nationwide chain store network in Korea.

### **Business Performance**

The cooperative chain store business has grown rapidly, boasting an annual average growth rate of 25.8% since 1984. The major items of consumer goods handled by the agricultural cooperatives can be classified as processed foods, clothing, kitchen ware,

sanitation goods, housing materials, stationery, durable goods, and miscellaneous goods.

In 1989, the total sales of consumer goods sold by the cooperative chain stores stood at 474 billion won, an increase of 22.5% compared with 387 billion won in the previous year. Recently, leading factor of sales increase has been the expanded supply needed for marriage such as furniture and kitchen ware.

### **Evaluation of Business Performance**

The cooperative supply business for consumer goods was the torch bearer of the consumer protection movement in Korea. The business helped to increase farmers' income and to rationalize household consumption patterns in the rural areas, thereby, contributing greatly to the general welfare of farmers.

## **THAILAND**

### **Training of Coop. leaders and staff in Japan**

A delegation of Nakorn Chian Mai Cooperative Store from Chian Mai, Thailand, comprising coop. leaders, Branch Managers and staff, visited JCCU, Kanagawa Consumer Society and other consumer coop. network in Japan between 4 and 11 March, 1991.

## **VIETNAM**

### **JCCU mission to Laos & Vietnam**

A delegation of JCCU coop. leaders headed by Mr. Junya Tanabe, Managing Director of Nagoya Consumer Society and Vice Chairman of JCCU visited Laos and Vietnam between 6 and 13 January 1991. The purpose of the visit was to gather first hand knowledge of cooperative situations in the two countries. The delegation comprised Mr. Junya Tanabe, Mr. A. Kurimoto, Mr. S. Mukai, Mr. A. Kato, Mr. Y. Inone, Mr. S. Hikosaka (Japan) and Mr. Pradit Machima from ICA ROAP.



# ASIAN CONSUMER COOP NEWS

*For Private Circulation only*

A Bulletin of the ICA Committee on Consumer Cooperation for Asia & the Pacific : Issued every 4 months

July 1991



## CONTENTS

### ICA Regional Office Activities

|  |   |
|--|---|
| ICA-JCCU Mission to Mongolia                                     | 3 |
| Leadership Training in Cooperatives                              | 4 |
| Cooperative Basic Values   | 5 |
| Consumers want their money's worth                               | 6 |
| Safeguarding the Consumer  | 7 |
| Role of coop. college in education and training of coop. leaders | 8 |

### Consumer News from Asia

|               |    |
|---------------|----|
| Bangladesh    | 9  |
| India         | 9  |
| Indonesia     | 10 |
| Japan         | 10 |
| Lao           | 11 |
| Malaysia      | 12 |
| Philippines   | 12 |
| Rep. of Korea | 12 |
| Singapore     | 12 |
| Sri Lanka     | 13 |
| Thailand      | 14 |
| Vietnam       | 14 |

## EDITORIAL

It is a known fact that education and training is the principal function of modern business management, especially in cooperative management. This is because they have to compete with others in doing business. They have to be alert, effective and strong. Otherwise, they will not survive. However, in general practices, cooperatives are far behind private sector in providing education and training to cooperative leaders, managers, staff and the general public due to lack of funds, lack of technical knowhow and lack of leadership. This, in turn, brings bad results to cooperatives - poor business operations, poor services, low rates of member participation, lack of adequate volume of business and low rates of business turnover - the cooperative vicious circle. However, this is not the case in Singapore, Republic of Korea and Japan. They start to provide cooperative education to people at the very younger age and continue for their life. That is why cooperatives in these three countries are doing very well. Now Malaysia, Sri Lanka and Thailand are following suit. It is expected that other countries will also try to step up cooperative education and training activities among their leaders employees and the general public. In this issue, we give the readers a brief description of "Leadership Training in Coopertives and its impact on Cooperative Development", "Cooperative Basic Values", deviced by Mr. Lim Ho Seng and "Education and Training of Cooperative Leaders and Staff" deviced by Malaysian Cooperative College and related subjects on consumer safeguarding and consumer protection by M.P. Singh and J.P. Chandra.

-- Editor

## ASIAN CONSUMER COOP NEWS

(For private circulation only)

Editor : Pradit Machima  
Office : ICA Regional Office for Asia & the Pacific  
'Bonow House'  
43 Friends Colony (East)  
New Delhi 110065, India  
Telephone : (91) 11-6835123  
Telefax : (91) 11-6835568  
Telex : (81) 31-75025 DICA IN

### A BULLETIN BY THE ICA COMMITTEE ON CONSUMER COOPERATION FOR ASIA.

#### LIASON OFFICERS

**Bangladesh** : Mr. Mohd. Shahidullah  
**India** : Mr. A.S. Negi, Mr. M.M. Alam  
**Japan** : Mr. H. Amano  
**Malaysia** : Mr. Abdul Halim Abdullah  
**Philippines** : Ms. Teresita M.de Leon  
**Singapore** : Ms. Rosslyn P.C. Mak  
**Sri Lanka** : Ms. Jayanti Nawaratne  
**Thailand** : Mr. Surasit Impol

#### To the Reader . . . .

We would like to receive contributions from you. Your opinions, ideas and even information on new innovations in consumer cooperatives are welcome. Your contribution will undoubtedly bring more information inputs and strength to the Bulletin. We also invite you to comment on the information and layout of the Bulletin so that we may improve upon future issues.

— Editor.

