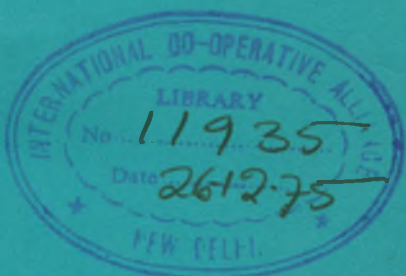




# Review of International Co-operation

**Volume 66 Nos 1 & 2 1973**

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# THE INTERNATIONAL CO-OPERATIVE ALLIANCE

was founded in London in 1895 as an association of national unions of co-operative societies, which seek to promote a non-profit system of production and trade, organised in the interests of the whole community and based upon voluntary and mutual self-help.

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 268 million. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, housing, credit, workers' productive, artisanal and fishery societies.

Its purpose is to propagate co-operative principles and methods and to promote friendly and economic relations between co-operative organisations of all types, both nationally and internationally.

It promotes, through auxiliary trading, housing, banking and insurance organisations, direct commercial and financial relations between co-operative enterprises in different countries so as to enable them to exert on the world market, as well as at home, an influence beneficial at once to consumers and primary producers.

It convenes international congresses, furthers the teaching and study of co-operation, issues publications and research data, and collaborates closely with the United Nations as well as with voluntary and non-governmental international bodies which pursue aims of importance in co-operation.

In the United Nations, its Economic and Social Council, as well as in some of the Specialised Agencies, it enjoys the right of participation in their meetings and work as an International Organisation with Consultative Status, Category I.

Its official organ is *The Review of International Co-operation*, published bi-monthly.

The study of International Co-operation takes place under the auspices of the 'Henry J. May Foundation', the Permanent Centre of International Co-operative Study.

The ideological work of the Alliance also finds expression in the annual celebration in July of International Co-operative Day.

# Review of INTERNATIONAL CO-OPERATION

The official Organ of the International Co-operative Alliance

*Editor:* J. H. Ollman

*Publications Assistant:* C. Bermúdez

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## CONTENTS

	Page
President's Message for 1973, Dr M. Bonow . . . . .	3
First Session . . . . .	5
Debate on the Report of the Central Committee . . . . .	8
Second Session . . . . .	11
Debate on the Report of the Central Committee ( <i>resumed</i> ) . . . . .	11
Third Session . . . . .	14
Debate on the Report of the Central Committee ( <i>resumed</i> ) . . . . .	14
Fourth Session . . . . .	21
Reply to the Debate on the Report of the Central Committee . . . . .	21
Multinational Corporations and the International Co-operative Movement . . . . .	24
Debate on Multinational Corporations . . . . .	30
Fifth Session . . . . .	33
Debate on Multinational Corporations ( <i>resumed</i> ) . . . . .	33
Replies to the Debate . . . . .	40
Resolution on Multinational Corporations . . . . .	41
Sixth Session . . . . .	42
Technical Assistance for Co-operatives in Developing Countries . . . . .	42
Debate on Technical Assistance . . . . .	47
Seventh Session . . . . .	54
Debate on Technical Assistance ( <i>resumed</i> ) . . . . .	54

	Page
Eighth Session	62
Replies to the Debate on Technical Assistance	62
Resolution on Co-operative Aid to Developing Countries	65
Emergency Resolution on Bangladesh	67
Election of Central and Executive Committees	6
Peace	6
Amendments to the ICA Rules	70
The Role of the Co-operative Movement in Economic and Social Development	72
Resolution on the Role of the Co-operative Movement in Economic and Social Development	73
The Role of Agricultural Co-operatives in Economic and Social Development	73
Resolution on the Role of Co-operatives in Economic and Social Development	75
International Trade	75
Resolution on International Trade	76
Co-operative Housing	76
Resolution on Co-operative Housing	76
Co-operative Education	77
Resolution on Co-operative Education	77
Unified Action of the Co-operative and Trade Union Movements	78
Resolution on Unified Action of the Co-operative and Trade Union Movements	78
Youth and the Co-operative Movements	79
Resolution on Youth and the Co-operative Movements	80
Close of Congress	81
Amendments to the ICA Rules (text)	82

The ICA is not responsible for the opinions in signed articles

**Editorial and Administrative Office:**  
**11 Upper Grosvenor Street, London, W1X 9PA**  
**Tel. 01-499 5991-3**

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# Peace in Vietnam

The detestable war in Vietnam has at last been brought to an end. The bombing was the worst in the history of mankind. The casualties ran into millions. The destruction of the environment, severely upsetting the ecological balance, was without precedent. Commentators in the world press have described that war as a nightmare. It certainly had such characteristics. But what we have witnessed on the television screens in our homes throughout the world is not a nightmare but a stark reality.

The need for immediate humanitarian assistance and long term support to the enormous reconstruction and rehabilitation tasks is immense. In the world-wide efforts to organise such action, the Authorities of the International Co-operative Alliance urge their member organisations to give their fullest support. Our feeling of relief should now be translated into a resolve to participate in winning the peace.

MAURITZ BONOW

*President ICA*



**TWENTY-FIFTH CONGRESS**  
of the  
**INTERNATIONAL CO-OPERATIVE ALLIANCE**  
Warsaw, 2-5 October 1972

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# Congress in Brief

*This issue of the Review of International Co-operation is a double number containing a shortened version of the Report of the 25th ICA Congress held in Warsaw in 1972. A full Report of Congress will be published towards the end of 1973. The shortened version of the Report was prepared by Miss L. Kent, Information Officer (CDD).*

## First Session:

Monday, 2nd October 1972 (morning)

Four hundred and thirty-four delegates from 40 countries and approximately 400 observers and visitors attended the opening of the 25th Congress of the International Co-operative Alliance held in the Palace of Culture and Science in Warsaw, Poland, on Monday, 2nd October, 1972.

Dr M. BONOW, President of the Alliance, was in the Chair. SIR ROBERT SOUTHERN and Mr A. P. KLIMOV, Vice-Presidents, were in attendance. Dr S. K. SAXENA, Director, and Mr R. P. B. DAVIES, Secretary for Administration, were also on the platform, together with guests and fraternal delegations from the United Nations, ILO, FAO, UNIDO, UNESCO, DANIDA,\* SIDA,\* LATICI,\* and WFTU.\*

Dr BONOW opened the proceedings by highlighting the importance of the co-operative movement in the national economy of Poland.

He went on to welcome to the Congress, the First Deputy Prime Minister of the People's Republic of Poland, HIS EXCELLENCY KAZIMIERZ OLSZEWSKI.

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\* The initials of the organisations and agencies not known generally refer to: the Danish International Development Agency, the Swedish International Development Authority, the Latin American Technical Institute for Co-operative Integration and the World Federation of Trade Unions.

## Welcome by Deputy Prime-Minister

In welcoming the delegates to Warsaw, Mr K. OLSZEWSKI outlined the great achievements of the Polish co-operative movement with a membership of 14 million out of a total population of 33 million, and the part the movement was playing in the international co-operative movement. He referred to the positive attitude taken by the Government of the People's Republic of Poland, not only towards the Polish co-operative movement but also towards the world co-operative movement through the initiative launched by the Polish government delegation at the United Nations and also towards the work of the International Co-operative Alliance.

## The President's Inaugural Address

In reviewing the progress since the 24th Congress in 1969, in Hamburg, Dr BONOW pointed to the significant increase in the membership of the Alliance. Of the thirty-seven new members admitted to the ICA since that time, twenty-six were organisations from outside Europe.

In recent years the ICA had been called upon to extend its activities and it was for this reason that a working group had been established to examine a new formula for subscriptions. The recommendations of this working group had been discussed by both the Executive and Central Committees and they were to be put before Congress later in the proceedings.

In speaking of services to advanced countries, Dr Bonow particularly referred to the problems of pollution of the environment. Co-operative movements had been conscious of this problem for a number of years. The International Declaration of Consumer Rights adopted at the 24th Congress in 1969, in Hamburg, had been a pioneer document in this much-debated field. The recent UN Conference on Human Environment had been a landmark demonstrating the concern of humanity with an area which had been grossly exploited by private, profit-seeking enterprises. National co-operative movements of all types had a twofold task. They had to adapt their own commercial and information activities to the environmental requirements of our modern times and they had also to act as influential pressure groups on public authorities in respect of legislation and other measures to protect and ameliorate the human environment.

The meetings of the Central Committee had continued to reflect the concern of the ICA with problems of the co-operative movements in advanced countries. One of the most remarkable developments in the field of trading and industry in recent times had been the emergence of multinational corporations spanning national frontiers, and combining the advantages available to them in different countries. Co-operators believed that the purpose of an organisation must coincide with the interest of large groups of people, eg industrial workers, farmers and consumers. Accordingly, considerable stress was placed upon the voice of the consumer and the participation of consumers and workers in managerial decision-making and in reaping the fruits of enterprise in an equitable manner. It was for this reason that the Central Committee had chosen the theme of Multinational Corporations for discussion at Congress. If co-operative movements were to provide an effective response to the problems which arose for the general public from the functioning of multinational cor-

porations, more co-operatives should expand their business and place more emphasis on finance and management training. The other aspect of great concern to co-operative movements was related to the use of sophisticated management techniques in solving the complex decision-making problems facing co-operatives. The urgent need to streamline the commercial structure and increase the economic efficiency of co-operative enterprises deserved greater attention today than ever before. The rapidly changing market structure offered co-operative enterprises opportunities to develop massive collaboration across national frontiers in respect of increased trade, joint purchasing and joint production. The strategic importance of the work already carried out by INTER-COOP and still more the prospects for the future could not be over-emphasised.

Referring to the decision of the Central Committee of the ICA to declare the seventies "The Co-operative Development Decade", as a measure supporting the United Nations Second Development Decade, the President reminded Congress that the phrase "Co-operative Development Decade" embodied a resolve that during the seventies more would be done to help co-operators in the lesser developed countries of the world. Member organisations of the International Co-operative Alliance had made generous donations to the ICA Development Fund in recent years, and the Fund, although not large, had enabled the Alliance to engage in development work. However generous co-operative movements of developed countries were in contributing to the Development Fund, they could do little more than prime the pump. The basic financial resources for co-operative development in the developing countries had to come from national aid agencies, from United Nations aid agencies and from within the developing countries themselves. When surveying the vast problems of the developing world, and the urgency of those

problems, the need for outside help was obvious. The only solution to these problems was to enter into partnerships with governments and with international agencies. Means were to be found to mobilise the financial and human resources necessary for co-operative development. Great emphasis had to be placed on educational work in and for developing countries both among staff and among members. This meant that the number of co-operative training centres and training courses at all levels had to be increased. For this purpose the great dearth of educational material for co-operators had to be overcome. But above all the developed world needed to make available co-operative expertise to the developing world.

The subject of International Technical Assistance was one of the two themes for discussion at Congress, a subject that had been constantly in the forefront of deliberations ever since the ICA Congress of 1954 in Paris.

In turning to the ICA relations with the United Nations and its Specialised Agencies, the President expressed his pleasure that the work which the ICA had been doing with the UN had been positive and very encouraging. The Pearson Committee report and the Capacity Study of Sir Robert Jackson had posed important challenges to the organisation and machinery of the UN. Consideration by the United Nations Development Programme of country programmes meant that co-operative movements in different countries would have to ensure that their role and scope in country programming was adequately recognised by the relevant authorities. It also meant that international technical assistance would be geared much more relevantly to the overall development programme of a country.

The resolution of ECOSOC, adopted in May 1972, emphasised the role of co-operatives in social and economic development and clearly set out the contribution they could make in this important field. The origin of this resolu-

tion could be traced back to Poland. It had been the Polish delegation to the United Nations which had initiated this major idea and which had led to the recognition of the importance of the co-operative movement by ECOSOC, by UNESCO, and more recently by UNCTAD. The ILO, FAO and UNIDO had carried out very important work in the field of co-operative development and had been in closest touch with the ICA.

### **Welcome by the Polish Co-operative Movement**

Mr T. JANCZYK, President of the Supreme Co-operative Council of Poland welcomed the delegates on behalf of the Polish co-operative movement.

He stated that Polish co-operators were glad to participate in the work of the International Co-operative Alliance. It had now become possible to implement the inspiring principles of the Alliance in an atmosphere of mutual understanding and collaboration.

The views of the International Co-operative Alliance backed by its 268 million members must have some impact on world opinion. Everyone could see the effects of co-operative efforts made within the United Nations and some of its Specialised Agencies.

He hoped that the 25th Congress would make decisions which would help to give guidelines for the future work of the International Co-operative Alliance.

### **Distinguished Guests and Fraternal Delegates**

Distinguished guests and fraternal delegates were then introduced by the President, Dr BONOW. The guests of the Alliance were Miss G. F. POLLEY, former General Secretary of the ICA, and LORD RUSHOLME, a former President.

The fraternal delegates included Mr A. CIBOROWSKI of the United Nations, Mr R. SOUMAILLE of the ILO, Mr N. J. NEWIGER of the FAO, Mr A. E. SAENGER

of UNIDO and Mrs C. CALVERT-MARTY of UNESCO.

Those from non-governmental agencies included Dr R. SCHUBERT from the European Confederation of Agriculture, Mr F. CHAVES of the Organization of American States, Mr S. MAHENDRA from the World Federation of Trade Unions, Dr S. ANANIA from the Joint Committee for the Promotion of Agricultural Co-operatives (COPAC) and Mr J. AMES of the Latin American Technical Institute for Co-operative Integration (LATICI).

National technical assistance agencies supporting co-operative development in the newly developing countries were for the first time represented at Congress by Mr A. BO from the Danish International Development Agency and by Mr L. AUGUSTINSON from the Swedish International Development Authority.

### **Congress Committee**

Congress approved the constitution of the Congress Committee as follows: Mr W. B. MELVIN (Canada), Mr J. PODLIPNY (Czechoslovakia), Mr C. PEDERSEN (Denmark), Mr R. KÉRINEC (France), Mr Y. UDAYBHANSINHI (India) and Mr T. JANCZYK (Poland).

### **Debate on the Report of the Central Committee**

The debate was introduced by the Director, Dr S. K. SAXENA, who had been asked by the Central Committee to draw attention to some of the important areas which might figure in the ensuing discussion.

Dr Saxena pointed to the steady increase in the membership of the Alliance; the implementation of the resolutions adopted at the 1969 Congress; the expanding activities in regard to the work of the ICA; the strengthening and widening of the range of collaboration with the auxiliary committees; the implementation of the ICA's technical assistance programme; and relations with the United Nations.

The debate was opened by Mr A. P. KLIMOV, who as the only spokesman

of Centrosoyus on the Report of the Central Committee was given permission by Congress to speak for 20 minutes.

Mr Klimov praised the work carried out by the Alliance in the past three years. He drew attention to the recent significant world events such as the signing of the agreements between the USSR and Poland and the Federal Republic of Germany and between the United States and the Soviet Union, and the initiatives taken to promote security in Europe, all measures which had been regarded with approval by the International Co-operative Alliance. The idea of peaceful coexistence between nations had been channelled into actual treaties and agreements. In the past two years the ICA had undertaken steps directed towards the strengthening of peace in the world and towards the democratisation of its own activities.

Previously the ICA had seemed to discriminate against certain individual co-operative organisations for political reasons, but this was no longer the case. New principles had been formulated which excluded political neutrality on the part of co-operatives.

A policy of unity and co-operation between co-operatives of all countries had been developed. New trends had developed and the Alliance had to look ahead. The task of Congress as the highest governing organ of the ICA should consist of outlining future prospects and defining the basic trends in policy.

The Alliance had developed a ten-year programme of co-operative development. In addition, there were other very urgent problems in which co-operators throughout the world were vitally interested. The struggle for peace and security in the world, the raising of the standard of living of people in developing countries, the strengthening of contacts and relations with the United Nations and its Specialised Agencies and also with the international non-governmental organisations, the promotion of co-operative trade and the fight against monopolies, the advancement of



The Congress Platform

co-operatives of all types and the promotion of activities to attract young people to the co-operative idea.

Mr Klimov concluded by suggesting that a committee of experts be set up to work out future programmes for the Alliance which would incorporate all aspects of co-operative activity.

Dr H. FAHRENKROG, German Democratic Republic, welcomed the choice of themes to be debated at Congress and indicated that the conclusions drawn from the discussions of these themes would be of great importance for the future development of co-operative movements in various countries.

Referring to the Report of the Central Committee, he emphasised the importance of closer collaboration between the ICA and the United Nations and its agencies and other inter-governmental organisations.

The suggestion put forward by Mr

Klimov of drawing up a programme of work to be carried out by the ICA would have the support of the co-operative movement in the German Democratic Republic.

Mr S. SULEMESOV, Bulgaria, said that the introduction to the Report of the Central Committee had omitted to assess the ICA's work and to evaluate various efforts.

The Alliance should not only concern itself with assistance to co-operative movements, particularly to the co-operative movements of the Third World, but must also fight monopolies, promote peace in the world and intensify efforts to achieve co-operation between co-operators with a view to expanding trade and encouraging exchanges of experiences in the solution to various problems.

Mr J. KAMINSKI, Poland, thanked the Central Committee for the preparation of the Report, but felt that it lacked an

evaluation of the more important achievements. It was important to establish the priorities of activities. A programme of work would have to be formulated in which assistance to co-operatives in the developing countries would again play an important part. Other points to be considered would include industrial and agricultural co-operatives, and the activities of youth and women. Reports of activities over a given period ought not only to reflect the achievements in the past, but also give some indication of the problems to be tackled in the future.

Mr R. LESKA, Czechoslovakia, supported the proposals for a programme of activities to be worked out by the Executive Committee and suggested that such a programme be given final approval by the next Congress. He felt that it was important to determine the fundamental aspects of the work of the Central Committee so that clear directives could be given to the Secretariat and the Regional Offices.

Mr F. LOS, Poland, welcomed the increase in membership of the ICA which indicated that the co-operative movement had a constructive part to play in the development of the world. Polish co-operators were particularly gratified that amongst the new members of the ICA were co-operatives from developing countries and the consumer movement of the German Democratic Republic and they hoped that the membership of these new organisations would make an important contribution towards promoting peace and understanding amongst peoples throughout the world.

Mr E. EINARSSON, Iceland, said that he found recent developments in the ICA in most respects extremely heartening. The cold winds of international politics which blew through meetings and characterised Congress had abated, concord and co-operation had greatly increased within the ICA. For the future of the international co-operative movement it was of great importance that mutual respect between

various nations and between different economic systems be maintained.

Referring to the finances of the ICA, Mr Einarsson remarked that he was disturbed by the fact that such a large international organisation as the ICA lacked funds to carry out its work efficiently and he appealed to Congress to ensure that the ICA should no longer be a starveling organisation.

Co-operative aid to developing countries was one of the most important issues for the ICA. The aim in the next eight years was, through co-operation, to lay the foundations for much better living conditions in the developing countries. Action was needed and to support such action a great deal of finance was needed. Co-operators in Sweden could show some striking examples of success. There was need to augment the ICA Development Fund.

The central co-operative organisation of Iceland had decided two years ago to contribute annually to the Development Fund the equivalent of 5 English pence per member and Congress might look at this contribution as a guiding example. If the Development Fund received an annual contribution of 5 pence for each of the 200 million members of co-operative societies in the developed countries, its annual revenue would amount to some £10 million, or £80 million for the remaining eight years of the Co-operative Development Decade.

Mr Z. ENGEL, Poland, pointed to the increase in expenditure and suggested that the number of meetings of the Executive Committee be reduced from three to two per year, the possibility of reducing the rent of the ICA headquarters be examined, the auxiliary committees be asked to participate in the cost of their meetings, closer collaboration be maintained with the United Nations Agencies in organising certain activities and member organisations make use of their own funds for certain specific tasks and certain initiatives of the ICA. New members



would further increase the resources of the Alliance and consideration might be given to increase the fee for Congress delegates to £15. A further reduction in expenditure could be ensured by intensifying the work of the executive bodies of the Alliance.

## **Second Session :**

**Monday, 2nd October (afternoon)**

### **Debate on the Report of the Central Committee** (resumed)

Mr M. MARIK, Czechoslovakia, raised the question of the new basis for subscriptions and the difficulties which might arise for some members to meet such commitments, but agreed that the Alliance required additional resources in order to carry out its ever-increasing activities.

Mr J. LACROIX, France, expressed his regret that the Central Committee had proposed, for financial reasons, that the Congress should take place every four years. He felt that more details about the problems involved in organising international Congresses should be made known in order to ensure that Congresses became more efficient and justified the cost of holding them.

Chief G. A. ONAGORUWA, Nigeria, pleaded for the setting up of a Regional Office in West Africa. Outlining the difficulties that had beset some of the countries in West Africa, he thought it was vital for co-operatives in West Africa to have guidance from an international organisation such as the ICA.

Mr M. R. PATEL, India, speaking on co-operative legislation in developing countries, which could facilitate or obstruct the growth of co-operative movements, felt that this subject should be tackled urgently and expeditiously.

Co-operative philosophers in India had contributed to the work done in the

field of legislation and they had put forward two practical maxims. The first was that governments should not interfere in the administration of co-operatives and the other that major changes in policy should only be made after consultation with the co-operative movement. The greatest dangers to co-operative movements in developing countries were the interference by governments and by members of political parties. It was necessary to give guidance to governments in developing countries, after studying these problems, in order to ensure that legislation would facilitate the growth of co-operative movements instead of hampering it.

Mrs C. CALVERT - MARTY, UNESCO, drew the attention of Congress to the recommendations of the Third International Conference on Adult Education convened by UNESCO in Tokyo, August 1972, and expressed the thanks of the Secretariat of UNESCO to the ICA for its participation in the preparatory work for this Conference and especially for the printed statement prepared for distribution to Conference delegates.

Referring to practical aspects of collaboration between the ICA and UNESCO, Mrs Calvert-Marty recalled the resolution adopted by UNESCO's General Conference at its 16th Session which recognised the advantages of the co-operative movement as a powerful instrument of adult education, and invited the Director-General to ensure that UNESCO's programme would utilise co-operative experience and make UNESCO's help available to co-operative organisations. At present the Out-of-School Education Department was collaborating in two ICA projects. One was the regional co-operative education leaders' conference to be held in Kenya in December 1972 and the other a literacy workshop on literacy techniques for use in co-operative societies to take place in the Cameroons in 1973. The Public Information Office of UNESCO

was collaborating with the ICA in the Gift Coupon Programme. Education officers in co-operative organisations could benefit from UNESCO's Study Tour Programme.

UNESCO had appreciated the comments on the UNESCO Draft Programme and Budget for 1973/74 submitted by the Alliance.

Mr A. FAUCHER, France, referred to the International Conference on Education which had discussed Member Communications in Co-operatives. A number of suggestions had been put forward aimed at improving communications between members and their co-operative.

Participants to the Conference had accepted the recommendation for the setting up of a group of principals of co-operative training centres to pool experiences and techniques.

Mrs E. FEHER, Hungary, stressed the importance given to the teaching of co-operation in Hungary at all levels of education. The Co-operative Research Institute had undertaken some research into this field and had found that not all aspects of co-operative activity had been included in the teaching material. Proposals had been put forward to include national and international history of co-operation in the syllabus.

Mrs B. ROG-SWIOSTEK, Poland, emphasised the importance of collaboration with UNESCO and other international organisations in the field of education, and pointed to the impressive achievements of the Polish co-operative movement in this sphere.

Dr P. KALIS, Czechoslovakia, suggested that more use should be made of the experience gained by co-operative movements in the field of education, particularly in publishing manuals, textbooks and in producing teaching aids.

Mrs J. LOKKAJ, Poland, reported on the Women Co-operators' Conference which had discussed the role of women in co-operative policy-making and management, and gave a brief account of the part

women played within the Polish co-operative movement.

The role of the Women Co-operators' Advisory Council within the ICA was of great importance. It was this organisation that could do a great deal to integrate women co-operators into their own movements. Mrs LOKKAJ recalled that the Executive Committee of the ICA had supported the proposal of replacing the Advisory Council by an auxiliary committee.

Mrs V. GUEORGIEVA, Bulgaria, emphasised the efforts of the Council towards greater participation of women in the co-operative movement. In order to ensure women of the role to which they were entitled the Advisory Council should increase its influence within the ICA.

Vocational training for women was of great importance which was borne out by the seminars for women co-operators organised by the ICA in Ghana and Nigeria. A training seminar for representatives of co-operatives from the developing countries dealing with the question of women in the co-operative movement should be organised in 1973.

Mr J. J. MUSUNDI, Kenya, expressed the thanks of the Kenya National Federation of Co-operatives to the ICA and the Swedish Co-operative Movement for making available financial aid to the KNFC to organise courses for women co-operators. The theme of these seminars had been "The Participation of Women in Co-operative Activities". In order to continue with this kind of work there would be a need to have a co-ordinator at the Regional Office for East and Central Africa, possibly a woman, who would be able to co-ordinate the activities of women in the region.

He appealed to Congress to appreciate the difficulties that co-operatives were now facing in developing countries.

Mrs A. S. SMABY, USA, raised the special problem of population control and indicated that the US Agency for International Development through the Co-

operative League of the USA would be willing to make funds available to co-operatives which were prepared to participate in family planning programmes.

Mrs T. WICHTOVA, Czechoslovakia, supported the proposal to change the status of the Women Co-operators' Advisory Council to an auxiliary committee and pressed for an early decision on this matter.

At the request of the PRESIDENT Congress allowed Mrs F. Erekosima from Nigeria to speak. Mrs F. Erekosima was attending as an Observer, following her attendance at the ICA seminar for women co-operators in Nigeria.

Mrs F. EREKOSIMA, Nigeria (Observer) thanked Congress for giving her an opportunity to speak and expressed her appreciation to the International Co-operative Alliance for organising a seminar for women co-operators in Nigeria. She indicated that further help was needed to promote the co-operative idea amongst women of her country.

Returning from the seminar in February, Mrs Erekosima had started a multipurpose co-operative with a capital of £63. This society had been registered prior to her departure for Warsaw with a membership of about 150 women and a capital of over £1,000.

Mrs S. RÄIKKONEN, Finland, recalled the importance of the "Hungarian Resolution" on "Women in the Co-operative Movement" adopted by Congress in Hamburg in 1969.

The recommendations accepted by the Central Committee in Bucharest called for a change in the constitution of the Advisory Council, a proposal which had the support of several speakers. The fears expressed that such a change might bring about isolation were unfounded. The intention of the change was to facilitate integration, to make the work of women within the ICA more effective and more flexible, and also to make it possible for the women's point of view to be more fully

represented in the various spheres of ICA activities.

Mr J. B. L. KHACHI, India, opened the debate on Youth by saying that little had been done in the past by the ICA and other international organisations in relation to the welfare of youth. Some years ago the ICA had organised a Youth Conference in Kuala Lumpur, Malaysia, but no programme of action had emanated from this conference.

The youth of today was dissatisfied with most institutions and was looking for a change. Mr Khachi suggested that the ICA Regional Offices be turned into centres of activity with properly organised youth programmes.

Mrs E. FEHER, Hungary, informed Congress that a specific Law dealing with Youth had been enacted in Hungary in 1971 in which the duties and social and financial responsibilities of the state organs and co-operatives towards youth were laid down. The Law promoted the interests of youth within enterprises. This policy was favourably received by the co-operative movement and great efforts had been made to increase the proportion of young members. One-third of members joining co-operatives were now below 30 years of age and management within co-operatives was also getting younger.

The Hungarian delegation supported the proposal that the ICA Central Committee should devote one of its sessions to the discussion of the position of youth in the world co-operative movement.

Mr J. SOBIESZCZANSKI, Poland, indicated that Polish co-operators were pleased to learn about the ICA Youth Conference to be held in Romania in 1973 and were supporting this initiative. The conference should discuss the work among young people and among school children. School co-operatives and students' co-operatives existed in Poland. Work with young people in rural co-operatives was of great importance to improve conditions to stop young people from moving into the

towns. Many member organisations had a lot of experience in working with young people and an exchange of experiences would be most valuable. Such an exchange of information should have the backing of the ICA Secretariat.

THE PRESIDENT informed Congress that the reports of the Auxiliary Committees had for the first time been included in the Report of the Central Committee, while previously they had appeared as appendices to the Report, and it was intended that this should reflect the importance of the work of the Auxiliary Committees.

### **International Committee on Agricultural Cooperation**

Dr L. MALFETTANI (Chairman) gave a report on the Open World Conference on the Role of Agricultural Co-operatives in Economic and Social Development held in Rome in May under the chairmanship of Dr M. Bonow. The Conference, attended by 400 delegates from some 95 countries (26 of which were developing countries) had been the first world-wide conference organised by the International Agricultural Co-operative Movement, with the assistance of the FAO, ILO and the International Federation of Agricultural Producers.

His Holiness Pope Paul VI, addressing the Conference, had stressed his interest in the efforts of co-operators and in the implementation of their ideals.

The recommendations put forward by the Conference had suggested that the conclusions of the Conference be sent to all organisations and governments who had been the first world-wide conference that the development of agricultural co-operatives be discussed at a future meeting of the Central Committee and be one of the main themes at the next Congress; that Congress should request the UN regularly to submit to ECOSOC meetings a report on the progress made in promoting agricultural co-operation during the Second UN Development Decade; and that the

ICA should give major support to the activities of the Agricultural Committee.

THE PRESIDENT stressed that the discussions which took place at the Conference had been of a very high standard and that the recommendations put forward merited the attention of the world agricultural movement and the co-operative movement generally.

### **Third Session:**

**Tuesday, 3rd October (morning)**

To open the third session of Congress the Polish host organisations had arranged for a small group of young girls and boys, members of school co-operatives, to greet Congress. One of the pupils, speaking in English, Polish and Russian, extended greetings to Congress delegates on behalf of half-a-million pupils in co-operative schools. Following the speech of welcome the Polish children distributed roses among the delegates.

The Secretary for Administration, Mr R. P. B. DAVIES, then reported changes in the texts of Motions and Amendments agreed by the Congress Committee.

### **Debate on the Report of the Central Committee** (resumed)

Mr J. KAMINSKI, Poland suggested that the ICA should extend its agricultural activities to promote exchanges of experiences and in organising meetings, seminars and training courses in this field. The development of rural co-operatives should have priority during the Development Decade. A request should be made to governments and international organisations to grant aid to agricultural co-operatives.

Mr C. DURAZZO, Italy, proposed holding a conference on fisheries dealing with fishing rights in the Mediterranean.

Mr M. ESHREF, Cyprus, stressed that international financing still remained a pressing need for the development and progress of co-operative movements in developing countries and expressed confidence that through continued research and efforts by the ICA and its auxiliaries, and also with the help of international agencies, the problem of external finance to co-operatives could be solved in the not too distant future.

Mr M. SULEMESOV, Bulgaria, and Mr I. SZABO, Hungary, both referred to the importance of the Open World Conference held in Rome and expressed the hope that the resolutions passed at the Conference would be implemented.

#### **Fisheries Sub-Committee**

Mr P. LACOUR (Chairman), in supplementing the Central Committee's Report, stated that the committee had continued its census of fishermen's co-operatives. Seminars for managers of fishermen's co-operatives were to be held in India and Malaysia in 1973 financed by the Swedish International Development Authority and the FAO. A manual on management had been published in three languages with the help of the FAO. Advice in setting up fishermen's co-operatives had been given to interested parties in a number of countries.

Two questions of general interest had occupied the attention of the Committee. First, the Conference on the Law of the Sea to be held in Washington in 1973. Secondly, the pollution of the sea threatening marine life in certain areas of the sea.

He congratulated Dr Malfettani on the success of the Open World Conference in Rome. It had been an event of world-wide importance illustrating the essential role played by agricultural co-operatives in developing countries. It had also affirmed the fact that co-operatives were

a positive answer to questions which young people asked about the future of economic and social life.

Mr K. F. HARDING, Canada, spoke of the progress that had been made in promoting relations between American and Canadian fishermen's co-operatives on the Pacific coast and said that exports to the Japanese consumers' co-operatives from Canada might reach a turnover of one million dollars.

He expressed the hope that the ICA would play more of a leading role in the co-ordination of fishermen's co-operatives in its member countries and especially in presenting a common voice on environmental control and the international law of the sea.

Mr J. SAITO, Japan, reported that fishermen's co-operatives in his country had made considerable efforts in the fight against the pollution of the sea. Pressures had been exerted on the government through demonstration and through direct representations in which the fishermen's co-operatives had participated. A Ministry of Environment had now been set up and laws preventing pollution had been enacted.

He asked for the support of Congress in campaigning for clean seas so that mankind might continue to obtain food from the seas and maintain their health.

#### **Banking Committee**

Mr W. BLEILE, Switzerland, speaking on behalf of the Chairman of the Committee, Dr. W. Hesselbach, had studied the capital resources of co-operative banks. Statistical information had also been prepared on the possible relationships between various banking institutions in different countries. A small beginning had been made in establishing a system of preference, leading to improved collaboration between co-operative banks in a number of countries.

The possibility of a world-wide credit card had been discussed, but certain difficulties had arisen. The committee had,

therefore, decided that no further action should be taken in this matter.

## **Greetings from the United Nations**

### **Organisation**

Mr A. CIBOROWSKI, representing the United Nations, conveyed the best wishes of the Secretariat of the United Nations and of the United Nations Development Programme to Congress for the successful accomplishment of its important tasks. He expressed the appreciation of UNDP for the fruitful collaboration it enjoys with the International Co-operative Alliance.

### **Housing Committee**

Speaking as an officer of the UN Centre for Housing, Building and Planning, Mr Ciborowski went on to speak of the ICA's work in the field of housing, as evidenced in the report of the Housing Committee. He said that the report presented a concise and dramatic picture of the basic housing problems round the world.

The United Nations General Assembly meeting at present in New York had consistently recognised the important role of co-operatives as basic instruments in helping to promote economic and social growth in the world today, especially in developing countries. In many countries, co-operatives were seen to have a most important place in the mobilisation and organisation of financial and production resources for the benefit of consumers and of the people as a whole. This had special relevance in the current world scene of accelerating growth and urbanisation. The plight of low-income groups had been worsened, and the "pull" and "push" factors had resulted in continuing rural-urban migration and the growth of slums and uncontrolled settlements throughout the metropolitan areas of cities in all the developing countries. It seemed ever more clear that the co-operative approach of helping people to help themselves would become ever more dominant in the fundamental solutions required to achieve better

living standards and a decent human environment.

The United Nations had noted with interest the support of the co-operative movement represented through the ICA for a higher priority for housing in international programmes. It was widely recognised that programmes for shelter improvement were not enough and that housing was interwoven with community planning. The home was just one part of the problem of creating "human settlements", a term currently used to include many other aspects such as industrial, commercial and recreational facilities, mass transportation, as well as access to education, culture, the promotion of health, and community and civic institutions. These factors were all part of the total environment, and co-operative housing was proving itself to be an instrument for integrating aspects of both home ownership and community development within expanded concepts of housing.

The recommendations made by the ICA had been presented at the United Nations Conference on the Human Environment held in Stockholm in June. The most important of these recommendations called for an international programme of action for the planning and management of human settlements for environmental quality. Members of the ICA now not only had an opportunity to demonstrate support for those measures, but also to take an active role in the process of implementation.

In referring to collaboration between member organisations of the ICA and the UN Centre for Housing, Building and Planning, Mr Ciborowski mentioned the Memorandum of Understanding between the United Nations and the International Co-operative Housing Development Association signed in 1970. As a result of this Memorandum the United Nations was able to call upon ICHDA for technical assistance and advisory services in connection with the development of co-operative housing in any of the developing countries. ICHDA had par-

ticipated in several UN reconnaissance missions and advisory group meetings on housing finance and other matters.

The crisis of human settlements was growing in magnitude in most countries of the world. Ecologically sound human settlements could and would have to be created, but a major co-ordinated effort on an international scale would be required. Co-operatives had an unusually important part to play in this total programme. They represented a strong force for the mobilisation of resources and the organisation of production and marketing processes, as well as the effective consumer demand for housing and community facilities linked with proper planning. The improvement of human settlements was the area where co-operatives could contribute more in creating conditions conducive to human development.

Experience to date in many industrialised as well as developing countries, showed that co-operative housing provided an extraordinary opportunity to unite the many interests represented in the building of human settlements. Programmes of co-operative housing in many European countries had long served as examples and models of what could be achieved. The time had come to re-direct some of this existing experience towards the task of building an estimated 1.5 billion new dwellings and related facilities by the year 2,000. This was by far the largest challenge that had faced mankind in all its history. Member organisations of the ICA should be urged to unite in the common cause for the achievement of the objective of decent human settlements for all, since this was, perhaps, the key requirement for a peaceful, productive and ecologically sound world.

The PRESIDENT, in thanking Mr Ciborowski for the greetings extended by the United Nations and from the UNDP referred to the Trust Fund for Human Settlements, one of the recommendations put forward by the Conference on the Human Environment. This recommenda-

tion merited the support of all co-operative organisations so that Governments would support the implementation of this proposal when the matter came before the UN Assembly.

Mr S. KUKURYKA, Poland, reported on the important part housing co-operatives were playing in Poland. Half of all dwellings in the country had been built since the end of the War. According to the programme laid down by the Government every family would have a home of its own by 1980. This would mean that under this programme 7 million dwellings would have been constructed 70 per cent of which would be built by housing co-operatives.

The representatives of the Polish housing co-operatives considered that the ICA Housing Committee had made an important contribution towards the exchange of experience and views in the field of housing.

Mr M. APIERTO, Italy, suggested that the possibility of setting up a "bank" of projects where co-operators from developing countries could obtain data and details of projects for use in their own countries could be investigated.

### **Insurance Committee**

Mr N. A. KULARAJAH (Vice-Chairman), Malaysia, speaking on behalf of Chairman Mr R. Lemaire, in supplementing the report stated that member societies had risen to 70 compared with 59 at the 1969 Congress. Societies were spread over the five continents representing 26 different countries. It was expected that the total premium income for the year 1972 would approach £1,000 million.

The International Co-operative Re-insurance Bureau, which expanded the reinsurance transactions between members of the ICA Insurance Committee, handled more than 500 reinsurance contracts representing a yearly volume of £6 million. A special reinsurance facility providing for facultative covers had recently been set up by the ICRB.

The Insurance Development Bureau

had proceeded with further enquiries and studies in developing countries in order to assist in the promotion of co-operative insurance societies in these areas. A seminar on risk management had been organised in Kenya in January 1972 and another would be held in Latin America later in 1972.

Referring to the new ICA subscription formula, Mr Kularajah stated that a proposal suggesting a collective contribution from all members of the Insurance Committee was being presented to the Insurance Conference to be held after Congress.

### **INTER-COOP (The International Organisation for Consumer Co-operative Distributive Trades)**

Mr J. SALLBORG (Chairman), stated that it was the aim of INTER-COOP to take an active part in improving the efficiency and competitiveness of affiliated co-operatives through collaboration in the technical and commercial sector beyond national boundaries, thereby gaining advantages for the consumer. The number of affiliated member organisations had risen to 31 from 20 countries.

Joint purchases in the food and non-food sectors were the most important activities of INTER-COOP. The volume of such purchases had amounted to about \$35 million in 1971. New purchasing groups had been set up for camping equipment, garden implements, textiles, shoes and toys. Collaboration in the food sector had concentrated mainly on the joint utilisation of overseas depots of various members.

Great emphasis had been placed on the promotion of collaboration in production. Mutual exchanges of goods in some sectors had been carried out, but closer co-operation in production was hampered by the trade impediments at present existing in Europe.

Exchanges of experience had taken place in two expert groups, one dealing

with department stores and shopping centres and the other with food stores. A conference on hypermarkets had taken place in Hamburg, in April 1972.

Further economic collaboration depended on future developments in Europe, on the entry of further countries into the European Economic Community and on the free trade agreements for industrial products. Attention had been drawn to the traditional purchasing markets for non-food items in the Far East.

Mr Sallborg reported that at the Members' Meeting prior to Congress, he had presented a paper dealing with the economic implications of the rapid development of multi-national enterprises for co-operatives. The strength of multi-national enterprises was in international centralisation of decision-making and of the procuring of capital, thus enabling them to carry out rational and effective investments, and to use their know-how within different countries. In order to meet the challenge of multi-national corporations, consumer co-operatives must intensify their collaboration in purchasing, production, development and research.