## MEMBERS OF THE ICA COMMITTEE ON CONSUMER COOPERATION FOR ASIA

#### *Chairman*

Mr. M. Ohya  
Executive Director  
Japanese Consumers Cooperative Union  
1-13,4-Chome, Sendagaya  
Shibuya-ku, Tokyo (Japan)

#### *Bangladesh*

Mr. Mohd.. Shahidullah  
Mrs. Feroza Mohsin

#### *Fiji*

K.B. Matalau

#### *India*

Mr. A. Bhattacharjya

#### *Indonesia*

#### *Japan*

Mr. M. Ohya  
Mr. K Okayasu

#### *Rep. of Korea*

Mr. Geon Ho Lee

#### *Malaysia*

Mr. Tuan Haji Sallehudin bin Abdul Ghani  
Dato' Hamzah bin Haji Yatim

#### *Philippines*

Mr. Felomino Bautista (Jr.)  
Mrs. M. Climaco

#### *Singapore*

Mr. Lim Ho Seng

#### *Sri Lanka*

Mr. D.E. Pathirana  
Mr. Hilarian Gunawardane

#### *Thailand*

Col. Surin Cholpraserd  
Mr. Jankaew Muangjai

*Secretary* Mr. Pradit Machima.

### ICA EXECUTIVE COMMITTEE ON COMSUMER COOPERATION

**Chairperson** : Ms. Turid Strom, Sweden  
**Vice Chairman** : Mr. Masao Ohya, Japan  
**Members** : Mr. Manfred Dabrunz, Germany  
Mr. Kalevi Soumela, Finland  
Mr. Peter Szilagyl, Hungary  
Mr. Giuseppe Fabretti, Italy  
Mr. Abdulatif Al Kharaza, Kuwait

# ICA REGIONAL OFFICE ACTIVITIES

## ICA-JCCU Mission to Mongolia : 11-14 July 1991

### Introduction

An ICA/JCCU team consisting of the JCCU President, Mr Isao Takamura; the Executive Director, Mr. Masao Ohya; the Managing Director of Nagoya Consumers Cooperative Society, Mr. Junya Tanabe; the Chief Executive and President of Coop Sapporo, Mr. Masakaru Kawamura; the Financial and Personnel Manager of JCCU, Mr. Toshio Itoh; and the Senior Development Advisor, ICA ROAP, Mr. Karl J. Fogelstrom visited Mongolia from 11-14 July 1991 on the invitation by Central Union of Consumers' Cooperatives of Mongolia.

in the midst of a transition from a rigid socialist economic system to a market economy. A multiparty system was introduced last year and the present government draws members from all the major parties. The economic situation is extremely difficult at the present time with shortages of virtually all sorts of commodities. The pricing system is in disarray and even meat is in short supply, even if there are 11 domestic animals, mainly sheep, goats, cattle and horses, to each of the 2 million strong population. A process of privatisation of about 60% of the national assets is in progress. The country is likely to get financial and techni-

Mongolian economy will be on a proper footing in two to three years time.

### The Cooperative Sector

The Mongolian Consumer Cooperative Movement, which in fact is a multipurpose system, played a significant role in the Mongolian economy upto 1958 when the entire cooperative structure was nationalised into a state organisation. At the time of dissolution the Cooperative Movement had almost 300,000 individual members. In line with the new policy of market economy the Cooperative Movement was reestablished last year. The first Congress was held on 23rd May 1990 electing a Council consisting of 63 representatives and a Board of 8 members.

The Mongolian Consumer Cooperative Movement has a three-tier structure consisting of 400 primary multipurpose societies, 18 provincial unions and a national apex organisation. The number of individual members is still small, about 30,000.

The cooperatives have three main areas of activities:-

1. trading in consumer goods;
2. purchasing members' products/produce, mainly animal-based products; and
3. supply of the necessary input materials and commodities needed by the animal breeding population.

### The Results of the Discussions

Towards the end of the visit a joint communique was signed by the Chairman of the Central Union of Consumers Cooperatives of Mongolia, Mr. Ch. Molon; the President of the Japanese Consumers Cooperative Union; and the ICA Representatives, Mr Karl J. Fogelstrom.



The JCCU Delegation with their Mongolian Host in Ulan Bator, Mongolia in July 1991

The visit was the first ever by a cooperative delegation from outside the now defunct COMECON sphere. The visit coincided with the Mongolian National Day on the 11th of July and the team was invited to attend the elaborate festivities including a reception hosted by the Prime Minister of Mongolia.

### The Political and Economic Situation

The Mongolian society is right now

cal support primarily from Japan and South Korea to help them out of their difficult economic position. The Prime Minister of Japan, Mr Toshiki Kaifu will pay a visit to Mongolia in August this year and he will certainly not come empty handed. Given the rich natural resources; minerals, wool, leather and meat; and the human resources with over 90 per cent literacy rate, coupled with the anticipated foreign assistance, economic experts estimate that the



In the communique the Mongolian representatives expressed their gratitude for Japan's economic help and support to Mongolia at a time when she is experiencing economic crisis. The two sides underlined the importance of mutually studying the experience of consumer cooperative movements and developing economic cooperation.

The Mongolian side requested the

Japanese side to render concrete support and assistance in augmenting the activities of the Mongolian Consumer Cooperatives, which are reviving in conditions of transition to a market economy.

Mr. Isao Takamura extended an invitation to Mr. Ch. Molon for a Mongolian delegation to visit the Japanese Consumer Cooperative Movement

during 1991 in order to develop friendly relations and discuss mutual cooperation in the future.

Mr. Karl Fogelstrom of the ICA Regional Office for Asia and the Pacific (ICA ROAP) expressed that the ICA would welcome the application of the Central Union of the Consumers Cooperatives of Mongolia to join the ICA as a member.

## Leadership Training in Cooperatives

By Lim Ho Seng

### *What is leadership?*

Leadership means different things people in different countries. The concept of leadership is diverse. This paper attempts to share some of the concepts of leadership. We shall also discuss the trends in the field of training in the 1990s and its implications for leadership training for cooperatives.

The Oxford Dictionary defines a leader as a "person followed by others". The characteristic of a leader is that he has followers. This implies that there must be people who are willing to support and follow a person who is then deemed the leader. Leadership then, appears to be different from management. Leadership implies mass support from followers whereas management is authority vested through a formal structure of chain of command which may not have support nor followers.

Other characteristics of leadership are the ability, intelligence and breadth of knowledge in getting the right direction in complex environments. Leaders have strong conviction and inner drive to overcome obstacles in producing change over time.

### *How does one prepare for Leadership?*

A leader is not simply born over-

night. It involves much preparation. It begins with the individual's desire for leadership position. There must be a yearning to gain experience and study materials to understand the concept and characteristics of leadership. One must seek education, training, experience, and environments which nurture leadership qualities and provide leadership opportunities.

### *Training - in the 1990's:*

It is never easy to predict the future. However, recent trends indicate that training in the 1990s will be shaped by several forces.

One is the force of new technology and its impact on training. New technology enables communication to be decentralized. As such, training may also be decentralized.

Another force is the increasingly competitive global environment. With increasing competition, organisations are pressured to generate better products, improved customer service and higher quality in every aspect. This requires new ideas, innovation and creativity. With this increased emphasis on creativity, people need to be trained to develop skills in creativity and innovation.

The third force is the evolving new

organizational structures. There is a move towards organizational structures which are more responsive to the needs of customers. The evolving of the concept of the empowered work force requires new training as empowered work teams are self-managing. This implies that new skills need to be learnt through training.

### *Implications for Leadership Training for Cooperatives:*

With rapid changes and new technology, leadership training for cooperatives need to keep in tune with the ever-changing global environment.

The pace of change is rapid in some regions and less so in others. We need to view leadership training for cooperatives in the context of the pace of change and the environment in which it is to be applied.

The essence is to tailor leadership training for cooperatives in the context in which it is to be applied. Of course, there are universal principles of leadership. However, teaching leadership skills in the context in which it is to be applied, would enable participants to acquire leadership skills which they can readily apply in their own context and environment.

New technology awakens us to the

## Cooperative Basic Values

vast possibilities in the field of leadership training for cooperatives. Training methodology would need to keep pace with new technology. Already, computers with network facilities are being used to enable participants and teachers to interact and communicate with each other through computer terminals. Also computers are being used for producing and projecting slides.

Leadership training content for cooperative need to take into account the new trends in the increasingly competitive global environment. There is an increased emphasis on innovation and creativity. Cooperatives need to keep pace with these new trends in the competitive global environment in order to remain in order to remain relevant. Leadership training for cooperatives could include training in leadership skills to generate creativity, innovation and better services to meet our members needs.

With the shift towards new organizational structures, leadership training for cooperatives need to prepare future leaders to lead in a new environment. Organisational structures will move towards being more responsive to members' needs in order for cooperatives to remain relevant.

With the move towards multi-skilled work designs, more flexible use of skills, and empowered work teams which are self-managing, future leaders need to be trained in leadership skills which will enable them to be versatile in an ever-changing environment.

*Conclusion:* Looking ahead to the year 2000, we need to prepare ourselves for the challenges ahead. With prudence and a little "futuring", we will be well prepared to scale new heights as a global Cooperative Movement through futuristic leadership training for cooperatives.

There are differing opinions of what cooperatives' basic values actually are and there are many interpretations of cooperative values. This is to be expected as cooperatives come in different forms and sizes and with varying objectives. Cooperative organisations exist in different social, economic and political environments for example, the free market economies of the west, the centrally planned economies of the eastern-bloc and the developing economies. They have differing goals and hierarchies of values.

Nevertheless, by and large, there is consensus that basic cooperative values are those that promote human relationships, better quality of life, peace and human rights, defence of democracy and solidarity with the unfortunate. Of course, we must not forget that above all, every cooperative must serve the economic needs of its members.

Cooperative values and principles have remained somewhat unchanged since they were first articulated over a hundred years ago. The world has since changed dramatically and so has the pattern of the world cooperative movement. In terms of numbers, the main part of cooperative movement is no longer to be found in Western Europe. New generations of cooperators and cooperatives have joined the movement. Economic growth has been accompanied by higher living standards. Higher income levels and higher education bring about changes in lifestyles, values and priorities. Leisure time commands a premium. The use of credit is widespread. The environment today is different from that of the Rochdale pioneers. Are existing cooperative values and principles still valid?

Economies all over the world have been riding on the crescent of the economic upsurge over the past decade. Because the capitalist market economies have been so successful, it is wonder

that the dominating trend has increasingly become more capitalistic. Cooperatives have not been spared from such environmental influences.

Increasingly, cooperatives are adopting market oriented values and practices. While this may be good for business productivity, cooperative values and principles may be viewed as obstacles and restrictions. The management that have not adopted the cooperative culture sometimes question whether members are really needed. They claim that members do not understand the business and their participation is futile.

In order to survive in the severe competition with commercial enterprises, there is attraction for cooperatives to expand and secure economies of scale. Growth is usually accompanied by extended area of operations and increase in membership. When this happens, participation by the increasing number of members in the management process becomes more difficult. The bond of membership slackens and member participation ultimately declines. For this reason, it is often questioned whether cooperatives can grow large and not retain their cooperative character or must they remain perpetually small.

Furthermore, where there is good professional management in place, members could become complacent and thus inactive in taking part in the cooperative's development. This is especially so when the cooperative is performing well economically and returns to members are consistently good.

In many developing countries, Government participation in cooperatives is prevalent. National leaders look upon cooperatives as expedient instruments for economic development. The true character of cooperative as member-based democratic organisations is over-



looked. As the initiative for organising activities is from the Government, this has fostered a reliance on Government for everything. People do not learn to do things for themselves and how to develop a spirit of self-reliance.

As a result of the economic, political and social changes in the environment, it is sad to note that in many places there is a poor understanding among individuals of cooperation. People become members of a cooperative only for material benefits, be it easy credit, cheap insurance or consumer goods at low prices. This is not wrong, but in the process they see cooperatives

as institutions from which to obtain tangible benefit, and give nothing in return. They sight of the non-material aspects of cooperation. i.e. mutual help and community spirit (known as "Gotong Royong" in Malaysia and Indonesia, and also practiced in the kibbutz of Israel).