### **Workers' Productive Committee**

Dr B. TRAMPCZYNSKI (Vice-Chairman), Poland, speaking on behalf of the Chairman Mr A. Antoni, pointed to the importance of co-operatives for developing countries. It was essential to develop and modernise agriculture and to bring industries to these countries. Together with the development of large-scale industry, the development of small-scale industries would have to be stepped up.

The role of industrial co-operatives had been somewhat neglected in the process of industrialisation in the developing countries. As a result of the decision taken by the General Assembly of the United Nations the role of the co-operative movement within the economic framework of developing countries had been brought to the notice of the countries of the world.



The development of industrial co-operatives had been discussed at a meeting of experts organised by UNIDO in Warsaw in September 1971. Collaboration between international organisations was of the utmost importance, particularly between the ICA and UNIDO. An exchange of information with all those concerned with industrial co-operatives should help to achieve the maximum effort for the benefit of developing countries.

### **Consumer Working Party**

Mr J. M. WOOD (Chairman), United Kingdom, said that consideration had been given to give auxiliary status to the Consumer Working Party and a constitution for such an organisation had been drafted out. The future of consumer affairs within the ICA would henceforth depend on the extent to which member organisations were willing to provide financial and technical support for the new organisation.

Recalling the activities of the CWP since its inception in 1962, he pointed to many achievements. It had provided an outline programme of co-operative activity in the interests of consumers. Over the years regular meetings had been held for the purpose of study and the exchange of experience. The CWP had undertaken a series of reviews of consumer protection in various countries and conferences had been held. Special sub-committees had dealt with consumer information and labelling on the one hand and with consumer problems in the EEC and EFTA countries on the other. Finally, the Hamburg Congress in 1969 had adopted an International Declaration of Consumer Rights.

It was now for member organisations to decide whether consumer co-operatives were to convince the many sceptics that they were genuine consumer organisations, or whether the responsibility for consumer affairs all over the world was to be undertaken by the newly formed consumer unions.

Mr N. G. CHOKSHI, India, felt that more should be done by the ICA in

organising conferences and seminars dealing with consumer co-operatives in order to assist people in developing countries in the fight against soaring prices and the hoarding of consumer goods.

### **Working Party on Co-operative Press**

Mr J. BONIFACE (Chairman), stated that the International Conference of the Co-operatives Press held prior to Congress had considered the responsibility of journalists in relation to their own movement, in relation to peace and in relation to the developing countries. The discussions had highlighted the fact that those responsible for the co-operative press wished to have much more information from the leaders of the co-operative movement and to be more closely associated with the decision-making bodies. They had also requested clear-cut guidelines and information concerning the policy they were to advocate in the press. The general opinion had been that the co-operative press should give loyal support to co-operative enterprises, but should be able to deal frankly with all the problems pertaining to the quality of life, the defence of the consumer and the important question of peace and security throughout the world.

Co-operative journals throughout the world should be aware of what co-operators were doing for peace. The publications of the ICA had an important contribution to make in this field.

With regard to the developing countries, where journals had a large circulation but lacked means, a number of proposals had been put forward. Technical assistance, including training, should be extended, and documentary material made available.

The Conference had laid down a plan of activity which it hoped to implement between now and the next conference.

### **The ICA and Developing Countries**

Mr S. DREYER, USA, emphasised the fact that the gap between rich and poor was expanding. The majority of nations repre-

sented in the Congress were using up the earth's resources and polluting its environment out of all proportion, and the burgeoning populations might one day eat us out of house and home. These were the reasons why co-operators believed in user ownership, consumer rights, technical assistance, family planning; were against huge military expenditure, and supported a stronger United Nations.

Several writers have recently suggested that the co-operative method could be an economic alternative, and save the world from its own destruction. Therefore the challenge presented yesterday by the President for the ICA both to look to the future, and to plan it, had the support of the US delegation.

The problems of the world which co-operatives could and should redress needed to be attacked with vigour and with a long-range perspective. Action was required in a number of fields. Only one member from the developing countries was on the 16-member ICA Executive Committee and Mr Dreyer pleaded that this number be increased to allow better representation from developing countries.

The ICA should develop a long-range plan on the establishment of Regional Offices. The South-East Asia Office, generously assisted by the Swedish movement, had been an outstanding model for the Regional Office concept. One office might be developed to serve all of sub-Saharan Africa. The discussion with the Organization of the Cooperatives of America serving Latin America should lead to a more integrated relationship.

Forward planning and concrete proposals were necessary to secure funding from the important financial resources mentioned by Dr Bonow in his opening address. Without concrete programmes in such important areas as the work of the Regional Offices, it would be difficult to tap the resources of national aid-giving agencies and the UNDP.

Miss L. OVESEN, Norway, referring to the ICA Development Fund expressed

disappointment at the support given to the Fund by national movements. The total income for the three-year period under review had amounted to £67,193, an increase of under 11 per cent over the previous period. She called on Congress delegates to make a personal effort within their own organisations to support the ICA Development Fund giving the ICA the necessary financial tools for implementing the tasks for which the Development Fund had been set up.

Mr W. W. RAWLINSON, Australia, reported that his movement maintained close relations with the ICA Regional Office in South-East Asia and concerned itself with training within Australia and with providing resource personnel outside Australia, with surveys and committees and the promotion of inter-co-operative trade.

Drawing attention to the tendency for some governments to use the movement as a tool, he felt that this should be a matter of concern for the Executive Committee, especially where advantage was being taken of voluntary co-operative technical aid. He hoped the Executive would give attention to this problem.

Mr S. KIURU, Finland, speaking on collaboration of the co-operative movements with the UN and its specialised agencies, proposed that all member organisations of the ICA should contact the national commissions of the specialised agencies of the UN in their own countries, as well as delegations attending meetings of such agencies, in order to ensure support for co-operative aims, as the idea and practice of promoting co-operation had not yet been accepted by many officials of the UN system. He also suggested that the Headquarters of the ICA and its Regional Offices should continue to improve collaboration with the UN and its agencies.

Mr J. J. MUSUNDI, Kenya, reported that since the establishment of the Regional Office for East and Central Africa at Moshi, the ICA had more closely

identified itself with its member organisations, as well as the governments, in the region.

Through the activities of the Regional Office, a number of co-operative leaders and managers, as well as government co-operative officers, had been brought together in order to review the development of the co-operatives in the region and to plan a strategy which would accelerate the growth of the co-operative movement and improve its efficiency.

In view of the efforts which had been made by the Regional Office to extend its influence beyond the boundaries of East and Central Africa, additional financial and human resources were required. On behalf of the co-operative movements in the Region, Mr Musundi appealed to the ICA to consider increasing its manpower in the Regional Office in order to make the services in the Region more effective by generating new techniques and know-how to member organisations.

## **Fourth Session:**

**Tuesday, 3rd October (afternoon)**

### **Reply to the Debate on the Report of the Central Committee**

Dr S. K. SAXENA, Director, thanked the speakers who had contributed to the debate and all his Secretariat colleagues who had contributed to the achievements reflected in the report.

He agreed with Mr Klimov's suggestion that the Congress should be forward-looking, and hoped that when Central Committee meetings had become miniature congresses, Congress itself would be able to look forward to the programme which could be developed. With regard to the appointment of a commission to look into the major problems and work programmes, this would be a matter to be considered by the Executive Committee which would also

have to define the terms of reference with great care.

With regard to the importance of collaboration between the ICA and the United Nations Agencies, a point raised by Dr Fahrenkrog, the Director stated that collaboration had concentrated on the production of documentation, *eg* the Calendar of Technical Assistance; other instances of collaboration had been mentioned in the Report of the Central Committee.

As to the points raised by Mr Sulemesov, the Director expressed the view that it was more appropriate for Congress to judge the work achieved, although there were more value judgements in the Committee's report than had previously been the case. As far as the promotion of peace was concerned, the ICA had brought to the attention of authorities such as the UN Secretariat, the Council of Europe and the Human Rights Commission, the resolutions that had been adopted by the ICA.

Mr Kaminski's request for total evaluation was a very elusive concept, as it would be very difficult for the ICA to pinpoint with precision the result of a particular initiative which might be taken and the impact it would have on the activities of the international co-operative movement.

Replying to Dr Los, who had pointed to the need for increasing ICA membership, the Director expressed his agreement, but pointed to the fact that the Executive could only admit to ICA membership organisations that adhered to co-operative principles. There were still large areas of the world — the Middle East, Mediterranean Africa, large parts of West Africa and large areas of Central and Latin America — where ICA membership was very thin.

Mr Einarsson had commented on the practice in the Icelandic movement of paying five English pence per member annually to the Development Fund. The Director hoped other organisations might emulate this practice.

Regarding the measures for exercising economies in the work of the ICA put forward by Mr Engel, the number of meetings of the Executive Committee had already been reduced from three to two, and the costs of maintaining the ICA headquarters in the present premises had been the subject of several exercises carried out by the Secretariat.

On the new subscription structure, a point raised by Mr Malik, the Director replied that such a structure had to take into account the interests of both the members of the ICA and the ICA itself. The Executive had the right to reduce subscriptions in deserving cases and the highly complex matter of the Czechoslovakian subscription had been the subject of discussion within the Executive.

With regard to the change of holding Congress every four years, a matter raised by Mr Lacroix, the Director indicated that the motivation for the change had not only been for financial reasons. Four years were a long enough time in which to identify trends, pinpoint problems and congeal them into a meaningful agenda for discussion at a Congress.

Replying to the plea made by Chief Onagoruwa for setting up a regional office in West Africa, the Director said that lack of funds had prevented him from recommending the establishment of an office in this area. There had, however, been some increase of ICA activities in West Africa. Discussions within the Executive Committee were concerned with elaborating a long-term policy on ICA regional offices.

With regard to legislation in developing countries, the complex point raised by Mr Patel, the Director indicated that the ICA had not yet been able to complete its study on this subject and he expressed the hope that the ILO, which was in possession of a great deal of information on this subject, would join forces with the ICA in studying this subject in some detail.

Replying to Mrs Calvert-Marty, the Director expressed his pleasure about the

practical collaboration which had taken place between the ICA and UNESCO on specific problems. He wished to dispel the view that non-governmental organisations looked upon the United Nations Agencies only as sources of finance.

The Director thanked Mr Faucher for taking over the chairmanship of the Education Conference at very short notice and assured him that the recommendation put forward for the setting up of a group of heads of training centres would be carefully studied.

On the need to have Co-operation recognised as a separate subject at colleges and universities, a matter raised by Mrs Feher, the Director said that the subject of Co-operation was started at university level in the Federal Republic of Germany and in Canada, but the basic question was whether co-operative principles and practice offered a wide enough corpus of generalisations to be recognised as a separate discipline.

The Director thanked Mrs Lökkaj for the outstanding contribution she had made to the Women Cooperators' Conference and stated that the two constitutions put forward for the suggested Auxiliary Committee were being studied, and a revised constitution would be submitted to the next meeting of the Executive Committee, which would then take the matter forward to the Central Committee in the autumn of 1973.

To increase the influence of women in ICA affairs, initiatives from two sides were needed, stated the Director in reply to Mrs Guerguieva. The ICA needed help in the creation of a climate which was favourable for the participation of women in co-operative activities. But more relevantly it was a question of action at national level, for it was the national member-organisations who made the appointments to the committees and authorities of the ICA.

Regarding the appointment of a co-ordinator to deal with the activities of women in East and Central Africa, a point



*Left of microphone* Dr Mauritz Bonow, President ICA. *Right of microphone:* Mr Tadeusz Janczyk, President, Supreme Co-operative Council, Congress host.

raised by Mr Musundi, the Director indicated that the Secretariat would look into this matter.

On the question of population control which had been commented on by Mrs Smaby, the Director said that the ICA was not a technically competent body, but that it had an extensive educational framework and was concerned with the social and economic betterment of families. There was no reason why some of the facilities of the ICA should not be made available for a purpose which was in a sense close to the objectives of the ICA. The matter was being discussed with the Cooperative League of the USA.

Replying to Mrs Erokosima's remarks, the Director stressed that the relationship between a seminar and a field situation was twofold: first, that the field situation should be brought into the classroom, and secondly that what was taught in the classroom should be applied in the field.

In answering to the points raised by Mrs Rääkkönen, the Director stressed the

importance of the new auxiliary committee strengthening its relations with other auxiliary committees.

With regard to the report of the Agricultural Committee the Director indicated his agreement with the four areas of action proposed by Dr Malfettani, but added that the important thing was not only to report to ECOSOC, but, more pertinently, to help in the creation of practical projects in terms of agricultural processing, and in conferences for the discussion of commodity questions.

Dealing with the points raised by various speakers on fisheries, Dr Saxena thought that one major point had emerged. This was the challenge with regard to the pollution of the sea. It was important that the ICA Fisheries Sub-Committee developed a point of view on this very vital problem of the supply of fish and of the pollution of the environment.

On Mr Bleile's report on the Banking Committee, the Director said that the importance of increased collaboration between co-operative banks could not be

over-emphasised.

To the comments made by Mr Ciborowski, UN representative, the Director only wished to give the additional information that a selected number of non-governmental organisations, including the ICA, were carrying out an exercise with the UNDP, to try to establish a smoother and more regular exchange of information at national level between the United Nations Representatives and the ICA member organisations.

Regarding the report of the International Cooperative Insurance Committee, presented by Mr Kularajah, the Director expressed his thanks to the Committee for the support that it had given to the risk management seminar held in East Africa.

The Director said he was impressed by the increase in the practical work which had been carried out by INTER-COOP and more particularly by some of the excellent technical work which had been done by a number of its groups, as had been reported by Mr Sallborg. He was also encouraged by the attention INTER-COOP was giving to purchasing commodities from the developing countries. He commented on the paper on multinational corporations, presented by Mr Sallborg to the Members' Meeting, particularly the practical proposals contained in it.

Replying to the points raised by Mr Chokshi and Mr Wood, the Director expressed the hope that consumer protection would not just become the concern of a small committee. What the ICA had been trying to do was to develop a specialised body at a high level which could collaborate with an organisation like INTER-COOP and put forward the point of view of consumers on consumer protection.

The report on the Press Working Party presented by Mr Boniface had shown that the Working Party, during its short existence, had been able to develop a programme of action which was not esoteric but right down to earth.

With regard to the remarks made by Mr Dreyer, relating to the composition of the Executive Committee, this was a matter for the authorities of the ICA.

In replying to Mr Rawlinson, who had drawn the attention of Congress to the influence of governments on co-operative societies, the Director said that this problem needed to be carefully studied and defined.

The Director thanked Mr Kiuru for his role on behalf of the ICA in the national UNESCO Commission in Finland and agreed that there was the possibility of much greater collaboration with UNESCO.

Replying to Mr Musundi, the Director said that the appointment of a second training officer for the East and Central African Office had now been cleared and that the Dutch member organisation was supporting the appointment of a research officer to work in the Regional Office.

The PRESIDENT thanked Dr Saxena for his excellent summary and reply to the discussion. There had been no serious criticism directed against the Report.

The Report of the Central Committee was adopted by Congress.

### **Obituary**

The PRESIDENT asked Congress to pay tribute to the memory of co-operators who had died in recent years, remembering especially those who had given outstanding services to the cause of co-operation.

## **Multinational Corporations and the International Co-operative Movement:**

### **Financial and Managerial Imperatives**

The ICA Congress held in Copenhagen in 1951 passed a resolution asking the ICA to appeal to the United Nations for renewed study on international monopoly organisations. About this time the UN Economic and Social Council set up an Ad Hoc Committee to study and report

upon restrictive practices tending to hinder international trade and retard the rise in the standard of living. The ICA submitted two memoranda to the Committee, one on the nature and effect of restrictive practices, the other on the structure and procedures of any international authority to be set up for their control. The Committee issued a report in which draft articles of agreement for international control over restrictive practices had been included. The recommendations were much in line with ICA policy.

Over a number of years, the ICA, through its quarterly review "Cartel", had drawn attention to the problems created by monopoly groups in the international economic field.

A paper presented to the Central Committee in 1967 on Co-operatives and Monopolies in Contemporary Economic Systems and the rapid development of multi-national corporations resulted in a decision by the ICA authorities to devote the main theme of the Congress in Warsaw to Multinational Corporations and the International Co-operative Movement: Financial and Managerial Imperatives.

The Secretariat paper published in the Agenda and Reports\*, dealt with the subject under the following headings:

Co-operatives and Multinational Corporations

Co-operative Management

Co-operative Finance

Owing to the unfortunate illness of Professor Lambert, Sir Robert Southern kindly agreed to introduce the general aspects of Multinational Corporations and the International Co-operative Movement.

Sir ROBERT SOUTHERN, United Kingdom, stated that in considering the subject it was necessary to rely mainly on the work of the Secretariat, especially on that

of Mrs Stettner, ICA Secretary for Research. She had presented a summary of the contemporary economic scene overshadowed by the growing phenomenon of the multinational corporation and had shown that there was no overall legal framework for regulating the activities of such bodies. The report had also drawn attention to the abuses arising out of this situation and to the challenge which private and multinational firms presented to the co-operative movement.

The vigorous search for profits by companies in the leading capitalist nations, the chief of which was now the United States of America, had brought about these organisations. They extended their ramifications by establishing or acquiring control of manufacturing and processing companies in countries outside their country of origin. These companies did not conform to any structural pattern, but they had one distinguishing feature: they had production or processing facilities in more than one country while the ultimate decision-making remained in the country of origin. This diminished or even removed the influence of governments, of trade unions and of consumers on their activities. These companies had their own production or processing facilities located in different countries and were therefore operating under different national laws but with no supra-national law to which their activities were answerable.

The report gave very interesting information on selected international companies alongside the total budget and the gross national products of selected countries. It quoted a prediction that by 1980, 200 multinational firms would control 80 per cent of the world's market.

Those in the leadership of co-operative movements throughout the world had a duty to inform themselves of the trends and to realise their implications and then to work along the lines indicated in the latter part of the Report. In the consumer movement the essential co-operative purpose was to maximise consumer service

\* Copies of the Agenda and Reports to the Warsaw Congress are obtainable in English, French, German and Russian at £1.25 per copy (sea-mail) from the ICA in London. A verbatim report of Congress, in English, will be published towards the end of 1973.

and protection. In other co-operative sectors the purpose was to enable men and women to secure the greatest possible return for their mutual endeavours. Co-operators were consumers and producers and were not profit-orientated. Where private investment activity created employment without exploitation, where there was a proper sense of responsibility to the consumer and the worker, and where capital did not take an unreasonable return on investment, its ramifications across national boundaries could arguably bring real benefit. It was well known, however, that private enterprise did not work in that way.

Co-operative leaders would have to try to prevent multinational corporations from operating at the expense of workers, farmers and consumers and where there was abuse, ways were found of applying necessary legal sanctions to safeguard those who could be the victims in the ruthless struggle for profits. The threat to workers through loss of jobs and the undermining of wages and working conditions was primarily the concern of the trade unions which were strenuously engaged in trying to internationalise their role of worker protection.

Another cause for concern was the fact that multinational companies were above the law. There was no international law to which they were subject. There were national laws which regulated the activities of companies, but national laws differed in detail and the difficulties of securing harmony of law between willing nations held out little hope of progress in this direction. There was no international institution which had the scope or power to undertake this task. If there was no institution to make the law and no international body which could enforce the law, the only prospect was agreement between nations for harmonisation of laws so far as this could be done to mitigate the alleged evils.

The first part of the paper concluded with the question: what can co-operatives

do about the problems posed by multinational corporations? In consumer goods and services a great deal had been done already. The paper gave relevant examples drawn mainly from Scandinavia and the USA showing how co-operative production, purchasing, processing, manufacturing and marketing had succeeded in tempering the monopoly tendencies of multinational corporations. Much more remained to be done, and perhaps the emergence and enlargement of EURO COOP gave hope for still more concerted action between national movements.

Co-operative leaders had played their part in checking the trend towards price fixing, market sharing and monopolies in their own countries.

What was necessary now was that thoughts and actions should take on a wider dimension to embrace not only nations, but whole continents and the whole world if co-operatives were to make further substantial progress towards exercising countervailing power against multinational corporations. The first task would be to equip them structurally, financially and technically to face the tasks which were lying before them.

Sir Robert concluded by formally moving the proposal, as amended, which the Congress would be asked to adopt.

The PRESIDENT thanked Sir Robert for taking on this task at very short notice in the emergency which had arisen.

He then called on Dr Peters to deal with the managerial and financial aspects involved in this problem.

Dr W. PETERS, Federal Republic of Germany, stated that co-operative societies, both rural co-operatives and the consumers' co-operatives, were fighting multinational corporations on two fronts. First, co-operatives were allied with those forces representing the interests of the consumers, the workers and the economically weak farmers, craftsmen and owners of small businesses who demanded that multinationals be brought under democratic control. Secondly, co-operatives



confronted multinational corporations in the open market, using commercial strategies and economic weapons. It was necessary to analyse the advantages which economic laws accorded to multinationals.

The 150 or so multinational corporations in the world today produced gathering information on world-wide development. The value of the annual production of these firms outside their national frontiers was estimated to be between US\$400 to 500 billion. In 1970 the total world trade had amounted to only \$300 billion. The combined production of all multinational companies was higher than the national product of any one country except the United States and the Soviet Union.

Multinational corporations were losing more and more the special characteristics of their national origin. Where national markets were becoming integrated, and agreements for collaboration existed between States, new multinationals appeared which developed their potential before the public had even become aware of their existence.

It had to be recognised that the progress achieved in transport communications and information transfer, as well as in management techniques, technology and the international organisation of goods and capital markets favoured the growth of multinational corporations. It also had to be acknowledged that the progress made by multinationals was actually due to the administrative organisation of the international economic system itself, which was in some ways very inefficient.

The reason for the success of the multinationals was that they had developed management techniques to a fine art and that they had access to the international capital market. Management in multinational corporations was international as far as organisation, personnel and training was concerned. The giant stature of multinational corporations compelled them to consider constantly how to improve their organisation and to try out new systems and techniques.

Multinational corporations could grow and could be successfully managed only when central planning and control on the one hand and decentralised planning and management in the various countries on the other, formed a flexible, effective system. The application of all management techniques in planning, communications and logistics were aimed at systematically gathering information on world-wide developments in technology, market demand, resources and political organisation, and evaluating this information; and at uncovering investment opportunities and converting them into suitable plans on the basis of standard evaluation criteria.

The flexibility of management techniques was matched by the mobility of managers in multinational corporations. The mobility of the manager was not only geographical and functional. Hardly any person who had not successfully managed two foreign subsidiaries could now gain entry into the top management of the largest multinationals. The international manager had an opportunity to adapt himself to varied national economic systems and growth conditions. Above all, he acquired the ability of transferring experience gained in one country to another. He participated in a purposefully controlled circulation of management knowledge, which was a precondition for understanding international markets.

Well-trying procedures used by international enterprises ensured an exchange of experience. The same applied to research and development functions which were of great importance in multinationals. Research and development were generally decentralised to ensure proximity to all national sources of knowledge. Supranational product and process innovation strategy brought together the individual national research results.

Multinationals maximised not the profits of *individual* companies but rather the profit of the *whole* undertaking. They had the opportunity of adjusting regional results to their advantage through the

prices used for the transfer of operating resources or products between branches. It was also possible for them to organise the division of labour in a way which exploited all the comparative advantages afforded through the separate and different development of national markets. They had considerable scope for the exploitation of the differences and variations in exchange rates. Within the limits set by monetary policies, they profited from the opportunity to control liquidity on an international basis.

These factors, quite independently from the success of the enterprise as expressed in sales turnover and price level, raised the earning power of the enterprise. At the same time, the guarantee of a steady return on capital was the most important key to access to the international capital markets. The other key to international capital was the worldwide organisation itself.

On the basis of the document submitted by the ICA it was possible to point out certain opportunities for co-operative financing and to define the attitude of co-operative management towards multinational corporations. Co-operative management faced considerable problems within national markets. At the same time the success of multinationals faced co-operative management with the greatest challenge it had yet encountered.

Co-operatives had grown under the conditions of local and regional markets. In the second stage of development they found, and were still finding their way to national integration, and in so doing had already realised considerable economic advantages.

Multinational corporations were at a third stage of development. They had been successful in their own national sphere and had expanded from this secure base into the international field.

There were three possible ways of meeting the challenge which multinationals posed for the co-operative economy:

1 Co-operatives could restrict their effort

to increasing their competitive power in the national sphere only. This was a defensive measure, but one which required priority in present conditions.

2 Co-operatives could make greater use of opportunities of international collaboration in order to secure the significant advantage of the multinationals.

3 Co-operatives could themselves form multinational enterprises.

Even if co-operatives achieved competitiveness through national concentration and amalgamation, Dr Peters thought that they should not rest there, but go beyond this. Similarly, having created powerful co-operative organisations, such as INGEBA, EURO COOP, INTERCOOP, Nordisk Andelsforbund and Nordisk Andelseksport, they should continue further to collaborate on an international scale.

National collaboration by the various branches of the co-operative movement could be considerably increased in all countries. The same applied to international collaboration by all types of co-operatives. This had long been recognised and the work of the various committees and institutions of the ICA proved that collaboration could be very fruitful if it were more forcefully pursued by all, and not least by providing the ICA with improved resources in terms of finance and personnel.

The auxiliary committees of the ICA, such as the Housing Committee, the Agricultural Committee and the Committee of Workers' Productive and Artisanal Co-operative Societies, had made significant contributions towards the training of management, technical assistance and the realisation of common projects. The Banking Committee was working on the creation of a preference system and the Insurance Committee had reported an increase in the field of re-insurance. Nevertheless it had to be admitted that these initiatives could not be rated as a reply to the challenge of the multinationals.

Within the ICA members had the

opportunity of strengthening the exchange of experience in management techniques and of developing a joint multinational management training programme. Dr Peters suggested that the ICA Executive might investigate the possibility of setting up an international management school comparable with the Harvard Business School. He had in mind organised events, each designed individually, and held at irregular intervals depending on demand. It was a matter of arranging courses for co-operative management from time to time, the courses to be at a high business administration level and to take account of aspects specific to co-operatives. Co-operative managers must not only be trained at international level, but they must also be provided with international management experience.

It was for that reason that an attempt should be made to increase the geographical and functional, as well as the intellectual, mobility of co-operative managers. This practical training could be in the form of "job rotation". This would enable co-operative managers who had been trained theoretically and practically to the high standards of international management to work in a responsible capacity in middle and higher management of foreign co-operative organisations. It should be the aim to equip the ablest co-operative managers with knowledge to carry out their duties in national co-operatives with far-sightedness and boldness and to ensure that they acquire an understanding of international relationships.

In this way there could be accomplished in the international co-operative system the kind of exchange of knowledge and experience which had contributed to a large extent to the success of multinational corporations.

In the Federal Republic of Germany, a leading Swedish manager had been made responsible for warehousing operations for a period of one year, and there had been exchanges of managers

with the LEGA, Italy, and exchanges of experiences with the Danish movement.

From the early experience of INTER-COOP it was clear that trade and co-ordinated production succeeded most of all when experts got together to study the problems involved. In the international co-operative movement it had become the custom to discuss the co-operative principles related to our work in conferences which had little to do with trade and business. By internationalising co-operative management in both theory and practice, in both study and business, a fresh impetus would be gained which would bring about a greater awareness of the ideals of the movement.

Only insofar as national organisations succeeded in improving the basic requirements for growth, profitability and sound financing could international collaboration be intensified.

The limitations of present-day co-operative economic activity could be clearly seen, in a comparison of capital structure and the methods being used for raising capital in multinationals and in co-operatives. If co-operatives were able to solve their management and profitability problems, they would still be faced with the necessity of seeking new sources of capital. In raising the necessary funds, co-operatives had to compete in the capital markets with their business competitors.

With the growing capital intensity in all fields in which co-operatives operated the demand by co-operatives for capital from outside sources had increased. The raising of capital depended on the ability to pay the market rate of interest. The procurement of capital was not primarily a problem of high interest rates, but rather a problem of the profitable employment of the invested funds.

A number of measures to improve the financial position of co-operatives in various countries had been carried out. Steps had also been taken towards removing legal and fiscal disadvantages.

The various efforts of national co-operatives to achieve greater flexibility in obtaining capital from outside sources should not be looked at as a divergence from co-operative principles, but as a pre-condition for raising the efficiency of co-operatives. The ICA paper put forward the following suggestions:

- 1 A more flexible limitation of return on capital and the abolition of tax disadvantages in the distribution of profits compared with other forms of legal entities.
- 2 More flexible limitations on the amount of share capital and the number of co-operative shares held.
- 3 Stabilisation of the basis of proprietary capital by extending the period of notice.
- 4 Relaxation of limitations on voting rights and on liability.
- 5 The issue of non-voting preference shares to members and the public with dividends at current market levels.
- 6 Various procedures for the retention of profits for re-investment.

In a number of countries co-operatives had created a variety of institutions for raising the required capital from outside sources. Although the international co-operative movement had approached its financing problems in an imaginative way and with unorthodox methods, it had not been possible to secure a solid financial basis to an extent which was desirable and necessary.

In looking at the possibilities of securing a steady supply of capital for co-operatives, a few instances of international collaboration could be cited. It must be borne in mind, however, that sources of capital must be exploited first.

1 First of all, better use should be made of the International Co-operative Bank. Because of its international character, the Bank was in a better position than national organisations to assess the organisation and productiveness of international sources of finance.

2 International co-operation between banks could be strengthened.

3 International collaboration must be

intensified insofar as the problems of planning of investment, finance and financial control were concerned.

4 In an age of technical progress when equipment became obsolete at an ever-increasing rate, the establishment of companies to provide equipment on hire could reduce capital demands and improve profitability. If the setting up of international leasing companies was complicated by tax legislation, national leasing companies, in which co-operatives from other countries participated, should be established.

5 The possibility of establishing real estate funds, either as an international, or a national organisation with international participation, should be examined.

6 Mutual participation in international enterprises set up for various purposes must be encouraged.

In order to obtain success in all branches of the co-operative movement, it would be necessary to demonstrate the will to collaborate. The first step in this direction would be the creation of top management training facilities, exchange of management experience and the setting up of groups of experts to consider institutional machinery for international finance.

Multinational corporations presented the greatest challenge to the economic activities of co-operatives. Co-operators had to decide how to meet this challenge in order to make their contribution towards a peaceful and humane world.

The PRESIDENT expressed his thanks to Dr Peters for a very interesting survey of the intricate and important problems co-operative movements were facing in relation to management and finance.

## **Debate on Multinational Corporations**

Mr J. Lacroix, France, said that it was wrong either to underestimate or overestimate the role of multinational corporations. There were numerous cases

where they had broken monopolies at least in a tentative way. Multinationals had been set up to fight customs regulations. They could also represent a source of additional exchange of trade. Action against multinationals did not stem only from countries that had been most affected by them, but also from their countries of origin. Discriminatory practices in research, patents and trade, which represented the most difficult aspects of the struggle against the abuses of multinationals, should have been mentioned in the report, as well as the budget of these enterprises devoted to research and publicity. These points ought to be taken into consideration in relation to whatever action was thought necessary.

Mr M. J. LÉGÈRE Canada, reported that the presence of multinational corporations within the Canadian economy had not stopped the development of an agricultural co-operative movement and a consumer co-operative movement which continued to expand at a satisfactory rate. In fact, in certain parts of Canada, the agricultural co-operative movement was constantly increasing its rate of penetration into agriculture, despite the competition from multinationals. It was for each state to regulate the activities of multinational corporations within its own national territorial limits.

In market economies the presence of multinationals constituted a challenge for the co-operative movement. The splintering of co-operative forces and the maintenance of structures which were to a large degree autonomous, created a risk, and emphasised weaknesses which made co-operatives less useful to their members. It was in the development of efficiency that co-operatives could be a means of compensating the influence of large corporations, whether national or multinational.

Mr H. FAHRENKROG, German Democratic Republic, pointed out that the statements and discussion on the question of multinational corporations and the international co-operative movement had clearly shown that this problem could not be

exclusively considered from the economic angle, but had also to be considered within the general aspect of the capitalist economic system.

Co-operative movements in capitalist countries and the developing countries were suffering from political decisions which were based on the profits of the monopolies. They also influenced co-operatives in socialist countries to a certain degree. What was needed were policies which were in the interests of consumers, as promoted by co-operatives, to challenge the activities of supranational and multinational corporations.

Co-operatives in the German Democratic Republic were following very carefully the developments in the Western countries with regard to rationalisation, central planning, management and competitiveness. These efforts alone could not solve the problem. Political as well as economic measures were required to be taken in the struggle against the policies of the large private monopolies.

Mr O. R. WIEBE, USA, told Congress that the Cooperative League of the USA believed that the real alternative to multinational corporations were multinational co-operatives. The late Mr Smaby at the last meeting of the Midland Cooperative in the USA had suggested that as co-operatives in America were short of natural resources, such as oil and gas, marketing and supply co-operatives should work together. The surplus of food produced by farmers in the USA could be bartered against fossil fuels which were in large supply in countries where there was a food deficit. Co-operatives were in an advantageous position to operate such a barter system.

An example of the concept which had been talked about was the idea of an international fertiliser co-operative, which had been discussed with a number of co-operators during Congress. It was suggested that a survey be made of how much fertiliser was going to be needed and how much was being distributed by co-oper-

atives throughout the world. If such a study could be undertaken it could then be determined whether or not it was possible to set up an international fertiliser co-operative which could meet the needs of farmers of developing countries as well as the more developed countries. Such a project could be a multinational co-operative in the sense described in the paper.

Co-operatives of the United States and India had collaborated in the establishment of the Indian Farmers' Fertiliser Co-operative. The Americans had provided expertise in the form of engineering, design and construction know-how and the Indians the share capital. There would be two plants producing fertiliser when the \$124 million project was completed.

If co-operatives worked vigorously together there was no limit to what could be done to meet the challenge of multinational corporations.

Mr S. MIANA, Italy, said there was no doubt that the preponderance of multinational corporations was a conditioning element with regard to economic, social and political development creating increasing imbalances in both industrialised and less developed countries.

At national level, co-operative movements, in collaboration with trade unions and other democratic forces, should demand that governments not only took measures to check the abuses of large private concentrations of economic power, but also took legislative and fiscal measures to control their development. The state could therefore have a decisive influence in limiting the present power of national and international oligopolies and promote instead a different type of socio-economic development. Within the framework of such public planning a decisive impulse could be given to the expansion of co-operative enterprise in all its forms. Co-operation in its autonomous development and democratic participation had to become more and more a centre of interest not only for its members, but for the community as a whole.

A debate on how to set up an efficient and well-co-ordinated system of international controls should be opened in the co-operative movement and at the highest international institutions. The proposal to convene a United Nations conference to formulate a programme of international control had the support of the representatives of the Lega. The issue should also be brought up within the European Community.

The development and integration of co-operative organisations at international level had necessarily to be based on political action. If such action was lacking it would never be possible to stop the strategy of giant economic and financial concentration.

Efforts had to be directed towards establishing more fruitful collaboration between the co-operative movements of market economy countries and those of planned economy countries, as well as between these and those of developing countries, in those spheres which were of specific and direct concern to co-operatives.

Particular emphasis ought to be given to the importance of co-operative planning at the international level, to long-term investments, and to joint production between co-operative enterprises.

Mr A. YADLIN, Israel, said that co-operative enterprises in pluralistic economies were faced with a series of specific problems. Such enterprises were dependent, on the one hand, on the special role they played in the economy and, on the other hand, on their organisational structure.

One of the main problems was the nature and process of development financing. The financial sources of the co-operative movement were mainly savings of workers and surpluses. Co-operatives and public enterprises were not always in a position to use foreign investments or financial manipulations, such as mergers or acquisitions, in order to overcome their problems in development financing.

Government backing of co-oper-

atives and public enterprises was crucial not only through moral support, but also in creating adequate conditions for such enterprises to grow and realise their goals in the national economy.

Israel was a typical example of a pluralistic economy in which enterprises were owned by private firms, co-operatives, collectives, government, municipalities and various kinds of public organisations, including organised labour. Within this structure Hevrat Ovdim, the economic organisation of Histadrut, the General Federation of Labour in Israel, acted as a holding company and central organisation for co-operatives, and for all enterprises owned by the trade union movement.

The financial system of the co-operative movement was a unique one which enabled the co-operative movement to foster development and to be less dependent upon outside capital. This was possible because of the Government's sympathetic outlook towards the co-operative movement. The Government not only provided incentives to workers' savings organisations, but also took part actively in channelling additional funds for development purposes.

Non-private enterprises in pluralistic economies could play an important role in meeting the challenge of multinational corporations. The entry of multinational corporations into a national economy should not always be rejected. In some instances the contribution to economic growth and social progress, especially in countries where such growth and progress were most desperately needed, was quite impressive provided there was adequate government control to offset unfair practices.

A strong public and co-operative sector might be able to meet the challenge of multinational corporations. The creation of adequate financial organisations to provide such enterprises with development capital, better management, better marketing research and better research and development, along with government back-

ing, by making available public funds and encouraging the co-operative movement, might help to achieve this goal and might also help in institutionalising the ideological principle to which the world co-operative movement adheres—a free and fair competition between the non-private and private sectors of an economy.

## **Fifth Session:**

**Wednesday, 4th October 1972 (morning)**

The Secretary for Administration, Mr R. P. B. DAVIES, reported to Congress that the Congress Committee had agreed to certain changes in Motions and Amendments.

## **Debate on Multinational Corporations** (resumed)

Mr C. VEVERKA, France, pointed out that in each country the public should be made aware of the dangers of multinational corporations and it should, if necessary, bring pressure to bear to curb their activities by legislation. The ICA should from now on organise, collect and circulate information about the repercussions of multinationals wherever these can be detected. National co-operative movements should enlist the help of consumers and trade unions to bring about an international group able to bring pressure to bear against multinational corporations.

It was important to spread knowledge of modern management techniques in order to compete with multinationals. The suggestion of organising and communicating information about management on an international level ought to be supported. INTER-COOP should expand its activities and the need to organise

co-operative enterprises on an international level must be borne in mind.

In order to fight the challenge of multinationals co-ordinated action on the following lines was likely to prove most efficient: (1) By disseminating technological information and by extending assistance in all areas of production with the aim of improving the quality of products and the productivity of the enterprise. (2) By progressive but systematic unification of packaging according to standards which would facilitate the creation of an international image of co-operative products. (3) By the systematic implementation of an international market study which would lead to the organisation of a multinational system of co-operative production. The third proposals would, however, require long and difficult preparatory work which might be better carried out by a sub-committee of INTER-COOP especially set up for this purpose, which would be asked to submit to the next Central Committee a certain number of concrete proposals as regards the lines to be followed to determine a limited objective. It would be the task of the sub-committee to implement the proposals.

Mr C. PEDERSEN, Denmark, stated that the evils of multinational corporations were due to their monopolistic tendencies which were likely to develop if firms agreed to combine in cartels or if they grew too large. The evil was there only if there were no other firms to safeguard competition by acting as a countervailing power.

Co-operatives had the possibilities to fight any big economic power, be it local, national or multinational. They were able to compete in the market, but in order to do so they had to be powerful and efficient by means of up to date management and financing, as was stated in the report.

Mr R. L. MARSHALL, United Kingdom, pointed out that not only the deficiencies, but also the powers and capabilities of multinational corporations had to be acknowledged. They were multi-

national because they were responding to economic and technological forces, and adaptation by them was their response to changing economic and technological conditions. The challenge was whether the co-operative movement could make the same response as a condition of its survival in these new circumstances.

Multinational corporations could communicate benefits to the consumer and therefore even more ferocious competition could be expected in future than had been faced in the past. They represented the effectiveness of centralised power of decision in monolithic structures and they offered the co-operative movements in their national capacities an immediate and quite daunting challenge.

To reach a centralised unity of action to confront the international unity of multinational corporations, it was necessary to identify and recognise the strength of the forces that had to be confronted.

Multinational co-operative management training could play a supporting role in this effort. The first exercise in an international co-operative management training seminar sponsored by eight countries had sought to bring together 40 to 50 young managers over a two-year period. Between 1970 and 1972, the seminar had met in three places—at Hamburg, Helsinki and Stockholm. They had brought under review management principles and techniques and economic case studies from the movements they represented. One of the guidelines which had come out of the seminar was that it was essential to involve the management and economic authorities of movements in these seminars, as well as the educators and training experts.