When a person joins a cooperative, he assures the rights and responsibilities of membership. The legal obligation involved is the simple principle of returning borrowed money and paying for goods and services. The moral aspects relate to fulfilling the obligations of keeping the cooperative going by

using its services and by ensuring that the cooperative which has helped the member should not suffer from want of member support. If we look around us it is quite obvious that moral responsibilities are the least concern of people joining a cooperative.

In the light of the impact of various environmental influences around us upon the structure and management of cooperatives as well as upon the individuals, it is imperative that cooperative today reconfirm the values of cooperatives. If we don't, we will be no different from any other commercial organisation.

## Consumers want their money's worth

By Jag Parvesh Chandra, Former Chief Executive Councillor

It is estimated that about two-thirds of the total spending in our economy comes from the consumer community. Should the interests of this huge spending community be not protected?

Consumers are simple, sincere people who earn their money the hard way. Honest themselves, they seek honest merchants to supply their needs. When they buy product, they expect it to be as good as their money.

Consumers' expectations are a few: quality goods should be available at reasonable prices, after-sale services offered by the seller should truly serve, and warranties given to buyers should be genuinely in their interest.

The consumer today is awake and aware. He wants concrete steps to protect his interests. A plethora of platitudes and an abundance of assurances will not satisfy him. For him, the experience of yesterday cannot be the expectation of tomorrow. When a man says enough is enough, the wisdom of the past cannot be the guide to the future.

**Promises, Performance:** The aim of the consumer movement is not to belittle industry but to raise it to higher

standards of excellence so that both production and productivity go up. This will not only lower the cost of production but the promises made for the product will match their day-to-day performance.

In this context, industry should regard the movement as an incentive rather than a hindrance, an opportunity for growth rather than a threat to its importance or development.

The consumer movement is meant to preserve the best in the entrepreneur system. It is also a passionate plea to remove a small blemish here or there which spoils the fair image of Indian industry. Business must also ensure that public interest has precedence over corporate profitability. This is essential because business concerns are mandated institutions. They will continue to function so long as they promote the interests of society. By responding to the desires of the consumption community, business will advance its own interests.

If a person spends some time on comparison shopping, he will be shocked by the varied prices of the same product from market to market and often in the

same shopping centre. Let a chief executive of a business house occasionally shopping for a product he wants and he will appreciate the bewilderment of the consumer. The customer asks why the producer does not print the retail price on every item instead of leaving it to his local agent to do so. What is the difficulty in adopting the unit pricing system?

Considering these things, the rhetoric of consumer protection is based on the reality of dissatisfaction over purchase.

**Comprehensive Campaign:** The term consumerism is a convenient word for the sum total of consumer consciousness, awareness of his rights, annoyance with rising prices, occasional irritation at the gap between poor performance and over-promise, disillusionment with certain imbalances in the market-place, dissatisfaction with the questionable practices of some businessmen, and concern at the assault by many industries on natural heritage.

Consumerism is taking shape as a comprehensive campaign. Its all-pervading progression is having its impact. It is a substantive movement of con-

sumers, by consumers, for consumers. It has no political overtones, nor should it ever have them. It should not, therefore, be regarded as an irritant. Leaders of the business community should neither misjudge nor misunderstand it.

Indeed, the philosophy of consumerism is as legitimate as the dynamism of nationalism. Both are products of the soil, pervasive and irresistible, by the people, of the people, for the people.

Industry should not view consumerism as a threat to its prosperity, but should utilise it as an opportunity to create further confidence in the consuming public. Today, because of the unethical means and misleading that a section of business employees practice, there is a dip in consumer confidence. The goodwill of buyers is the best guarantee for the continuing growth of business.

In a way, consumerism is a social pressure on business to heed the grievances of the consuming public. It wants

manufacturers to be sensitive to consumer complaints and take appropriate remedial measures.

Consumerism wants no special favour from business. All it wants is the scales of justice be balanced by fairness both to buyer and seller.

**Objectives, Obligations:** Because of the needs of consumers, the objects of consumerism and the distinctiveness of consumption community, the consumer movement has to be spontaneous in origin and independent in functioning. To be effective, it should be broadbased.

Voluntary consumer organisations could give an ostensible fillip to the movement. Women should be requested to participate in the movement in a big way. That would lend it further strength and effectiveness. The consumer movement would function more effectively if the nation's print media extends its cooperation. If the electronic media

also helps, that would further strengthen the movement.

The old time concept that it is the business of business to remain in business is not wholly accepted by the consumer movement. It wants business to prosper, but not on the tears of consumers. It wants industry to maximise the production of high quality at the lowest possible cost. This will be in the national interest, benefiting all sections of society.

**Three sides of triangle:** Is there any contradiction between consumer interest and public interest? A few diehards among the business community may think there is. But this is a narrow way of looking at the issues involved.

This section may presume that protecting consumer interests will be at the cost of business profitability. So by making less profits, is business promoting public interest? The answer to this dilemma is obvious.



## Safeguarding the consumer

By M.P. Singh, President, Consumer Disputes Redressal Forum, Delhi

The consumer movement is in the nature of social movement which provides for protecting the right of consumers in relation to the traders. The consumer justice also forms a part of social and economic justice guaranteed under the Constitution. The movement has a long history in the foreign countries, particularly in the United States where it is observed to be a social obligation. It has, however, been a social movement there and it was not reduced in the form of a legislation.

The necessity of a legislation was not felt there because if the consumer was dissatisfied with the goods or services given to him, he can always approach the sellers for redressal of his grievances and they were readily redressed. In the earlier days, the consumer was a master and market was known as a consumers' market. How-

ever, the position has entirely, changed now and a consumer is not only a subservient but is a very harassed person.

**Legislation:** With a view to afford relief to the consumers, the Indian Protection enacted the Consumer Protection Act in 1986 (No. 68 of 1986). The Consumer Protection Forums have been constituted under it. The preamble of the Act itself provides that the Act is "to provide for the better protection of the interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer disputes and for matters connected therewith". The Act has, thus, created a three-tier system with the National Consumer Disputes Redressal Commission as the apex body, the State Consumer Disputes Redressal Commission as the highest body in

the state and the District Consumer Disputes Redressal Forum established for redressal of the complaints at the district level. The three bodies have different pecuniary jurisdiction. While cases where the value of the goods or services and the compensation, if any, claimed is less than Rs. one lakh they are to be tried by the District Forum. Cases involving the value of claims between Rs. one lakh and Rs. 10 lakh are to be tried by the State Commission, and complaints of over Rs. 10 lakh are to be tried by the National Commission. The most important departure from the practice prevailing in the other existing forum is that under the Act, complaints can be filed against the supplier of goods but also government agencies.

**Definition :** According to the provisions of the Act, the consumer is a

# Role of Cooperative College in Education and Training of Cooperative Leaders (B.O.D.) and Staff

person who buys goods or hires any service. There is however, a departure from the usual meaning and a consumer who buys goods for resale or for commercial purpose is not eligible to file a complaint. Similarly, if a service hired is free of charge or under the contract of personal service, no complaint can be filed against their insufficiency or deficiency.

A complaint can be filed by either the consumer, or a voluntary consumer organisation registered under the Companies Act or the Central Government or any State Government, if as a result of any unfair trade practice adopted by any trader, the complainant has suffered loss or damages; or the goods mentioned in the complaint suffer from any defect; or if the services suffer from deficiency in any respect; and if a trader has charged for the goods a price in excess of the price fixed by the statutory authority or displayed on the goods.

The most significant step which has been ensured by the Act is that the consumer is entitled to redress his grievances free of cost and without any undue delay. The procedure prescribed is also very simple. All that the complainant has to do is to file a petition/ application on a plain piece of paper alleging therein his grievances, his prayer and the address of the opposite parties. On receipt of the complaint, the Forum shall issue a notice to the latter directing him to give his version of the case within a period of 30 days or such extended period not exceeding 15 days as may be granted by the forum. If the opposite party files a reply and dispute the complaint, the District Forum shall proceed to settle the consumer dispute on the basis of evidence brought to its notice by the parties. If, however, the opposite party fails to take any action to represent his case, the District Forum shall proceed to decide the case on the basis of evidence brought to its notice by the complainant. In case, where the opposite party fails to attend, the District Forum can pass an order ex parte against the opposite party.

## Introduction

The Cooperative College of Malaysia is the only institution entrusted with the role of carrying out training for cooperative leaders and staff in this country. Since its inception in 1956, the College has grown tremendously both in terms of physical capacity and resources, in the form of a well qualified team of 28 lecturers and 72 supporting staff to carry out its training activities effectively.

## Training Programs

To upgrade the skills of cooperative leaders and staff, the College conducts 120 programs per year at its premises in Petaling Jaya. Courses are also organised outside the college campus, at the district and state levels according to requests and needs. Most of the College programs range in duration from 3 days to 5 weeks. The programs organised cover the disciplines of :

- (i) Cooperative Principles, Law & Administration,
- (ii) Business Administration
- (iii) Accounting and Audit,
- (iv) Computer.

The College programs are designed to meet the needs of the cooperative movement in his country. Feedback from participants, discussions with cooperative leaders and policy makers and research by the College are the main inputs in the planning and designing of relevant training programs.

Beginning July 1991, the College will be introducing a 9 month Diploma in Cooperative Management Course to further upgrade managerial capabilities and skills of coop. leaders.

In addition to the 120 management training programs in the calendar of the College, it also provides consultancy services to cooperatives with man-

agement problems.

The conduct of seminars and workshops are other means used to disseminate cooperative information and knowledge among cooperative leaders.

The College has also intensified efforts in the area of cooperative research and publications related to cooperative management. This not only helps to enrich the knowledge and experience of the academic staff of the college but also provides much needed information for policy makers and cooperators in general.

## Methodology

All college programs are conducted with emphasis on participative training methodology to provide a more conducive learning environment for the 'adult' trainees. Of late, experiential learning methods have been extensively incorporated into the college curriculum for more effective learning.

## Facilities

To ensure the training programs of the College achieve their objectives, the College has up to date supporting facilities in terms of:-

- i) Qualified and well trained staff
- ii) A modern audio visual and production centre
- iii) Well equipped library with a collection of over 22,000 journals and books.
- iv) Residential facilities for 240 participants.
- v) 7 well equipped general lecture rooms and 2 Computer lecture rooms.
- vi) A multipurpose hall and an auditorium.
- vii) A 44 seater Air-Con Bus and 12 seater Air-Con Mini Bus.

# CONSUMER NEWS FROM ASIA

## BANGLADESH

### *Present Situation of Consumer Cooperatives*

As per latest information, there exists 724 cooperative societies involved in consumer activities. But most of them are non-functioning. Those who are actively involved are the employees cooperatives. After the National consumer seminar of 1989 and the follow up seminar in 1990 some of the Women cooperatives who previously were mostly involved in production and marketing of handicrafts and embroidery, got interested in consumer activities. Of them Bangladesh Jatiya Mahila Samabaya Samity (National Womens Cooperative Society) Ltd. has improved a lot and established a consumer store in their office building at the heart of Dhaka city. The society has now become a profiteering one after minimizing the previous losses. The Bangladesh Samabaya Marketing Society has reorganised its consumer store at Motijheel (Dhaka) and the store is now running well.

Among the employees cooperatives, many of them multipurpose, some are doing mostly consumer activities. Of them the Shachibalaya Bahumukhi Samabaya Samity (Bangladesh Secretariat Employees Multipurpose Cooperative Society) Ltd. (Dhaka). Zia Fertilizer Company Employees Cooperative Society Ltd. (Ashugonj), BTC Employees Consumer Cooperative Store. (Chittagong) Bangladesh Bank Employees Cooperative Store Ltd. (Chittagong), Academy Employees Consumer Cooperative Society Ltd. (Comilla) and some other employees societies in the urban areas of the country have been continuously and successfully dealing with consumer commodities since long. They have their own shops, managers and other staff.