International study together was however not enough. It should be supplemented by international experience in management responsibility. There was also need for shorter and more intensive seminars for top level management. Such seminars should concentrate on the definite techniques, problems and successes of co-operative organisations in their countries.



The task of these seminars was to concentrate on the distinctive preoccupations of co-operative movements and of co-operative management and to create in this new context of co-operative development a new dimension of co-operative management training.

Mr R. TANA, Italy, underlined the important role the co-operative movement could play in correcting the imbalances brought about in many countries by multinational corporations.

The co-operative movement had been established during the industrial revolution by the poor to raise their standard of living through self-help, but at no point in history had the movement been able to hinder the development of the capitalist system. The system stimulated consumption, but in the process produced many negative aspects of life, *eg* pollution, ecological damage, mental health problems. The co-operatives found it difficult to change the system and they could not provide an effective alternative. The co-operative countervailing force was to try to develop a social strategy that would compensate for these negative aspects of the multinationals. It could also remedy some of the economic imbalances, *eg* in Italy, autonomous credit organisations had been set up by the co-operative movement to bypass the powers of the great banking organisations.

Mr P. SØILAND, Norway, pointed out that it was the multinational corporations that had developed the standard of living and the democratic system which was being enjoyed in the Western world. It was obvious, however, that big private enterprises also sought and acquired political power contrary to the interests of the people and to a free democratic system. Therefore it was necessary to enact legislation which ensured that both national and multinational corporations were brought under control.

In Norway the experience of multinationals was principally connected with the oil companies. The co-operative answer

to this challenge was the development of the Norwegian Oil Consumers' Association with the assistance of the famous Swedish OK. The initial stages had been difficult, but after 10 years of operation, the Association had been stabilised and it had increased its share of the market from year to year. This was an example of how collaboration could be organised between co-operatives and across national borders.

The firm of Procter and Gamble had failed in their efforts to introduce a detergent in the Norwegian market thanks to collaboration between Norges Kooperativa Landsforening and Kooperativa Förbundet of Sweden.

These examples showed that it was possible to fight private corporations, but it had to be admitted that the co-operative movement had a long way to go before it could be said that it was a force of real strength in the fight against multinational corporations. First, it would be necessary for the co-operative movement to carry out structural changes within its own organisations to enable it to compete with private concerns in national markets. The only answer to the challenge of multinational corporations was a completely integrated co-operative organisation where co-operative manufacturing, co-operative wholesaling and the co-operative retail trade were one and the same.

Secondly, it would be necessary for co-operative movements to learn to collaborate across national borders, something that seemed to be easily achieved by private enterprises. With regard to managerial problems, managerial ability was bound to grow in accordance with the new thinking which was necessary if the co-operative movement was ever able to face up to the great tasks of the future.

Mr I. SHAPAN, Israel, believed that the main task of the co-operative movement should be the protection of the consumer and therefore an attempt had to be made to use more modern methods based on sound economics.

The progress achieved over the past

few years both at national and international levels was promising, but what was needed was a far greater amount of practical co-operation not only at the level of leadership, but also amongst members in order to take efficient decisions. Co-operation in Europe and the existence of the International Co-operative Alliance should make it possible to achieve positive results in the struggle against multinational corporations and these would be decisive factors in the image that the co-operative movement projected to the Third World.

The important recommendations put forward at the meeting of the Central Committee in Basle in May 1972 should be implemented. The movement must become aware of new techniques in order to have the necessary tools to promote co-operative ideals.

If we were to achieve the aims outlined by Dr Peters, it must not be forgotten that the very basis of co-operative action was an ideological one, permeated by the co-operative spirit at both national and international levels.

Dr A. RAUTER, Austria, in supporting the resolution on behalf of the Austrian delegation, suggested that it might be necessary to go beyond the framework set out in the resolution. It was not only necessary to consider education and management training programmes, but also the training of administrators. The time had come to consider the process of decision-making at the various management levels of co-operative organisations and to make sure that the appropriate administrative tools were at the disposal of officials.

The business of competition contained new determining factors which had to be recognised. The time was passing when co-operators could be proud of owning the means of production. An attempt had now to be made to gain greater control of markets, to seek new markets and to take into account the potential requirements of the co-operative membership.

Growth was necessary to strengthen

the overall function of the co-operative movement in the various countries; 'however this must not be the main purpose at the expense of co-operative ideals. It was necessary to create a new market concept through modern management techniques which attracted new members. It would then be possible to take up the challenge presented by multinational corporations.

Mr A. MIYAWAKI, Japan, pointed out that it was evident that co-operatives could not be a countervailing power competing with large private enterprises unless there was close collaboration between co-operatives across national boundaries, and suggested that a chapter dealing with the future direction of international collaboration for different types of co-operatives might have been added to the report.

Co-operative principles should be strictly observed and not interpreted to suit the convenience of the movement. If, however, a certain business could not be performed by co-operatives, a separate organisation might be established in the form of a company to undertake such business on behalf of co-operatives.

Mr B. TRONËT, Sweden, said it was of great interest how to increase the capital of individual co-operatives and how to borrow more money. In competition with the multinationals it was necessary to give members a service which was competitive. This required a large amount of capital.

The report emphasised that if members were willing to invest money, they would have full confidence in the activity involved. That meant the enterprise was managed so that interest and amortization could give a result and even allow for normal consolidation. Normal dividends and competitive prices were what was expected. If the members and outside credit institutions had mutual confidence, the question of the proportions between own capital and loans might be decided according to the circumstances prevailing in different countries.

A business had always to cover all its costs and to give full interest on its own

working capital. It was essential to be in a position to pay dividends and taxes and also to create new reserves. If members had an opportunity of investing in loans the rates of interest offered to them had to be competitive on the open market.

As a member of the board of the International Co-operative Bank, Mr Tronêt called on more co-operative organisations to join the Bank and make better use of its services. INGEBA was in a position to work all over the world and discussions had been taking place during Congress on how to find ways of financing across national boundaries. When the Swedish movement wish to start an industry outside the country but was not permitted to transfer money abroad, INGEBA had provided the necessary finance.

Mr K. BOCZAR, Poland, said that if the statement in the report that multinational corporations were detrimental to the mass of societies was correct, then the exploitation by these multinationals of the countries of the Third World had to be stressed.

On many occasions the co-operative movement, and especially the ICA, had spoken out against the advantages obtained by multinational corporations, and co-operators had tried to mobilise public opinion against monopolies. But there were other actions which had also to be taken. Co-operatives had to increase their activities by the expansion of education, personnel training and particularly managerial training. The ICA had to increase its assistance substantially to provide a strong international market. Successful examples had been quoted from Scandinavia. Results could be even more positive in the developing countries which were just embarking on the road to development. Contacts between economic organisations at different levels of development had to be established. It was a matter of urgency to start international trade and organisational information centres or programmes in order to precisely identify the potential market. It was essential to

strengthen international co-operative institutions to finance co-operative development in developing countries.

Mr B. Kvestov, USSR, pointed out that Congress was considering matters of very great importance such as the development of the co-operative movement, its failures and its future prospects.

There was no doubt that the discussion of these important problems and the resolution to be adopted by Congress would promote the activity of the co-operative movement in various countries in the struggle against multinational corporations and also in raising the prestige of the ICA generally in the international arena.

Centrosoyus had introduced a number of amendments concerning multinationals. The amendment to the first paragraph dealt with the living standard of workers, the stability of international currencies, the national sovereignty of countries, and stability of currency systems. Centrosoyus wished to underline the logical connection between the expansion of international cartels and the financial difficulties of co-operatives in capitalist countries. The principal reason for these difficulties was the flaws of the international financial system which was based on an instability of currency.

The other amendment dealt with the legal restrictions which ought to be applied to multinational corporations and the recognition of the social value of co-operatives. The governments of many countries were encroaching to an ever larger extent on the activities of co-operatives and were refusing to accept the distinction between capitalist monopolies and co-operatives. Co-operatives were taxed to the same extent as multinational corporations. In some countries anti-trust legislation extended to co-operatives. There were attempts to increase taxes on dividends paid to members and to restrict trade with non-members. Co-operatives were finding it increasingly difficult to raise capital. It was for all these reasons that Centrosoyus had suggested that the resolutions be

supplemented by a call from Congress "to promote the democratisation of economic and public life", together with a change of policy towards co-operatives, the recognition of the intrinsic economic value of co-operation and the abolition of anti-co-operative legislation.

Dr R. KOHLER, Switzerland, expressed the view that it was perhaps a good thing that the success of multinationals was forcing co-operators to come to terms with this confrontation and to look for more successful and effective means of operation.

Dr Peters' paper showed that our concern should be especially with the economic aspect. It should be borne in mind that economic power automatically brought political power. These two things were closely and intimately linked with one another. This problem had to be further investigated and studied and this should be done within the framework of the ICA. In addition to achieving economic growth our organisations ought to be more active in the political field, and increase our influence in parliament where legislation was made.

Dr Kohler expressed the hope that notice would be taken of the appeal made by Dr Peters. There was a gap between knowledge on the one hand and courage and readiness to make sacrifices on the other. There was unanimity about the target, but decisions did not always bear this out. Progress had to be made not only in the economic and organisational field, but also in education and training. Management training was indispensable, but management was not an end in itself. It had also to be borne in mind that the concept of international solidarity had to be stepped up and further developed.

Much had been said at the beginning of Congress about planning within the framework of the ICA and laying down principal targets and financial objectives. Priority had to be given to these matters otherwise there was a risk that by the time

of the next Congress not much progress would have been made.

Mr S NAKABAYASHI, Japan, said that the consumer movement in Japan had had a very difficult task in fighting the great influence of multinationals in the field of distribution. It was necessary not only to manage co-operatives efficiently, but also to activate members to participate in efforts concerned with consumer protection. A national liaison committee of consumer organisations had been set up jointly with trade unions and women's organisations in which the Japanese Consumers Co-operative Union was playing a very important part. The consumer movement had thus been strengthened.

The problem of multinational corporations would increase and would pose vital questions for the co-operative movement. It was therefore necessary to consolidate the unified powers within the International Co-operative Alliance.

Dr F. MOLNAR, Hungary, stated that the struggle against monopolies was vital and it was therefore right that the ICA should take up this position on behalf of all co-operatives in the world. Multinationals could only be tackled by an international struggle in which the united efforts of the co-operative movements throughout the world would be an effective weapon. New efforts in co-operative marketing and production were required. The widening of the activities of INTER-COOP was of special importance and it was also necessary to strengthen the role of co-operative enterprises internationally.

Mr C. DURAZZO, Italy, expressed the opinion that the problem of multinational corporations could only be solved by international agreements accepted by most developed countries.

There should be closer collaboration between the different types of co-operatives, agricultural, consumers' and producers', but each type should maintain its freedom of decision. It should be possible to achieve this at the European level.

The proposals put forward by Dr Peters relating to the exchange of management experience were excellent.

Dr P. TONHAUZER, Czechoslovakia, referred to the statement in the report that international capitalistic monopolies constituted a threat to state sovereignty and the independence of a number of countries. Their main aim was profit and they gave no support to development and diversification of the economy of developing countries.

The report had not dealt with the conditions under which multinationals were set up nor with the environment in which they operated. If it was considered that international monopolies were harmful to the future development of co-operatives and to human development then these aspects had to be subjected to closer examination. It was necessary not only to fight against multinational corporations, but also against an environment in which they were capable of being set up.

Chief G. A. ONAGURUWA, Nigeria, stressed that the monopolistic aspects of multinational corporations should be combated. But multinationals also brought advantages to the countries in which they operated in the form of employment and by creating facilities for obtaining foreign exchange reserves.

More training was needed for co-operative managers, but it was also important to give them more scope so that they could act with greater speed in the same way as managers of enterprises with whom they had to compete.

Dr L. REV, Hungary, felt that the picture given in the report was incomplete. The characteristics of setting up monopolies and the artificial regulations of international trade in favour of monopolies should be taken into account. The political influence of world consortia on certain countries enabled international groups to be protected, to the detriment of other countries which had not the necessary financial resources. International giants were operating to the detriment of developing

countries. Some countries had taken special measures, such as instituting quotas and additional taxation and import taxes, particularly in socialist countries. If this was only an internal struggle between various monopolistic groups co-operators would still be concerned and would have to call attention to the circumstances that hinder the development of co-operatives in their own countries. But today we were confronted by acts of discrimination which had an impact on the co-operatives of every country.

The ICA, as an organisation representing the interests of affiliated organisations, had to raise its voice against world monopolies and had to protest against discriminatory practices in international trade.

Mr N. A. KULARAJAH, Malaysia, objected to the suggestion of setting up international co-operatives. If co-operatives were to operate outside their own countries, in competition with co-operatives in other countries, there would be trouble and dissension. The Malaysian delegation vehemently opposed international co-operatives on the same lines as multinational corporations.

Co-operative training was vital and if the ICA could organise seminars in different parts of the world on the lines of the one held on Co-operative Management in the Seventies in Madison, Wisconsin, in 1970, it would indeed provide a useful service to the world co-operative movement.

Mr G. R. GAY, United Kingdom, expressed the hope that the co-operative press in various countries would give the statement on multinational corporations and the resolution full coverage and wide publicity.

He saw multinational corporations as a capitalist peculiarity, a capitalist phenomenon which would probably go on as long as capitalism flourished. Their power could only be controlled by a change in the social order, a change from capitalism to a more sensibly planned society, ultimately on a world basis.

There was a need for co-operative organisations to get together on a national and international basis; there was a need for an extension of buying and production arrangements on an international scale; for international training and experience for middle and top level management; and for an extension of co-operative insurance and inter-banking arrangements. But these were small measures in terms of combatting multinational corporations and had to go hand in hand with political activities by individuals which had as their object a more sensible world, where the resources, production and distribution were used for the benefit of all the people.

Mr W. BRIGANTI, Italy, outlined the reasons which led the Lega to propose amendments to the resolution on Multinational Corporations, and explained the reasons for withdrawing two of the amendments in favour of the amendments proposed by Centrosoyus.

## Replies to the Debate

Dr W. PETERS, Federal Republic of Germany, stated that all the contributions had pointed out that the Central Committee had put on the agenda a topic which had led Congress to consider afresh the target and objects of the world co-operative movement within the framework of modern society. It had become quite clear that all branches of the co-operative movement were being invited to reconsider their own work within their own national associations and within the framework of the ICA. The co-operative organisations within the ICA had to have a common front, and this had become indispensable especially in connection with the question of multinational corporations. In the light of the various statements that were made, what was really necessary was that there should be a balanced judgment on the basis of the various differentiated analyses in order to agree on a line of struggle.

We were living in an era in which we were all striving for an improvement of

the environment and of our living standards, but who was able to decide about all this? Who could point out where the real industrial values were and the discrepancies between realistic values and imaginary values? As co-operators and consumers we should act according to democratic and co-operative principles in both political and economic areas.

A number of speakers had referred to the type of financing which ought to be pursued at later stages, but this could not be adequately dealt with because of shortage of time. It became clear, however, that co-operatives had a tendency to link with associations and societies which were striving and fighting for the democratic control of multinational corporations and which would like to do away with the real abuse of political or economic power. Co-operatives of all types had the economic potential to counteract these forces and to bring about a better balance. This had been shown by convincing examples from the Scandinavian countries. Without a properly co-ordinated strategy, however, no tangible results could be expected.

Multinational corporations had contributed to the expansion of capital. In order to implement our own socio-economic objectives we had to find new methods of using the international capital market. There was no point on being very enthusiastic about formulating resolutions and documents if this was not supported by economic thinking in order to delineate action in whatever way was necessary.

In the light of the political and economic challenge of the multinational corporations, no one at this stage, no matter in which economic system he found himself, could question the role of the co-operative movement in modern society.

Sir Robert SOUTHERN, United Kingdom, in concluding the debate, recalled the original thesis before Congress. This had pointed to the evolution of the multinational corporations as part of the evolution of private enterprise. No time

had been spent in pointing to the tremendous advantages which these corporations had brought, especially in contributing to the higher standard of living which so many enjoyed. On the contrary, all these things were taken for granted and Congress only looked at the situation which would arise for consumers, workers and others if that situation was abused.

Many of the multinational corporations were still competing between themselves. Those who had responsibility in our movements for the acquisition of capital and consumer goods were utilising the competitive position between multinational corporations to the co-operative advantage. It was in the nature of private enterprise to protect itself and if it could not prevail then it compromised by means of price maintenance agreements, by market sharing and by merger, leading to monopoly. That was the national pattern which had been experienced almost throughout the world. Would this pattern be followed in the international sphere?

That was the situation to which we were trying to alert the movement, and our job would not be to compete with multinational corporations in their entirety. Any such thesis would be preposterous, because we had neither the resources nor the reason to do it. But in our area of consumer supply and services we had to do what we could to prevent the multinational rings closing in. Alternatives were open to us. Co-operative action was one. The other was public action, which meant political action.

That was, very briefly, the essence of the issues which had been before Congress. It had been a good debate which would be continued elsewhere, and it could be fairly claimed that the present purpose of the International Co-operative Alliance had been accomplished.

The PRESIDENT asked Congress to take a vote on the Central Committee's proposal, the amendments by Centrosoyus and the Lega, and also the additional

wording proposed by the Cooperative League of the USA.

The proposal, as amended, was carried unanimously.

## RESOLUTION ON MULTINATIONAL CORPORATIONS

### THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

NOTES the intensive public discussion since its last Congress of the rapid development of multinational corporations and the threats they pose to the public interests and in particular to the interests and living standards of consumers, workers, farmers, employees and small businessmen; to the national sovereignty, to the fair and equitable international economic exchange and rational sharing of labour, stability of currency-financial systems. Such threats are rooted in the non-respect by multinational corporations of the principle of public accountability, in the uncontrolled expansion of monopolistic capital and in monopolist groups' strategic investment options aiming to develop certain economic sectors at the expense of others, thus distorting the normal economic development because of endeavours of monopolies to receive greatest possible profits;

BELIEVES that this situation offers both a challenge and an opportunity to the international co-operative movement to combat the abuses of large private concentrations of economic power by exercising an effective countervailing force, and also by collaborating with UN Specialised Agencies and other international organisations to bring pressure for international control in order to counteract such abuses;

STRESSES that both national and international co-operative enterprises have, already in many cases, been able to counteract abuses by multinational corporations especially monopolistic concerns, in the fields of both productions and distribution;

RECOGNISES that the capacity of national and international co-operative enterprises for increasing their impact as an effective countervailing force depends upon increasing the efficiency of their business operations particularly in terms of appropriate structural changes within the framework of a policy of economic planning, as well as in terms of a highly competent, flexible and far-sighted

management; and mobilisation of adequate financial resources;

REQUESTS the ICA and its members to explore the concepts of expanding multinational co-operatives to handle commodities in international trade so as to more closely link producer and consumer co-operatives;

RECALLS that over many years in previous Congresses and other co-operative assemblies as well as in communications to the ICA Secretariat from member organisations, attention has been called to the need for the ICA to take action, including more systematic and comprehensive exchange of information among member movements;

ENDORSES the Central Committee's approval at Bucharest of the paper on "Financial Problems facing Co-operatives in some Advanced Countries" (now incorporated in revised form in the Congress document "The Multinational Corporations and the International Co-operative Movement: Financial and Managerial Imperatives"), as well as the suggestion made there concerning high level management training at the international level; and

URGES, therefore, that the Central Committee, in collaboration with ICA Auxiliary Committees and member organisations, should take appropriate action and in particular should:

1. urge the UN to convene a conference on the implications of multinational corporations for the interests of consumers, farmers and workers, to study the impact of such concerns, especially on developing countries, governments and international trade relations, and to formulate a programme for international control to counteract their abuses;
2. support the convening of a conference of co-operative research specialists and appropriate staff under the auspices of the ICA for the purpose of formulating:
  - a. specific recommendations for the ICA to arrange for information and documentation facilities on methods of structural changes in co-operatives, co-operative management training and co-operative finances with a view to more systematic and comprehensive exchanges of experience among member organisations; this would call for a collaborative effort of member organisations and the ICA Secretariat;
  - b. specific recommendations for mounting at the international level a series of intensive, high level management training courses of relatively short duration concerning specialised aspects of co-operative enterprise, including financial

management; such courses should be self-financing and should draw on expertise in member organisations and from outside sources;

3. support the convening of a conference for the purpose of formulating specific proposals for collaboration in establishing an institutional framework, within which long-term investment funds for the world co-operative movement could be mobilised, pooled and made available to member organisations, taking into account various ideas emerging from the above-mentioned Congress document—for example, an international leasing company, an international property company, increasing utilisation of the funds of insurance co-operatives and credit unions, international clearing arrangements and other forms of collaboration between co-operative banks.

CALLS UPON member organisations actively to promote the democratisation of economic and public life, to combat multinational corporations by all available means, combining their efforts with those of other democratic organisations and movements, and to urge governments to limit the expansion and to establish a strict control over activities of monopolist corporations: to lessen their key position in economic and political life, to deprive them of financial, taxation, customs and other privileges and advantages, and at the same time, to demand recognition of the social value of co-operatives, providing for them advantages as compared with private business enterprises and the abolition of laws limiting co-operative activities.

## Sixth Session:

Wednesday, 4th October 1972 (afternoon)

### Technical Assistance for Co-operatives in Developing Countries\*

At the 23rd Congress of the Alliance held at Vienna in 1966, the Central Com-

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\*The full text of the Report on Technical Assistance was published in the Agenda and Reports to the Warsaw Congress, obtainable in English, French, German and Russian at £1.25 per copy (sea-mail) from the ICA London.



mittee presented a report on technical assistance provided by co-operative movements in developed countries to movements in developing countries. It reviewed the activities that had been carried out since the adoption at the Lausanne Congress in 1960 of the Long-Term Programme of Technical Assistance, giving detailed information on the technical assistance programme undertaken by leading member organisations of the ICA.

From the discussion on the report at Vienna a number of important conclusions were drawn. It was agreed that whatever the successes recorded in the report, they were by no means enough; that the transfer of know-how was a major need; that education and training should have high priority; and that co-ordinated action was needed between co-operative movements, governments, UN agencies and voluntary organisations for a concerted effort to encourage co-operatives in developing countries.

It was pointed out that the ICA itself should play a central role in co-ordinating technical assistance programmes and providing information about them.

This message from the Vienna Congress was carried forward in the assemblies of the United Nations Agencies in the concluding years of the last decade and by the ICA Central Committee in launching the Co-operative Development Decade.

The Report dealt with the subject under the following headings:

- United Nations Decision
- ICA Initiative for Action
- Technical Assistance by Co-operative Movements
- Conclusions

The PRESIDENT, in calling upon Mr Janczyk to introduce his paper, reminded Congress of the part he had played in drawing the attention of the United Nations through the Polish Government to the important role of co-operatives in economic and social development.

Mr T. JANCZYK, Poland, stated that

in his letter to ICA member organisations, Dr S. K. Saxena, Director of the International Co-operative Alliance, on the 50th Anniversary of International Co-operative Day, had suggested that the 25th ICA Congress should draw up a plan for intensified activity for the development of co-operative movements in developing countries. The expansion of assistance to co-operative movements in developing countries had been the basic assumption of the programme for the Co-operative Development Decade.

The recent 52nd session of the Economic and Social Council of the United Nations had drawn attention to the role of the co-operative movement in economic and social development. Taking into consideration the suggestion submitted by the Polish government delegation, the Council had inserted an appeal to governments in its resolution to assist developing countries in their endeavour to promote and expand co-operatives in all domains.

Understanding for the situation of the developing countries was the result of many historical analogies. Most of the socialist countries in Europe started as economically underdeveloped countries and as a result of revolutionary reforms and social and economic transformations, much has been attained. The ruling Communist parties had recognised the positive role the co-operative movement could play in the social and vocational activation of the population, particularly for the rural population and agriculture. Co-operatives had also played an essential part in introducing socialist principles in urban trade, in the creation of new jobs and the development of education and culture.

Assistance given to the developing countries by the socialist countries was taking various forms: training and re-training of active co-operators and employees from developing countries; spreading of knowledge on co-operatives and the exchange of experiences, sharing of technical and organisational achievements with

developing countries; sending of experts and specialists to developing countries to give advice to governments and co-operatives on planning and on the promotion of co-operatives; establishing of commercial contacts and the organising of trade exchanges; influencing international organisations, the United Nations, UNESCO, FAO, to create a climate favourable to supporting initiatives aimed at promoting co-operative movements in developing countries; and granting direct economic assistance to co-operatives in developing countries.

Co-operators in socialist countries were of the opinion that assistance could not be linked to any political conditions, but was granted if co-operative organisations from developing countries explicitly asked for a particular kind of help.

Of the various forms of assistance preference had been given to the training of personnel and the exchanges of experience. Practice had shown that well-trained active co-operators who realised the importance of the movement could play a very important part in its development.

The present scope and range of trade between co-operatives in socialist countries and those of the developing countries had not been developed satisfactorily. Although there were certain obstacles hampering the development of trade, irrespective of the efforts made on both sides, any programme of activity should envisage substantial progress in this field. An inter-co-operative exchange of surplus goods should be developed. This form of trade could satisfy the needs of consumers and would help in overcoming the barriers of currency restrictions.

The Supreme Co-operative Council and the Co-operative Research Institute of Poland with the assistance of the International Co-operative Alliance, had organised an international conference in Warsaw in May and June of this year to review the situation of research studies being undertaken on co-operatives in developing countries. A number of sug-

gestions had been put forward which included the need for organisational machinery to achieve co-ordination among researchers; and the need for a centralised register of research on co-operatives in developing countries.

Co-operators in socialist countries considered that the form of assistance to co-operative movements in developing countries applied so far should be continued and expanded in accordance with the aims set out in the programme of the Co-operative Development Decade and that it should correspond to the needs of co-operatives in African, Asian and Latin American countries.

An analysis of the present development of co-operative movements in developing countries had proved that far-reaching organisational and financial assistance to these movements was necessary in order to further the social and economic development of those countries. Such assistance should be part of an organised plan carried out by governments of advanced countries. This would make it possible to take advantage of international contacts and would make it easier to obtain state scholarships for co-operators from developing countries. Assistance to co-operators from developing countries should be comprehensive and include all fields of potential co-operative activity. Priority should, however, be given to co-operatives providing services for agricultural production and to workers' productive co-operatives.

When planning assistance to co-operatives in developing countries the following factors had to be taken into account: whether the government in a particular country was creating the best possible organisational and economic conditions for the development of co-operatives; the organisation of material assistance from advanced countries to co-operators in developing countries; and the organisation of assistance in training, instruction and know-how.

Efforts should be made through

the United Nations and its specialised agencies, especially FAO, ILO, UNIDO, UNESCO, and the ICA, to induce governments in developing countries to recognise that co-operative movements were particularly important for the social and economic development of their countries. Practical action should be taken by these governments by including the teaching of co-operative subjects in the educational syllabus, by applying a system of tax preferences to co-operatives, by entrusting certain co-operative organisations with the control of certain sectors of the national economy, and by guaranteeing conditions suitable for the development of co-operatives and granting cheap investment credit and short-term working credit.

The scope of financial assistance from the ICA Development Fund should be expanded: It should be devoted first of all to the development and promotion of co-operative trade and productive enterprises. In this connection the International Co-operative Bank should focus particular attention on co-operatives in developing countries and intensify its activity in granting credit to such co-operatives. The Bank should earmark direct grants to co-operatives in developing countries and to the ICA Development Fund. Closer collaboration between UNIDO and the ICA could bring about the promotion of workers productive societies in developing countries. Trade between co-operatives in advanced countries and those in developing countries should be further promoted. Great importance should be given to the training, particularly to the training of trainers, auditors and co-operators who could promote co-operative trade and co-operative productive enterprises. The publication of teaching manuals, especially prepared to satisfy the demands of co-operative members in developing countries, would be helpful. The experience of research institutes and other experts should be used in the production of such manuals. The Secretariat of the ICA should control

and co-ordinate this kind of activity.

The resolution on Co-operative Aid to Developing Countries, as adopted by Congress, would contribute to increasing the scope and effectiveness of assistance granted to developing countries in line with the noble humanitarian principles of the co-operative movement. He formally moved the adoption of the Central Committee's resolution.

The DIRECTOR said that his comments would bear in mind Mr Janczyk's statement as well as the paper prepared by the Secretariat which had dealt almost entirely on the work done by co-operative movements and had omitted the very large amount of funds made available by government technical assistance agencies on a bilateral basis.

Dealing with the basic considerations which should govern technical assistance, Dr Saxena stated that the need for external technical assistance for a project should be self-liquidating; technical assistance had to be in line with the broad objectives of a government's social and economic policy. Since the role of technical assistance could only be supplementary to the efforts of the national government and movement, it was important to inject technical assistance at those points which were in a sense critical in the social and economic development process of a developing country. There was need for continuing co-ordination and evaluation of technical assistance projects.

Passing on to the ICA's involvement in technical assistance in order to get a better perspective, three distinctive periods could be seen. The first period, until 1960, was characterised by early attempts to think through a clearly formulated policy. The second phase covered the period from 1960 to 1969 which was characterised by the adoption at Lausanne in 1960 of a programme of long-term technical assistance and by the establishment of the two Regional Offices of the ICA. Some important generalisations could be drawn from the exercise of setting up the two Regional

Offices. There had been intensive discussion with and involvement of the host movements in the formulation of the projects. There was the continuing emphasis on co-operative education at all levels. These Regional Offices had gradually evolved into an institutional mechanism through which co-operative movements at broadly similar levels were able to learn from each other. Lastly, the Regional Offices were increasingly becoming the co-ordinating centres of technical assistance in these two regions.

The third phase was what the Central Committee in London in 1970 declared as the Co-operative Development Decade, which was to be seen as a kind of resolve, not only of the International Co-operative Alliance, but of all co-operative organisations. The first two years had been devoted to gathering information and undertaking a certain amount of research.

Referring to some problem areas, the Director dealt first with resources which, he pointed out, were inadequate. It was difficult for an individual member of a co-operative society in the advanced countries of the world to have a clear concept of the size of the problem and it was therefore important to inform the members who had contributed to the national fund or to the ICA Development Fund how the money had been used. More pressure should be brought to bear on government technical assistance agencies to provide some of the resources. The aspect of long-term funding for co-operative projects was a very complex task and could not adequately be dealt with at this point. However, there was an urgent need to examine whether some internationally effective mechanism of long-term funding could be developed with the help of the vast network of co-operative banking and financial institutions which could then establish working relationships with the World Bank.

On the question of education and training, the essential issue here both at

national and international levels was that of the relevance of the knowledge imparted to the needs of the developing co-operative movement. If it was true that in a number of developing countries training tended to be theoretical, two points would arise which should engage our attention relating to the development of training methods. One would be adult education techniques, such as study circles, correspondence courses, radio broadcasting sessions, and so on and the other would be the production of basic "how to do" kind of literature which would be directly applicable to the needs of co-operative movements in the developing countries. If the problem of relevance was acute in the national context it was still more acute for international co-operative training. What the international co-operative training centres in various parts of the world could do was to impart certain specialised skills which could then be adapted to the needs of their own movements by the students who had attended these courses. Another aspect of international training was the question of selection. What method of selection should be applied to get the kind of leadership which potentially had a great role to play and at what level would these people be recruited? Pre-seminars organised by the Swedish Co-operative Centre in collaboration with the ICA Regional Office in South East Asia, which had assisted in screening people who were of great value to the movement and therefore needed to be trained overseas, had been a new approach to the problem. Another point was whether the international co-operative training centres were adequately aware of what the other centres were doing.

Another problem was that of experts. Here the problem was twofold: first, a regular supply of competent people; and secondly, their proper orientation before they left for the assignment, as well as after they had arrived in the country concerned. It was not easy to uproot an expert from within his career structure, which was one of the problems, and the

other was that there was no central point from where enough information could be made available as to the supply and kind of expert required. The following suggestions might prove helpful in this context: it was important that there should be a clear and precise arrangement between the expert and the organisations at home so that he could come back to his organisation after his assignment and still be ensured a place. There was a need for co-ordinated information being made available by those organisations and United Nations agencies who were in possession of such information.

As far as the orientation of experts was concerned, the Nordic project for assistance to Kenya and Tanzania might be a useful example. Announcements were made about vacancies, and careful consideration was given to the place and duration of training. As for training on the ground before induction into their work, experts received a short introduction into the daily work of the project, made a study tour of local co-operatives, were given a fortnight on-the-job training and finally attended a short central training session which included visits to apex organisations.

Mr. Janczyk had referred to production and commercial aspects. It could be questioned whether this logically fell within the sphere of technical assistance. When the ICA had collected information on the follow-up action of the resolution adopted at the Hamburg Congress on consumer and agricultural processing industries in the developing countries the results had been most disappointing.

As for the formulation, co-ordination and evaluation of projects, many co-operative organisations in developing countries did not have the economic expertise to formulate a project properly. In some cases the problem was caused by the structural aspects of the movement, where the business federation and the national unions were not as close together as they should be.

On co-ordination at the interna-

tional level, there was the need for the exchange of relevant information and the production of co-ordinated information documentation, but some examples of efforts by the ICA might be cited, such as the Calendar of Technical Assistance, the Trade Directory, and the Research Register at present under consideration.

Mention should also be made of the initiative by Danish co-operators of calling together those representatives of governments which were assisting co-operative movements. Finally, there was also the Joint Committee for the Promotion of Agricultural Co-operatives.

## **Debate on Technical Assistance**

International technical assistance was inherent in our co-operative philosophy as symbolised by the Alliance itself. However complex the problems involved in technical assistance might be, the need to build a more humane and just world must remain the perpetual concern of co-operators.

Mr W. B. MELVIN, Canada, referring to the recognition given to co-operatives as instruments of social and economic development and in identifying the need for technical assistance as a major factor in establishing the preconditions for co-operative success, said that the resolution on Co-operative Aid to Developing Countries appealed to the United Nations, to governments and to the world co-operative movement to provide additional resources for use in reducing deficiencies that hindered successful co-operative development. In offering support for the resolution, the Canadian delegation wished to stress the need for supplementary documentation in which the "preconditions for co-operative success" were identified, and clearly enunciated.

A good deal of work had been carried out on such documentation by the ICA Secretariat and a considerable body of additional information was now available

as a result of the Open World Conference on the Role of Agricultural Co-operatives in Economic and Social Development, held in May 1972 in Rome. This information should be refined and published in suitable form at an early date. Prior to launching a co-operative development programme or initiating an individual co-operative activity, a comprehensive documentation and analysis of the deficiencies should be carried out and this analysis should be carefully considered by everyone who was involved.

While the resolution had identified important weak points in the broader environmental situation and certain deficiencies in the present arrangements for providing assistance, there were many other aspects of the deficiency question which had not been identified.

A co-operative failure was a failure regardless of the fact that one weakness in the enterprise might have been identified as the cause. Prerequisites for success had to be considered and understood at all levels. These included the environment. Was it physically, socially, philosophically possible for those involved to form an effective co-operative group? Were the available resources adequate and was the undertaking likely to have sufficient economic viability to sustain itself? Second, there was the legislative base. Was there an adequate legal structure to establish and protect the corporate form? Third, there were operational aspects. What deficiencies were there in the business prerequisites, and how were they to be strengthened? Fourth, there was the structure. What were the regional, national and international requirements for markets, for business viability and for protection?

The focal point was that preconditions for co-operative success or failure existed at local, regional, national and international levels. All these had to be taken into account. Those who engaged in co-operative development activities, particularly at the local level, where co-operative projects were initiated, should

not be permitted to proceed with operations until adequate information was available to guide project leaders.

It was pleasing to note that action was being taken to set up a research register on co-operatives in developing countries. This initiative would provide a valuable accumulation of experience to which reference could be made when new projects were being planned and initiated. A point may soon be reached where rather than repeating old mistakes, it would be possible to build on the experience of others.

Mr E. MONDINI, Italy, referred to the occasional lack of understanding of how to help those we wished to help. In view of the fact that techniques from industrialised countries could not be transferred without adapting them, an attempt should rather be made to transform local techniques and to set up local programmes. Co-operative aid to developing countries could only be effective if we had exact knowledge of each local situation in which we wished to participate. The promotion of co-operatives was strictly linked to the characteristics of human beings, and only after this, to economic laws.

In order to train those who would be entrusted with the setting up of co-operatives the co-operation of the Regional Offices of the ICA was needed. The co-ordination of activities of various international organisations would be an important factor, as it was essential to see that each developing country was confronted with only one clear and well adapted programme.

Mr R. L. MARSHALL, United Kingdom, stated that out of his experience, accumulated as head of the International Co-operative Training Centre at Loughborough, there were implications which could be taken into account.

The proposal from the Central Committee contained a clause about the establishment by governments in the developing countries of preconditions for co-operative success. The involvement of

government was needed, yet it might be delicate in its outcome. There were some guidelines which could be followed. One would be that government aid should supplement and never be a substitute for self-help. A second would be that government aid should never be given unless there was a required exercise in responsive self-help by the co-operative recipient. The third guideline would be that there should never be government control except in extreme cases where co-ordination was needed or where desperately scarce resources had to be saved from wastage.

There should be emphasis on the need for co-operative pressure to increase government aid in the developed countries which would be of assistance in the developing countries, as stressed by the Scandinavian amendment. The amount of government technical assistance was of prior importance. The ICTC was helped by the British co-operative movement, but overwhelmingly it depended on government technical assistance.

More technical assistance and more growth were important, but they were not enough. They had to be supplemented in the outcome by a fairer distribution of the consequences of growth in the developing countries themselves. Although growth was taking place, the consequences of growth were not being fairly shared throughout the population. Our fundamental economic assertion was that benefits of economic enterprises should be fairly shared among participants.

The PRESIDENT then introduced Mr Saenger, Chief, Programme Co-ordination Section, UNIDO.

Mr A. E. SAENGER, UNIDO, in bringing greetings from the Executive Director of UNIDO, assured Congress that UNIDO followed with a great deal of interest the work of the Alliance and that whenever possible opportunity would be taken to associate UNIDO with the work of the ICA.

During the last two years a great deal of positive co-operation had been planned. This had enabled UNIDO to give practical implementation to the resolutions of ECOSOC and of the General Assembly. A number of these resolutions had formally stressed the role of the co-operative movements in social and economic development and had asked UNIDO as well as the Administrative Council for Development of the United Nations to pay attention to the requests of governments when they wished to develop co-operatives, particularly industrial co-operatives.

Industrial co-operatives had a contribution to make to the industrial development of the developing countries. These co-operatives could be, and were partially already an efficient instrument to ensure the better co-operation of large parts of the population in industrial development. In order to promote industrial co-operatives and to enable them to play their role, there had to be certain preconditions. These had been mentioned in the report and in the contributions to the debate. They would serve as a source of inspiration for UNIDO when it came to set up its working programme. This plan for future activities with regard to industrial co-operatives was based on activities that could be undertaken with the ICA.

The ICA Secretariat and the national federations, by joining forces with the Secretariat of UNIDO and its experts in the field, could make a substantial contribution to improving the standard of living of populations, in line with the aims of the Rochdale pioneers.

Collaboration between UNIDO and the ICA envisaged the setting up of a number of missions promoting industrial co-operatives as well as the organising of plant training for managers and technicians in industrial co-operatives from less favoured countries.

In conclusion, Mr Saenger assured Congress of the full co-operation of UNIDO in following the common aims for co-operative development within the

framework of the Co-operative Development Decade.

Mr P. PADOVANI, Algeria, drew attention to the difficulties encountered by co-operatives in certain countries where they were considered subversive. In some countries co-operators had been exiled or removed from office and co-operatives had been dissolved. In other parts of the world successful co-operatives had been nationalised or institutionalised and made part of the state apparatus.

Mr J. J. MUSUNDI, Kenya, pointed out that co-operation in Kenya had not started spontaneously, but co-operatives had been established on the initiative of the government. He expressed the gratitude of the Kenyan movement to the co-operative movements and governments of a number of countries for the contribution they had made to the growth and efficiency of the movement in his country.

The time had come for co-operatives in developing countries to enter into new areas in which they had hitherto never been deployed. Agriculture played a dominant role in the economy of co-operatives in most of the developing countries. Technical assistance should be directed towards carrying out research and feasibility studies into the scope of co-operative participation in processing agricultural produce and towards market research for the sale of agricultural products.

Continued bilateral technical assistance from co-operative to co-operative in addition to multilateral assistance should be encouraged. Co-operatives in advanced countries could also assist in continuing to provide training facilities overseas. Technical assistance in terms of both human and financial resources should be provided to enable co-operatives in the developing countries to engage in the distribution of agricultural farm inputs. Member education had proved to be the best instrument in the enlightenment of co-operators. For this there was need for

audio-visual aids and the production of films with local content.

Co-operatives in developing countries were facing a challenge in their development, and they needed a catalyst to be able to meet it. The ICA was the best forum that could assist co-operatives to emerge from their enslavement at the present time. Co-operatives in the developing countries were making every concerted effort to uplift their own standards and to improve their own efficiency.

Finally, Mr Musundi, expressed his disappointment in seeing so few representatives from the developing countries amongst Congress delegates. He felt that this was a challenge to the people present and also to the ICA and hoped that ways could be found for co-operators from developing countries to attend meetings of the Central Committee and Congress.

Mr N. THEDIN, Sweden, recalled the important role that had been played by the co-operative movement in Poland in rebuilding their country totally devastated after the last war.

Unless something radical was done mankind was approaching disaster. Speakers who had addressed Congress had pointed to hunger, disease, illiteracy and the population explosion in the Third World. In the effort to avoid disaster co-operation had obviously a role to play. Co-operation had a special possibility to mobilise human resources in productive efforts and at the same time to give the people themselves the benefit of the results. But to do this a lot of skill and knowledge were necessary both in the developing and the developed countries. A lot of determination and dedication was necessary, and solidarity across frontiers.

The table in the Report listing the donations to the Development Fund did not reflect a determination among co-operators to do something radical about development in the Third World. Mr Einarsson and Miss Ovesen had drawn the attention of Congress to the inadequate contributions to the Development Fund.



It was true, however, that co-operative aid was not only channelled through the ICA Development Fund. There was considerable movement-to-movement aid. Dr Saxena in his introduction had referred to aid given by government agencies. Such agencies as DANIDA in Denmark and SIDA in Sweden gave a very large amount of assistance to development in the co-operative sphere. Without the financial assistance of SIDA we would probably not have the Regional Office building in New Delhi or the Co-operative College in Moshi. We had every reason to feel grateful for the assistance that we got through government agencies. The same was true of the United Nations agencies such as the ILO, FAO and UNESCO, which gave assistance to co-operatives.

There were at least two obligations we had to accept. One was that we should do more ourselves in the field of co-operative assistance, because our contribution was of decisive importance so that government agencies and UN agencies might be encouraged to do more. It was especially important to involve our own members. We could not expect them to make large contributions to development assistance, but we could expect our members to make small contributions which together could become large sums in such a large members' movement as the co-operative movement.

The other obligation was to encourage public opinion in favour of increased and improved technical and humanitarian aid as expressed in the Scandinavian amendment.

Mr Thedin concluded by saying that we had to see to it that the Development Fund looked quite different at the next meeting from what it did today. We had to increase solidarity, to strengthen solidarity with the ICA as the joint instrument for co-operative assistance. Also we had to work as popular movements in order to influence public opinion to give increased resources for official aid.

Mr J. KASPI, Israel, said that all

agreed that the ever-growing gap between developing countries and those that had developed could no longer be tolerated. The key problem in extending aid to developing countries was not lack of capital, or at any rate not only that, but how to expand that aid, what tools to use, what means to employ, in whose hands to entrust it in the emerging states. It would be meaningful to tell Congress briefly something of the modest but significant experience that the co-operative and labour movement in Israel had acquired in this area in the past ten years.

Since 1958 when Israel started on its programme a large number of students had been trained at the Afro-Asian Institute of Co-operative and Labour Studies and the Latin American Centre of Labour and Co-operative Studies, and other institutions. The large number of experts that had served in the developing countries had been recruited from Histadrut members — the Israeli labour movement—from Kibbutzim and Moshavim. Many trainees had taken part in on-the-spot courses conducted in their own countries by Israelis.

A basic condition for development in emerging countries was the training and guidance of manpower to meet the needs in all areas of the economy, in administration and commerce. The co-operative structure would seem the most efficient setting for this training. Israel itself served as an example of this. It had no pool of trained manpower in agriculture or in industry, building or transport and there was a lack of private capital for long-term development. These factors had determined the co-operative structure as the best possible system for economic and social progress. Agriculture, building, transport, industries and crafts were established within co-operative frameworks which had trained the necessary manpower gradually but certainly more rapidly than other types of economic organisations could have done.

One of the main reasons for the

growing interest shown by young states in the Histadrut was its basic structure founded on the integrated relationship between labour and the co-operative movements within a general national effort towards development. To these states Israel represented a small country, with all the processes of development going on with surprising speed and efficiency and in spite of natural and political difficulties Israel was considered as a living laboratory of social and economic development.

Mr Kaspi suggested that the ICA could benefit from the wide experience of the co-operative movement of Israel in extending aid to the developing countries. The co-operative movement was ready to co-operate with the ICA by awarding ten scholarships per annum to candidates selected by the ICA for attending courses at the Afro-Asian Institute in Israel and by sending lecturers and trainers to ICA projects in the field.

The PRESIDENT called on Mr Soumaille, Chief of the Co-operative Rural and Related Institutions Branch, ILO, to address Congress.

Mr R. SOUMAILLE, ILO, stated that this Congress was being held at a very important moment in the history of the ICA. At a time when many industrialised countries are facing problems, and the developing countries were expecting much by way of economic and social progress.

He noted with satisfaction that many of the subjects concerning Congress were more or less the same as those which came before the ILO. The social effects flowing from the existence and the development of multinational corporations had been the subject of discussion within the ILO since 1970.

With regard to assistance to the co-operative movements of the developing countries, this was a problem which had been of concern to the ILO for a long time. The ICA had been dealing with this problem since its last Congress in Hamburg. The proof was the initiative by the Central

Committee in regard to the Co-operative Development Decade. There was an ever-increasing interest in the co-operative movement in the developing countries and a growing awareness of this in the UN and its specialised agencies. There were the resolutions passed by ECOSOC within the framework of the Second UN Development Decade. Financial aid was being made available through UNDP, but resources were limited and inferior compared with what was being done bilaterally. They enabled only a modest contribution to be made to the tremendous needs existing in the developing countries. They alone could not satisfy all the requirements in the technical field. Therefore the ILO programme for technical assistance in the co-operative field had been increasing in the last 20 years, and especially in the last five years. But this increased effort still could not possibly satisfy all the requirements, particularly as co-operatives were growing in number all the time. The ILO had been able to elaborate projects on an ever-increasing scale thanks to the bilateral aid given by Scandinavian countries, and also by the Netherlands and Belgium.

There was, in addition to technical assistance in terms of field projects, indirect assistance, such as the distribution of information and data throughout the world. The ILO had a good deal of documentation concerning co-operative legislation and also detailed information on Latin America and was quite ready and willing to give to the Secretariat of the ICA all the support and collaboration possible.

Assistance to co-operative movements in the developing countries had so far been inhibited or hindered by lack of co-ordination of the action organised by various government agencies and bilateral public authorities. In order to co-ordinate this action and to use technical and human resources effectively there would have to be forward planning. This was why COPAC, which had been mentioned earlier, was set up. It was vital that there

should be a viable, independent movement in the developing countries. This was one of the main objectives for all those concerned with co-operation in the developing countries. It would be necessary to continue with all these efforts in order to justify the Co-operative Development Decade. The ILO intended to do everything in its power to continue collaboration with the ICA and further serious efforts were to be made to live up to the old tradition of collaboration between the two organisations.

The PRESIDENT then introduced Mr Newiger, Co-operative Officer of the General Farmers' Organisations and Co-operative Unit of the FAO.

Mr N. NEWIGER, FAO, in bringing the greetings of the Director-General said that it was timely for the FAO to record with satisfaction the many years of fruitful and active collaboration with the ICA, especially with the Agricultural Committee and the Fisheries Sub-Committee.

The goals and objectives of the United Nations Second Development Decade provided an unmistakable challenge to the agricultural movement to make a substantial contribution to economic and social development. The functions of agricultural co-operatives in providing farmers with credit and other inputs, with marketing and processing facilities, and in providing a channel for the introduction of the results of research and improved farm practices, gave them a special responsibility towards the fulfilment of the goals and objectives of the Second Development Decade—goals and objectives which were coterminous with those of the co-operative movement itself.

The attention drawn by the UN General Assembly and ECOSOC to the potential contribution which the co-operative movement could make towards the fulfilment of the goals and objectives of the Second Development Decade was further evidence of the importance which member countries of the United Nations and its specialised agencies attached to

co-operatives as an important instrument in development strategy.

The FAO welcomed and supported the dynamic role the ICA was assuming in this context. The Co-operative Development Decade constituted a true challenge to all co-operators throughout the world. Of special significance in this regard was also the active role of the ICA in COPAC which was to provide an informal clearing house for the work of international bilateral and other technical assistance programmes, with emphasis on the identification of support to viable agricultural co-operative projects. The leadership of the President of the ICA, Dr Bonow, as Chairman of COPAC, was deeply appreciated by the FAO which was one of the founder members and had also the privilege of accommodating the COPAC secretariat.

The ICA Open World Conference on the Role of Agricultural Co-operatives in Agricultural and Social Development held at the FAO headquarters in Rome in May 1972, was yet another demonstration of the close and cordial relations which existed between the ICA and FAO. The Conference was of particular significance for the United Nations family, since it represented a positive initiative by the ICA in response to the ECOSOC resolution calling for an intensification of support for co-operative development in developing countries during the Second Development Decade as well as the Co-operative Development Decade. The FAO was looking forward to sharing with the ICA Agricultural Committee the task of implementing the conclusions and recommendations of the Conference.

Of particular significance to FAO was also the close and successful collaboration with the ICA Fisheries Sub-Committee. The FAO/ICA course on the Management of Fishermen's Co-operatives to be held in Bombay in 1973 was a typical example of the many joint actions and programmes in this important field of FAO and ICA work.

In spite of financial difficulties that the FAO and other specialised agencies of the UN were facing the FAO had to report on some co-operative progress. It had been decided to improve the status of the co-operative unit at FAO headquarters, which had now become an independent unit, and it had been strengthened by the establishment of one additional post for a co-operative specialist who would be concerned with the promotion of new programmes directed towards the improvement of the situation and role of women in co-operative movements.

Particular reference had been made to closer collaboration between the ICA and governments or governmental agencies. In response to this request, the FAO would like to propose for consideration the strengthening of action-oriented joint ICA/FAO projects in the field of training, research and publication, through the mobilisation of governmental resources on an *ad hoc* basis. This would imply a kind of tripartite arrangement between the ICA, FAO and the donor government or governmental agency. The FAO had special experience in this field and was prepared to discuss concerted project proposals. In such a way new and important resources could be mobilised which so far had hardly been touched, thus contributing more actively towards the goals of the Co-operative Development Decade.

## **Seventh Session :**

Thursday, 5th October (morning)

### **Debate on Technical Assistance** (resumed)

Mr M. D. KHASANOV, USSR, emphasised that the development of co-operative movements in the developing countries was impeded by the lack of

qualified personnel and that this deficiency had to be remedied. There was also a need for setting up training centres in the developing countries and for providing assistance in the planning and the promotion of co-operative industries.

There was ample scope for the expansion of ICA technical assistance. A group of experts from countries with differing social and economic systems should be set up which would be able to draw up a technical assistance programme. The ICA should organise seminars and put forward proposals for the training of specialists prior to their undertaking assignments in developing countries, and promote the exchange of information on various common problems.

The Centrosoyus delegation was convinced that by adopting the proposal on Co-operative Aid to Developing Countries, a major step forward would be taken towards the solution of these problems. It would also increase the authority of the ICA and considerably assist the developing countries.

Mr E. T. MOTA, Portugal, stated that after many years of absence his movement had once again been admitted into membership of the ICA.

He felt that the structural problems had not been adequately analysed, either in the discussion on the multinational corporations, nor within the framework of the present discussion. The reorganisation of the Portuguese movement had only been made possible through technical assistance received from Kooperativa Förbundet. A lot could be achieved with very little resources if advice was available. It had been possible to increase capital so that in the last 18 months it had been possible for seven new department stores to have been opened and another one was scheduled to be opened within the next few days. Integration and modern methods of organisation were important in order to achieve efficiency.

The international co-operative movement was in a position to provide

assistance to those who needed it.

The PRESIDENT had intended to call on Mr Briceno, of the Organization of the Co-operatives of America, but as he had had to leave Warsaw early his intervention was read by Mr Mota.

Mr BRICENO said that the co-operative movements of Latin America, through the Organization of the Co-operatives of America, had been opening up new areas of co-operative development. It was the aim of the OCA to promote and plan new co-operative structures in the developing countries of Latin America.

Developing countries had become poorer and weaker in recent years and therefore everything that might be done to assist those countries would become a mere romantic wish if the necessary financial help was not provided to permit the practical and concrete implementation of such good intentions.

Progress in the Third World could not be achieved by its own efforts. It was important that the ICA, in collaboration with the United Nations, should find an adequate mechanism for the creation of a World Development Fund as a means of planning at a world level which would start to narrow the gap between developing and industrial countries.

In order to foster the establishment of such a fund, the co-operative movements of the world should concentrate their attention and efforts towards positive action, such as economic exchanges, co-operative re-insurance enterprises in order to reinforce existing insurance societies and to create new ones, and co-operative savings and credit institutions. Multi-national co-operative enterprises should build large industrial plants manufacturing fertilisers, processing food, etc., in the developing countries.

Mr R. KERINEC, France, said that international organisations, such as trade unions and co-operative movements had spent a great deal of money to confront one of the most important problems facing the world today, but experience had shown

that such efforts had all too frequently been failures. However, today the question was the contribution that all co-operators could make in defining a workable policy at an international level.

If we were to meet the challenge in developing countries waste had to be avoided. Illiteracy must be fought and the co-operative movement had an important part to play in this connection.

The conditions which had created the problems were well known. First of all the demographic factor was a considerable force. The worsening of the trade position between the industrialised countries and the developing countries had caused aid to these countries to lose one-third of its value. The neglect to remember that priority should be given to rural areas had caused industries to be set up which were too dependent on foreign countries. Aid was linked to the development of rich countries and it was therefore necessary for rich countries to prosper to enable them to help poorer countries.

Mr Kerinec reminded Congress that these were political problems which called for a political solution. Political decisions had to be taken both at national and international levels. Therefore co-operators, at both national and international levels, had to plead the cause of aid to developing countries. Co-operation was one of the means which no government and no international organisation could afford to neglect. Co-operation was not a universal panacea, but it was one of the most efficient means.

When receiving requests for aid it was important to verify whether they could be included in the policies of the countries which had made them. Before deciding whether a request was a serious one, it was necessary to establish whether others had been called upon for the same service. Therefore close co-ordination between governments, between governments and the various international organisations, and also between international organisations themselves was necessary.

The relative failure of UNCTAD, which had met in Santiago earlier this year, had shown that such co-ordination did not exist. A new effort for co-ordination amongst co-operatives in one country and co-operatives of various countries was needed.

It was well known that within this enormous effort of co-ordination the ICA had a great part to play. But the ICA could not do much if it did not receive complete and precise information from each country. It was up to all national co-operative movements to play their part.

Co-operatives which had taken initiatives to help developing countries should ask themselves whether the methods which had been used had been the best and most efficient. Only by asking such questions could co-operative action become more efficient.

Mr S. KATAYANAGI, Japan, talking about co-operative banking, informed Congress that in Japan the outstanding agricultural credit at present amounted to U\$ 17,000 million of which 80 per cent had been taken care of by agricultural co-operatives.

The organisational readjustment of agricultural co-operatives to the current needs and the promotion of credit to co-operatives were pressing needs for the development of developing countries. This was the reason why the Agricultural Committee of the ICA had been discussing the establishment of an international co-operative financial institution. At the Advisory Council of the ICA Regional Office for South-East Asia in May 1970 it had been agreed that such an institution should be established in the region. The Regional Office had then requested the Japanese co-operative movement to study the possibility of its establishment. A report had been presented to the Advisory Council meeting in November 1971. The most important points suggested in that report dealt with the setting up at the same time of a specific guarantee fund in view of the political, social and economic situations

and the different stages of co-operative development in the countries in the region. Such a guarantee fund might open the way for co-operatives to gain access to existing international finance organisations and obtain the credit which they were seeking. Such a fund could not be created without positive assistance from governments and indeed the international co-operative financial institution could not be established without government assistance.

The Japanese co-operative movement was making every effort to get the Japanese government to adopt a favourable attitude towards the solution of these very important co-operative financial problems. Member organisations of the ICA in the South-East Asian region should take similar action to accomplish the achievement of this matter which had long been a common desire.

The area of the guarantee fund should not be limited to the South-East Asian region. The problem should be studied further from wider international perspectives, and overall co-ordination should be established with other international organisations. The fund should become one of the most important arms for the development of co-operative movements all over the world, especially in the developing countries. To make the best use of the fund it was of the utmost importance to strengthen co-operative organisations themselves and to promote the education of staff and members alike.

Mr Katayanagi then stated that the Japanese movement appreciated the wider scope of the activities undertaken by the ICA, especially in its efforts to assist the co-operative movements in developing countries and in its close collaboration with the United Nations and its specialised agencies.

The financial problems just mentioned were crucial and imminent and it had therefore been suggested to ask the ICA authorities to take immediate practical action through its Secretariat, keeping in touch with such United Nations

agencies as FAO, ILO and the World Bank, to study the feasibility of creating a guarantee fund to facilitate co-operative finance.

The PRESIDENT stated that the ICA had highly valued the support from the Agricultural Co-operative Bank in Japan which had seconded one of its staff to the ICA headquarters in London. The Central Union of Agricultural Co-operatives had given valued support by seconding officers to the Regional Office of the ICA in New Delhi.

Mr S. FERNANDEZ, Chile, pleaded for solidarity at international level. It should be the aim of co-operative movements to overcome all frontiers and to become as universal as possible to enable all people to achieve a greater degree of well-being.

The Chilean co-operative movement had proposed an amendment to the Central Committee resolution asking for economic help alongside technical assistance. Technical assistance was needed to show how things must be done, but economic aid was needed to develop techniques. The two were closely linked and international activity could be made more worthwhile if both aspects were considered together.

The amendment had also proposed the establishment of a fund to finance co-operatives in developing countries on a multilateral basis. However the amendment had been withdrawn on the understanding that the question would be studied by the Director and the Executive Committee and later on by the Central Committee of the ICA.

Financial aid from the co-operative movements of the developed countries would channel different types of resources towards the development of co-operatives in the less developed countries. To meet the aims of the Second Development Decade a dynamic movement was needed, and this action would not only be of value to the developing countries, but would also reinforce the co-operative movements of the industrialised countries.

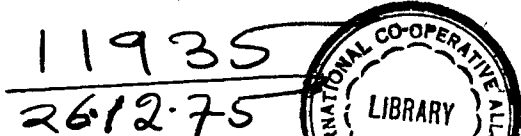
Dr W. KRUGER, German Demo-

cratic Republic, pointed out that Mr Janczyk had referred to the aid given by the Eastern European countries to the developing countries. Over the past twenty years much had been done in the GDR, but consideration was being given to extending the scope of such assistance. The possibility of offering scholarships to young co-operators from developing countries in Latin America, Asia and Africa was being investigated. Co-operators from Bangladesh had been offered scholarships which might be used for study in the GDR. Collaboration with Indian co-operatives was at present under discussion. A symposium for former students of the co-operative college was being organised which would offer the opportunity of re-examining the curricula for the training of such people. The organisation of special courses or seminars for former students locally might offer another opportunity to improve the qualifications of these students. On receiving appropriate invitations the co-operative movement in the GDR was prepared to send experts to developing countries to assist, for example, with the development of retail stores. Material relating to the teaching of various subjects in the field of co-operative activities had recently been published. The extensive activities in assisting co-operatives of developing countries were directed towards the achievements of those aims which had been outlined by the ICA.

The PRESIDENT, with the agreement of Congress, took the **Emergency Proposal on Bangladesh** at this point.

Mr Y. UDAYBHANSINHUJI, India, thanked the President for giving him the opportunity of combining his contribution to the debate on Technical Assistance with the moving of the emergency proposal (see p.67).

Since the Congress in Hamburg in 1969 the ICA had commenced to tackle problems in a pragmatic way to safeguard the healthy growth of co-operatives all over the world. The co-operative movements in the developing countries were



particularly heartened to see that the ICA, the United Nations and co-operatives in Europe were all very eager to help them.

Amongst the most challenging tasks the ICA had to carry out was to provide continuous and intensive help to the developing countries and to co-ordinate the flow of aid from the developed countries. However, the developing countries also needed nurturing along with help. This could be achieved if there was proper harmony and understanding between the governments of developing countries and their co-operative movements. Where these were lacking the progress was bound to be halting. It would be worthwhile if a study team could be organised by the ICA to go into the question of the relationship between co-operatives and their respective governments in the developing countries and to see that the relationship was on a sound and secure basis, so that aid extended to these movements might have a meaning and purpose. If this aspect was not taken into account co-operatives might have to work in an environment totally unconducive to their healthy growth.

It was with great pleasure that he had noted at this Congress the large measure of harmony and amity which existed between different nations. It would seem that the world was moving towards some sort of synthesis of values and it could be expected that the co-operative movements in the developing countries would also find their place alongside the co-operative movements in the advanced countries.

Moving on to the emergency proposal on Bangladesh, Mr Udaybhansinhji said that Bangladesh, the new nation, had come to stay. But the economy of the country was a shambles and this should not only be the concern of the particular nation or the region, but should be the concern of the entire world. Unless the requirements of such nations could be catered for and their problems remedied there could be no doubt that the rest of the world would suffer. He then formally

moved the emergency proposal on Bangladesh.

Mr N. THEDIN in seconding the proposal on Bangladesh said that the whole world was shocked when the news of the cyclone which had ravaged the country had been received and still more so when we had learned about the conflict and the war. This part of the world was already one of the poorest areas in the world and it had to start again as a new state.

There was one very special reason why assistance should be given to the co-operative movement in Bangladesh. That was because of the fact that the government of Bangladesh had entrusted the co-operative movement with important tasks and with a great amount of liberty and independence. It was of great importance to all of us that in the reconstruction work in Bangladesh co-operative efforts should be successful and should prove an efficient means to assist in rebuilding the economy from the very bottom.

In Sweden fund-raising had started spontaneously by the guilds, at meetings of co-operative societies and at the last national congress. The same thing could be done in other countries. The assistance to Bangladesh would be co-ordinated by the United Nations, and massive assistance would be given through the governments. But the emergency proposal appealed to the ICA to take care and assist in the co-ordination of assistance which came from co-operative movements. Mr Thedin then appealed to the Secretariat of the ICA to send out to member organisations supplementary information about the situation in Bangladesh with particular reference to the work of the co-operative movement.

The PRESIDENT stated that a decision on the emergency proposal would be taken at the completion of the debate on Technical Assistance.

Mr C. PEDERSEN, Denmark, referred to the limited scope of the paper on Technical Assistance to Co-operatives in



Developing Countries in that it had only dealt with the technical assistance efforts of the ICA and the efforts of its member organisations. The introductory paper should have presented an overall survey of co-operative development in all parts of the world and the financial and technical assistance received nationally and from outside sources, not only from co-operative organisations, but also from government technical assistance agencies and from international organisations. There should have been relevant information about the government attitude towards co-operatives in developing countries.

These things had to be taken into consideration. Unless governments of developing countries gave priority to co-operative projects, international technical assistance money would not be given to co-operative projects, but to other projects. Co-operative development would only get technical assistance if the national government identified the need for it and also gave priority to this need.

The limited resources of the ICA and its member organisations should be used to bring pressure to bear on governments and to help them to identify and recognise the needs for co-operative development and for the allocation of government money for that purpose both in the donor countries and in the recipient countries.

Mrs E. FEHER, Hungary, informed Congress that within the programme of the Co-operative Development Decade every branch of the Hungarian co-operative movement had undertaken some task. But she wanted to speak about industrial co-operatives and their potentialities with regard to improving the living standards of the population in developing countries. In Hungary industrial activities were carried out not only by productive co-operatives, but also by agricultural co-operatives. Industrial co-operatives were making headway and creating more and more working opportunities in areas where there was little industry.

The Hungarian co-operative movement suggested that the ICA should pay greater attention to workers' productive co-operatives during the Development Decade by making use of the Workers' Productive and Artisanal Societies' Committee and by collaborating with the UN specialised agencies in organising consultations and courses at the same time involving the Regional Offices. The ICA Central Committee should put on its agenda an investigation of the possibilities and tasks of workers' productive co-operatives in developing countries.

Mr A. HOURMAIN, Malaysia, stated that the Malaysian movement had excellent relations with the ICA Regional Office in New Delhi, particularly in the field of technical assistance programmes. Every possibility was being explored to make the maximum use of the opportunities afforded both by the ICA Regional Office and from other member organisations.

Help had been extended by the Regional Office in the establishment of supermarkets and six co-operators were at present studying supermarkets in Sweden.

The Regional Office for South-East Asia was run by the ICA Executive on the advice of the Advisory Council. The Malaysian movement felt that consideration should be given for the Regional Office being managed by the Advisory Council. If member organisations in South-East Asia were given the powers to run the Regional Office, consideration would then be given to contribute towards the expenses of running it. The personnel of the Regional Office might also be representative of the various countries in the region.

The Malaysian co-operative movement was ready to offer technical assistance in several ways to lesser developed countries. There were experts available in the fields of credit, co-operative housing and co-operative insurance. The Malaysian Co-operative Insurance Society was prepared to receive trainees from developing countries.

Mr Hourmain concluded by saying that specialists and experts were needed in Malaysia and that the movement was willing to meet the cost of such services.

Mr M. MARIK, Czechoslovakia, said that if the co-operative movement could contribute to the consolidation of the economic and political independence of a country, and towards the development of social progress, the results would surely speak for themselves, as would the selfless efforts of some national co-operative organisations.

In the course of the last 15 years the Czechoslovak co-operative movement had held international co-operative seminars for co-operators from developing countries. Practical training courses of short and long duration had been organised. Scholarships had been offered to co-operators to visit Czechoslovakia. Reference books had been published in many languages, some even in local languages, and films, slides, photographs and posters were made available on request. Experts had given assistance in developing countries and material assistance had recently been given to Bangladesh. The financial resources were provided by the Co-operative Solidarity Fund which had been set up following a vast publicity campaign. This was the contribution of the Czechoslovak co-operative movement to the great idea of furthering co-operative assistance to people in the developing countries.

Mr G. BANCHIERI, Italy, said that the Lega wholeheartedly supported the motion proposed by the Central Committee including the amendment put forward by them. Other amendments had also been proposed, because they thought that the initiative and responsibility of the co-operative movement in the industrialised countries should be clearly stated. Neo-colonialism by private monopolies which created difficulties and obstacles hampering the progress of developing countries should not be overlooked. It was also necessary to emphasise the responsibility and duty co-operators had to provide technical

assistance and to bring pressure to bear on the various governments in order to extend better help to the developing countries.

The PRESIDENT then called on Mr LaChapelle, fraternal delegate from the World Council of Credit Unions.

Mr G. R. LACHAPELLE, WCCU, stated that the ICA which had done a remarkable job within the limits of very narrow resources, had been asked by member organisations to play a major role in the solutions of some of the world's main problems. It seemed that it was forgotten sometimes that the people gathered here were the ICA, and if these tasks that had been suggested were to be accomplished, they could only be accomplished not by recommendations from member delegates, but by the full participation and positive action from member organisations. The ICA should work towards facilitating as effectively as possible the participation of its member organisation in the positive action that must follow this Congress.

There were a vast number of opportunities for assisting the laying of a sound and stable foundation for future co-operative development by promoting or assisting the development of human resources through the mobilisation of local savings in small units, among low income people in the developing countries.

In 1955 CUNA International had decided to allocate 10 per cent of its budget to assist the formation of co-operative savings and credit societies in areas of need. Later these funds were augmented by voluntary contributions from member organisations in North America. The first technical assistance programme was launched in the Caribbean and Latin America and by 1962 a solid foundation had been laid. The effectiveness of these activities had attracted the attention of government leaders, who soon provided additional funds for development to those countries which had requested this type of technical assistance from US AID. Today the World Council of Credit Unions was made

up of six fully autonomous confederations in Africa, Asia, Australia, Latin America, Canada and the USA. A seventh confederation was formed in the Caribbean this summer. These confederations represented some 38 million members in sixty countries.

In Latin America there were seventeen self-sustaining national federations in membership with the Latin American Confederation (COLAC). Two new programmes had been introduced—a directed agricultural production credit programme and a centralisation of funds and accounting programme. These programmes had now spread to other parts of the world.

Early international experience had shown that if the tremendous task lying ahead was to be accomplished, it could not be accomplished by one organisation nor by any other national or international agency, but by all working together effectively and harmoniously in the solution of these problems. This was why CUNA International had been so active in sponsoring the first International Conference on Co-operative Thrift and Credit held in Jamaica in 1966. A second Conference was held in Paris in 1970 and another one is planned for 1973.

The World Council was confident that its task to lay the foundation for future development through co-operative savings and credit societies in co-operation with kindred agencies would be accomplished in the foreseeable future and that its contribution to the United Nations Second Development Decade and the Co-operative Development Decade would be substantial.

Mr G. SPALLONE, Italy, said that the UNCTAD Conference held in Santiago had stated that the presence of monopolies and neo-colonialism were the fundamental cause for persisting imbalances and for the present trade set-up that allowed ruthless exploitation of the Third World resources.

Co-operation could play an important role in removing the causes of underdevelopment. It was important for the co-operative movement to establish

a trade policy and an economic strategy towards developing countries. Consumer co-operatives in European countries could fight the preponderance of giant corporations. INTER-COOP, the Nordisk Andelsförbund and Nordisk Andelseksport had already done a great deal in this respect.

The Lega Nazionale was at present establishing trade exchanges with those developing countries to which it provided technical aid. Technical assistance to Somalia included the training of Somalian co-operators, and a programme for trade exchanges.

The PRESIDENT then introduced the representative from Bangladesh, Mr Raushan Ali.

Mr RAUSHAN ALI, Bangladesh, expressed his appreciation for being given permission to address Congress, and for the emergency proposal on Bangladesh which had been moved earlier.

Bangladesh was not only a developing country, but also a war-damaged country. The government was helping the co-operative movement in Bangladesh in reconstructing the economy.

As a sovereign and independent country, Bangladesh had accepted socialism and democracy as the basis for all socio-economic programmes. Co-operative principles had been accepted as the vehicle for all the welfare activities of the state, particularly in the matter of economic development. The national co-operative movement had been reorganised in a democratic way. The government had withdrawn its control from the management of co-operatives, but had extended the necessary support to co-operative activities all over the country. Consumer goods in the rural areas were being distributed through co-operative societies. The Co-operative Union was organising co-operative societies in the newly reconstructed villages.

Functional education through literacy was being considered by the Co-operative Union as a priority need for the country. The Union had worked out a

scheme for the eradication of illiteracy which had been enthusiastically received. The Co-operative Union had extended its activities into the fishermen's, cottage industry, weaving and other allied sectors.

With the active assistance and support of the ICA, the Union had held a national seminar on "The Needs of the Co-operative Movement in Bangladesh". and as a result recommendations had been put forward.

The Union had drawn up a comprehensive scheme for a member education programme and now appealed for help and co-operation from the ICA and its member organisations. The problem was not only a national one, but one for the world co-operative movement.

## **Eighth Session:**

**Thursday, 5th October (afternoon)**

### **Replies to the Debate on Technical Assistance**

Mr T. JANCZYK, Poland, said that the discussion had been dominated by everyone's concern to see how the ICA and co-operative movements in the developed countries could render assistance to co-operatives in the developing countries.

Representatives from the developing countries had spoken about the various forms of assistance, and there was no doubt that this assistance was already very widespread. It was provided by countries with different social and economic systems which had allocated money to the training of managerial staff from developing countries and to help co-operatives in these countries.

Mention had been made of the fact that co-operative development in developing countries was connected with government assistance. Some speakers had voiced their fears that government assist-

ance to co-operatives could impede their development or at any rate could limit the democratic spirit and operation of those co-operatives. Governments which wanted to exert influence on co-operatives would do so regardless of whether co-operatives received government assistance. It had to be borne in mind that co-operatives were a part of every state and they had to comply with the laws of the state.

It was obvious to the representatives of the socialist countries that without governmental assistance co-operatives in developing countries could not develop well. In many countries incomes were so low that it would be difficult for the people to contribute money to set up a co-operative. In order to make the co-operatives an important factor in social and economic development help was needed from the governments of all developing countries.

In the course of an extremely interesting speech, Mr Thedin had made a number of references to Poland. He spoke of the development of Poland, the achievement of the Polish nation and about the various types of co-operatives existing in the country.

It was pointed out in the debate that the most important problem was the training of staff; in other words, the training of those co-operators who could be considered organisers of the co-operatives. With regard to assistance to developing countries there was a vast ocean of needs. However, the means available were not excessive, and everything possible had to be done to increase these means. Appeals had to be made to governments and other organisations to help the developing countries.

In order to identify these needs research was necessary. There was a great variety of situations in the developing countries which had to be studied. The type of assistance needed had to be explored so that the most appropriate aid could be given in a particular situation.

The DIRECTOR said that he intended

to reply to some of the specific points raised in the debate.

The point raised by Mr Melvin had recurred in various interventions—related to the preconditions conducive to the development of co-operative movements. A certain amount of work had been undertaken in this field by the ICA and it was hoped to pursue the matter more diligently in the future. However, there was also another aspect relating to this matter. Sometimes the assessment of the performance of co-operatives was quite distorted because of the fact that the social and economic environment was not conducive to the growth of the co-operative movement. The Rome Agricultural Conference had discussed this subject at length and a paper dealing with the subject was available.

The relationship between governments and the co-operative movements in developing as well as in the advanced countries had been referred to by Mr Marshall. His suggestion had been that a government had to support and not replace co-operative activities, and that there should not be any government control. The question of the capital structure of co-operative societies in developing countries was the central issue here. Government control came via government finance.

Management training, as outlined by Mr Marshall, was of extreme importance for the movements in the developing countries. The equitable distribution of results which accrued from the efforts of co-operative societies was also very important.

As for the strengthening of relations in the advanced countries to obtain more support for co-operative aid programmes the importance of this could not be over-emphasised. An example of this was that for the first time at this Congress representatives of a number of government agencies had been invited. Mr Saenger had referred to UNIDO's relations with the ICA, to the importance of industrial co-operatives and again to the question of

preconditions. It was the wish of the ICA to enlarge collaboration with UNIDO, especially in the field of industrial co-operatives.

Industrial co-operatives in developing countries had employment generating aspects and a whole range of possibilities in the development of intermediate technology could be opened up.

Reference had been made by Mr Padovani to the fact that in some countries co-operatives were regarded as subversive agencies. This again was part of this large area of preconditions.

Mr Musundi, who was a member of the Co-operative Council for East and Central Africa, had an important role to play in shaping the activities of the Regional Office. As for the attendance of representatives from the developing countries at Congress or at other meetings, there had been a certain amount of discussion in East Africa about the creation of a fund jointly fed by member organisations out of which participation in some of the important meetings might be financed.

The small contributions to the development fund, the importance of government technical assistance agencies and the need to do more were three points made by Mr Thedin. The involvement of members of co-operative societies by regular information as to how their contributions had been used overseas was an extremely important element in the whole strategy. It was important not only because members were our masters, but also because they could help shape the political situation in their country towards the needs of developing countries.

A number of references to experience in Israel had been made by Mr Kaspi. Congress was generally aware of the great work which the co-operative movement had done in his country. An offer of a number of scholarships for training purposes in Israel had been made, an offer that was most gratefully accepted.

Mr Soumaille of the ILO had

responded to the request made by the ICA for collaboration on legislation. As far as the ECOSOC resolution was concerned, the matter was to be discussed in December along with the ILO, the FAO, the International Federation of Agricultural Producers and the International Federation of Plantation, Agricultural and Allied Workers.

A plea for following up the recommendations of the Rome Conference had been made by Dr Newiger of the FAO. He also emphasised the role of women in co-operative movements. As far as the proposal for joint projects in respect of training, research and publications was concerned, this was a matter which would have to be discussed further in order to identify specific projects which might be undertaken. Close collaboration existed between the ICA Agricultural and Fisheries Committees and the FAO.

Mr Khasanov had drawn attention to the need for experts, to the need for audio-visual equipment, to the role of governments and to the need for the creation of a group of experts in the Secretariat to study further action, a suggestion which would be put to the Executive Committee at its next meeting in the early part of 1973.

The greetings from Portugal presented by Mr Mota had been well received, in his first intervention at Congress. He had given an account of the progress of his movement and had referred to the assistance rendered by Kooperativa Förbundet.

A large number of issues had been mentioned by Mr Kerinec, to which little could be added, except to his comment on the disappointing results of UNCTAD. There had been at least one bright feature as far as the ICA was concerned. For the first time UNCTAD had adopted a resolution on co-operatives. Discussions were at present taking place as to the possibility of consulting UNCTAD with a view to setting up training projects

for the personnel of co-operative trading organisations.

Mr Katayanagi had drawn the attention of Congress to a guarantee fund and to the large and complex problem of transferring funds from advanced to developing countries. He had outlined the structure of the fund, how it was to be fed, how it was to counter the very large number of uncertainties against which some kind of insurance had to be made. The ICA along with the ILO and the FAO had been studying this problem in a preliminary manner.

Mr Fernandez had also dealt with the transfer of funds. The President had indicated that the Chilean motion had been withdrawn on the specific understanding that the operative part of it, which dealt with the transfer of funds, would be discussed at a specific meeting of the Executive Committee and would go from there to the Central Committee.

Dr Kruger had mentioned the symposium which was being planned for ex-trainees of the co-operative college at Dresden. This was an important venture to establish whether the experience they had gained was relevant to the needs of their own country.

On Bangladesh the ICA had already taken various steps. A comparatively modest amount had been sanctioned out of the development fund and an appeal had been issued to member organisations. A seminar had been organised in Bangladesh to assess the requirements of the co-operative movement. The Regional Office along with the Swedish Co-operative Centre and the International Co-operative Housing Development Association (ICHDA) was organising a workshop on low-cost housing on a co-operative basis. In collaboration with the member organisation in Bangladesh a person was being appointed who could act firstly as a general adviser, and secondly as a co-ordinator of technical assistance coming from different sources.

Mr Pedersen had pointed out that

the paper on Technical Assistance to Co-operatives in Developing Countries had been limited in scope. It was quite clear that a much larger amount of investment in technical assistance came from government sources and from United Nations agencies than from co-operative sources. To describe all these activities in the field of co-operative technical assistance would be a complex task.

The contribution to the debate made by Mrs Feher dealt with the importance of the Workers' Productive and Artisanal Societies' Committee and the activities of industrial co-operatives. Dr Trampczynski had presented an excellent paper dealing with industrial co-operatives in economic and social development of developing countries at the Conference held in Warsaw the previous week.

The role of the ICA Regional Office for South-East Asia had been discussed by Mr Hourmain. It was gratifying to know that he thought highly of the consultancy services that had been provided to consumer co-operatives. As far as the structure of the Regional Office was concerned this raised a constitutional question. The Regional Office was considered to be an extension of the ICA Secretariat in London and was therefore subject to the direction of the Executive Committee. The increasing involvement of the member organisations was all to the good, and this was a matter which would have to be looked at by the authorities of the Alliance.

The international character of the employees of the ICA had been discussed on many occasions, but it was clear that internationalism had to be consistent with efficiency otherwise the ICA could be faced with the same problem which had arisen in the United Nations where national quotas had caused quite a number of problems.

Mr Marik had described the activities of the Czech co-operative movement, especially with regard to international

training, and the efforts which were being made to assist Bangladesh.

In supporting the motion Mr Bianchieri had talked about bringing increased pressure to bear on governments. If governments were to be the major source of funding of technical assistance, the co-operative movement had to exercise pressure to increase allocations to co-operative technical assistance.