The societies who have attended any or both of the national workshops organised by BJSU in collaboration with ICA and through ICA with support from JCCU, in Dhaka in 1989 and 1990, some have made notable progress in their performance. Some could raise share capital, improved member service, increase member participation as well as increase business volume.

## INDIA

### *A self-financed workshop on Consumer Coops in Bombay*

A self-financed workshop on consumer coops development for managers of consumer cooperatives of Maharashtra is going to be held in Bombay between 22 and 24 August, 1991. The

extended to other States. The ICA ROAP is going to provide technical support to this workshop.

### *India's 844 Million Population*

India's population has touched 844 million, just 160 million short of the daunting one billion mark, says the Census of India 1991. From 683,329,097 in 1981, the population has grown to 843,930,861 in 1991, showing a 23.50 per cent increase. The Registrar General and Census Commissioner of India, Mr A.R. Nanda, announced the provisional population, literacy and sex ration figures obtained from the three-week long census operation between February 9 and March 1, 1991, at a news briefing on March 25. Though the census not project and population growth for



University Coop. Seminar at Pune, India, November, 1990

main objective of organizing this workshop is to promote self-help, self-education and self-development of consumer cooperative in Maharashtra. This is because Maharashtra has a strong network of consumer coop. movement both in urban and rural areas that can stand on their own feet. If this programme proves success, it can also be

the future, it is clear that if the growth rate is maintained at the present level the country's population, by the turn of the century, would reach the one billion mark.

The increase in population over the past decade, an increase of 161 million, matches the growth of popula-

tion over 30 years spanning from 1931 to 1961. Men outnumber women by over 31 million, according to the Census findings. The exact male population as on the sunrise of March 1, 1991, is 437,597,929 and that of females is 406,332,932. Decennial population growth 1981-91 in absolute terms is 160,606,764, working out to a percentage growth of 23.50.

## INDONESIA

### *Problems in implementing Consumer Co-operation*

Indonesian Cooperative Movement is facing difficult task in running consumer cooperative activity within its network. Among them are (1) lack of management expertise to run the business efficiently, (2) lack of qualified

JCCU and stronger movements to help solve common problems.

### *Regional seminar on University Cooperatives in Malang*

The ICA ROAP in collaboration with National Federation of University Cooperative Associations (NFUCA), Japan and Indonesian Cooperative Council (DEKOPIN) is going to organize a regional seminar on university cooperatives at Brawijaya University in Malang, East Java, Indonesia, in January, 1992. Participants from six countries - Indonesia, Malaysia, Singapore, Brunei, Bangladesh and Sri Lanka will be invited. The main objective of the seminar is to introduce the Japanese experience in organizing and running cooperatives in universities and colleges in Japan and to build up rela-

ing for the "Tokyo Congress" in cooperation with the 9th ICA Affiliated National Cooperative Organizations. The progress about the preparations is as follows:

1. Tentative schedule for the Congress and related meetings has been made.
2. Meetings of special organisations and working parties are going on.
3. Reception Committee has been set up by Cooperative associations in Tokyo.
4. Conferences relating to the Congress - research, forum, youth seminar and forest cooperative forum have been planned.
5. Government has been approached.

Besides, the Japanese have prepared some activities relating to the Congress, as follows:

1. Symposium on Basic Values of Coop.;
2. Pamphlet for introduction to the Congress and ICA;
3. Tokyo Congress logo seal;
4. International Cooperative day; and
5. Publication of Cooperative.

### *Thai Women delegation visiting Japan*

Six Thai women consumer cooperative leaders visited JCCU and its affiliates in Japan between 1 and 8 July, 1991. The purpose of the visit was to enhance consumer cooperative knowledge and housewives involvement in coop. movement in Japan among the participants. The ICA ROAP paid half fare of the round trip air travel for the participants and the local cost, including board and lodging, was borne by the JCCU.

### *Training of Consumer Coop. leaders and managers in Japan*

Six consumer coop. leaders and



Visit Student Coop. at Indonesian Institute of Coop. management, Bandung, Indonesia

manpower to handle the programme, (3) lack of sufficient working capital, and (4) stern competition from private sectors. These problems are similar to all countries in the South and South East Asia, especially in Bangladesh, India, Pakistan, Sri Lanka and the Philippines. It needs support from the Government and the general public as well as technical assistance from ICA,

relationship among university cooperatives in the six countries and NFUCA.

## JAPAN

### *Japanese plan ahead for ICA Congress in Tokyo, 1992*

Following the valuable advice from the ICA secretariat, the Japanese Organizing Committee has been prepar-



One of the University Coop. Activities at Tokyo University, Japan

managers - two each from Malaysia, Thailand and Republic of Korea - were trained at JCCU and some primary consumer coop. societies in Japan between 8 and 16 July, 1991. The objective of the training was to improve the performance of consumer cooperatives in the above-mentioned three countries.

## LAO

### *Tham Hoi Xay - One among the best*

Located in Khoune district of the northern Xieng Khouang province, Tham Hoi Xay cooperative has ranked among the province's best-achieved cooperatives in rice production.

Tham Hoi Xay cooperative was founded in 1976 with 100 hectares of farmland and 773 members. In its inception, the cooperative worked as a labour-exchange unit. In 1978-79, it applied a new method of working. Wages were paid in accordance with the individual performance of work. However, there still existed diffidence among workers and a shortage of rice. The cooperative was nearly collapsed.

In 1985, the Party Central Committee issued an enlarged policy on

agro-collectivisation in which a system of production on contractual basis was introduced. The policy's emergence has given a stimulus to further exertions in the all-round development of the cooperative. Last year, assignments were given to a number of member-families on voluntary basis. As a result, rice-yield production reached 2.5 tons

per hectare and the number of cattle augmented to 271 head and 125 pigs, a considerable increase comparing to the cooperative's initial figures of 1.8 ton per hectare and 40 head of cattle.