A report on the activities of the World Council of Credit Unions had been given by Mr LaChapelle. At the international level relations between the ICA and the World Council had become closer. It was for this reason that he attached a great deal of importance to the Informal Liaison Committee where officials of the ICA met the leading official of the Council and discussed problems of common interest. This increasing collaboration should also be reflected at regional level. The ICA would see that resources, scarce as they were, were not fragmented and that wherever possible co-ordinated action would be taken.

Following the acceptance by Congress of the amendments proposed by the Lega, by the Lega jointly with Denmark and Sweden and by Denmark and Sweden the PRESIDENT put the proposal to Congress and it was **unanimously adopted**.

## **RESOLUTION ON CO-OPERATIVE AID TO DEVELOPING COUNTRIES**

### **THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE**

RECALLING the high level decision in the United Nations General Assembly, resulting from the initiative of the Polish Co-operative Movement and Government, concerning the importance of co-operatives as instruments of social and economic development in the developing countries;

RECALLING also the decisions in the assemblies of the United Nations Specialised Agencies on the same subject;

RECOGNISING that the aspirations of these assemblies must be seen against the background of enormous difficulties presented by extreme poverty and ignorance, inequitable and wasteful distribution of land ownership, inadequate facilities for health and education, fluctuations in world commodity prices and impediments to international trade; recognising further that these conditions often lead to co-operatives being less successful than they otherwise could be and that it is the responsibility of governmental and international agencies to ensure the necessary preconditions of co-operative success;

CONSIDERING, as was recently emphasised by the UNCTAD assembly, that the liberation of developing countries requires a radical change in the world economic structure and the financial and trading set-up, which now allow the exploitation of Third World resources, particularly by private monopolies in industrialised countries;

APPROVING the ways in which the International Co-operative Alliance has collaborated since its last Congress with the ILO, FAO, UNESCO, UNIDO and UNICEF in conferences, studies and the provision of technical assistance in relation to co-operatives in developing countries;

RECOGNISES that these constitute a small but promising beginning to what can be an increasingly important partnership in the Co-operative Development Decade and that co-operative movements themselves have the initial responsibility to ensure that co-operative movements of developing countries receive the fullest possible measure of appropriate technical assistance and suggests that co-operative organisations:

(a) in developed countries, bring pressure on their respective governments for a change in their economic policy in favour of developing countries and are directly involved in the technical assistance effort and contribute their experience and personnel;

(b) in developing countries, request their governments to give due priority to co-operatives in national planning and in requests for outside assistance;

TAKES NOTE of the efforts that are already being made to this end and the resources which are being mobilised and channelled, either bilaterally or through the ICA Development Fund, and in particular of the considerable variety of facilities for training co-operators from developing countries;

RECOGNISES, however, that some few member organisations are doing far more than

others and urges that still greater efforts should be made by all concerned to raise funds, as well as to encourage governments to use co-operative organisations to implement parts of state programmes of technical assistance, thus recognising that the co-operative movement has a fundamental role to play in raising the standards of under-developed areas;

NOTES in particular the deficiencies in the present arrangements for the provision of experts, for the training of co-operative managers, office-bearers, for member education and for the preparation of educational materials;

ASKS co-operative organisations in developed countries to bring pressure to bear on their competent government authorities to increase their official development assistance in accordance with the Second United Nations Development Decade strategy;

APPEALS to the United Nations to make funds available from the United Nations Development Programme for the development of co-operatives in developing countries; and

CALLS UPON the Central Committee to consider and make recommendations on ways and means whereby resources can be mobilised to enable the ICA to undertake more vigorous action, in collaboration with the member organisations, Auxiliary Committees, United Nations and government technical assistance agencies, for assisting co-operative movements in developing countries, especially in the fields of co-operative education and management training, provision of experts, setting-up projects of economic substance within the co-operative sector and for furthering intra-regional and international co-operative trade.

### **Emergency Resolution on Bangladesh**

The PRESIDENT stated that in the course of the discussion on technical assistance for co-operatives in developing countries, an emergency resolution had been moved by Mr Udaybhansinhji which had been seconded by Mr Thedin.

The suggestion had been put forward that the "action already taken by the ICA" be included in the 3rd paragraph of the proposal.

The President put the proposal to Congress and it was **adopted with one abstention.**



## EMERGENCY RESOLUTION ON BANGLADESH

### THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

NOTES the emergence of Bangladesh and the urgent need to reconstruct its economy; \*

CALLS UPON the developed co-operative movements of the world to give substantial aid to the co-operative movement of Bangladesh;

FURTHER NOTES with appreciation the action already taken by the ICA and certain co-operative movements in this respect; and

REQUESTS the ICA to take action to co-ordinate the flow of such aid which should be given with the utmost promptness.

### Election by Central Committee of new Executive—Procedure

The PRESIDENT informed Congress that an election by the Central Committee of the new Executive was to take place. Before doing so it would be necessary to deal with the procedural aspect.

Sir ROBERT SOUTHERN, United Kingdom, told Congress that it had been intended that all the Amendments to Rules proposed would be dealt with at this session, but the discussion on the current resolution would not be terminated that evening. The proposed Amendments to Rules provided that there should be a Central Committee meeting either during or at the end of Congress. The existing Rules provided that there should be a meeting of the Central Committee meeting at the end of Congress. There was a technical dilemma that though this new procedure was very desirable it had not yet been confirmed by the appropriate Amendments to Rules.

Sir Robert Southern then put the Amendments to Rules required to change this procedure and to introduce the new basis of representation on the Central Committee.

After some discussion the Alterations to Rules were approved (see p. 83-84).

### Election of Central Committee

The PRESIDENT informed Congress that formal confirmation of the names put forward by national movements was needed.

The nominations for the Central Committee made by the national co-operative movements were agreed.

### Election of Executive Committee

Dr M. BONOW, in declaring the result of the election of the Officers and Executive Committee, stated that he himself had been re-elected President and that Mr A. P. Klimov (USSR), had been re-elected as Vice-President and Mr. R. Kérinec (France) as the other Vice-President in place of Sir Robert Southern.

The names of the thirteen elected members of the Executive Committee: S. Dreyer (USA), C. C. Hilditch (UK), T. Janczyk (Poland), R. Kohler (Switzerland), P. Lambert (Belgium), M. Marik (Czechoslovakia), W. B. Melvin (Canada), A. Miyawaki (Japan), M. Mustonen (Finland), J. J. Musundi (Kenya), O. Paulig (Federal Republic of Germany), P. Søjland (Norway), H. W. Whitehead (UK).

In thanking some of the members of the previous Executive for their services, the President said that some had retired from their national movements. He expressed sincere appreciation and gratitude to Sir Robert Southern on his retirement as Vice-President for the outstanding services he had rendered to the Executive and Central Committee and to the ICA in general.

Sir ROBERT SOUTHERN replying said that he had endeavoured to play a small part in maintaining the unity of the Alliance and harmony between members. It was impossible to secure harmony between organisations unless there was harmony and goodwill between the people who represented them.

Sir ROBERT SOUTHERN thanked the President for his most generous expression of appreciation and for the gift which had accompanied it.

## PEACE

*Proposer:* Central Committee

Sir ROBERT SOUTHERN stated that the resolution on "Peace" was to be introduced by a statement from the President.

The PRESIDENT said that in 1970 the UN had proclaimed that the 1970s should be a decade of disarmament. In the same resolution it had also been urged that a programme for general and total disarmament should be established. Unfortunately, no such programme had so far been worked out.

The decision in 1970 had probably partly been caused by the very rapid increase in the world's armaments spending which had taken place in the period between 1965 and 1968. The total level of armaments spending which had decreased slightly during 1970 had, however, in 1971, still been maintained at the same level, and available budget figures seemed to indicate that the very high level reached at the end of the 1960s would also prevail this year.

Estimates published recently by the Swedish International Peace Research Institute indicated that the world's total yearly expenditure on arms would be in the region of 180 billion dollars. The six great powers—the USA, USSR, the People's Republic of China, the United Kingdom, France and the Federal Republic of Germany—were responsible for 80 per cent of the world's total costs for military purposes. The remaining 20 per cent were shared by the newly developing countries and other countries. It was a striking fact that the newly developing countries with their very low average gross national product per inhabitant were acquiring increasing quantities of arms. The technical and financial assistance from the well-to-do countries in the world to the newly developing countries amounted only to some 10 billion dollars. This meant that the rich countries were spending at least 20 times more each year on arms than on support to the poor countries.

To complete this dark picture it should be mentioned that during the last decade more than 15 billion dollars had been spent each year on military research and development. It was sometimes argued that the massive spending on advanced technology in connection with military research created important spin-off effects which could be used with great advantage in production for civil purposes. But even taking that factor into account, there was no reason whatsoever for the misallocation of the world's resources on military spending, at the same time neglecting the enormous needs for research and development work in respect of world agriculture, population problems, medical development, the human environment, the depletion of raw materials and sources of energy.

The impact of nuclear power on the so-called military balance and on the world's security problems was obvious to all. The two super-powers had at their disposal nuclear arms in amounts estimated to an equivalent of 16 tons of TNT per world inhabitant.

Against this background one could hardly overestimate the importance of the two treaties banning nuclear tests. Some great powers had so far unfortunately not become parties to them. But these agreements only marked the first preventive measures on a world-wide scale needed to diminish the risks of atomic warfare. As was stressed in the Central Committee proposal, a complete banning of *all* kinds of nuclear tests should be the next important step towards a gradual and complete disarmament. A continuation and a speeding up of the SALT negotiations was therefore sorely needed.

It was estimated that by 1977 there would be 40 countries owning atomic reactors for civil energy production. The extended use of nuclear power would be based on a new technology by the 1980s. The fast-breeder reactors would then be available for commercial use, which would mean that an increased number of

countries would be self-sustaining in respect of plutonium. The material used in these reactors was the one best suited for the production of nuclear arms. It would therefore be increasingly difficult to prevent the diversion of nuclear material from peaceful to military purposes. There was thus a risk that more countries might start building up arsenals of nuclear arms produced by themselves. Time was indeed running out fast, if there was to be some hope for an agreed international action against the production, storing and possible use of nuclear arms. The fear had recently been expressed by foremost scientists that with the new technological development in the nuclear field, even well organised groups of terrorists might within the foreseeable future be able to get hold of and use nuclear arms for black-mailing.

The urgent need for intensified efforts to reach tangible progress through negotiations between all the great powers concerned was to be seen against the background of the main factors just mentioned. The endorsement which Congress was asked to give to the Central Committee's proposal, passed at its meeting in Bucharest in 1971, was therefore something of a pivot for the whole proposal on peace.

This paragraph dealt however not only with the problems of nuclear arms and support for a European security conference but also called for the banning of the production, storage and use of all biological and chemical means of warfare. An agreement on the prohibition of the development, production and storing of bacteriological arms and toxins, and about the destruction of such arms, had been signed in London, Moscow and Washington this year. However, chemical means of warfare had been used earlier and lately not least in Vietnam with very serious effect on ecological systems. A banning of chemical means of warfare was therefore of the utmost significance and urgency.

In the proposal before Congress

another important paragraph reaffirmed the ICA's support for the Universal Declaration of Human Rights and supported the General Assembly resolution of 1968 dealing with measures for the total elimination of colonialism and neo-colonialism, and of all forms of racial discrimination and the policy of apartheid in particular.

Looking round the world today one could see that in respect of both the Universal Declaration of Human Rights and the Assembly Resolution concerned, we were very far from a universal implementation of these fundamental principles and recommendations. In several countries the right of the citizen to leave and return to his homeland freely was severely restricted. In other countries citizens who had lived there for many years were suddenly expelled. Vast groups of people in different parts of the world were being discriminated against on political, religious, racial or tribal grounds. In some cases outright mass-liquidation had been practised. There were well organised political terror groups operating in various parts of the world, intent on hijacking aeroplanes, using firearms and bombs thus threatening to kill, and often killing, innocent people. This matter had become a problem of such magnitude that it had been brought before the UN Assembly. In view of all these odious acts of violence, the co-operative movement had to protest against such evil deeds.

A special paragraph in the proposal noted that there continued to be areas of the world where tensions and war existed, particularly in South-East Asia and the Middle East.

When reviewing all the difficult political problems and conflicts which still frustrated the continuing efforts to create a world based on peaceful co-existence and an ever-increasing economic and political collaboration across the frontiers, co-operators had a clear duty to do whatever was within their power to create an atmo-

sphere of goodwill in international relations.

It was rightly stressed that trade across frontiers and the ensuing contacts was a means of lessening tensions and improving international relations. In that field co-operative movements in all parts of the world could and did contribute to a gradually increased international goodwill and understanding. It was therefore quite proper that the proposal ended by pointing to the need for bringing about conditions in which resources now spent on arms could gradually be made available for economic and social progress throughout the world. In this way we could and we should make our contribution, modest though it might be, to the work for the establishment of lasting peace and security.

The President then moved the adoption of the proposal.

The proposal was carried **unanimously** as amended by the Lega Nazionale.

## RESOLUTION ON PEACE

THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE, representing over 250 million co-operators in its affiliated organisations,

REAFFIRMS that one of its objectives, as laid down in its Rules, is to work for the establishment of lasting peace and security;

REMEMBERS the calls for peace adopted at previous Congresses, as well as the resolutions condemning fascist and neo-fascist régimes;

STRESSES its belief that the achievement of peace remains the most urgent problem throughout the world, for until it is achieved, economic development and social progress in all fields are hindered;

EMPHASISES that peace begins in the minds of men and urges that the spirit of Co-operation be observed in all relations between individuals, groups, co-operatives and nations;

NOTES that there continue to be areas of the world where tensions and war exist, particularly South-East Asia and the Middle East, and that there also exist threats to peace in many countries practising policies of racialism and apartheid;

SUPPORTS the decisions of the United Nations Assembly to convene a world conference on disarmament and

REAFFIRMS the ICA's support for the Universal Declaration of Human Rights and Resolution 2446 (XXIII) of the General Assembly of the United Nations passed in December 1968, dealing with measures for the total elimination of colonialism and neo-colonialism, of all forms of racial discrimination and the policy of apartheid in particular;

WELCOMES the measures taken by governmental and non-governmental organisations towards the achievement of peace, mutual understanding, co-operation and implementation of principles of peaceful co-existence;

ENDORSES the Central Committee's approval, at its meeting in Bucharest in 1971, of the resolution expressing support for a European Security Conference, to be held at the earliest possible date, and the banning of the production, storage and use of all biological and chemical means of warfare, and a complete prohibition of all kinds of nuclear tests;

CALLS UPON governments to support and strengthen the United Nations in its efforts to reduce tension and achieve peace; and

ASKS its member organisations to bring influence to bear on their national governments for support of the United Nations and the settlement of all disputes by negotiation, without recourse to force or threats thereof, and to work for all disarmament measures in order to bring about conditions in which resources can be made available for economic and social progress throughout the world.

### Amendments to the ICA Rules

*Proposer:* Central Committee

Sir ROBERT SOUTHERN, United Kingdom, formally moved the amendments to the rules not previously taken.

He said that there was one amendment designed to discontinue the concept of associate membership. This half-way stage to membership had been devised some years ago in order to take account of situations in which co-operative organisations desired to be affiliated to the ICA but were not free of government influence or control in their affairs. Situations had changed and as was explained in the debate on aid to developing countries, govern-

ment interest was quite properly linked with government aid. Therefore associate membership was no longer relevant and should therefore be abolished.

In regard to Congress, there was a change proposed to deal with representation, but that change was directly related to changing subscriptions. A more important point was that power was being sought to convene the Congress once in three or four years and not once in two or three as at present.

Arising out of the consideration given to the role of women in the co-operative movement, the Central Committee had made a gesture to the Women Co-operators Advisory Council and it recommended that the Council be directly represented on the Central Committee and that its representative should have a vote.

The main proposals concerned the finances of the International Co-operative Alliance, the finances from which its central institutions and administration were paid for. In addition member organisations were paying substantial amounts of money to finance the auxiliary committees, to pay for attendance at Congress and meetings and to assist co-operatives in developing countries. The present purpose was, however, to deal with the central finance of the Alliance.

Sir Robert Southern assured Congress that the budget of the ICA was carefully prepared and scrutinised and pruned in the light of available resources. Long-term programmes which would involve the ICA in considerable cost had to be held back. At this Congress pressures had been brought to bear from West Africa, from Latin America, and from the Caribbean, but there was no finance available to plan projects in those parts of the world.

The proposals which were brought forward were intended to improve the income of the ICA, at least to a level where it could be safeguarded against inflation, and perhaps with a little more to spare so that the work could be expanded.

In regard to primary societies, it was proposed to get away from the membership basis and move over to an economic base which would be fair and sensible in relation to inflation and the financial future of the ICA. For the secondary societies, the wholesale societies in various sectors, the basis of subscription had previously been economic, but there had been a ceiling beyond which members had not to pay any more. It was proposed to remove the ceiling and to taper off the scale at the higher level. Similar proposals relating to premium income had been made in regard to co-operative insurance societies and relating to share capital and proprietors' reserves in the case of co-operative banks, central credit institutions and housing finance societies.\*

The proposals were very simple and straightforward, but there was no common formula which could be generally applied without causing some hardship and possibly some anomalies. Under the existing Rules the Executive of the Alliance had the power to reduce subscriptions in special circumstances.

As Congress did not feel the need for separate votes to be taken on each of the paragraphs, the President put the proposals to amend the Rules to the vote. **The proposals were carried.** (See page 82.)

## PROPOSALS OF AFFILIATED ORGANISATIONS

### Amendments to Rules

*Proposers:* Union Centrale des Coopératives, Bulgaria; Union Centrale des Coopératives de Production, Bulgaria; Ustredni Rada Druzstev, Czechoslovakia; Verband deutscher Konsumengossenschaften, German Democratic Republic; National Council of Consumers' Co-operative

\*The proposed formula for insurance societies might be amended by the next meeting of the Central Committee in the light of discussions with the International Co-operative Insurance Federation.

Societies, Hungary; National Council of Industrial Co-operatives, Hungary; National Co-operative Council, Hungary; National Council of Agricultural Co-operatives, Hungary; Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland; Central Union of Building and Housing Co-operatives, Poland; Central Union of Work Co-operatives, Poland; "Spolem" Union of Consumer Co-operatives, Poland; Supreme Co-operative Council, Poland; Centrosoyus, USSR.

Mr A. I. KRASHENINNIKOV, USSR, introducing the proposals, said that the international co-operative movement was a major force in the world today. Its effectiveness and value had increased in direct proportion to the activity of co-operators in the basic problems of interest to humanity. These were the struggle for peace, the struggle against monopolies, the protection of the environment and the defence of consumers' rights. In conducting its efforts in these directions, the ICA was strengthening its ties with various governmental and non-governmental institutions and also with some of the United Nations agencies. In the past resolutions had been adopted affecting the welfare of humanity, on co-operation between people, on the elimination of hunger and illiteracy and many more. One of the most important tasks of the ICA was to strive for social and human rights of people and for the raising of living standards.

The success of the international co-operative movement depended not only on the position of co-operatives in each country but also on the international collaboration of co-operators and co-operative movements.

Centrosoyus had proposed amendments to the Rules, to deal with these aspects and also concerning the rights of members, Congress convocation and powers of Congress.

The PRESIDENT put the amendments to the vote after agreement had been reached to consider all the changes together. **Congress agreed to the proposals.** (See page 84.)

## The Role of the Co-operative Movement in Economic and Social Development

*Proposers:* Union Centrale des Coopératives, Bulgaria; Union Centrale des Coopératives de Production, Bulgaria; Ustredni Rada Druztev, Czechoslovakia; Verband deutscher Konsumgenossenschaften, German Democratic Republic; National Council of Consumers' Co-operative Societies, Hungary; National Council of Industrial Co-operatives, Hungary; National Co-operative Council, Hungary; National Council of Agricultural Co-operatives, Hungary; Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland; Central Union of Building and Housing Co-operatives, Poland; "Spolem" Union of Consumer Co-operatives, Poland; Central Union of Work Co-operatives, Poland; Supreme Co-operative Council, Poland; Centrosoyus, USSR.

Mr M. D. KHASANOV, USSR, speaking on behalf of the proposers said that Congress had recognised the important role co-operatives could play in economic and social development. Co-operatives as a mass social and economic organisation were called upon to serve the interests of millions of people all over the world. The co-operative movement had an enormous potential to develop economic activities using human and economic resources for the benefit of human progress. More could be achieved by promoting further the collaboration between co-operatives in all countries of the world, by increasing assistance to co-operatives in developing countries and by strengthening the ties between the ICA and the United Nations.

The role of the co-operative movement varied from country to country. Whereas in the socialist countries the social and economic role of co-operatives was increasing constantly, they were losing ground in capitalist countries.

Soviet co-operators had been rendering aid to developing countries for many years. Many students from Asia and Africa had attended some of the schools run by Centrosoyus. Co-operative manuals and textbooks for use in developing countries had been published. Members of the ICA had been rendering assistance

to developing countries. But further efforts had to be made to increase the role of co-operatives in social and economic development throughout the world. It was important that the United Nations and its specialised agencies allocated funds for technical assistance to co-operatives in developing countries.

**The proposal was carried.**

## **RESOLUTION ON THE ROLE OF THE CO-OPERATIVE MOVEMENT IN ECONOMIC AND SOCIAL DEVELOPMENT**

### **THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE**

RECALLING the United Nations General Assembly Resolution No. 2459/XXIII on the Role of the Co-operative Movement in Social and Economic Development, which confirmed the important role of the co-operative movement in the development of different countries;

WELCOMING the actions taken already in connection with that resolution by ECOSOC, ILO, UNESCO, FAO, UNIDO and other Specialised Agencies of the United Nations; HIGHLY APPRECIATES the efforts of some governments for the development of the co-operative movement;

RECOGNISING the initiatives of the International Co-operative Alliance and its member organisations taken within the framework of the Co-operative Development Decade;

REAFFIRMS the fact that the co-operative form of ownership gives special possibilities to activate social initiative and to mobilise human and financial resources under social control for their effective use for the benefit of economic development and social progress;

ASKS the Central and Executive Committees, the Director of the Alliance and member organisations for further activity aiming at the full implementation of the recommendations of the resolution adopted by the 24th ICA Congress on "Action on the United Nations Resolution 2459/XXIII";

REQUESTS the Director of the Alliance to elaborate a report on the realisation of the Co-operative Development Decade programme in the years 1971-1972, including

conclusions for further activity, and to forward it to the Secretary-General of the United Nations for information of the UN members, as well as of organisations of the United Nations system;

APPEALS to the United Nations and its Specialised Agencies to continue the varied support of the development of the co-operative movement, especially in developing countries; and

REQUESTS the United Nations and its Specialised Agencies to take into account, as widely as possible, the development of different forms of the co-operative movement on UN technical co-operation, as well as to appeal to its members to render their comprehensive support to co-operative technical assistance projects.

### **The Role of Agricultural Co-operatives in Economic and Social Development**

*Proposers:* Union Centrale des Coopératives, Bulgaria; Union Centrale des Coopératives de Production, Bulgaria; Ustredni Rada Druzstev, Czechoslovakia; Verband deutscher Konsumgenossenschaften, German Democratic Republic; National Council of Consumers' Co-operative Societies, Hungary; National Council of Industrial Co-operatives, Hungary; National Co-operative Council, Hungary; National Council of Agricultural Co-operatives, Hungary; Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland; Central Union of Building and Housing Co-operatives, Poland; "Spolem" Union of Consumer Co-operatives, Poland; Central Union of Work Co-operatives, Poland; Supreme Co-operative Council, Poland; Uniunea Nationala a Cooperativelor Agricole de Productie, Romania; Central Union of Consumers' Co-operatives, Romania; Uniunea Centrala a Cooperativelor Mestesugaresti, Romania; Centrosoyus, USSR.

Mr S. SULEMESOV, Bulgaria, speaking on behalf of the proposers, stated that the governments of the socialist countries supported agricultural co-operatives in every possible way. Agricultural co-operatives, engaged in collective management and in collective cultivation of land, had increased productivity considerably and were now responsible for 70 per cent of agricultural production in Bulgaria. Co-operators in the Socialist countries were of the opinion that these types of agricultural co-operatives played

a major role in the socio-economic development of their countries. However, the role played by agricultural marketing societies or by agricultural purchasing and processing societies should not be underestimated. That was why the co-operative movements of the socialist countries had proposed to Congress a motion according to which all forms of agricultural co-operatives would be supported. It was up to co-operatives of each country to proceed on the basis of their own specific conditions and to choose the type of agricultural co-operative which would best meet their own interests, which would improve their economic and social position and which would increase their agricultural output.

Agricultural co-operatives of the type known in socialist countries also existed in Italy and France and in some of the developing countries. It would, however, serve no purpose to compare the different types of agricultural co-operatives as they existed throughout the world today. It was more important to talk of measures to promote agricultural co-operatives and to ensure that educational work was carried out amongst their members. At the same time it was necessary to collaborate with the governments in the various countries to ensure their interest in promoting agricultural co-operation by passing appropriate laws, by making available favourable loans, and by providing facilities for the training of specialists. It was important for agricultural co-operatives to work closely with other progressive organisations and other types of co-operatives and to do everything in their power to attract youth and women to work in co-operatives.

Efforts by the ICA should be directed towards strengthening agricultural co-operatives by ensuring that there was extensive exchange of experience between agricultural co-operatives including seminars and symposia. Special attention should be devoted to the development of agricultural co-operatives in developing

countries and to the rendering of assistance to accelerate the development of the retarded economies in these countries.

The proposers of the motion hoped that the 25th Congress of the ICA would adopt it in order to emphasise the importance of the problem.

Mr SOWAMAHA, USSR, said that the proposal was extremely timely and important. Smallholders in mixed economy countries were experiencing great difficulties. The elimination of single agricultural production units would provide an answer to these problems. Agricultural co-operatives of the type known in socialist countries would ensure the best exploitation of land in a rational manner. Credit and marketing co-operatives would assist in this, but it was only agricultural co-operatives engaged in collective management and in collective cultivation that would ensure the establishment of large-scale agricultural units on modern lines.

The ICA should express its support for agricultural co-operatives and take measures to realise this aim.

Mr W. MAGNANI, Italy, referred to the success of agricultural co-operatives engaged in collective management and cultivation. They were using modern methods and techniques in all fields of agriculture.

More should be done by the ICA Agricultural Committee to promote the useful exchange of experience amongst various countries. The Rome Conference had made a good start, but it was important to find a proper equilibrium between the traditional methods used and the techniques of modern life.

Mrs L. CRISANTI, Italy, said that the motion now before Congress drew attention to the tasks confronting agricultural co-operatives. Agricultural co-operatives took into account the basic needs of society and thus encouraged further activities in the field of distribution, housing and leisure.

In the rural areas, however, not sufficient attention had been paid to



problems affecting women. The impact of women workers in agriculture and the key position of women in the social sphere must always be borne in mind. But women had to be trained in order to enable them to play their full part in the modern world. The Women Co-operators' Advisory Council had been pleased to learn that the FAO was planning to pay special attention to the needs of women in rural areas.

Following an alteration in the first line of text, changing "and especially" to "including", the proposal was carried unanimously.

## RESOLUTION ON THE ROLE OF AGRICULTURAL CO-OPERATIVES IN ECONOMIC AND SOCIAL DEVELOPMENT

### THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

CONSIDERS that agricultural co-operatives of all types, including the co-operatives which are engaged in collective management of economy and in collective cultivation of land, are playing an enormous part in the economic and social development of countries, in considerable increase of agricultural production, in reduction of production costs of rural economies, in improvement of welfare of peasants and in acceleration of technical progress;

CALLS UPON agricultural workers to join the agricultural co-operatives, because they harmonise in the best possible way the personal interests of co-operators with the social interests;

RECOMMENDS to all national co-operative unions and to all co-operators to render to the agricultural co-operatives the comprehensive assistance necessary for their correct construction and creation of a modern consolidated material-technical base;

RECOMMENDS governments to work out and promulgate laws required for a complete assistance to the development of agricultural co-operatives and their members and to give special facilities concerning their taxation, their real estate, etc., helping to provide State credits to these co-operatives at a minimal rate of interest;

ASKS the Central Committee to take measures to enlarge the sphere of activity of the Agricultural Committee in order to develop and establish agricultural co-operatives in all countries, and especially in developing countries, by means of exchange of experience, rendering technical aid, etc.; and

DRAWs the attention of co-operatives of all other types to the need to establish the closest connections and collaboration with agricultural co-operatives and to assist them in all possible ways.

## International Trade

*Proposer:* Cooperative League of the USA  
Mr G. M. ANDERSON, USA, pointed out that the Cooperative League had once again put forward a motion on international trade, because it was felt that the USA was somewhat outside the existing inter-co-operative trade taking place primarily among European member organisations. Consumer co-operatives in the USA were not large enough to enable them to import considerable quantities of products exported by European co-operatives to that country. However, there were a significant number of agricultural co-operatives interested in this important issue. But paramount in the thinking had been the long-standing policy of the Cooperative League for the freest possible movement of goods between countries, because it was not only good for producers, consumers and the economy, but it underlined the peaceful ties which had to be developed to maintain friendlier relations between nations and the people.

The trade restrictions on imports from developing countries often hindered the very type of economic progress that co-operators were striving to bring about in this Co-operative Development Decade. Efforts to seek more aid for co-operative development would be wasted unless governments refrained from unreasonable practices which precluded the products of developing countries from moving at good prices in the world market.

With improved world-wide trade would come increased economic and social

well-being, especially if such trade was transacted through co-operatives. For this reason the co-operatives of the United States urged that the ICA moved toward a role of assisting co-operatives around the world to arrange for conferences as a follow-up to trade study efforts in order to assist where possible in negotiations between various interested co-operatives.

**The proposal was carried unanimously.**

## **RESOLUTION ON INTERNATIONAL TRADE**

THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

ACCEPTS that the consumers of all nations have a large stake in freer trade as a means of ensuring competition in the market, from which every family stands to benefit;

CONSIDERS that trade restrictions damage less developed countries which developed nations otherwise attempt to help through their foreign assistance programmes;

AFFIRMS that history has shown time and again that attempts to solve short-term problems by trade barriers are invariably self-defeating; and

REQUESTS member organisations to urge their national governments to refrain from practices which further restrict international trade.

### **Co-operative Housing**

*Proposer:* Central Union of Building and Housing Co-operatives, Poland

The PRESIDENT informed Congress that the proposal had been carefully considered by the Housing Committee at its meeting in Warsaw and had recommended that Congress should endorse it.

**Congress adopted the proposal unanimously.**

## **RESOLUTION ON CO-OPERATIVE HOUSING**

THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

RECOGNISES that the continuing social and economic developments, particularly the

industrialisation and the consequent concentration in towns, is causing grave housing problems, both in developed and developing countries;

NOTES that delay in meeting the demands for housing is hampering socio-economic development and causing great personal misery and unhappiness;

EMPHASISES that a harmonious evolution of society needs a qualitative and quantitative increase in house building programmes in all forms, from multi-family blocks to single family dwellings;

ASKS governments to increase the funds available for housing construction programmes, including the renovation and modernisation of existing houses, and the training of specialists in building techniques, management, etc.;

DECLARES that in such programmes co-operative methods can plan an important part both generally and in particular sections of the community, e.g. the young and the elderly, as was acknowledged in the ECE Seminar on Non-Profit Making Housing Organisations, October 1971, Varna, Bulgaria;

REQUESTS member organisations to support co-operative housing organisations in their countries and to do everything they can to convince their governments of the advantages of co-operative housing;

RECALLS the United Nations Resolution on The Role of Co-operatives in Economic and Social Development, adopted in 1968;

REQUESTS the United Nations to increase its resources to assist the developing countries in their housing programmes, particularly by the use of co-operative methods; and further

REQUESTS the United Nations to create an appropriate organ for housing finance either:

- (1) as a "housing section (window)" of the World Bank; or
- (2) as a Housing Division of the proposed Office of the Environment; or
- (3) as a World Housing Programme (similar to the World Food Programme of the FAO) attached to the Centre for Housing, Building and Planning; or
- (4) as a finance division of a Specialised Agency for Housing and Community Development.

## Co-operative Education

*Proposers:* London Co-operative Society, United Kingdom, Cooperative League of the USA

Mr C. RINGROSE (United Kingdom), stated that the proposal before Congress was a direct outcome of two ICA events which had taken place since the last Congress: firstly, the international conference of co-operative education leaders organised jointly with UNESCO at Jongny, Switzerland, in 1970, and secondly the 40th International Co-operative Seminar held in Moscow in 1971. Both these meetings had emphasised the recognition accorded in the declarations by the United Nations and by the specialised agencies on the value to the contribution which co-operative organisation and co-operative education could make to the Second UN Development Decade and the Co-operative Development Decade.

In order to fulfil these expectations it would be considered essential for the ICA to motivate co-operative education throughout the world to higher concepts and improved performance. The seminar held in Moscow had examined the role of the ICA and its policy in education and had asked the Alliance to give careful consideration to a number of proposals suggesting intensified educational activity. A number of points relating to education had been made in Congress, but there was one other important aspect and that was the involvement of management, directors and administrators in co-operative education.

Co-ordination and the interchange of educational activities was of great importance for the future of the co-operative movement, for the progress of the people of the world and for peace amongst the nations of the world. For this reason Congress was being urged to authorise the holding of ICA seminars dealing with various aspects of co-operative education.

Dr F. Groves, USA, pointed out that continuing educational programmes

were even more important today than they had been in the past, as attitudes, opinions and technological knowledge were changing more rapidly today than at any time in history.

Research in the United States had shown that there was an almost direct relationship between size and member interest and participation. The larger the co-operative the lower the participation of members and the lower the feeling of belonging among the members, but these problems were not confined to large growing co-operatives. It was unfortunate that in both large and small co-operatives educational programmes were often considered a necessary evil to be tolerated by management rather than an investment that would pay dividends in member loyalty, member support and member participation.

One example of an expanding co-operative education programme was that of the University Center for Co-operatives at the University of Wisconsin. The Centre was a co-ordinated educational approach by the University and by a number of co-operative organisations and State and Federal agencies. With access to greater resources it would be possible to expand and strengthen co-operative educational programmes in the international and the national areas. In the future it might be possible to develop a degree in co-operation and to increase opportunities for students from other countries, to develop special programmes for specific problems and to maintain and strengthen the educational programme of co-operatives in the United States.

**The proposal was adopted.**

## RESOLUTION ON CO-OPERATIVE EDUCATION

THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE

RECOGNISING that education and training have been essential factors in the foundation and development of co-operation since its

earliest days; throughout the world the co-operative movement, in many and varied environmental circumstances, has recognised the vital need for training in techniques in the fields of production and distribution and for education in the wider implications of the principles of co-operation and co-operative democracy. The problems of co-operatives and their limited acceptance are often the result of failure to undertake practical co-operative education. For co-operators in all countries it is not enough to know only of their own experiences in the field of co-operative education; there is much to be gained and learnt from the activities of all their fellow co-operators, which means that there should be opportunities for the exchange of ideas and information on an international scale which can be made available only by the International Co-operative Alliance;

CONGRATULATES the organisers of the most successful Seminar held in Moscow in September 1971 dealing with "Co-operative Education as a Factor Enhancing the Role of Co-operation in the Economy and in Public Life";

SUPPORTS the view expressed by the participants of the Seminar that the International Co-operative Alliance should seek to provide regular facilities for the exchange of information between member organisations about each other's educational programmes, with the aim of steadily building a suitable machinery for greater practical collaboration in the field of training and education;

EMPHASISES that members of co-operatives must understand the full purpose and the duties and responsibilities of membership;

DECLARES that practical co-operative education be considered imperative to the solution of problems facing co-operatives in the modern age;

RECOGNISES the need for seminars dealing specifically with aspects of co-operative education and training; and

RESOLVES that such seminars shall be organised in addition to the usual Co-operative Seminar.

## Unified Action of the Co-operative and Trade Union Movements

*Proposers:* Union Centrale des Coopératives, Bulgaria; Union Centrale des Coopératives de Production, Bulgaria; Ustredni Rada Druzstev, Czechoslovakia; Verband deutscher Konsumgenossenschaften, German Democratic Republic; National Council of Consumers' Co-operative Societies, Hungary; National Council of Industrial

Co-operatives, Hungary; National Co-operative Council, Hungary; National Council of Agricultural Co-operatives, Hungary; Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland; Central Union of Building and Housing Co-operatives, Poland; "Spolem" Union of Consumer Co-operatives, Poland; Central Union of Work Co-operatives, Poland; Supreme Co-operative Council, Poland; Centrosoyus, USSR.

Mr A. I. KRASHENINNIKOV, USSR, quoted examples of assistance given by trade unions to co-operatives and by co-operators to trade unions. The trade union movement throughout the world represented a very considerable social power which was working towards the solution of problems not only close to the hearts of trade unionists and co-operators, but to the whole of humanity.

The ICA should promote collaboration between trade unions and co-operators and maintain contacts with the World Federation of Trade Unions and the International Confederation of Free Trade Unions. The success of joint efforts of the trade union and co-operative movements would guarantee the victory of democratic forces throughout the world.

Dr L. Malfettani, Italy, pointed out that trade unions were not always ready to work closely with co-operatives in fixing remuneration for employees. There should be collaboration between co-operatives and trade unions, but it had to be a two-way traffic. Decisions in the social and economic sphere must not only be made for the benefit of trade unions, but also for the benefit of co-operatives.

The debate was closed by the moving under Standing Orders 16 that the question be now put.

Following minor amendments, the proposal was carried.

## RESOLUTION ON UNIFIED ACTION OF THE CO-OPERATIVE AND TRADE UNION MOVEMENTS

THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
CONSIDERING that the social development of the world is at present undergoing funda-

mental social and economic changes and that this situation calls for unity of action by all anti-imperialist forces in the struggle for peace, democracy and social progress;

**RECOGNISES** the important role of unity of action by the trade union and co-operative movements in this struggle;

**RECALLS** that the co-operatives and the trade unions, created in the struggle of suppressed masses in defence of their social and economic rights against exploitation and capitalist monopolies, are united by the unity of purpose, which opens wide possibilities for a comprehensive collaboration between them;

**CONSIDERS** that the effectiveness of action of co-operatives will be greatly increased if they will act jointly with the trade unions and other organisations of working people;

**AFFIRMS** that the joint and co-ordinated actions of co-operatives and trade unions, in each country, as well as on the regional and international levels, must be directed towards the struggle for a comprehensive improvement of standard of living of the broad masses of the working people, towards their active participation in economic and social life, towards the struggle against imperialism and colonialism and the large scale assistance to the developing countries for peace and social progress;

**RECOMMENDS** all co-operative organisations and leading authorities of the ICA to manifest the spirit of collaboration and mutual help with trade union organisations and their central authorities; to widen and consolidate friendly and business relations with them on national, regional and international levels; and to use all ways and means to create an atmosphere of mutual trust between co-operatives and trade unions, which are conducive to co-ordinated decisions and the implementation of joint activities on the problems of the co-operative and trade union movements.

## **Youth and the Co-operative Movements**

*Proposers:* Union Centrale des Coopératives, Bulgaria; Union Centrale des Coopératives de Production, Bulgaria; Ustredni Rada Druzstev, Czechoslovakia; Verband deutscher Konsumgenossenschaften, German Democratic Republic; National Council of Consumers' Co-operative Societies, Hungary; National Council of Industrial Co-operatives, Hungary; National Co-operative Council, Hungary; National Council of Agricultural Co-operatives, Hungary; Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland; Central Union of Building and Housing

Co-operatives, Poland; Central Union of Work Co-operatives, Poland; "Spolem" Union of Consumer Co-operatives, Poland; Supreme Co-operative Council, Poland; Uniunea Centrala a Cooperativelor Mestesugaresti, "Ucecom", Romania; Central Union of Consumers Co-operatives "Centrocoop", Romania; Uniunea Nationala a Cooperativelor Agricole de Productie "Uncap", Romania; Centrosoyus; USSR.

Dr F. MOLNAR, Hungary, said that co-operative organisations from the socialist countries had submitted a joint proposal with the aim of asking the Central Committee to discuss the question of youth activities within the framework of the ICA.

Co-operatives could make a very important contribution towards the various claims made by young people for services in terms of agricultural and industrial production, housing and in other fields. The future of the movement depended to a great extent on the participation of youth. Everything possible should be done to stimulate interest in young people for the ideals of co-operation and to win them to participate in co-operative activities.

Youth had to be convinced that the co-operative movement was not just another business, but that it represented an organisation which aimed at satisfying the needs of humanity. They must be initiated into the advantages of becoming members and of participating in co-operative activities. The interests of young people must be promoted and if we were to succeed in doing that, we would not only renew our faith, but also perform some kind of duty towards youth.

Mr D. BEJAN, Romania, pointed out that in order to try to find efficient ways and means of urging youth to join the co-operative movement, the co-operative organisations of Romania, together with those of Hungary, Bulgaria, Czechoslovakia, the German Democratic Republic, Poland and the USSR had drafted the proposal. Its aims were to win youth for the co-operative movement and to educate

them in the spirit of peace, friendship and international co-operation.

The main idea of the proposal was to point out the necessity for joint efforts at national and international levels and to select and apply methods to stir the interest of youth in the social advantages of co-operation. At the same time it recommended that national co-operative organisations and the ICA should pay attention to carrying out concrete measures for the vocational training of youth, for the non-discriminatory meeting of the legitimate wishes of youth and promote contact among young people.

A youth conference organised by the ICA in collaboration with the Romanian co-operative movement would be held in Romania in 1973. No effort would be spared to make the conference a success.

Mr J. J. MUSUNDI, Kenya, said that the question of youth and its involvement in co-operative activities was a pertinent issue which needed to be given the highest priority possible in the development programmes of co-operative activities. It was the youth of today who would be the leaders of tomorrow.

In the course of the Co-operative Development Decade every effort should be made to introduce programmes involving youth and getting their active participation in co-operative activities in order to prepare them for the ever-expanding responsibilities of co-operatives in this technological age.

As follow-up of the conference to be held in Romania, similar conferences should be organised on a regional basis in the developing countries.

The best way to start a youth programme, especially in the developing countries, would be by means of member education and by making arrangements for audio-visual aids or films to be shown depicting the active role played by youth in countries where they were already actively involved in co-operative activities.

Mr G. M. ANDERSON, USA, felt

that it was fitting that the world co-operative movement showed concern for youth here in Warsaw, a city that showed its love for its youth.

The co-operatives of the USA had developed an extensive programme for youth education in the co-operative movement. Three national youth conferences were held each year, with hundreds of similar conferences being held throughout the States. In addition, there were many more local youth training programmes held each year. In Wisconsin the statutes required that all teachers of agriculture, social studies, economics and business were to study co-operative organisations and structure before qualifying.

It was the hope of the US delegation that by approaching youth through the ICA, it would be done on a basis leading to meaningful understanding about co-operatives and involvement, so that young people became members in the truest sense and so that they could lead us to a bright new era of co-operative development.

Mrs D. E. BOOTMAN, United Kingdom, pointed out that it was necessary to go out to young people with information and propaganda about the co-operative movement if we wanted to get their interest. Unless it could be shown to them that the co-operative movement had something worthwhile to offer they would not wish to become involved.

**The proposal was carried.**

## **RESOLUTION ON YOUTH AND THE CO-OPERATIVE MOVEMENT**

### **THE 25TH CONGRESS OF THE INTERNATIONAL CO-OPERATIVE ALLIANCE**

RECOGNISING the place and growing role of youth in the modern world, in the political social and economic life of nations, in the struggle of progressive forces to maintain peace, to ensure the independence of peoples and to eliminate under-development, famine, illiteracy and racialism;

CONSIDERING that one of the important tasks of the co-operative movements of all countries is to leave to the young population the intellectual inheritance received from our forebears and, by adapting it to the rapid changes taking place in the world, to maintain and increase interest in co-operative affairs; APPRECIATES the necessity for the International Co-operative Alliance and the national co-operative organisations to continue their efforts and active measures with a view to winning over youth to the co-operative movement and, to this end:

**RECOMMENDS:**

1. that national co-operative organisations should strive:

(a) to stimulate young people's interest in the individual and social advantages of Co-operation;

(b) to meet the legitimate wishes of youth;

(c) to train young co-operators to fit them better for skilled work, to develop their sense of social responsibility and to promote them to management positions in co-operative organisations;

(d) to abolish economic and social discrimination against the younger generation, which still persists in certain regions of the world;

2. that efforts should be made to cultivate the interest of young co-operators in the settlement of major problems confronting humanity today; international peace and security, disarmament, decolonisation, abolition of under-development and the elimination of racial discrimination;

3. An examination of the possibility of increasing the representation of the international co-operative movement at youth meetings organised under the aegis of the United Nations, and at the same time, establishing direct contact between the International Co-operative Alliance and those international youth organisations which already do, or would be able to, play an important part in spreading co-operative ideas among young people;

FURTHER RECOMMENDS the Central Committee to include on the Agenda of one of its future meetings the theme "Promotion of Activities of Youth in the Co-operative Movement".

**Date and Place of the 26th Congress**

Mr R. KERINEC, France, presented an invitation on behalf of the French co-operative movement to hold the next Congress in Paris in 1976.

**The invitation was accepted with acclamation.**

**Close of Congress**

The PRESIDENT extended the sincere thanks of Congress to the host organisations of Poland and particularly to Mr Janczyk and his colleagues who had worked so hard to ensure the success of all the pre-Congress meetings and the Congress itself.

An atmosphere of mutual understanding and goodwill had been manifest throughout the Congress and the meetings preceding Congress. In the course of the discussion on the Central Committee's Report, the suggestion was made that a commission be appointed to look into some fundamental questions of co-operative development dealing with major co-operative policy issues for the future and trying especially to assess preconditions which were conducive for the development of co-operatives. Other important areas that had been covered related to technical assistance, the importance of increasing collaboration with the United Nations and its special agencies concerned with the promotion of co-operative development and with the technical assistance agencies of the advanced countries. It had been proposed to encourage co-operative movements in developing countries to urge their governments to include co-operative projects as important components in the programming for technical assistance.

Reference should also be made to the success of the auxiliary conferences which had preceded Congress. They emphasised in a most practical way how important was inter-co-operative collaboration between the various branches of the movement. It had been shown that most of the auxiliary committees had important contributions to make to technical assistance to the developing countries.

The other main theme had dealt with multinational corporations. Thanks was due to the two rapporteurs who had undertaken a very complex task. A paper on multinational co-operatives as a countervailing power against multinational

corporations had been presented by Mr Sallborg at the INTER-COOP Members' Meeting held prior to Congress. There was no doubt there were tremendous possibilities by joining hands across frontiers in production and distribution to act successfully against such international monopolies and oligopolistic multinational corporations. The papers presented and the background information had such value that consideration should be given to their publication.

The President then thanked the Director and the Secretary for Administration and through them all those in the ICA who had worked very hard over a long period to prepare everything for this Congress. He further extended his appreciation to the interpreters and verbatim reporters. He concluded by thanking the participants in Congress for their excellent contributions to the discussion and for their friendly and co-operative spirit.

Sir ROBERT SOUTHERN moved a vote of thanks to the President.

## AMENDMENTS TO THE ICA RULES

The following Articles are as amended by Congress

*Proposer:* Central Committee

### Article 14. Associate Membership

Delete Article. Re-number all subsequent Articles.

### Article 18. Rate of Subscription (Re-number Article 17)

1 The subscription to be paid by each Affiliated Organisation shall be calculated in accordance with the scales applicable to the different categories of co-operatives laid down by the Central Committee; the basis and rates of such scales shall be changed as circumstances shall necessitate, in order to assure an adequate income to the ICA.

2 Until the Central Committee shall decide otherwise, subscriptions shall be calculated as follows:

Member organisations shall pay according to

the appropriate type of organisation and co-operative, in accordance with the following scale:

(a) National or Regional Unions shall pay a subscription of £1,000·00 except in such cases where these unions bring their constituent members into membership of the Alliance. In such cases, the Union shall pay a subscription of £250·00, plus the amount(s) according to the appropriate scales for its members given below. In the calculation of this collective subscription, the turnover of primary societies shall be aggregated and the contribution paid according to the following scale:

(b) The subscription of each primary society admitted under clauses (f), (g), (h), (i), (j), Article 8 shall be in accordance with the following scale:

for the first £100,000 turnover, or part thereof—£2;

*plus*, on the next £900,000 turnover, an additional £2 for each complete £100,000 turnover;

*plus*, on the next £9,000,000 turnover, an additional £20 per complete £1,000,000 turnover;

*plus*, on the next £5,000,000, turnover, an additional £10 per complete £1,000,000 turnover;

*plus*, on the next £5,000,000 turnover, an additional £5 per complete £1,000,000 turnover;

*plus*. £3 for every additional complete £1,000,000 turnover thereafter.

(c) The subscription for each secondary society for Agriculture, Industrial/Artisanal, Building/Construction Housing and Consumer Wholesale Society, admitted under clauses (d), (f), (g), (h), (j) of Article 8 shall be in accordance with the following scale:

for the first £1,000,000 turnover, or part thereof—£15;

*plus*, on the next £99,000,000 turnover, an additional £15 per complete £1,000,000 turnover;

*plus*, on the next £100,000,000 turnover, an additional £10 per complete £1,000,000 turnover;

*plus* £1 for every additional complete £1,000,000 turnover thereafter.

(d) The subscription of each co-operative insurance society admitted under clause (e) of Article 8 shall be in accordance with the following scale:

for the first £1,000,000 premium income, or part thereof—£100;

*plus*, on the next £9,000,000 premium income, an additional £100 per complete £1,000,000 premium income;

*plus*, on the next £10,000,000 premium income,



an additional £50 per complete £1,000,000 premium income;

*plus* £10 for every additional complete £1,000,000 premium income thereafter.

(e) The subscription of each co-operative bank and/or central credit institution and housing finance society admitted under clauses (e) or (j) of Article 8 shall be in accordance with the following scale:

for the first £1,000,000 share capital and proprietors' reserves—£200;

*plus*, on the next £9,000,000 share capital and proprietors' reserves, an additional £100 per complete £1,000,000;

*plus* £50 for every additional complete £1,000,000 share capital and proprietors' reserves.

(f) The subscription of each supra-national or international co-operative organisation, admitted under clause (k) of Article 8 shall be according to the appropriate scale for the type of co-operative, with a minimum subscription of £1,000.

3 No national organisation shall be obliged to pay more than £16,500. There shall be a minimum subscription of £50 for each member organisation not otherwise provided for in 2 (a)–(f) above.

#### **Article 20. Congress Convocation**

First paragraph to read:

The Congress shall be convened, as a rule, at intervals of three to four years. The year and meeting-place of Congress shall be decided, when possible, by the previous Congress; failing that, by the Central Committee.

#### **Article 23. Representation at Congress**

Representation at Congress, subject to the full discharge of their financial obligations to the ICA, shall be accorded to affiliated Organisations as follows—provided that the Organisations of one country, or of a union of countries, or supra-national or international co-operative organisations, shall not exercise more than 15 per cent of the total voting power of the Congress;

(a) All member organisations shall be entitled to one delegate;

(b) All member organisations shall be entitled to one additional delegate for each complete £165 of subscription, after the first £165 of subscription.

Each delegate shall have been for at least twelve months previous to appointment a member of the affiliated Society or Union making the nomination, or of a constituent member of such Union.

Unless the Central Committee shall decide

otherwise, a fee of £15.00 shall be paid for each delegate and shall be sent to the Secretariat with the nomination form.

#### **Article 28. Central Committee**

(Re-numbered Article 27)

The Central Committee shall consist of representatives nominated by affiliated Organisations and elected by the Congress.

In a country, or union of countries, where there is only one affiliated Organisation, the Organisation, subject to the full discharge of its financial obligations, shall be entitled to one representative in respect of membership and additional representatives, not exceeding nine, for each £500 of subscription, after the first £500 of subscription, excluding the President of the Alliance.

In a country, or union of countries, where there is more than one directly subscribing affiliated Organisation, they shall be entitled, subject to the full discharge of their financial obligations, to additional representatives for each complete £500 of their global subscriptions, after the first £500 of subscription, provided that the organisations of one country, or union of countries, shall not together have more than ten representatives, excluding the President of the Alliance.

If in a country, or union of countries, the directly subscribing affiliated organisations belong to different National Movements within the country, or union of countries, each Movement, subject to the full discharge of their financial obligations by the individual Organisations, shall be entitled to one representative for membership, and additional representatives for each complete £500 of subscription, after the first £500 of subscription, provided that the Movements together shall not have more than ten representatives, excluding the President of the Alliance.

Representation in countries where there is more than one Organisation or Movement shall be divided proportionately between the Organisations or Movements. Any cases of dispute shall be decided by the Executive, subject to appeal to the Central Committee.

Any number of representatives of an affiliated Organisation, not exceeding the number to which it is entitled, may exercise the full voting power of their Organisation.

#### **Article 29. Duties of the Central Committee**

(Re-numbered Article 28)

Delete sub-paragraph (c). Re-number sub-paragraphs (d)–(l) as (c)–(k).

**Article 33. Duties of the Executive**  
(Re-numbered Article 32)

Delete sub-paragraph (b). Re-number sub-paragraphs (c)-(j) as (b)-(i).

**Article 33. Duties of the Executive**  
(Re-numbered Article 32)

New sub-paragraph (b) to read:

The Executive shall have the following duties: . . .

(b) To examine requests from Member Organisations for special consideration regarding the fulfilment of their obligations under Article 18\* of the Rules, and if, in the opinion of the Executive, a reduction in the financial obligation of any Organisation is justified, it shall fix the subscription it considers appropriate, also the representation rights of the Organisation concerned under Articles 23\* and 28\*. In exercising this right, the Executive shall take particular account of the stage of development of the country and the organisation concerned.

*\*To be re-numbered 17, 22 and 27 respectively.*

**Article 28. Central Committee**  
(Re-numbered Article 27)

Add the following paragraph at end of Article:

The Women Co-operators' Advisory Council shall be entitled to one representative and one vote.

**Article 30. Meetings of the Central Committee**  
(Re-numbered Article 29)

The second paragraph to read:

The Central Committee shall hold a meeting immediately before, and during or immediately after each Congress.

**Article 31. Elections of Officers**  
(Re-numbered Article 30)

The Central Committee at its meeting during or immediately after each Congress shall elect a President (who shall be President of the ICA and who shall preside over the Congress and over the meetings of the Central Committee and Executive) and two Vice-Presidents.

**Article 32. Executive**  
(Re-numbered Article 31)

First paragraph to read:

The Executive shall consist of the President, two Vice-Presidents, and thirteen other members elected by the Central Committee from amongst its members during or immediately after each Congress.

*Proposers:* Union Centrale des Coopératives, Bulgaria; Union Centrale des Coopératives de Production, Bulgaria; Ustredni Rada Druzstev, Czechoslovakia; Verband deutscher Konsumgenossenschaften, German Democratic Republic; National Council of Consumers' Co-operative Societies, Hungary; National Council of Industrial Co-operatives, Hungary; National Co-operative Council, Hungary; National Council of Agricultural Co-operatives, Hungary; Central Agricultural Union of "Peasant Self-Aid" Co-operatives, Poland; Central Union of Building and Housing Co-operatives, Poland; Central Union of Work Co-operatives, Poland; "Spolem" Union of Consumer Co-operatives, Poland; Supreme Co-operative Council, Poland; Centrosoyus, USSR.

**Article 3. Objects of the ICA**

Add new paragraph:

(h) to assist the promotion of the economic and social progress of the workers of all countries.

**Article 8. Eligibility of Membership**

Sub-paragraph (vi) to read:

(vi) All co-operative organisations, in order to best serve the interests of their members and communities, shall actively co-operate in every practical way with other co-operatives at local, national and international levels, having as their aim the achievement of unity of action by co-operators throughout the world.

**Article 12. Rights of Members**

Sub-paragraph (d) to read:

(d) To receive from the Secretariat of the ICA all appropriate services, advice and to receive information about current activities of the Alliance, reports of meetings of its leading authorities, and all printed editions published by ICA, etc.

**Article 12. Rights of Members**

Add new sub-paragraph:

(g) To apply to the ICA with requests for technical assistance and help in the development of co-operation.

**Article 21. Powers of the Congress**

(Re-numbered Article 20)

Revised introductory paragraph to read:

The Congress is the highest authority of the ICA. Its basic function is the discussion of subjects connected with the future policy of the ICA. The Congress has the following powers . . .

## **ICA PUBLICATIONS**

A report of the meetings held in connection with the 25th Congress in Warsaw is contained in the ICA Co-operative News Service Nos. 10/11, 1972. Copies in English only obtainable from the ICA at 20 pence each.

### **CALENDAR OF TECHNICAL ASSISTANCE FOR CO-OPERATIVES 1973**

Containing information on seminars and conferences planned for co-operators in developing countries and listing new and continuing co-operative projects is now available from the ICA at the price of £1.00 (seamail).

**International Co-operative Alliance  
Regional Office and Education Centre for  
South-East Asia**

**Regional Director: Mr P. E. Weeraman  
PO Box 3312, 43 Friends Colony  
New Delhi 14, India. Tel. 631541 . 632093.**

**International Co-operative Alliance  
Regional Office for East and Central Africa**

**Regional Director: Mr Dan Nyanjom  
PO Box 946, Moshi, Tanzania. Tel. 2616.**

## Affiliated Organisations

**Algeria:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin-Régnier, 75 Paris 15e.

**Argentina:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Humberto 1°, 2318—1° P.-A., Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Avenida de Mayo 1370, Piso 1°, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyrredon 468, 2° Piso, Buenos Aires (RC 24). Tel. 86-6283.

Asociación de Cooperativas Argentinas, 25 de Mayo 35, Buenos Aires.

Confederación Cooperativa de la República Argentina Ltda. (COOPERA), Rivadavia 5126, 3° Piso, of. "D", Buenos Aires.

**Australia:** Co-operative Federation of Australia, President's Office: 50-54 Ferry Street, South Brisbane, Queensland 4101. Tel. 4-5083. Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

**Austria:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, A-1061 Vienna VI. Tel. 57-75-38.

Membership (1971): 556,300; turnover: retail trade: Sch. 7,434 mill. (thereof consumers' societies: Sch. 6,367 mill.; department stores: Sch. 1,019 mill.; other retail trade: Sch. 48 mill.); wholesale society (G.Ö.C.): Sch. 2,906 mill.; own production: consumers' societies: Sch. 909 mill.; G.Ö.C. and subsidiaries: Sch. 527 mill.

Bank für Arbeit und Wirtschaft A.G., Seitzergasse 2-4, Vienna 1.

Zentralkasse der Konsumgenossenschaften, Theobaldgasse 19, A-1061 Vienna VI.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, 1, Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

**Bangladesh:** Bangladesh Jatiya Samabaya Union, "Samabaya Sadan" (1st floor) 9/D-Motijheel Commercial Area, Dacca 2. Tel. 255846.

Provincial Fishermen's Co-operative Society Ltd., Iqbal Road, Patharghata, Post Box 27, Chittagong. Tel. 80587; 85967.

**Belgium:** Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, 1000 Brussels. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, 1030 Brussels. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, 1040 Brussels. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, 5300 Ciney (Namur). Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

**OPHACO** (Office des Pharmacies Coopératives de Belgique), 602 *Chaussée de Mons, Anderlecht-Brussels* 7. Tel. 22-56-90.

Union of 28 co-operative societies owning 360 pharmacies, 68 optical departments and counters, 7 drug stores, 14 wholesale depots. Turnover (1963): Frs. 1,250 mill. Surplus distributed to 400,000 members: Frs. 95 mill.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), *Minderbroedersstraat 8, 3000 Leuven*. Tel. 016/279.31.

**Bulgaria:** Central Co-operative Union, *Rue Rakovski 99, Sofia*. Tel. 7-83-11; 8-03-11.

**Cameroon:** West Cameroon Co-operative Association Ltd., *P.O. Box 135, Kumba, Meme Division, Cameroon*. Tel. Kumba 251.

**Canada:** Co-operative Union of Canada, 111 *Sparks Street, Ottawa 4, Ont.* Tel. 232-9657.  
A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, *Case postale 58, Station N, Montréal 129*. Tel. (514) 866-8048.

**Ceylon:** See "Sri Lanka".

**Chile:** Cooperativa Sodimac Ltda., *Casilla 3110, Santiago de Chile*. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., *Teatinos 601, Casilla 424, Santiago de Chile*. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltd., *Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile*. Tel. 398253.

Unión Cooperativa de Seguros (Ucoseg) Ltda., *Moneda 1040, of. 704-705, Santiago de Chile*. Tel. 81295; 65100.

Unión de Cooperativas de Consumo y Servicios de Chile Ltda. ("U-Coop"), *Agustinas 1141, 7° Piso, Casilla 14439, Santiago de Chile*. Tel. 715256.

**Colombia:** Cooperativa Familiar de Medellín Ltda., *Calle 49, No. 52-49, Medellín*. Tel. 45-00-55; 41-71-13; 41-53-78.

Instituto Nacional de Financiamiento y Desarrollo Cooperativo (Financiacoop), *Carrera 13, No. 27-00, Edif. Bochica, piso 2°, Int. 9, Aptdo Aéreo 12242, Bogotá*. Tel. 81-06-00.

**Congo, Democratic Republic of:** See "Zaire".

**Cyprus:** Co-operative Central Bank Ltd., *P.O. Box 1447, Nicosia*. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., *P.O. Box 791, Nicosia*. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., *P.O. Box 314, Limassol*. Tel. 2331; 2872; 4582.

**Czechoslovakia:** Ustredni Rada Druzstev, *Tesnov 5, Prague 1*. Tel. 621-54; 647-51.

**Denmark:** De samvirkende danske Andels-selskaber (Andelsudvalget), *Vester Farimagsgade 3, DK-1606 Copenhagen V*. Tel. (01)12-14-19.  
Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members.

Det Kooperative Faellesforbund i Danmark, *Kronprinzengade 13, 1114 Copenhagen K*. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), *Róskildevej 65, Albertslund*. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

**Finland:** Suomen Osuuskauppojen Keskus-kunta (S.O.K.), *Vilhonkatu 7, 00101 Helsinki 10*. Tel. 90-650-611.

Affiliated societies (1971): 259; members: 593,933; whole-sale turnover: Fmk. 2,195 mill.; own production of SOK: Fmk. 337 mill.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), *Vilhonkatu 7, 00101 Helsinki 10*.

Affiliated societies (1971): 259; members: 593,933; turn-over of societies: Fmk. 3,457 mill.; total production of the affiliated societies: Fmk. 55 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., *PL 740, 00101 Helsinki 10*. Tel. Helsinki 10491.

Affiliated societies (1970): 75; members: 574,733; turn-over: Fmk. 2,133.9 mill.; own production: Fmk. 274.8 mill.

Keskusosuusliike O.T.K., *P.O. Box 120, 00101 Helsinki 10*. Tel. 71-13-22; 70731.

Affiliated societies (1970): 75; turnover: Fmk. 1,330.8 mill.; own production: Fmk. 431.9 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, *Simonkatu 6, Helsinki K*. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

**France:** Fédération Nationale des Coopératives de Consommation, F.N.C.C., *89 rue la Boétie, 75008 Paris*. Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Con-sommation, *61 rue Boissière, 75 Paris XVI*. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construc-tion, *88 rue de Courcelles, 75008 Paris*. Tel. 622-40-48; 622-45-20.

**Confédération Générale des Sociétés Coopératives Ouvrières de Production**, 88 rue de Courcelles, 75008 Paris. Tel. 622-07-81/2.

**Banque Française de Crédit Coopératif**, 88 rue de Courcelles, 75008 Paris. Tel. 227-48-03.

**Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles**, 129 Bd. St. Germain, 75006 Paris. Tel. 033-93-31.

**Caisse Nationale de Crédit Agricole**, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

**Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.)**, 20 rue de Richelieu, 75 Paris 1er. Tel. 266-4520.

**Confédération des Coopératives de Construction et d'Habitation, "L'Habitation"**, 3 ave. du Coq, 75009 Paris. Tel. 742-45-79; 874-67-62.

**Confédération des Organismes de Crédit Maritime Mutuel**, 18 bis, Avenue Hoche, 75008 Paris. Tel. 267-14-50.

**Gambia (The)**: The Gambia Co-operative Union Ltd., P.O. Box 505, Bathurst. Tel. 581.

**German Democratic Republic**: Verband Deutscher Konsumgenossenschaften (VDK), Stresemannstrasse 128, 108 Berlin.

**Federal Republic of Germany**: Bund deutscher Konsumgenossenschaften G.m.b.H., Besenbinderhof 43, (2) Hamburg 1. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4.827 milliards.

**Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften m.b.H.**, Besenbinderhof 43, (2) Hamburg 1. Tel. (0411)284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 milliards.

**Gesamtverband gemeinnütziger Wohnungsunternehmen e.V.**, Bismarckstrasse 7, 5000 Cologne 1. Tel. 52-31-81.

**Volksfürsorge Lebensversicherung Aktiengesellschaft**, An der Alster, (2) Hamburg 1.

**Volksfürsorge Deutsche Sachversicherung Aktiengesellschaft**, Steinstrasse 27, (2) Hamburg 1.

**Deutscher Raiffeisenverband e.V.**, Adenauerallee 127, 53 Bonn. Tel. (0-22-21) 1061.

**Greece**: Membership suspended.

**Guyana**: Guyana Co-operative Union Ltd., Ministerial Buildings, High Street and Brickdam Georgetown.

**Haiti (W.I.)**: Caisse Populaire Dominique Savio, 57 Rue Rigaud, Pétion-Ville.

**Hungary**: National Council of Consumers' Co-operative Societies (SZOVOSZ), Szabadság tér 14, Budapest V. Tel. 113-600; 112-800.

**National Council of Industrial Co-operatives**, Pesti Barnabás 6, Budapest V. Tel. 188-800, 188-806.

**National Co-operative Council**, Szabadság tér 14, Budapest V. Tel. 113-600; 112-800.

**National Council of Agricultural Co-operatives**, Akadémia utca 1-3, Budapest V. Tel. 113-600; 112-800.

**Iceland**: Samband Isl. Samvinnufélaga, Reykjavik. Tel. 17080.

**India**: National Co-operative Union of India, 72 Jorbagh, New Delhi 3. Tel. 611123; 611343; 619328.

**Indonesia**: Dewan Koperasi Indonesia, 28 Jalan Djenderal Soedirman, Djakarta, Indonesia. Tel. 581400.

**Iran**: Sepah Consumers' Co-operative Society, Avenue Sevvom Esfand, Rue Artèche, Teheran. Tel. 332015; 332019.

**Credit and Housing Co-operative Society of Iran**, 20-22 Shahabad Avenue, Teheran.

**Central Organisation for Rural Co-operatives of Iran**, 357 Pahlavi Avenue, Teheran. Tel. 64210.

**Consumers and Services Co-operative Society for the Ministry of Labour and Social Affairs Employees**, Ministry of Labour and Social Affairs, Teheran.

**Irish Republic**: Irish Agricultural Organisation Society Ltd., The Plunkett House, 84 Merrion Square, Dublin 2. Tel. 64783/4-6.

**National Organising and Advisory Body for Agricultural Co-operatives**. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

**Co-operative Development Society Ltd.**, 35 Lower Gardiner Street, Dublin.

**Israel**: General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., P.O.B. 303, Tel-Aviv. Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

**"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings**, 44 Rothschild Bd., P.O. Box 75, Tel-Aviv. Tel. 65085.

**"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel**, 8 Kaplan Street, P.O.B. 209 Tel-Aviv. Tel. 250881.

**"Bahan" Audit Union of Agricultural Co-operative Societies in Israel**, 47 Nachmani Street, P.O.B. 622, Tel-Aviv. Tel. 614933.

**Italy:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, 00161 Rome*. Tel. 868-141/2-4. Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome*. Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma 22, 00184 Rome*. Tel. 462-659; 471-846.

**Jamaica (W.I.):** Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston*. Tel. 24737.

**Japan:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo*. Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *8-3, 1-chome, Otemachi, Chiyoda-ku, Tokyo*.

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Sankaido Building no. 9-13, 1-chome, Akasaka, Minato-ku, Tokyo*.

National Federation of Forest Owners' Co-operative Associations, *11-35 Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100*.

**Jordan:** Jordan Co-operative Organisation, *P.O.B. 1343, Amman*. Tel. 23101/3.

**Kenya:** Kenya National Federation of Co-operatives Ltd. *P.O.B. 9768, Nairobi*. Tel. 21486.

**Korea:** National Agricultural Co-operative Federation, *75, 1st Street, Chung-Jong-Ro, So-daemun-ku, Seoul*. Tel. 73-0021; 75-2681.

**Malaysia:** Co-operative Union of Malaysia Ltd., *Peti Surat 685, Kuala Lumpur*. Tel. 23903.

Co-operative Central Bank Ltd., *29 Leboh Ampang, P.O. Box 685, Kuala Lumpur*. Tel. 26531/4

Co-operative Bank Malaysia Ltd., *140 Jalan Ipoh, Peti Surat 1024, Kuala Lumpur*. Tel. 299677; 299679.

Sarawak Co-operative Central Bank Ltd., *Kuching, Sarawak*.

Malaysian Co-operative Insurance Society Ltd., *36 Jalan Ampang, P.O. Box 817, Kuala Lumpur*. Tel. 87915/6.

Angkatan Kerjasama Kebangsaan Malaysia Berhad (ANGKASA), *Jalan Templer, Petaling Jaya, Selangor*.

**Malta:** Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa*. Tel. Cent 24896.

**Mauritius:** Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis*. Tel. Port Louis 822.

**Netherlands:** Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikscoöperaties, "CO-OP Nederland", *Postbus 52, Europalaan 30, Utrecht*.

Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam 3*. Tel. 62303.

**Nigeria:** Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Idaban, P.M.B. 5101*. Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., Co-operative Office, *147 Broad Street, Lagos, W. Nigeria*. Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *Private Mail Bag 1021, No. 4 Murtala Mohammed Road, Benin City, Mid-Western State*. Tel. Benin 594.

**Norway:** Norges Kooperative Landsforening, *Revierstredet 2, Post Box 451, Sentrum, Oslo 1*. Tel. (47-2)20-62-90.

Affiliated societies (1970): 753; membership: 406,000; turnover of local societies: Kr. 3,500 mill.; of N.K.L.: Kr. 1,149 mill.

Norske Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5*. Tel. 33-32-42.

**Pakistan:** West Pakistan Co-operative Union Ltd., *11 Masson Road, P.O.B. 905, Lahore*. Tel. 54203.

Karachi Central Co-operative Bank Ltd., *14 Laxmi Building, Bunder Road, Karachi 2*. Tel. 36185.

Karachi Central Co-operative Consumers' Union, *Iqbal Market and Cold Storage, Soldier Bazar, Karachi*. Tel. 70917.

Karachi Co-operative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5*. Tel. 40244.

Karachi Co-operative Union Ltd., *Co-operative House, Shaheed-e-Millat Road, Karachi 5*. Tel. 230289.

Fishermen's Co-operative Society Ltd. (FISCOS), *Fish Harbour, West Wharf Road, P.O. Box 5328, Karachi*. Tel. 229101; 224457.

Sind Baluchistan Provincial Co-operative Bank, Ltd., *Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2*. Tel. 32361; 37290; 34736.

**Peru:** Cooperativa de Seguros "INCA" Ltda., No. 181, *Av. Brasil 1360, Apartado 10159, Lima 21*.

Cooperativa de Seguros del Perú Ltda., No. 170, *Maximo Abril 542, Lima*. Tel. 46769.

Banco Nacional de las Cooperativas del Perú Ltda., *1 Av. Tacna 411, Apartado 4895, Lima*. Tel. 276569.

**Philippines:** Central Co-operative Exchange Inc., *P.O.B. 1968, Manila*. Tel. 7-60-09.

Grains Marketing Co-operative of the Philippines "Gramacop" Inc., 107-D Arellano Street, Calocan City. Tel. 23-91-40.

**Poland:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, *Kopernika 30, Warsaw*. Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, *Ul. Marchlewskiego 13, Warsaw* Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, *Grazyny 13, Warsaw*. Tel. 45-32-41.

Central Union of Work Co-operatives, *Surawia 47, Warsaw*. Tel. 28-51-86.

Supreme Co-operative Council, *Ul. Jasna 1, Warsaw*. Tel. Warsaw 26-72-21; 27-13-26.

**Portugal:** UNICOOPE - Uniao Cooperativa Abastecedora, S.C.R.L., *Avenida Almirante Reis, 127-4°, Dt., Lisbon 1*. Tel. 315843.

**Puerto Rico:** Co-operative League of Puerto Rico, *458 Fernando Calder Street, Apartado 707, GPO San Juan*. Tel. 764-2727.

**Romania:** Uniunea Centrala a Cooperativelor de Consum, "Centrocoop", *Strada Brezoianu 31, Sectorul 7, Bucharest*. Tel. 16-00-10; 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Central Union of Handicraft Co-operatives, "UCECOM", *46, Calea Plevnei Street, Sector VII, Bucharest*. Tel. 13-16-48.

Uniunea Nationala a Cooperativelor Agricole de Productie, "Uncap", *25 Bd. Gheorghe Gheorghiu-Dej, Bucharest*.

**Singapore:** Singapore Co-operative Union Ltd., *Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1*.

**Sri Lanka:** National Co-operative Council of Sri Lanka, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496. *Membership under consideration*.

**Sweden:** Kooperativa Förbundet, *S-104 65 Stockholm 15*. Tel. International: 46-8-449560; National: 08-44-90-60.

Affiliated retail societies (1971): 216; membership: 1,665,552; total turnover of consumer societies: Kr. 8,698 mill.; turnover of K.F.: Kr. 6,744 mill. (thereof Kr. 4,806 mill. to affiliated consumer societies); K.F.'s own production: Kr. 3,270 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,077 mill. and of affiliated retail societies: Kr. 1,291 mill.

Hyresgästernas Sparkasse- och Byggnadsför-  
eningars Riksförbund (H.S.B.), *Fack, S-100 21 Stockholm 18*. Tel. 54-05-40.

1972: Affiliated Building Societies: 94; with individual members: 350,000; number of flats administered by local societies: 315,000; value of real estate: Kr. 16,936 mill.

Svenska Riksbyggen, *Hagagatan 2, P.O. Box 19015, S-104 32 Stockholm 19*. Tel. (08)34-05-20.

Folksam Insurance Group, *Folksam Building, Stockholm 20*. Tel. 22-01-00.

Landbrukarnas Riksförbund, *S-105 33 Stockholm 3*. Tel. (08)14-16-00.

Kooperativa Gillesförbundet, *S-104 65 Stockholm 15*. Tel. (08)44-90-60; (08)44-95-60.

**Switzerland:** Coop Schweiz, *Thiersteinerallee 14, CH 4002 Basle*. Tel. (061)35-50-50.

Affiliated societies (1970): 276; retail outlets: 2,451; membership: 899,320; Coop-total turnover: Frs. 3,432.3 mill.; Coop-retail turnover: Frs. 2,893.0 mill.; Coop Schweiz, wholesale turnover: Frs. 1,743.5 mill.

Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur 8401*.

Verband sozialer Baubetriebe, c/o SBHV, *Sihlpostfach, Zürich*.

Genossenschaftliche Zentralbank, *Aeschenplatz 3, CH 4002 Basle*. Tel. (061) 23-84-00.

CO-OP Lebensversicherungs-Genossenschaft Basel, *Aeschenvorstadt 67, CH 4002 Basle*.

**Tanzania:** Co-operative Union of Tanganyika Ltd., *National Co-operative Building, P.O. Box 2567, Dar-es-Salaam*. Tel. 23077; 23344; 23347.

**Thailand:** Co-operative League of Thailand, *4 Pichai Road, Dusit, Bangkok*. Tel. 811414.

**Turkey:** Türk Kooperatifcilik Kurumu (Turkish Co-operative Association), *Mithatpasa Caddesi 38, Yenisehir, Ankara*. Tel. 12-43-73.

**Uganda:** Uganda Co-operative Alliance, *P.O.B. 2215, Kampala*. Tel. 56984/6.

**U.S.S.R.:** Central Union of Consumers' Co-operative Societies of the U.S.S.R., "Centrosoyuz", *Tcherkassky per no. 15/17, Moscow*. Tel. 221-7253.

Consumers' societies (1970): 14,868; members: 59,637 mill.; shops: 369,700.

**United Kingdom:** Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester M60 0AS*. Tel. (061) 834-0975.

Affiliated retail societies (1971): 303; membership: 11.3 million; share capital: £142 million; retail sales: £1,203 million.

Co-operative Wholesale Society Ltd., *P.O.B. 53, New Century House, Corporation Street, Manchester M60 4ES*. Tel. (061) 834-1212.

Co-operative Insurance Society Ltd., *Miller Street, Manchester 4*. Tel. (061) 832-8686. Assets (1964): £369 mill.



Scottish Co-operative Wholesale Society Ltd.,  
*Centenary House, 100 Morrison Street, Glasgow*  
C.5. Tel. (041) 429-2100.

Affiliated societies (1967): 153; sales: £89,008,059;  
reserves and insurance funds: £9,474,291; total resources:  
£23,139,384.

Co-operative Bank Ltd., *P.O. Box 101, New*  
*Century House, Manchester M60 4ES.* Tel.  
061-834-1212.

Plunkett Foundation for Co-operative Studies,  
*31 St. Giles', Oxford.* Tel. 0865-53960.

**U.S.A.:** Co-operative League of the U.S.A.,  
*1828 L Street, NW, Washington, D.C. 20036.*  
Tel. (202) 872-0550.

**Uruguay:** Centro Cooperativista Uruguayo,  
*Dante 2252, Montevideo.* Tel. 41-25-41;  
40-90-66

**Yugoslavia:** Glavni Zadružni Savez FNRJ,  
*Terazije 23/VI, Belgrade.* Tel. 30-947/9.

**Zaire:** Centrale Générale des Coopératives  
Angolaises, *B.P. 6039, Kinshasa 1.*

**Zambia:** Eastern Province Co-operative Market-  
ing Assoc. Ltd., *P.O.B. 108, Chipata.* Tel. 439;  
485.

National Co-operative Development Committee,  
*P.O. Box 3579, Lusaka.* Tel. Lusaka 51744.

## INTERNATIONAL ORGANISATIONS

Organization of the Co-operatives of America,  
*G.P.O. Box 4103, San Juan, Puerto Rico 00936.*  
Tel. 765-8520

Nordisk Andelsforbund (Scandinavia), *3 Axel-*  
*torv, 1609 Copenhagen V, Denmark.* Tel.  
15-15-33

International Co-operative Bank Co Ltd.  
(INGEBA), *Dufourstrasse 54, P.O.B 711 CH*  
*4002 Basle, Switzerland.* Tel. (061)23-58-27

International Co-operative Petroleum Associa-  
tion, *28 West 44th Street, New York, N.Y 10036,*  
*U.S.A.* Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo de  
Financiamiento Cooperativo (SIDEFCOOP) *Ca-*  
*silla de Correo 4311, Buenos Aires, Argentina.*

International Co-operative Housing Development  
Association (ICHDA), *Suite 1007, 1012-14th*  
*Street, N.W. Washington, D.C. 20005, U.S.A.*  
Tel. 202-737-3420.

# The International Co-operative Alliance 1895-1970

by **W. P. Watkins**

This volume of ICA history commemorates the 75th Anniversary of the International Co-operative Alliance tracing its evolution from its first manifestation as a phrase on the lips of a few 19th century co-operators to its present status as the largest consultative organisation recognised by the United Nations with over 255 million adherents.

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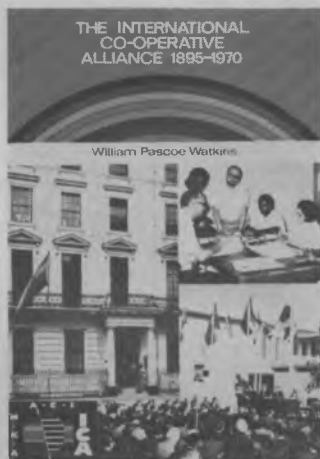
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The third chapter relates the struggles of the Alliance to maintain its existence and keep on its proper course amid the successive wars, political revolutions and economic depressions and upheavals which shook the world between 1914 and 1945.

The fourth chapter outlines the growth of the ICA, its expanding activities in the newly-developing regions, the development of its auxiliary, technical, economic and financial organisations from the start of a new era of international collaboration, inaugurated by the Charter of the United Nations in 1945, to the opening of the United Nations Second Development Decade.