In conjunction with rice production and animal rearing, the cooperative's members also focus on gardening of vegetables. Suitably to local climatic condition, a large hectarage was put on plantations of cabbages, garlic, onions, lettuce and spices. A targeted number was introduced in 1988. Each member-family must plant 2,000 saplings of cabbages and other kinds of vegetables - and hence earning them an income of 50,000 Kip (US \$1 = Kip 700). Since the application of this production measures, Tham Hoi Xay cooperative has earned a yearly income of more than 2.7 million Kip.

Nowadays material bases have been founded. The living conditions of the cooperative's members have been greatly improved. With its own income, Tham Hoi Xay has bought 1 lorry, 2 medium-size rice-mills, and constructed one 12 Kw-dam which can provide electricity to 90 families.



Mr. Tanabe (centre) and Mr. Kurimoto (right) met Gen. Ouan Bupha (left) during their visit to Lao in January 1991



## MALAYSIA

### *Types of Co-operatives in Malaysia*

There are many types of co-operatives in Malaysia mainly Multipurpose, School, Consumer, Credit, Housing, Transport, Industry, Land Development, Investment, Social Service, Associations and Insurance but popularity in terms of numbers of members would be Multipurpose and Credit Co-operatives which had more than 700,000 members each. School Co-operatives enjoyed membership of 590,741 members in 1988. This information is derived from the booklet by the Department of Co-operative Development in Malaysia. In 1988 total number of Co-operative members amounted to 3,227,600 for 2,927 Societies.

### *Co-op college to get additional allocation*

Petaling, Jaya, Mon.--The Land and Co-operative Development Ministry has agreed to give additional allocation to the Co-operative College of Malaysia for its expansion purposes.

Its Minister, Tan Sri Sakaran Dandai, said the allocation would be made when the mid-term review of Sixth Malaysia Plan was done.

"The amount will depend on the request made by the college", he said, adding that college director Haji Mohamad Ghazi Abdul Hamid had been asked to do a study on its infrastructure and staff needs.

Tan Sri Sakaran said among the projects in the pipeline were branch campuses in Sabah and Sarawak and upgrading of existing facilities.

He said the college would also identify new courses to be provided in line with the expansion of co-operative movement.

Tan Sri Sakaran said proper planning on training facilities at the college had to start now so that it could provide its service to more people.

He said the existing premises at Jalan Templer was constructed 35 years ago on a one-hectare area and could no longer cope with the increasing demand.

Tan Sri Sakaran said Ministry officials would be sent to Europe and Japan.

## PHILIPPINES

### *Philippines Coops need more training:*

Encouraged from the effective training on "Skills Training of Consumer Cooperative Leaders" jointly organized by ICA ROAP, CUP, and MMAFECCO in the Philippines in April'91, the participants had requested ICA ROAP to organize two more training programmes for the Philippines between July, 1991 and June, 1992. These two are "Follow-up Workshop on University Cooperatives" and "National Orientation on Member Participation and Japanese Housewives Involvement in Consumer Cooperatives". The request had been made at the 18th meeting of the ICA Committee on Consumer Cooperation held at Singapore in May, 1991. The request is being considered by the JCCU and NFUCA.

## REPUBLIC OF KOREA

### *First directly elected Chairman & President of NACF*

Dr. Ho-Sun Han became the first

Chairman & President of the NACF in its history for four years tenure through the direct vote by 1,470 Presidents of member cooperatives, according to the amendment of Agricultural Cooperative Law.

## SINGAPORE

### *Co-operative profile*

NTUC Fairprice Co-operative Limited was formed on 1st May, 1983. It is a multi-purpose co-operative registered under the Co-operative Societies Act.

The share capital of NTUC FairPrice is contributed mainly by trade unions and individuals who are members of NTUC Club. NTUC Fair Price aims to stabilize the cost of living in Singapore through its retailing and trading operations.

The Co-operative operates 36 supermarkets/department stores, 2 self-service coffee shops, a printing workshop and a trading division.

For the year ended 31st March, 1990, the Co-operative had an average staff strength of 1,660 and an annual sales turnover of \$400,642,000.

### *National Productivity Award*

*Staff Productivity* : The Co-operative is honoured to have won the 1989



Consumer Unit of NACF chain store in South Korea

National Productivity Award, an award deemed as the highest form of recognition conferred on a company for outstanding productivity, quality performance, labour management, staff training, quality and technological improvement. The value-added of Fairprice per worker in 1989 was \$24,345 or 25% above the industry norm.

According to the National Productivity Board, FairPrice has won the Award for its effective use of part-time workers, staff training, its assistance to smaller retail shops and being in the forefront in the use of retail technology.

In its continuing efforts to improve productivity, FairPrice is currently studying the use of bar-coding and scanning for its stores. Such a system will not only add to customer convenience and service, it can also further increase the staff productivity level.

#### *SINCOTAP is launched*

"SINCOTAP" which stands for Singapore International Cooperative Technical Assistance Programme was initiated by the SNCF in 1989. The Singapore Co-operative Movement has grown rapidly during the last few years and the co-operative leaders in Singapore wanted to share the experiences and resources with other developing countries in Asia, Pacific and African Regions. SNCF approached the ICA for the purpose. After one year's hard work to make it a reality, SINCOTAP was launched in October, 1990.

The objectives for introducing SINCOTAP are two fold:

- To share the co-operative development experience Singapore has had in the past six decades with movements in the developing countries; and
- To promote goodwill and cooperation among co-operative movements at local, regional and international levels which is in

line with the sixth cooperative principle enunciated by the ICA.

Delegates under SINCOTAP 1990 were attached to NTUC FAIRPRICE (a Consumer Cooperative) from 29 October to 7 November 1990 and NTUC COMFORT (a Transport Cooperative) from 29 October to 4 November 1990 for training. A total of nine delegates came from Philippines, Malaysia, Sri Lanka and Thailand.

For 1991, SINCOTAP will have a total of 7 delegates who have been nominated by ICA-TCDC/UNDP in collaboration with the SNCF. They will be attached to NTUC FairPrice and NTUC Income (an Insurance Co-operative) for training.

The delegates are from Afghanistan, Indonesia, Democratic Republic of Korea, Malaysia, Vietnam, Kenya and Philippines.

At the end of each training programme, delegates are requested to prepare an ACTION PLAN for their respective countries. This ACTION PLAN will explain what they hope to achieve when they return home and apply their knowledge and experience gained from SINCOTAP. SNCF in conjunction with ICA will follow up on these ACTION PLANS.

The feedback from SINCOTAP 1990 has been positive and this augurs well for future SNCF-ICA SINCOTAP programmes.

### **18th Meeting of the ICA Committee on Consumer Cooperation**

The meeting was held at Plaza Hotel, Singapore, on 29 May, 1991. Fourteen participants from 8 countries attended the meeting as follows:

1. Bangladesh
2. Indonesia

3. Japan
4. Malaysia
5. Philippines
6. Singapore
7. Sri Lanka
8. Thailand

The meeting had discussed related matters concerning consumer coop. situations, progress made, problems faced and future plans for development of consumer coops in the region and collaboration among member countries. Mr. Ohya, the Chairman of the committee, had urged the member-countries to collect information concerning membership, coop. funds, coop. activities, sales and results of operations to be published in each country. The result was one of the best among the last 3 meetings. The next meeting will be held in Kobe on 7-8 November, 1991.

#### **SRI LANKA**

##### *Progress made by the COOPFED*

The Sri Lanka Consumer Co-operative Societies Federation Ltd. (COOPFED) - a newly formed national federation has made a remarkable progress. It was formed on the 15th September, 1989 but started functioning on 7 March, 1990 with a membership of 61, share capital of Rs. 857,700 and 6 employees. Since then the membership, share capital and sales have increased.

The membership increased from 66 in March to 206 in December, 1990, and during the same period, share capital increased from Rs. 947,700 to Rs. 3,535,550 and sales increased from Rs. 7.4 million to Rs. 128.9 million.

The total sales of ten months between March and December, 1990 was Rs. 933.2 million - a remarkable success.

## THAILAND

### *Bright future for rural consumer cooperatives in Thailand*

Sakol Nakorn, one of the poorest provinces in the North-East of Thailand has recently been successful in organizing and implementing rural consumer cooperative among villagers, first of its kind in Thailand.

The society was organized in 1988 among 100 trading groups of villagers of Sakol Nakorn province. The main objective was to supply commodities and daily necessities to trading groups in villages who, in turn, sell them to villagers. After three years of operations between 1988 and 1990, the cooperative has made a remarkable progress.

The membership increased from 139 to 332 (village groups), the sales increased from Baht 20.0 million to Baht 36.6 million and net profit increased from Baht 617,000 to Baht 976,000. From this successful experiment and operations of this society, the

National Federation of Consumers Cooperative of Thailand (NFCT) is going to plan for the expansion of this type of cooperatives in other parts of the country.

### *Consultancy services to Primary Consumer Cooperatives in Thailand*

The ICA ROAP in collaboration with JCCU is going to provide consultancy services to primary consumer cooperatives in three regions of Thailand between 26 August and 6 September, 1991. One in Bangkok for Central region, the second in Chiangmai for Northern Region and the last one in Sakol Nakorn for North-Eastern region. Two consumer experts from JCCU and a Consumer Advisor from ICA ROAP will take part in the consultancy programme.

## VIETNAM

### *National Seminar on Cooperative Development in Vietnam*

The ICA ROAP in collaboration with the Japanese Consumers' Coop-

erative Union (JCCU) and the Central Council of Supply and Marketing Cooperative of Vietnam (CCSMC) is going to hold two National Seminars on Cooperative Development in Vietnam. One in Hanoi between 9 and 11 and the other in Ho Chi Minh City between 12 and 14 September, 1991. The purpose of organizing these two seminars are :

- (1) to introduce the new ideas, system and techniques of coop. organization, administration and management,
- (2) to discuss present situations of cooperative movement in Vietnam - its problems, needs and potential for change and development, and
- (3) to discuss strategic plans for coop. operations in future at district, provincial and national level.

It is expected that 30 coop. leaders in each region will participate in the seminar.

□

## LAND, POPULATION, INCOME & CONSUMER CO-OPERATIVES IN ASIA

| <i>Country</i> | <i>Area Sq.miles</i> | <i>Population Millions</i> | <i>Literacy Rate (%)</i> | <i>Per capita Income (US \$)</i> | <i>No. of Consumer societies</i> |
|----------------|----------------------|----------------------------|--------------------------|----------------------------------|----------------------------------|
| Bangladesh     | 51,000               | 116                        | 23                       | 170                              | 825                              |
| India          | 1,300,000            | 850                        | 33                       | 340                              | 21,000                           |
| Indonesia      | 750,000              | 185                        | 85                       | 450                              | -                                |
| Pakistan       | 314,000              | 105                        | 27                       | 390                              | -                                |
| Philippines    | 117,000              | 65                         | 85                       | 460                              | 1,115                            |
| Vietnam        | 130,000              | 67                         | 80                       | 110                              | 9,500                            |
| Sri Lanka      | 25,400               | 17                         | 85                       | 360                              | 285                              |
| Thailand       | 200,000              | 57                         | 90                       | 1,600                            | 284                              |
| Malaysia       | 128,900              | 17                         | 76                       | 2,200                            | 233                              |
| South Korea    | 38,000               | 43                         | 96                       | 4,400                            | -                                |
| Singapore      | 26                   | 2.7                        | 90                       | 8,800                            | 4                                |
| Japan          | 147,600              | 123                        | 99                       | 20,000                           | 675                              |