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# Review of International Co-operation

**Volume 66 No 3 1973**

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## **IN THIS ISSUE**

**51st International  
Co-operative Day**

**Declaration of the ICA**

**The Co-operative  
Development Decade—  
The first Stage**  
by Bert Oram, MP

**Peace**  
by Dr Mauritz Bonow

**Disarmament**  
by Barbara Ward

**ICA Director's Commentary**

# THE INTERNATIONAL CO-OPERATIVE ALLIANCE

was founded in London in 1895 as an association of national unions of co-operative societies, which seek to promote a non-profit system of production and trade, organised in the interests of the whole community and based upon voluntary and mutual self-help.

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 268 million. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, housing, credit, workers' productive, artisanal and fishery societies.

Its purpose is to propagate co-operative principles and methods and to promote friendly and economic relations between co-operative organisations of all types, both nationally and internationally.

It promotes, through auxiliary trading, housing, banking and insurance organisations, direct commercial and financial relations between co-operative enterprises in different countries so as to enable them to exert on the world market, as well as at home, an influence beneficial at once to consumers and primary producers.

It convenes international congresses, furthers the teaching and study of co-operation, issues publications and research data, and collaborates closely with the United Nations as well as with voluntary and non-governmental international bodies which pursue aims of importance in co-operation.

In the United Nations, its Economic and Social Council, as well as in some of the Specialised Agencies, it enjoys the right of participation in their meetings and work as an International Organisation with Consultative Status, Category I.

Its official organ is *The Review of International Co-operation*, published bi-monthly.

The study of International Co-operation takes place under the auspices of the 'Henry J. May Foundation', the Permanent Centre of International Co-operative Study.

The ideological work of the Alliance also finds expression in the annual celebration in July of International Co-operative Day.

# Review of INTERNATIONAL CO-OPERATION

The official Organ of the International Co-operative Alliance

*Editor:* J. H. Ollman

*Publications Assistant:* C. Bermúdez

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**Vol 66 No 3**

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## CONTENTS

	Page
51st International Co-operative Day . . . . .	94
Declaration of the ICA . . . . .	95
The Co-operative Development Decade—The First Stage, by Bert Oram, MP	96
Peace, by Dr. Mauritz Bonow . . . . .	111
Disarmament, by Barbara Ward . . . . .	115
ICA Director's Commentary . . . . .	119
Book Reviews . . . . .	125

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Dear Co-operators,

## 51st International Co-operative Day

In the accompanying Declaration for the 51st International Co-operative Day, I have drawn your attention to three main points:

While we rejoice in the signing of the cease-fire agreement on the fighting in Vietnam, we must now contribute in every way we can to the rehabilitation of those unfortunate people who have suffered through the long and cruel war. Skills and economic support on a massive scale will be needed and I hope that members of co-operative societies will play their part in what must now become a collective and constructive endeavour. The achievement of lasting peace is one of the objectives of the ICA. We can contribute to this end by bringing to bear the influence of forces, unified within the co-operative movement, on various governments to support international peace initiatives under the auspices of the United Nations.

As a second point I wish to refer to the recent meeting of our Executive Committee with Dr Kurt Waldheim, the Secretary-General of the United Nations. We were greatly encouraged by his positive remarks on the role of co-operative organisations in the process of development and the compliment he paid to the work being carried out under the auspices of the ICA. May I count on your continuing and wholehearted support in our efforts to make a success of the Co-operative Development Decade which we have launched as a supporting measure to the United Nations Second Development Decade.

Finally, in keeping with the spirit of discussions in our Congress in Warsaw, I have expressed concern about some aspects of the working of multinational corporations and we have urged that under the auspices of the United Nations consideration should be given to devising appropriate checks and balances to ensure that such corporations do not operate to the detriment of the welfare of the large masses of people.

I hope you will give careful consideration to the contents of the Declaration when you celebrate the 51st International Co-operative Day on Saturday, 7th July, 1973.

I wish your Movement every success.

With co-operative greetings

S. K. SAXENA,

*Director.*





# Declaration of the ICA

THE INTERNATIONAL CO-OPERATIVE ALLIANCE, addressing its affiliated Organisations comprising over 280 million members in 63 countries, on the occasion of the 51st INTERNATIONAL CO-OPERATIVE DAY

• • • WELCOMES with deep satisfaction the end to the fighting in Vietnam and the signing of a formal cease-fire agreement (on 27th January 1973 in Paris) and urges all member organisations, in line with the appeal from the President of the ICA, to give their full support to the efforts being undertaken for the rehabilitation of all the Vietnamese people;

• • • REAFFIRMS on behalf of all its members the support of the World Co-operative Movement for the Resolution on Peace carried by acclamation at the 25th ICA Congress in Warsaw, Poland, October 1972, and asks its affiliates to bring their influence to bear on their national governments to support the United Nations and to work for the settlement of all disputes by negotiation;

• • • MUCH STRENGTHENED by the action of the UNITED NATIONS on the Role of the Co-operative Movement in Social and Economic Development, by the recent resolutions of ECOSOC, ILO, FAO and other Specialised Agencies of the United Nations, and by the

statement of the Secretary-General of the UN at his meeting with the ICA Executive Committee in February 1973 recognising the significant role played by the ICA in supporting the 2nd UN Development Decade, and pledging the support of the UN and its Agencies,

\* \* \* CALLS UPON all its member organisations to help to mobilise support for increasing the potential of co-operative projects, especially in the Third World, in accordance with the plans for the SECOND UNITED NATIONS DEVELOPMENT DECADE and the aims of the INTERNATIONAL CO-OPERATIVE MOVEMENT's own CO-OPERATIVE DEVELOPMENT DECADE; and

\* \* \* URGES all members, on this day of co-operative solidarity, to ask their governments to approach the UNITED NATIONS to request it to convene a World Conference on the implications of Multinational Corporations for the interests of consumers, farmers and workers, which would formulate a programme for the international control of multinational corporations' activities, in order to counteract their abuses.



# The Co-operative Development Decade—The First Stage

by Bert Oram, MP

The Central Committee of the ICA at its meeting in October 1973 will be considering the progress made so far in furtherance of the objectives of the Co-operative Development Decade. It will be recalled that when the idea of the Decade was adopted by the ICA in line with the UN Second Development Decade it was decided that during 1971 and 1972 a series of conferences and studies would devise guidelines for an action programme during the remainder of the Decade. Moreover it was stressed that the enhanced activity envisaged in the '70s would not be the work of the ICA alone but of all those agencies responsible for the development and welfare of co-operative societies throughout the developing world. In this article it is proposed to make a preliminary assessment (which in places is necessarily over-generalised) of the achievements so far, by way of introduction to the report which will be presented to the Central Committee in October.

## **I. Co-operatives in Relation to United Nations Development Strategy**

At the beginning of the UN Second Development Decade the UN published its "International Development Strategy",

drawn up by an expert committee, as a statement of the UN view of the needs of the developing world and the measures necessary to meet those needs. It of course drew on the experience of the First Development Decade. No one could claim that the achievements of the '60s in the field of development matched the high hopes with which the decade opened. Economic growth had indeed been achieved but it was patchy and some developing countries were no better off at the end of the Decade than at the beginning. Moreover it seems certain that the economic growth which was achieved was to a large extent negated by the population explosion.

However, much had been learned during the '60s and we entered the Second Development Decade with a better understanding of the real needs of the developing countries. It was clear that a number of false assumptions about development had been made at the beginning of the '60s such as the belief that rapid and massive industrialisation was what the developing countries most needed for their economic advancement. We now know that much greater attention must be given to developing rural sectors of the economies of developing countries, to mobilising more fully the human resources available and to

finding approaches to industrialisation which are specially suited to the needs of the developing world rather than adopting blindly those which were used in the developed countries.

During the '60s it became evident that the drive to a Western-style industrialisation could not produce the balanced development which is the paramount need of the developing countries. It led rather to rapidly growing towns and rapidly growing urban unemployment side by side with an agriculture which stagnated despite the fact that on it depended, and will depend, the lives of four-fifths of the population.

Much of this new thinking is contained in "International Development Strategy" and much of it is relevant to the role of co-operative forms of organisation. The development requirements of the developing world which seem to be fundamental and to have particular relevance to the role of co-operatives are the following:

**(1) The indigenous accumulation of capital and the need to ensure that its ownership becomes more widely dispersed.** Perhaps the greatest problem that faces the peasant and his family living at subsistence level is the inability to save for the future. That is possible for him, however, if he acts co-operatively together with his neighbours. Co-operatives are a means whereby very small individual savings can become meaningful through aggregation.

**(2) The need for a self-reliant market economy.** The economies of the developed countries evolved largely on the basis of international trade, with raw materials coming from colonies and manufactured goods being sent to the ends of the earth. The developing countries of today do not face such a situation. They therefore need to be self-reliant, generating their own domestic markets, and "pulling themselves up by their own bootstraps". A basic feature of the development of co-operative societies is that of self-help, and this makes the promotion of co-operatives particularly relevant in meeting this fundamental need.

**(3) The need for industrialisation by methods appropriate to village communities.** Modern machines may work technical wonders in terms of physical output but they can do social harm if they fail to create jobs. Machines are available or can be invented which apply science and technology to the needs of peasant communities and thereby create wealth while at the same time ensuring that underemployed people are given jobs. This is the thesis which has come to be known as "intermediate technology". Its advocates tend to concern themselves with machines without suggesting the social organisations necessary to ensure the widespread use of appropriate techniques. Co-operatives fill this need. They can promote widespread use by their members of labour-intensive methods of production.

**(4) A new approach to literacy and education and particularly the need to relate them to everyday life in peasant communities.** The concept of "functional literacy" is now widely accepted. The role of co-operative societies in this field is less widely recognised. They are functional in two ways. Not only do they enable literacy programmes to be related to work processes, but also their democratic methods, involving participation through committees and general meetings, provide a strong motivation for members of co-operatives to become literate.

**(5) The need for family planning and population policies related to programmes of general social betterment.** The relationship between population planning and economic welfare is increasingly recognised. There is, however, an enormous task of education and motivation in the field of family planning. Co-operative societies with their close contact with members for social, economic and educational purposes can be the means of promoting "better living" programmes.

**(6) The development of new forms of democracy which are suited to the Third World and which ensure economic and social**

suffrage and not merely political representation. Not only do co-operatives embody democratic principles within their own constitutions; they are the means whereby their members can learn the process of elections and democratic choice of leaders; and they provide the local basis upon which democratic forms of organisation suited to the needs of newly independent nations can be built.

(7) **The need for employment policies and labour protection organisations appropriate to the needs of rural communities.** For the masses of peasants, co-operatives are a more appropriate instrument for these purposes than are trade unions. In the main the peasant does not need protection from exploitation by an employer; he needs protection from exploitation by middlemen, be they processors, traders or money lenders. His living standards depend not on wage bargaining but on efficient marketing of his products and purchasing of his supplies.

## **II. External Prerequisites for Co-operative Development**

Co-operatives are sometimes charged with failure when in fact they have not been given a chance. If they are planted in infertile soil, they should not be blamed because they do not grow.

It has never been denied that numerous co-operatives have failed throughout the world; and that often this has been the result of internal deficiencies in the particular situation—be it incompetent management, inadequate communication with members, lack of skilled staff or essential services for primary societies.

More often, however, co-operative failures have been due to external factors. If the problems of underdevelopment are to be overcome, it is governments, not co-operatives, which must accept the main responsibility for dealing with such structural problems as social and economic inequalities, oppressive systems of land

ownership, uncontrolled population growth, inadequate educational facilities, deficient industrial infrastructure, adverse external market conditions and political instability.

It has been pointed out above that co-operatives can play a role in helping governments to tackle such problems; but they cannot be expected to thrive in a hostile environment if the responsible authorities do not face up to the underlying difficulties responsible for underdevelopment.

If wealth is largely in the hands of a small minority of absentee landlords and private merchants, this means that the majority of people are landless peasants, subsistence farmers, unskilled wage earners or unemployed and the problem of development becomes even more intractable. In such circumstances co-operatives face an uneven struggle. It is a central task of governments in developing countries to prevent inequality from becoming a barrier to progress.

This, in turn, implies that it is a responsibility of governments to tackle problems of land ownership. Workers without land, peasants with tiny plots which are sub-divided still further as population grows, share-croppers with insecure tenure—such people cannot help themselves, even through co-operation, unless governments enact and enforce effective measures of land reform.

Nor can co-operatives thrive without at least a minimum of public utilities, communal services and social institutions. Roads, transport, power, educational and health services and market facilities are a necessary infrastructure which by and large must be provided by governments.

Similarly, external market factors are beyond the control of co-operatives; indeed in some respects they are beyond the control of a single government. But such factors as the instability of prices, tariff and quota barriers and foreign exchange difficulties can be the undoing of co-operative enterprises. The co-operative

method should not be blamed for failures which are clearly due to these external market forces.

### III. The First Two Years

Before reviewing the activities of the Co-operative Development Decade in its initial phase, it might be useful to remind the reader of the nature of the Decade as expressed in the following excerpts from the *Review of International Co-operation*, No. 6, 1970:

“The Co-operative Development Decade is a means of . . . marshalling, co-ordinating and channelling resources to co-operative development in the less advanced countries”. (These resources constitute) “tangible help essential for bringing strength to the young co-operative movements of those areas. This help can come from co-operators in developed countries, from governments in both developing and developed countries, from private groups like trade unions, churches, farmers’ associations, and from UN and other international agencies . . . The ICA intends to act as a nerve centre for this Decade operation. . . . It will provide leadership; it will disseminate publicity and information; it will help identify needs, the kind of help required to meet those needs and the potential sources of such support; it will advise on the designing of appropriate administrative machinery for matching needs with resources; and it will collaborate with all other agents of co-operative development.”

This description, brief though it is, gives some idea of the vast scope of the operations embraced by the Decade. Certainly the activities during the first two years have been too many and too diffuse to be recorded here. Moreover many of these activities cannot be credited to the CDD initiative. Some of them are on-going activities which were already under way prior to the Decade; others would probably have happened even without its stimulus. Thus, it is impossible to disentangle cause

and effect in order to measure, or even identify, the precise impact of the Decade.

What we *do* know however is that a great deal has been happening in respect of co-operatives in developing countries and that the tempo of activity is clearly accelerating. This trend provides enough encouragement to make it worthwhile briefly to summarise this initial period in order to derive guidance as to the most fruitful directions for the remaining years of the Decade.

First, what kinds of help were being given over these two years to co-operatives in the Third World? Briefly six categories of assistance can be identified—exchange of information, co-ordination, expertise, education, research, and finance.

#### 1. Exchange of Information

One of the most effective ways of helping co-operators in developing countries is by enabling them to draw on the experience of co-operators elsewhere who may have coped with problems similar to theirs; and perhaps the best method of sharing experience is through the personal contacts and study tours, formal and informal, made possible by conferences and seminars. The range of co-operative meetings which have taken place in the past two years is wide indeed, varying in size from less than a dozen participants to over four hundred, and covering the whole spectrum of co-operative activities.

Two such conferences (both at the Co-operative College in Loughborough, England) brought together co-operators, government officials (national and international), and representatives of various non-governmental organisations to discuss methods of achieving a better *co-ordination* of efforts to aid co-operatives in developing countries. *Co-operative education* was the focus of discussions at Jongny, and at Nairobi by leading educators from co-

operative colleges and international co-operative training centres throughout the world. Also in Nairobi, leading African co-operative officials had an opportunity to discuss areas and methods of *co-operative research* with a number of academicians, and later in Warsaw a number of co-operative experts came together to consider ways of achieving a greater measure of co-ordination of research efforts as far as developing countries are concerned.

Similarly at a large number of seminars and conferences during 1971 and 1972, representatives of the ICA, UN agencies, non-governmental organisations and national governments discussed with co-operators the special problems of co-operative credit, agricultural co-operatives, industrial co-operatives, co-operative housing, co-operative insurance, co-operative legislation, multi-purpose co-operatives, the co-operative press, collaboration between trade unions and co-operatives and the co-operative involvement of women and youth.

Distance and cost of travel, however, make it difficult to bring more than a small minority of co-operators from the Third World into direct personal contact with their fellow co-operators from more advanced countries. Sharing of experience must necessarily be accomplished largely through the written word. This means in turn that great importance attaches, within the framework of the Co-operative Development Decade, to exchange of information via co-operative libraries and the co-operative press in both developing and developed countries. The ICA plays its part through such publications as the Review of International Co-operation, the Co-operative News Service, the Agricultural Bulletin, the Bulletins issued by the ICA Regional Offices, the fortnightly Syndicated Articles relating to developing countries and the series "Studies and Reports". The same is true of the various co-operative directories and calendars issued by the ICA, the FAO and the ILO which record specific details on co-

operative organisations, national meetings, technical assistance projects, co-operative technical institutions, bibliographies etc—to say nothing of annual reports and descriptive publications of national co-operative movements.

## 2. Co-ordination

A cardinal principle of development of any kind is the need for co-ordination of efforts, and this is equally true of co-operative development. In the absence of clearly established priorities, centralised services and careful marshalling of funds and of skills in relation to co-operative objectives, there will inevitably be confusion, inefficiency, duplication, loss of time and neglect of urgent needs—all of which add up to a serious wastage of scarce resources.

During the period under consideration some efforts have been made to achieve greater co-ordination of co-operative efforts in the developing countries. As already noted, the problems involved in such co-ordination have been discussed at a number of major conferences throughout the world; and have been highlighted in various resolutions and reports of the UN General Assembly and of UN Specialised Agencies. Also several co-operative planning experts have been sent to developing countries by co-operatives and by governments in the more advanced nations. Sometimes this is done in a systematic fashion covering all aspects of co-operative development in a given country—as with the Nordic project in Kenya, or the setting up of ILO centralised servicing organisations known as Co-operative Enterprise Development Centres, or the integrated organisations advocated by LATICI (Latin-American Technical Institute for Co-operative Integration), or the apex federations set up by trade unions such as UCONAL in Colombia. More often, however, a single expert is despatched to help plan a sector of co-operative activity in smaller geographic regions.

Perhaps even more significant in terms of impact within co-operative movements have been the indigenous efforts of co-operators in developing countries to set up secondary or apex co-operative structures—Federations or Unions or Councils—to provide co-ordinated and centralised services and planning for primary societies in a sector of co-operative activity or for the country as a whole. Examples of such initiatives during the first two years of the Decade include Malaysia, Sri Lanka, Trinidad and Tobago, the Philippines, Bolivia, Brazil, Syria, Ecuador, Peru and Sierra Leone. Another interesting example, at the regional level, is the new Arab Agricultural Co-operative Federation, which is intended to service co-operatives in Egypt, Iran, Jordan, Lebanon, Libya, Sudan, Syria and Tunisia with education and training, advice on legislation, research and statistics, publications, reinsurance and co-operative development funds.

### 3. Expertise

The most frequent, and perhaps the most significant, method of channelling external aid to co-operatives during this period has been by sending technical experts or consultants—as individuals or in teams—to advise on specific aspects of co-operative organisations.

A number of such experts have been provided by co-operative movements in developed countries, but more often than not the missions are financed by the relevant governments. Notable examples have been the teams sent out by US co-operatives with the support of AID, and by the Scandinavian co-operatives with the support of their aid ministries, particularly SIDA (Swedish International Development Agency) and DANIDA (Danish International Development Agency).

It is probably the UN specialised agencies, however, which have provided the largest number of co-operative experts to developing countries, and particularly

the ILO which has been sending such missions over a very long period. The FAO also made co-operative experts available, primarily within the scope of its programme of collaboration with the World Bank. UNIDO, UNESCO and UNICEF are just beginning to enter this field of activity.

In addition a large and growing number of non-governmental organisations are helping to channel co-operative expertise to developing countries. The ICA's own efforts in this respect are of several kinds. In response to specific requests directly from developing countries or indirectly via UN agencies it circularises its member organisations in an attempt to locate qualified experts. It also provides expert advice directly through its regional offices or such ICA auxiliary bodies as the Housing Committee, the Insurance Committee and the Fisheries Sub-Committee. It recently contracted with UNIDO to locate a co-operative expert in El Salvador and to administer and supervise his work. Other non-governmental organisations which have engaged on similar initiatives include IFAP (International Federation of Agricultural Producers), IFPAAW (International Federation of Plantation, Agricultural and Allied Workers) and a number of trade unions, church organisations (eg Misereor, Christian Aid), universities (Marburg and Münster), foundations (eg Friedrich Ebert Stiftung, Friedrich Naumann Institute) and other voluntary organisations such as OXFAM.

### 4. Education

As noted above, the key role of education in the process of co-operative development in the less advanced countries and the problems associated with it have been under active discussion over the past two years in several major conferences and seminars. Meanwhile activities in this field are multiplying.

Primarily this activity takes the form of courses, seminars and study tours.





# ASPECTS OF DEVELOPMENT ACTIVITY









There have been examples of such efforts covering almost every aspect of co-operative operations. These have varied in duration from one or two days to a few weeks or months to a year or more.

Sometimes co-operators are brought from developing countries to more advanced countries in order to combine instruction with actual observation of co-operative enterprises at work. The facilities for such training are provided by international co-operative training centres like the Co-operative College at Loughborough, University Center for Cooperatives (Wisconsin), Western Co-operative College, Coady Institute the Sir George Williams and Sherbrooke Universities in Canada; the Institut Français de la Coopération; IDACA (Institute for the Development of Agricultural Co-operation in Asia); the Swedish Co-operative Centre; the Afro-Asian Institute; and co-operative colleges in several eastern European countries. In many cases however the financing is made possible by government aid ministries in these countries, or by other non-governmental organisations (*eg* trade unions, universities, foundations and UN specialised agencies).

Far more important in terms of availability to large numbers of co-operators—and also perhaps in terms of effectiveness—are the co-operative training facilities located in the developing countries. These are proliferating, partly with external assistance from all the sources just mentioned, but also with support from the governments of the less developed countries. Many new co-operative colleges have been set up during the past two years and co-operative instructors have been provided not only by the International Co-operative Training Centres already listed, but also by such organisations as LATICI, ACOSCA (African Co-operative Savings and Credit Association), Plunkett Foundation, NRECA (National Rural Electric Cooperative Association), ACDI (Agricultural Cooperative Development International), ICHDA (International Co-

operative Housing Development Association), FCH (Foundation for Co-operative Housing), World Education and the Afro-American Labour Centre.

The ICA Regional Offices for South-East Asia and for East and Central Africa, as well as OCA in South America, have arranged courses and seminars, trained co-operative education secretaries, and collaborated with regional Co-operative Education Centres on innovations in the field of staff and member education—for example correspondence courses, study circles, mobile educational units, radio broadcasts and, in India, an intensive educational field project at the level of primary societies. These activities in turn have increasingly involved the preparation of specialised co-operative educational materials including manuals, course curricula and audio-visual aids.

## 5. Research

It was mentioned earlier that the ICA has sponsored two research seminars which were largely concerned with the problem of achieving better co-ordination of the widely diffused research activities currently engaged in not only by co-operative institutions but also by a large number of national and international governmental and private organisations. In addition the ICA by itself or in collaboration with UN agencies has sponsored or engaged in actual studies in the fields of co-operative legislation, education, finance, trade, marketing, industrial co-operatives and collaboration with trade unions.

## 6. Finance

Obviously finance is required in connection with all forms of technical and other assistance to co-operatives in developing countries—finance for equipment, buildings, materials, productive installations, experts, managerial and other staff, credit facilities—and in this sense it is money which is the key to co-operative

development. There have been a great many different sources of external finance over the past two years, but the total sums have clearly fallen far short of urgent requirements.

Although no overall balance sheets are available, it seems likely that by far the largest source of external finance for co-operatives has been from governments in industrialised countries, notably the Nordic countries, the United States, and the United Kingdom; there have also been instances of support from aid ministries in the Federal Republic of Germany, Switzerland, Canada, Holland and France. Usually the government support is channelled through the co-operative movement of the donor country. In addition many of these movements have initiated fund raising campaigns among their own members, and the resulting monies are donated to co-operatives in developing countries either directly or via the ICA Development Fund. There has been an encouraging increase in contributions to the ICA Development Fund during the first two years of the Decade, but, of course, much more is needed.

Financial support for co-operatives in developing countries has also flowed from the UNDP via the UN specialised agencies, especially the ILO and FAO, as well as UNESCO, UNIDO and UNICEF. Moreover in recent months there has been an increase in the proportion of loans of the World Bank and the Regional Development Banks which have found their way to co-operatives through agricultural schemes. Also a formal agreement with the UN has enabled ICHDA to tap this source of finance for co-operative housing.

Finally helpful amounts have been forthcoming from various non-governmental organisations like the World Council of Credit Unions, voluntary fund-raising organisations such as OXFAM, church groups and trade unions.

Perhaps the most striking feature of the Co-operative Development Decade is the

complexity—and, by the same token, flexibility—of the network of donors to the co-operative cause.

The usual distinction between sources of support—bilateral, multi-lateral and indigenous—marks only the beginning of the story. Within each of these categories there is a bewildering variety of types of assistance. Bilateral aid comprises the efforts of co-operatives in developed countries, of governments in developed countries and of a large number of private organisations in developed countries including trade unions, church groups and volunteer organisations. Multi-lateral help is provided by a wide array of specialised agencies, by the World Bank group of financial institutions and also by non-governmental organisations like ICA, IFAP, WOCCU (World Council of Credit Unions), ICHDA, OCA, IDACA, trade union federations and other voluntary agencies. And in the developing countries both co-operators and governments are making substantial contributions to co-operative development.

Only a small part, however, of the total aid given to co-operatives in the Third World fits exclusively into any one of these categories. In most cases financial and technical assistance is provided by a combination of these sources, and the changing pattern of these combinations seems to be unending.

As noted at the outset of the Co-operative Development Decade<sup>1</sup>, "This variety and profusion in sources of good will and material support for co-operative development is highly encouraging for the Decade cause. At the same time, however, it does create problems from the point of view of administering a co-operative aid programme." . . . (Clearly) "the need for co-ordination is acute — co-ordination within the United Nations family of agencies, co-ordination within the international co-operative movement, and co-

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<sup>1</sup>Review of International Co-operation, No 6, 1970

ordination between these two spheres and with voluntary organisations.”

#### **IV. Pointers to the Future**

It was stressed above that detailed exposition of past activity is not possible within the limits of this article. The same is true of plans and guidelines for the future. Both the record of the past and the forward look are to receive much fuller treatment in the report with which the ICA Central Committee will deal in October 1973. Meantime the following outline will give readers of the Review an insight into ICA thinking about the years ahead.

It is already possible from the studies undertaken during 1971 and 1972 to suggest the following main guidelines for the future relationship between aid giving agencies and the recipient co-operative movements.

1) **It is necessary to be selective both geographically and between different kinds of project.** However successful co-operators are in mobilising resources and in ensuring their efficient use in co-operative development, those resources in the foreseeable future will not begin to match needs. Therefore careful choice is necessary.

2) **Projects of financial aid and technical assistance to developing co-operative movements need to conform to the economic and social plans of the recipient country.** The relationship between state planning on the one hand and the growth of voluntary co-operative activity on the other is a vital area of policy which is likely to command much closer examination in the future. The need for strengthening co-operative departments within the government machinery of most developing countries is one aspect of this. Moreover in relation to collaboration with United Nations agencies it must be remembered that the Jackson Report has brought about a significant emphasis on “country programming” and on the need for greater integration of development efforts.

3) **The consequence of 1 and 2 above is the need for more comprehensive schemes of aid to co-operatives than most of those which have been undertaken so far; and the need for them to involve the joint efforts of a number of collaborators.** Two prototypes may be cited of what is meant by “more comprehensive schemes”. The first is the Nordic Project in East Africa under which Scandinavian government aid agencies and co-operative movements have joined forces in providing a considerable and co-ordinated input of technical assistance to the co-operative movements of the East African region. The second is a fertilizer plant which is being established in India in the state of Gujarat which will be one of the largest single investments made so far in India in this field. It is a combined operation by British, American, and Indian organisations both governmental and co-operative.

What seems to be needed in the coming years is a series of carefully selected and carefully planned major projects of this international and inter-agency kind.

4) **This in turn means that there should be improved machinery for consultation and collaboration between all those organisations concerned with the development of cooperatives.** This is desirable in order to establish the priorities in this field; to ensure that projects are in line with these priorities and are complementary to each other; and that the lessons learned from earlier projects, and from other areas, are applied elsewhere.

The existing international machinery for this consultation and this collaboration is in two parts. The first is the Joint Committee for the Promotion of Agricultural Cooperatives (COPAC) which is currently expanding its scope beyond agriculture, strengthening its membership and formulating concrete plans. The second is the series of “International Conferences on Aid to Co-operatives” of which the three so far held have been at Fredensburg

(Denmark) in 1965, at Holte (Denmark) in 1968 and at Loughborough in 1971. The fourth in this series is soon due and may be an important step in strengthening the international collaborative mechanism.

5) There are **two essential elements** to be looked for in any series of projects.

(a) **They should be "growth points"**. That is to say they should both innovate and lead to lasting results with widening frontiers.

(b) **They should be self-perpetuating** in the sense that they should envisage the phasing out of external technical assistance and its replacement by "counterpart" knowledge and skills. This means that there must always be adequate training—both that which is specific to particular projects and also that which is provided on a more general and continuous basis at international and national institutes.

6) **Education and training for co-operators should not be too narrowly conceived.** Of course we need to ensure that our co-operative colleges and courses train an adequate number of officials and co-operative committee members with the requisite knowledge of co-operative principles and techniques. Only thus can we ensure the successful management and organisation of co-operative societies as commercial enterprises. But in addition it should be remembered that democracy and participation are at the heart of co-operation. Widespread membership and the diffusion of power throughout that membership are among the essentials which differentiate a co-operative from other forms of enterprise; and the general and social welfare of its members is the ultimate objective of a co-operative society. Consequently a proper relationship should be established between purely technical co-operative education and training on the one hand and the much broader area of education for life which the co-operative member needs. In developing countries these needs are unending but those which

are most clearly related to co-operative educational potential are aspects of knowledge which improve the quality of family life such as literacy, health, family planning and nutrition. Co-operative educators need to involve themselves in these subjects not only because they are worthwhile in themselves but because families of a rational size and whose members are literate, healthy and well-fed are a necessary basis for successful co-operative enterprise in a purely commercial sense.

7) **Co-operators should therefore seek the help and engage the interest of many allies among the voluntary agencies engaged in the work of development and ensure the full use of their own co-operative institutions appropriate for work in developing countries.** In the main these are of four kinds—voluntary fund-raising organisations like OXFAM in Britain; educational and research institutions in this field like "World Education" in the United States and the Friedrich Ebert Foundation in the Federal Republic of Germany; the various International Co-operative Training Institutes and Co-operative Research Institutes; and specialist international organisations such as the International Planned Parenthood Federation.

As its own contribution to serving the purposes of the Cooperative Development Decade the International Co-operative Alliance is working upon a series of fifteen projects and studies which conform with the seven precepts outlined above. It is not possible here to do more than list them; and then to describe a little more fully the one which relates to Bangladesh. They vary widely in size and scope and are at different stages of maturity. All involve close working with, and the support of, a series of international, governmental, voluntary and co-operative agencies in ways which can best be identified and acknowledged in the Central Committee's Report on the Co-operative Development Decade.

The fifteen projects and studies are the following. Items 10-15 are not yet

beyond the stage of preliminary study. The other projects are in a more advanced stage of planning and implementation.

1. A comprehensive and co-ordinated scheme on aid for the co-operative movement of Bangladesh.
2. The assembly of information about co-operative educational materials for use in developing countries and the encouragement of their production.
3. The promotion of research into the problems and potential of co-operatives in developing countries—through a Research Register, a Research Council and the research work at the ICA's regional offices at Moshi and Delhi.
4. A scheme in East Africa to increase co-operative educational resources, particularly for engagement in "better-living" and family planning education.
5. A workshop for West Africans to devise literacy techniques relevant to the needs of the members and staff of co-operative societies.
6. The facilitating, through the ICA Library, of gifts of books to co-operative libraries and students in developing countries.
7. The provision of audio-visual equipment for Co-operative education.
8. Seminars to encourage the participation by women and youth in co-operatives.
9. The organising of regular meetings of principals of International Co-operative Training Centres.
10. Participation in "Co-operative Development Groups" to be established through the initiative of COPAC. In selected countries these groups will be convened by the Resident Representatives of the UNDP, or other appropriate convenors. They will bring together within each country all agencies concerned with the promotion of co-operatives in order to

facilitate the co-ordination of their programmes.

11. The study of the problem of financing of co-operatives in developing countries and the establishment of appropriate international organisations for this purpose.
12. The examination, jointly with UNIDO, of the potential of industrial co-operatives and of the means of encouraging their establishment.
13. An examination of the need for the services of experts to be seconded to developing countries—and the problems of and machinery for their recruitment.
14. Research into the possibilities of international co-operative collaboration including trade between co-operative movements.
15. A preliminary survey of the need for the establishment of additional regional offices of the International Co-operative Alliance and of the problem of mobilising resources for this purpose.

The scheme of aid for the Co-operative Movement of Bangladesh is in fulfilment of an emergency resolution which was adopted by the Warsaw Congress of the International Co-operative Alliance in October 1972. It is also designed to meet the needs of the Bangladesh Co-operative Movement which were identified at an ICA seminar held in Dacca in June 1972. That seminar identified the following sectors of co-operative development as being of primary importance:

1. Credit and Banking facilities in Rural Areas.
2. Agricultural Supply and Marketing.
3. Dairying.
4. Fisheries.
5. Weaving, Handicrafts and Small-Scale Industry.
6. Consumer Co-operation.
7. Housing.
8. Education and Advisory Services to Co-operatives.

The ICA Executive Committee has approved proposals for a co-ordinated series of aid efforts in these fields by co-operative movements and governments in the developed world. Under its proposals each of the co-operative sectors listed above would be aided by a donor movement and each such movement would approach its own government for financial support. It would also raise funds of its own and recruit technical personnel for secondment to Bangladesh.

Already a number of offers have been forthcoming and a number of missions have been sent to Bangladesh to examine specific project possibilities.

The ICA, with financial support from OXFAM, is sending an expert to work closely with the Bangladesh Jatiya Samabaya Union. His task will mainly be to

help with the co-ordination of international technical assistance in the co-operative sector and to act as an adviser to the Union especially in planning the priorities for its work programme.

When the ICA initiated the Co-operative Development Decade it divided it between the first two years of planning and the next eight years of implementation. This was of course a matter of emphasis rather than water-tight compartments. It will be seen from the above account that much has been accomplished in the last two years and that the strategy for future action is now much clearer than when the Decade began. Now emphasis needs to be placed on practical action, on the mobilisation of resources and the achievement of results.

# ICA PUBLICATIONS

A report of the meetings held in connection with the 25th Congress in Warsaw is contained in the ICA Co-operative News Service Nos. 10/11, 1972. Copies in English only obtainable from the ICA at 20 pence each.

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# Peace

**Dr Mauritz Bonow**  
*President of the ICA*

*The following is the text of the speech delivered by Dr Bonow at the 25th Congress of the ICA, Warsaw, October 1972.*

In 1970 the UN proclaimed that the 'seventies should be a decade of disarmament. In the same resolution it was also urged that a programme for general and total disarmament should be established. No such programme has, unfortunately, so far been worked out.

The decision in 1970 was probably partly caused by the very rapid increase in the world's armament spending which took place in the period between 1965 and 1968. The total level of armament spending which decreased slightly during 1970 was, however, in 1971 still maintained at the same level and available budget figures seem to indicate that the very high level reached at the end of the 'sixties will prevail also this year. What is then the situation for the present?

The Year Book for 1972, published by the Swedish International Peace Research Institute, abbreviated to SIPRA, with the Chairmanship of Prof. Gunnar Myrdal, has just recently been published. This Institute, which is governed by a board with outstanding scientists both from western and eastern countries, estimates the world's total yearly expenditure on arms to the almost astronomic figure of 180 billion dollars—180,000 million dollars.

As is natural to expect, by far the

largest share of this total sum is spent by the two super-powers, USA and USSR, together, namely 120 billion dollars. As also is natural to expect, the second largest group of great powers, namely the People's Republic of China, Great Britain, France and the Federal Republic of Germany together spend yearly 26 billion dollars on armament. The six great powers just mentioned represent together some 80% of the world's total cost for military purposes. The remaining 20% of the yearly costs for arms fall with 8% on the newly developing countries, with the exclusion of Mainland China, and the remaining 12% on other countries. It is furthermore a striking fact that the newly developing countries with their very low average gross national product per inhabitant are acquiring, mainly by expensive import from the well-to-do countries in the West and the East, increasing quantities of arms. Looking at these staggering figures, one should recall that the technical and financial assistance in toto from the well-to-do countries in the world to the newly developing countries amounts only to some 10 billion dollars, taking the gross figures, and very much less in respect of the net figures after deduction of repayment of loans and interest charge.



This means in fact that the world, and especially the rich countries, is spending at least 20 times more each year on arms than on support to the poor countries.

To complete this dark picture, it should be mentioned that our world community during the last decade has spent every year more than 15 billion dollars on military research and development activities. A striking comparison gives the fact that the world's total spending on medical research is estimated to be only about 4 billion dollars per year. Of the total spending on military research, the six great powers mentioned earlier represent a share of 90%.

It is sometimes argued that the massive spending on advanced technology in connection with military research creates important spin-off effects which can be used with great advantage also in production for civil purposes. But even taking that factor into account, there is no reason whatsoever for the misallocation of the world's resources when such priority is given to military spending, at the same time neglecting the enormous needs for research and development work in respect of world agriculture, population problems and medical development. It should hardly be necessary to stress that the great need of research concerning the human environment and in respect of the continuing rapid depletion of the world's non-reproducible raw materials and sources of energy is given a ridiculously low priority compared to the huge resources devoted to military research.

It is commonly accepted that the world is now entering the atomic age. The impact of nuclear power on the so-called military balance and on the world's security problems is obvious to all of us. We are well aware that the two super-powers have at their disposal nuclear arms in amounts estimated to an equivalent of 16 tons of TNT per world inhabitant—16 tons for every one of us. The technical term used in this context is quite rightly "overkill capacity". Against this background one

can hardly over-estimate the importance of the two treaties banning nuclear tests, signed in Moscow in 1963, and the non-proliferation agreement of nuclear arms signed in London, Moscow and Washington in 1968. Some great powers have so far unfortunately not become parties to these treaties.

But these agreements, exceedingly important as they are, only mark the first preventive measures on a world-wide scale, needed to diminish the risks of atomic warfare. As is stressed in the Central Committee resolution, a complete banning of *all* kinds of nuclear tests should be the next important step towards a gradual and complete disarmament in this field. A continuation and a speeding-up of the SALT negotiations is, therefore, sorely needed. The urgency of achieving further tangible results in that direction is underlined by some important facts which illustrate the close inter-relationship between use of atomic energy for peaceful purposes and for production of nuclear bombs.

In 1971, atomic reactors for civil energy production existed in 17 countries. SIPRI states that in 1977 this number of countries will have increased to around 40. The extended use of nuclear power and its rapid geographical spread will already in the early part of the 1980's be based on a new technology. The so-called fast-breeder reactors will then be available for commercial use. This in its turn will mean that an increased number of states will be self-sustaining in respect of plutonium. This material used in the fast-breeder reactors is the one best suited for production of nuclear arms. It will thus gradually be more and more difficult to prevent diversion of nuclear material from peaceful to military purposes. There is thus a clear risk that an increased number of states may start building up arsenals of nuclear arms produced by themselves. The present situation, with lack of technical knowledge and high costs for producing nuclear arms, will, as a consequence, change radically.

These factors will lose their deterrent effects. So time is indeed running out fast, if there is to be some hope for an agreed international action against production, storing and possible use of nuclear arms. I might even in passing mention in this context that at a recent meeting of PUGWASH, which is a forum for some of the foremost scientists from both the West, the East and the developing countries, the fear has been expressed that with the new technological development in the nuclear field, even well organised groups of terrorists may within a foreseeable future be able to get hold of and use nuclear arms for blackmailing of quite other dimensions than is now the case with their recourse to conventional arms.

The urgent need for intensified efforts to reach tangible, further progress through negotiations between all the great powers concerned is to be seen against the background of the main factors just mentioned of paramount importance. In view of what I have just now said, the endorsement which we now ask Congress to give to the Central Committee's resolution, passed at its meeting in Bucharest in 1971, is therefore something of a pivot for our whole resolution on Peace.

This paragraph deals, however, not only with the problems of nuclear arms and the support for a European security conference, but also calls for the banning of the production, storage and use of all biological and chemical means of warfare. It is worth noting that an agreement on prohibition against development, production and storing of bacteriological (*ie* biological) arms and toxins, and about destruction of such arms, was signed in London, Moscow and Washington on the 10th April this year. This agreement should, however, be looked upon as only the first and no doubt easiest part of the banning needed, because biological means of warfare have a rather restricted military use. Chemical means of warfare, including defoliation, have, however, as we all know,

in several cases earlier, and lately, not least in Vietnam, been used with very serious effects on the ecological systems. The word genocide has been used in this context. A banning of chemical means of warfare is, therefore, something of the utmost significance and urgency, about which the great powers must reach an agreement.

In the resolution before Congress another important paragraph reaffirms the ICA's support for the Universal Declaration of Human Rights and supports the General Assembly resolution of 1968, dealing with measures for the total elimination of colonialism and neo-colonialism, and of all forms of racial discrimination and the policy of apartheid in particular.

When we look around the world today, we all know that in respect of both the Universal Declaration of Human Rights and the Assembly resolution concerned, we are unfortunately very far from a universal implementation of these fundamental principles and recommendations. We know, for instance, that in several countries the right of the citizen to leave and to return to his homeland freely is severely restricted by political, economic or physical barriers. We know that in some countries citizens who have lived in the country concerned for many years, are all of a sudden being expelled and have to face great difficulties emigrating to other countries. Vast groups of people in different parts of the world, who are being discriminated against on political, religious, racial or tribal grounds, have been deprived of their national identity and suffer great hardships. In some cases outright mass liquidation has been practised and we all know about some fairly recent examples of such ruthless and inhuman methods to solve internal conflicts. The well organised political terror groups which operate in various parts of the world, intent on hijacking aeroplanes, using firearms and bombs and so on, thus threatening to kill and often killing entirely innocent people, are, especially after the detestable murders

at the Olympic Games, becoming a problem of such magnitude that the matter has now been brought before the UN Assembly.

In view of all these odious acts of violence, we cannot adopt a defeatist attitude. We must protest against such evil deeds nationally and internationally. The voice of the co-operative movement against such inhuman outrages should be heard.

A special paragraph in our resolution notes that there continue to be areas of the world where tensions and war exist, particularly South-East Asia and the Middle East.

The war in Vietnam, which has spread and engulfed also Laos and Cambodia, is certainly giving us all, and world opinion in general, cause for the gravest concern. After the ending of the THET offensive and the ensuing cessation of bombing in North Vietnam, it seemed as if the Paris negotiations would lead to a mutually acceptable, peaceful solution. The recent intensification of the war by new offensives in South-East Asia, accompanied by renewed bombing, three times as heavy, measured by the total weight of bombs, than that which occurred during the whole of the Second World War, should make it clear to all the parties, directly or indirectly involved in this ghastly war, that only a political solution, agreed at in the Paris negotiations, can put an end to the enormous suffering which the Vietnamese people, both in the South and in the North, are now exposed to. We must also bear in mind the fact that the Vietnamese people have had to live in war and with war practically without interruption all the years since their liberation—war against the former colonial ruler of the country. A continuation of the war in Vietnam will cause immeasurable destruction, but it will not solve any problems. War never does.

The same considerations are just as valid in respect of the now very inflamed situation in the Middle East. A solution agreed between the parties concerned through any kind of negotiations must be found. And I would like to quote in this context some very sensible words by the newly elected President of the UN Assembly, Mr Stanislaw Trepczynski. He said in a recent interview: "We must remember that even the longest debates and negotiations are much less expensive than the shortest military conflict."

When we review all the difficult political problems and conflicts which still frustrate the continuing efforts to create a world based on peaceful co-existence and an ever increasing economic and political collaboration across the frontiers, we as co-operators have a clear duty to do whatever is within our power to create an atmosphere of goodwill in international relations.

It is rightly stressed that trade across frontiers and the ensuing contacts is a means of lessening tensions and improve international relations. In that field our movements in all parts of the world can contribute and do contribute to a gradually increased international goodwill and understanding. It is, therefore, quite proper that our resolution ends with pointing to the need for bringing about conditions in which resources, now spent on arms, can gradually be made available for economic and social progress throughout the world. In this way we can, and we shall, in a constructive manner, make our contribution, modest though it may be, to the work for the establishment of lasting peace and security.

On behalf of the Central Committee, I now move the adoption of the resolution as presented in the Congress Agenda. I do hope it will be unanimously endorsed.

# Disarmament

*The following is the text of the speech delivered by Barbara Ward (Lady Jackson) at the International Non-Governmental Organisations Conference on Disarmament, Geneva, September 1972.*

One of the greatest difficulties facing those who wish to see Disarmament accepted as a primary goal of policy is that the average citizen does not believe it is possible, and against this blank wall of unbelief, we have the greatest difficulty in making any effective case. We have, therefore, to insist that far from disarmament being unusual and impossible, it is the normal state of civilized man inside his own community. All the procedures proposed for disarmament—elimination of private control over arms, the subsidization of police forces, courts of law, mediation, arbitration and all other methods of settling disputes peacefully—are in fact practiced every day inside domestic society. To say that man is not capable of this is simply nonsense. Most of the time this is actually what he does.

The trouble is that we do not connect this perfectly normal method of human behaviour with any unit larger than the nation state. But here, too, we can hope to overcome some basic popular misconceptions. If we were still stone age villagers in New Guinea, each community would speak a different language and would spend part of its time head-hunting in other villages. If one pointed out that this is an odd way for villages to behave, they would

simply stare and say “But how else do you behave with villages?” We have got away from this kind of minute tribal conflict and have transferred it to the national level where for 150 years the French nation and German nation have treated each other like New Guinea villages. But the point is that the scale of community has grown from 400 to 40 million people and as the scale has grown, peace-keeping procedures inside the community have grown too.

Disarmament and the peaceful settlement of disputes is now perfectly normal within communities of 40 million people—a concept inconceivable in New Guinea. In fact, one of the most remarkable historical examples of this enlargement of scale lies in the history of the most continuous and relatively stable of all human communities, China. In the 500 years before the establishment of the Han Dynasty, most of the area of present day China was wrecked by feudal wars between separate baronies and it was only when this continuous warring between different power blocks was overcome by a single overall authority that China entered upon 2,000 years of civilized order, decentralized government and, over long periods, complete internal peace. Yet, however much population may grow elsewhere, the

Chinese have always numbered a quarter of the human race. What can be accomplished by a quarter of the human race is certainly not beyond the reach of the rest, provided that we recognize our planet as a *domestic* community inhabited by one kind of citizen, man himself.

That is the first point that we have to make in putting the case of disarmament to the ordinary citizen—that he knows how to do it, that he is perfectly used to it, that every time he sees a Bobby go down the street, he is seeing part of it, and that there is no historical reason why the scale over which civil order is maintained should not continue to expand throughout human history.

The concept of the planet as a domestic community also illuminates some other aspect of international policy. For instance, we can see aid to development and the evolution of a sane world monetary and development policy as simple applications at the right level of policies which we entirely accept inside our domestic communities. Aid is a sort of world tax which should go to basic social world needs—in diet, in health and family planning, in schooling and housing and so forth. We take such policies for granted at home. But the planet is our home and we must learn to take comparable policies for granted there.

Again, every State has certain common interests which it safeguards, *eg* national parks, green belts, areas of singular beauty, stretches of water which are regarded as the “commons” of that nation. This is how we must see the largest “commons” of all—seventy per cent of our planet is covered with the moving waters of the oceans which are not yet divided by warring sovereignties and which, if we act in time, can be preserved for all mankind. And when I say “in time” I mean practically speaking today, since it is possible by 1973 national governments will come together with ridiculous plans

to create grids of sovereignty over the sea bed rather on the lines of the North Sea oil leases, and establish from one end of the planet to the other new frontiers over which new disputes and new confrontations may arise.

But how are we to get this concept of the wider community across? It is one thing to show that we know how to practice disarmament and the peaceful settlement of disputes inside a community—even as large as one that includes a quarter of the human race. It is another to achieve that enlargement of imagination which gives the average citizen the possibility of adding to his present loyalties—to family, to city, to country—the wider loyalty of a planetary allegiance. But here, too, there are arguments which we have possibly not underlined enough. The arguments for terror, the catastrophic conclusions of nuclear war, are perhaps sufficiently rehearsed. Indeed they may have been so rehearsed as to be taken for granted. In any case, people turn away their imagination from visions of “eco-doom”. But there is a valid reason for the control of armaments and the achievement of general peace-keeping which can perhaps be underlined now with greater emphasis than ever before because it is becoming a general concern throughout the developed world.

This is the problem of inflation. It is simply fantastic how little substantial responsibility financial experts, bankers, finance ministers, heads of treasuries, etc are willing to take to remove one of the root causes of inflation in our present society; and that root cause is the fact that nothing so quickly causes inflation as the production of weapons of war. The reason is simple. The process of producing arms creates flows of purchasing power as money is paid out for materials and goes out in salaries, wages, profits and dividends. But at the other end nothing comes that all these flows of purchasing power can buy. You don't put a machine gun in your

friendly neighbourhood back garden—at least not yet. Nor do you go to the super market for mini-nukes. So the money that has been realized by production is not mopped up again by consumption. It storms off after other goods, forcing up their prices and putting a steady element of pressure upon the community's financial stability.

If £200 billion a year, or even half that, could be turned back into the production of real goods to mop purchasing power and satisfy world need, we might begin to bring inflation more rapidly under control. Incidentally, the Japanese, who by a blessed fortune and a good treaty, do not indulge in rearmament and spend less than 1% of G.N.P. on arms, have also continued to grow with least inflation. There is a connection here which we have been too slow to make.

But the great new perspective of disarmament is provided by our new sense of environmental responsibility. I do not mean simply our knowledge that nuclear war is the ultimate contaminant. I mean our growing realization that whether the nations like it or not, they are bound together in an environmental relationship that their supposedly sovereign actions are quite unable to control. The consequence of every nation's equal claim to a mythical sovereignty is the ability to say no more than: "my territorial waters will be yours next week and the fall-out of your strontium 90 will be in my air tomorrow." Against such interdependence, the concept of exclusive national sovereignty simply begins to look foolish. Two examples will suffice. We share a planetary atmosphere whose balances are so delicate that if it heats up by 2 degrees Centigrade, we could melt the ice caps and solve the pollution problems of New York, London and Stalingrad by swamping them. Cool it down by 2 degrees centigrade, and the glaciers would once more reach Florida and the Mediterranean and it is really quite

difficult to envisage Los Angeles as a cave city. There would not even be bisons left to paint on the walls. Yet our emissions of carbon dioxide and soot and particles into the air are on such a scale that these changes are no longer impossible.

Or take the oceans. We have to think of them not as the vast and restless waters in our customary vision, but as a very large bath without a plug hole. Everything ends there and it can go no further. But since the waters are limited, they have a threshold beyond which waste and pollution will destroy them. We do not know what it is, but we can be sure of one thing and that is that the unco-ordinated activities of 120 governments will not know in time where that threshold lies. We must either internationalize the authority over our oceans, or face the risk of their death by suffocation. Once again, for all its supposed sovereignty, the nation state is becoming obsolete.

These are the perceptions which it seems to me we have to try to bring in to the public dialogue. We have to go after the leaders of the mass media and demand that on these issues, stories be published and the truth be told. We have to see that our school curricula include the facts of our planetary interdependence so that each child grows up thinking of itself as already a member of a much loved planet. We have to look at international studies in our universities to make sure that they do not perpetuate the idea of "us in here and those other chaps out there", but instead conduct the necessary research for a domestic planet. We have in our political action to support the statesmen who accept these realities and do not fob us off with an obsolete enthusiasm which can be as restrictive as the head-hunting propensities of Stone Age tribes.

Above all, we have to realize the fundamental lesson of a new ecological discipline—and that is that the powers unleashed by modern science, which are

equal to the radiation of the sun itself, are compatible with life on the planet only if the most delicate mechanisms and instruments of protection are preserved. This cannot be done by the greed and arrogance of separate national collective egos all searching for their own immediate and exclusive gain. Nature does not behave this way. It is the lesson of wisdom, of restraint, of seeing our neighbour as ourself which is at the root of every great ethical culture in human history. But today it is not the sages and the prophets only who tell us this. It is the planet itself that cries out for restraint and respect and since there is

something totally compelling about the irresistible physical facts of our shared environment, this is possibly a lesson which, unlike the lessons of the wise men of our history, we shall be unable to neglect. The search for disarmament, for peace-keeping, for the realization of a domestic planet are in essence the search for human survival. It has always depended upon wisdom and love. But there were margins for error. The fact we have to get across in the day of nuclear weapons and total technological power is that the margins have all gone and we had better learn to be wise.

#### ERRATUM

In our *Review of International Co-operation* Vol 65, No 5, page 170, the article "Co-operative Management Education and Training in Canada" was erroneously attributed to Mr Olaf Turnbull. The article was in fact written by **Mr J. T. Phalen**, General Secretary of the Co-operative Union of Canada. We would like to apologise to the author for this mistake.

EDITOR

# ICA Director's Commentary

During February and March this year I had the opportunity of studying briefly some aspects of the fascinating panorama of co-operative activities in Canada and the United States. The visit came about as a result of an invitation by the Co-operative League of the USA (CLUSA) to hold the meeting of our Executive Committee in New York. To this was added an invitation from our Canadian member organisations, the Conseil Canadien de la Coopération and the Cooperative Union of Canada, to visit Canada. Soon the programme developed its own momentum and, in its final shape, included a large number of meetings with co-operators, UN authorities, the World Bank, officials of national aid agencies, and several interviews with representatives of the press and other information media. Some aspects of the visit are described below.

## CANADA

The visit to Canada, which covered both the French and the English speaking parts, had three main objectives. As this was my first visit to Canada, I wanted to see something of the co-operative development there and to get to know some of the outstanding leaders of the movement. Secondly, I was invited to address the Annual Meeting of Cooperative Insurance Services. Finally, it was my hope, shared by our hosts, that Dr Bonow and I would use our presence there to discuss with the Canadian International Development Agency (CIDA) areas of mutual interest in the development of co-operatives in the less developed parts of the world.

The co-operative movement in Québec plays a highly important role in the economy of the Province, especially in the fields of finance, agricultural production, consumption and fisheries. With one out of two citizens in membership of co-operatives, the present assets of the movement exceed



\$3,500,000,000. A short visit to Lévis brought me close to the Desjardins movement. Initiated in 1900 with the setting up of savings and credit institutions, the movement today operates through a network of societies providing high quality services to its members. The Institut Coopératif Desjardins, with its pleasing and functional architecture, arranges educational and training facilities for Canadian and international co-operators.

In the field of international assistance, the Fédération de Québec des Caisses Populaires Desjardins instigated the establishment of the Canadian Compagnie Internationale de Développement Régional (CIDR) in 1971 which, in association with its European counterpart, promotes thrift and credit co-operatives in developing countries. It is currently supporting a project in Upper Volta.

### **Meeting with Premier Blakeney in Regina**

Saskatchewan has a government which attaches great importance to co-operatives and Premier Blakeney, in his early career, was closely associated with the movement. In an interview with the Premier and the Minister in charge of the Co-operative Department, I was informed of the reorganisation currently taking place in the Department. Considerable work for the improvement in the condition of Eskimos is undertaken through the agency of co-operatives and it was interesting to discover that despite the wide cultural and geographical differences, many problems were not entirely dissimilar to those experienced by the developing continents of Asia and Africa.

The Premier showed great interest in ICA's international activities.

### **Other Canadian Organisations Visited**

Visits to the National Credit Union, the Gay Lea Foods Co-operative Limited, United Cooperatives of Ontario in Toronto, the Cooperative Trust Company of Canada, the Federated Cooperatives Limited and the Western Cooperative College in Saskatoon, the Saskatchewan Wheat Pool and the Saskatchewan Cooperative Credit Society in Regina, and the Calgary Cooperative Society, brought home to me the rich variety of co-operative development in Canada.

### **Annual Meeting of Cooperative Insurance Services (CIS) Regina**

As the main speaker at the CIS Banquet in Regina on March 7, I chose as my theme the relevance of Co-operative Principles to the contemporary world. Large multinational corporations now span the globe in various economic fields and pose new challenges to the international co-operative movement. Co-operative organisations must widen their horizons and collaborate with other national movements to help in the creation of a countervailing force. There exist within the framework of the ICA numerous examples of such collaboration; but the dimensions of such collaboration will need to be enlarged considerably so that resources unified within the co-operative movement can make the desired impact in favour of

farmers, workers and consumers. What is required is a practical demonstration of "Co-operation among Co-operators" on a very large scale. Clearly, the problem is immense. The multinationals are giant organisations and the budget of General Motors, Standard Oil and Ford added together come to £20,000 million, a figure which exceeds the total national budgets of Canada, Sweden, the Netherlands, Belgium and Australia all added together. Co-operative movements must therefore not only promote international business partnerships, but should also generate pressures for the creation of a climate in which the multinationals would behave responsibly.

I may add here that the Warsaw Congress discussion on this subject is now to be followed up at the Central Committee meeting in October this year by a panel discussion on "International Co-operative Enterprises—Prospects and Problems". Four case studies will present: financial aspects of international economic collaboration; some practical examples of joint co-operative production and processing in the Nordic countries; collaboration in the field of petroleum and oil products; and international efforts for the production of fertilizers by co-operatives.

I also invited the Canadian co-operators to contribute within their capacities to the development of co-operatives in the Third World.

Some of the highlights of the 1972 Report of the Board of Directors of CIS were: a marked advance in life insurance in force totalling \$1,592 billion placed on over one million lives, a strong growth in gross written premiums in fire and casualty although a high overall claims ratio resulted in a net loss; a revision in the organisation structure to achieve more effective co-ordination; some innovations in selling simple insurance packages providing group life and income guarantee coverages; a new bonding programme for credit unions; reorientation of training programmes to make them more work-related; and a complete review in 1972 of the long range plans for CIS formulated in 1968.

Finally, the ICA President and I, with our Canadian hosts, met with the Minister of External Affairs, the President of the Canadian International Development Agency (CIDA) and its senior officials with a view to discussing the role which the Canadian co-operative movement could play with CIDA in programmes of international assistance.

## **UNITED STATES**

### **Meeting with UN Secretary-General in New York**

Undoubtedly the high point of the visit to New York was a meeting of our Executive Committee with Dr Kurt Waldheim who underlined the importance the UN attaches to the role of the co-operative movement. Paying a handsome tribute to the work of the Alliance, Dr Waldheim said:

"In recent years the United Nations has increasingly recognised the co-operative movement as an instrument which can effectively raise the living standards of the people of the Third World. The International Co-operative Alliance, as the world body of co-operators, embracing members from countries of all political systems, has a special role and this

was noted in several recent United Nations resolutions in the General Assembly and the Economic and Social Council . . . I can assure you that, wherever possible, the United Nations and its agencies will, in partnership with the International Co-operative Alliance, increase the potential of the projects.”

The Secretary-General's statement, coming at a time when our relations with the UN are growing closer, will certainly be a great encouragement to us in our programmes of co-operative development in the less developed countries.

### **Columbus, Ohio**

Columbus, Ohio, is known throughout the co-operative world for its Farm Bureau with its remarkable extension work, the Nationwide Insurance Company, as well as the wide range of service and production activities of Landmark, an agricultural co-operative engaged in product manufacturing, processing, distribution and wholesale purchasing, as well as in the marketing of commodities for its members and other patrons primarily within the State of Ohio. It also sells feed, petroleum, seed and fertilizer. The principal commodities it markets are soya beans, eggs, corn, wheat and pork products. It distributes a complete line of petroleum products, including heating oil and power fuel. The occasion of my visit coincided with the Annual General Meeting of Landmark which concluded with a dinner for 3,000 people at the exhibition grounds where a large number of co-operative products were displayed.

From the earliest beginnings which Murray Lincoln movingly described in his work *Vice-President in Charge of Revolution*, Nationwide, with its related organisations, has now acquired a size and force which enables it to live up to its objectives. These objectives are : to provide the highest quality insurance and financial services, to ensure financial security for its policy-holders and shareholders, to act as a consumer-oriented company sensitive to the changing needs of the people, to promote fair and equitable business practices and to act generally as a spur for average people to have the resources to make decisions which affect their own economic welfare. Still concerned with people's needs, Nationwide today is a \$2 billion organisation.

### **Minneapolis, Minnesota**

It is not easy to speculate with accuracy on the reasons why co-operative organisations find a quick and positive response in some areas of the country rather than in others. Whatever the reasons, the incidence of co-operative activity in the State of Minnesota is very high. In 1970, the State ranked first in farm marketing and supply co-operatives, second in petroleum products bought and third in dairy products marketed. Among the various organisations visited, the Mutual Service Insurance Company and Midland Cooperatives Inc, are well known. However, two which are not as well known abroad are described below.

The first is a comprehensive medical care scheme organised collectively by a number of socially motivated people. A non-profit organisation with a membership of 19,000 families, the Group

Health Plan of St Paul, runs four clinics. A large number of specialist and general medical practitioners work with the organisation. The origins of the organisation go back to the depression period when the group approach was more or less forced on the people. Rural Electric Cooperatives and the Group Health Plan are, I believe, two unique developments which characterise the US co-operative scene.

A second co-operative project is in the field of housing, on the St Paul campus of the University of Minnesota. The Commonwealth Terrace Cooperative Inc, provides 400 apartments for married students. The scheme has proved very successful and there are long waiting lists of students to obtain accommodation. During the course of discussions lasting about two hours with leaders and board members of the organisation, two things struck me with particular force. First of all, the leadership came from a much lower age group than one generally comes across in the movement. Secondly, the discussions revealed a need to take appropriate measures which would attract youth to the movement and provide them with opportunities for exercising leadership skills tempered with their idealism. The problem is indeed worldwide, and unless effective measures are taken we might find that over a period of time the movement will not have adequate leadership resources available to it.

The above describes very briefly some of the numerous organisations visited. The programme was arranged through the good offices of ICA's member organisations in Canada and the United States.

S. K. S.

# **PORTRAIT OF A MOVEMENT**

A new edition of the highly popular booklet "Portrait of a Movement" is now published, superseding the 1967 edition.

Layout and presentation of this 32 page booklet have been re-designed with up-to-date facts and figures, many new photos and a new diagram showing "How Democracy Works in the Co-operative Movement".

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# Book Reviews

## Employment and Income Policies for Iran

*International Labour Office, ILO Publications, CH-1211 GENEVA 22, Switzerland. 100 pp. Price (Europe only): 12 Swiss Francs*

**EMPLOYMENT AND INCOME POLICIES FOR IRAN** is a report based on the work of an inter-agency mission financed by the UNDP and organised by the ILO with the assistance of the UNITED NATIONS, UNCTAD, UNESCO, UNICEF, UNIDO, FAO, IBRD, IMF and WHO.

The report seeks to identify action of a longer term nature in order to ensure that the pursuit of the social objectives incorporated into Iran's Fifth Plan, particularly the creation of employment and fairer distribution of income, can be fully encouraged. The report is aimed first and foremost at offering practical advice to Iranian planners and policy makers, and is also addressed to a much wider audience; those at all levels in developing countries whose efforts are harnessed to attain the goals of fuller employment and fairer income distribution and who could profit from a study of the Iranian situation, and all in the academic and international community at large who are concerned with the great issues of economic and social development.

The author of the report and leader of the mission was Mr Etienne Hirsch, formerly Commissaire Général au Plan with the French

Government. The report is the fourth published by the ILO in response to requests from the governments of individual developing countries for advice under the World Employment Programme, but it is the first to include recommendations specifically directed towards the preparation of a particular national development plan (the Iranian Fifth Plan, 1973-77).

For co-operators, some of the report's recommendations are of great interest and deserve close study, such as the improvement of incomes and living conditions in the agricultural and rural sector through the development of efficient, comprehensive rural co-operatives; the transformation of the present rural co-operatives into multi-purpose co-operatives; the training of 2,000 co-operative managers to render possible the efficient functioning of the network of multi-purpose co-operatives covering the whole country by 1978; the suggestion to enlarge the scope of the Agricultural Co-operative Bank to cover all non-farm rural activities and, most important, to give medium-scale and small farmers access to crop credits and medium-term or longer investment credits; and the establishment of an animal feed-stuff industry.

The report also advocates the establishment of a co-operative bank for urban activities, which would be able to finance and promote production and consumer co-operatives in urban areas.

J.H.O.

## Les Coopératives Agricoles en Economie Concurrentielle

by Jacques Berthelot, Paris, Editions Cujas, 1972, 339 pp.

Co-operatives emerged as a means to solve some of the problems of small and comparatively closed groups. The principles on which they were based, although related to an ideology, were in themselves rules for the behaviour of such groups and gave but few precise indications as to what this behaviour should be vis-à-vis other groups in society. There is thus room for a wide variety of views not only on what the ultimate goals of co-operation are but also on the relative importance of its basic principles; some have taken precedence over others, both in theory and in practice, according to the particular set of circumstances. Experience has come to define, to some extent, the theory and the practice of co-operation. This process of adaptation is analysed, where agricultural co-operatives within a capitalistic society are concerned, in M. Berthelot's thorough and extremely well-documented book.

Has agricultural co-operation responded in a purely passive way to the requirements of a capitalistic society, or has it produced in turn some significant modification in its agricultural sector? This is one of the central issues in M. Berthelot's exposition, but by no means the only one raised and discussed in his book. In the first two sections he analyses the principles of co-operation and the various—and sometimes conflicting—interpre-

tations of these principles given by the theoreticians of agricultural co-operation. He then studies the factors that have determined the proliferation of co-operatives, their connexions with other types of rural community organisation, the extent to which the basic principles are applied in the various countries and the institutional frameworks within which agricultural co-operatives operate in these countries. The last two sections deal with the development process of agricultural co-operation, its efficiency and its contribution to agricultural development.

It appears that this volume is only the first part of a broader work that will present a typology of agricultural co-operation according to the various economic systems. It is perhaps because of this that M. Berthelot is here primarily concerned to examine from within the role of co-operation in the developed world. But although this has yielded an invaluable analytic framework it begs many questions of great relevance to current socio-economic developments—the effects of European integration and of the Common Agricultural Policy, the scope for intra-European co-operation and co-operative trade—which are as yet unanswered. Whether or not it is M. Berthelot's intention to examine such issues at a later stage, if the subsequent volumes are as illuminating as this one he will have contributed greatly not only to the study of co-operation but also to the understanding of the economic systems themselves as far as agriculture is concerned.

C.B.

**International Co-operative Alliance**  
**Regional Office and Education Centre for**  
**South-East Asia**

**Regional Director: Mr P. E. Weeraman**  
**PO Box 3312, 43 Friends Colony**  
**New Delhi 14, India. Tel. 631541; 632093.**

**International Co-operative Alliance**  
**Regional Office for East and Central Africa**

**Regional Director: Mr Dan Nyanjom**  
**PO Box 946, Moshi, Tanzania. Tel. 2616.**

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## Affiliated Organisations

**Algeria:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin-Régnier, 75 Paris 15e.

**Argentina:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Humberto 1°, 2318—1° P.-A., Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Avenida de Mayo 1370, Piso 1°, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyrredon 468, 2° Piso, Buenos Aires (RC 24). Tel. 86-6283.

Asociación de Cooperativas Argentinas, 25 de Mayo 35, Buenos Aires.

Confederación Cooperativa de la República Argentina Ltda. (COOPERA), Luis María Compos 1588, Buenos Aires.

**Australia:** Co-operative Federation of Australia, Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

**Austria:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, A-1061 Vienna VI. Tel. 57-75-38.

Membership (1971): 556,300; turnover: retail trade: Sch. 7,434 mill. (thereof consumers' societies: Sch. 6,367 mill.; department stores: Sch. 1,019 mill.; other retail trade: Sch. 48 mill.); wholesale society (G.Ö.C.): Sch. 2,906 mill.; own production: consumers' societies: Sch. 909 mill.; G.Ö.C. and subsidiaries: Sch. 527 mill.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösenfelderstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

**Bangladesh:** Bangladesh Jatiya Samabaya Union, "Samabaya Sadan" (1st floor) 9/D-Motijheel Commercial Area, Dacca 2. Tel. 255846.

Provincial Fishermen's Co-operative Society Ltd., Iqbal Road, Patharghata, Post Box 27, Chittagong. Tel. 80587; 85967.

**Belgium:** Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, 1000 Brussels. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, 1030 Brussels. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, 1040 Brussels. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, 5300 Ciney (Namur). Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.



L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels 7. Tel. 22-56-90.

Union of 26 co-operative societies owning 466 pharmacies, 71 optical departments, 6 drug stores, 14 wholesale depots. Turnover (1971) : Frs. 3,102,783,000. Surplus distributed to 535,000 members : 131 mill.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroederstraat 8, 3000 Leuven. Tel. 016/279.31.

**Bulgaria:** Central Co-operative Union, Rue Rakovski 99, Sofia. Tel. 7-83-11; 8-03-11.

**Cameroon:** West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

**Canada:** Co-operative Union of Canada, 111 Sparks Street, KIP 585 Ottawa 4, Ont. Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, Case postale 58, Station N, Montréal 129. Tel. (514) 866-8048.

**Ceylon:** See "Sri Lanka".

**Chile:** Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 610, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Unión Cooperativa de Seguros (Ucoseg) Ltda., Moneda 1040, of. 704-705, Santiago de Chile. Tel. 81295; 65100.

Unión de Cooperativas de Consumo y Servicios de Chile Ltda. ("U-Coop"), Agustinas 1141, 7° Piso, Casilla 14439, Santiago de Chile. Tel. 715256.

**Colombia:** Cooperativa Familiar de Medellín Ltda., Calle 49, No. 52-49, Medellín. Tel. 45-00-55; 41-71-13; 41-53-78.

Instituto Nacional de Financiamiento y Desarrollo Cooperativo (Financiacoop), Carrera 13, No. 27-00, Edif. Bochica, piso 2°, Int. 9, Apto 0 Aéreo 12242, Bogotá. Tel. 81-06-00.

**Congo, Democratic Republic of:** See "Zaire".

**Cyprus:** Co-operative Central Bank Ltd., P.O. Box 4537, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

**Czechoslovakia:** Ustredni Rada Druzstev, Tesnov 5, 11006 Prague 1. Tel. 621-54; 647-51.

**Denmark:** De samvirkende danske Andels-selskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members.

Det Kooperative Faellesforbund i Danmark, Kronprinzengade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Róskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; members: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

**Finland:** Suomen Osuuskappojen Keskuskunta (S.O.K.), Vilhonkatu 7, 00101 Helsinki 10. Tel. 90-650-611.

Affiliated societies (1971): 259; members: 593,933; wholesale turnover: Fmk. 2,195 mill.; own production of SOK: Fmk. 337 mill.

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00101 Helsinki 10.

Affiliated societies (1971): 259; members: 593,933; turnover of societies: Fmk. 3,457 mill.; total production of the affiliated societies: Fmk. 55 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 740, 00101 Helsinki 10. Tel. Helsinki 10491.

Affiliated societies: 71; membership: 576,649; turnover (1972): Fmk 2558,5 mill.; own production: Fmk 252,2 mill.

Keskusosuusliike O.T.K., P.O. Box 120, 00101 Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies: 71; turnover (1972): Fmk 1652,7 mill.; own production: Fmk 458 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

**France:** Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89 rue la Boétie, 75008 Paris. Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

**Société Générale des Coopératives de Consommation**, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

**Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction**, 88 rue de Courcelles, 75008 Paris. Tel. 622-40-48; 622-45-20.

**Confédération Générale des Sociétés Coopératives Ouvrières de Production**, 88 rue de Courcelles, 75008 Paris. Tel. 622-07-81/2.

**Banque Française de Crédit Coopératif**, 88 rue de Courcelles, 75008 Paris. Tel. 227-48-03.

**Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles**, 129 Bd. St. Germain, 75006 Paris. Tel. 033-93-31.

**Caisse Nationale de Crédit Agricole**, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

**Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.)**, 20 rue de Richelieu, 75 Paris 1er. Tel. 266-4520.

**Confédération des Coopératives de Construction et d'Habitation, "L'Habitation"**, 3 ave. du Coq, 75009 Paris. Tel. 742-45-79; 874-67-62.

**Confédération des Organismes de Crédit Maritime Mutuel**, 18 bis, Avenue Hoche, 75008 Paris. Tel. 267-14-50.

**Gambia (The):** Gambia Co-operative Union Ltd., P.O. Box 505, Bathurst. Tel. 581.

**German Democratic Republic:** Verband der Konsumgenossenschaften der DDR, *Stresemannstrasse 128, 108 Berlin.*

**Federal Republic of Germany:** Bund deutscher Konsumgenossenschaften G.m.b.H., *Besenbinderhof 43, (2) Hamburg 1.* Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 milliards.

Co op Zeentrale A.G., *Besenbinderhof 43, (2) Hamburg 1.* Tel. (0411) 284-4310.  
Total turnover incl. subsidiaries (1969): D.M. 2,462 milliards.

**Gesamtverband gemeinnütziger Wohnungsunternehmen e.V.**, *Bismarckstrasse 7, 5000 Cologne 1.* Tel. 52-31-81.

**Volksfürsorge Lebensversicherung Aktiengesellschaft**, *An der Alster, (2) Hamburg 1.*

**Volksfürsorge deutsche Sachversicherung Aktiengesellschaft**, *Steinstrasse 27, (2) Hamburg 1.*

**Deutscher Raiffeisenverband e.V.**, *Adenauerallee 127, 53 Bonn.* Tel. (0-22-21) 1061.

**Greece:** Membership suspended.

**Guyana:** *Guyana Co-operative Union Ltd., Ministerial Buildings, High Street and Brickdam, Georgetown.*

**Haiti:** Caisse Populaire Dominique Savio, 57 Rue Riguard, Pétion-Ville.

**Hungary:** National Council of Consumers' Co-operative Societies (SZOVOSZ), *Szabadság tér 14, Budapest V.* Tel. 113-600; 112-800.

National Council of Industrial Co-operatives, *Pesti Barnabás 6, Budapest V.* Tel. 188-800; 188-806.

National Co-operative Council, P.O. Box 667, H.1373 Budapest V. Tel. 113-600; 112-800.

National Council of Agricultural Co-operatives, *Akadémia utca 1-3, Budapest V.* Tel. 113-600; 112-800.

**Iceland:** Samband Isl. Samvinnufélaga, P.O. Box 180, Samband House, Reykjavik. Tel. 17080.

**India:** National Co-operative Union of India, 72 Jorbagh, New Delhi 3. Tel. 611123; 611343; 619328.

**Indonesia:** Dewan Koperasi Indonesia, 28 Djalan Djenderal Soedirman, Djakarta. Tel. 581400.

**Iran:** Sepah Consumers' Co-operative Society, *Avenue Sevvom Esfand, Rue Artèche, Teheran.* Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, 20-22 *Shahabad Avenue, Teheran.*

Central Organisation for Rural Co-operatives of Iran, 357 *Pahlavi Avenue, Teheran.* Tel. 64210.

Consumers' and Services Co-operative Society for the Ministry of Labour and Social Affairs Employees, *Ministry of Labour and Social Affairs, Teheran.*

**Irish Republic:** Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2.* Tel. 64783/4-6.  
National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., *35 Lower Gardiner Street, Dublin.*

**Israel:** General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.* Tel. 46111-35.  
Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv.* Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv.* Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nachmani Street, P.O.B. 622, Tel-Aviv.* Tel. 614933.

**Italy:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, 00161 Rome.* Tel. 868-141/2-4.  
Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome.* Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma 22, 00184 Rome.* Tel. 462-659; 471-846.

**Jamaica:** Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston.* Tel. 24737.

**Japan:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo.* Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *8-3, 1-chome, Otemachi, Chiyoda-ku, Tokyo.*

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Co-op Building, 7th floor, 1-12 Uchikanda 1 chome, Chiyoda-ku, Tokyo 101.*

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100.*

**Jordan:** Jordan Co-operative Organisation, *P.O.B. 1343, Amman.* Tel. 23101/3.

**Kenya:** Kenya National Federation of Co-operatives Ltd., *P.O.B. 49768, Nairobi.* Tel. 21486.

**Korea:** National Agricultural Co-operative Federation, *75, 1st Street, Chung-Jong-Ro, So-daemun-ku, Seoul.* Tel. 73-0021; 75-2681.

**Lebanon:** Fédération Nationale des Coopératives du Liban, *B.P. 3079, Beirut.*

**Malaysia:** Co-operative Union of Malaysia Ltd., *Peti Surat 685, Kuala Lumpur.* Tel. 23903.

Co-operative Central Bank Ltd., *29 Leboh Ampang, P.O. Box 685, Kuala Lumpur.* Tel. 26531/4.

Co-operative Bank Malaysia Ltd., *140 Jalan Ipoh, Peti Surat 1024, Kuala Lumpur.* Tel. 299677; 299679.

Sarawak Co-operative Central Bank Ltd., *Kuching, Sarawak.*

Malaysian Co-operative Insurance Society Ltd., *36 Jalan Ampang, P.O. Box 817, Kuala Lumpur.* Tel. 87915/6.

Angkatan Kerjasama Kebangsaan Malaysia Berhad (ANGKASA), *Jalan Templer; Petaling Jaya, Selangor.*

**Malta:** Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa.* Tel. Cent 24896.

**Mauritius:** Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis.* Tel. Port Louis 822.

**Netherlands:** Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", *Postbus 52, Europalaan 30, Utrecht.*

Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam 3.* Tel. 62303.

**Nigeria:** Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Ibadan, P.M.B. 5101.* Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., Co-operative Office, *147 Yakubu Gowon Street, Lagos.* Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *Private Mail Bag 1021, No. 4 Murtala Mohammed Road, Benin City, Mid-Western State.* Tel. Benin 594.

**Norway:** Norges Kooperatve Landsforening, *Revierstredet 2, Post Box 451, Sentrum, Oslo 1.* Tel. (47-2)20-62-90.  
Affiliated societies (1970): 753; membership: 406,000; turnover of local societies: Kr. 3,500 mill.; of N.K.L.: Kr. 1,149 mill.

**Norge:** Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5*. Tel. 33-32-42.

**Pakistan:** West Pakistan Co-operative Union Ltd., *11 Masson Road, P.O.B. 905, Lahore*. Tel. 54203.

**Karachi Central Co-operative Bank Ltd., 14 Laxmi Building, Bunder Road, Karachi 2. Tel. 36185.**

**Karachi Central Co-operative Consumers' Union, Iqbal Market and Cold Storage, Soldier Bazar, Karachi. Tel. 70917.**

**Karachi Co-operative Housing Societies' Union, Shaheed-e-Millat Road, Karachi 5. Tel. 40244.**

**Karachi Co-operative Union Ltd., Co-operative House, Shaheed-e-Millat Road, Karachi 5. Tel. 230289.**

**Fishermen's Co-operative Society Ltd. (FISCOS), Fish Harbour, West Wharf Road, P.O. Box 5328, Karachi. Tel. 229101; 224457.**

**Sind Baluchistan Provincial Co-operative Bank, Ltd., Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2. Tel. 32361; 37290; 34736.**

**Peru:** Cooperativa de Seguros "INCA" Ltda., No. 181, *Av. Brasil 1360, Apartado 10159, Lima 21*.

**Cooperativa de Seguros del Perú Ltda., No. 170, Maximo Abril 552, Lima. Tel. 46769.**

**Banco Nacional de las Cooperativas del Perú Ltda., 1 Av. Tacna 411, Apartado 4895, Lima. Tel. 276569.**

**Philippines:** Central Co-operative Exchange Inc., *P.O.B. 1968, Manila*. Tel. 7-60-09.

**Grains Marketing Co-operative of the Philippines "Gramacop" Inc., 107-D Arellano Street, Caloocan City. Tel. 23-91-40.**

**Filipino Cooperative Wholesale Soc. Inc., P.O. Box 4439, Manila.**

**Poland:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, *Kopernika 30, Warsaw*. Tel. 26-39-69; 26-10-81.

**Central Union of Building and Housing Co-operatives, Ul. Marchlewskiego 13, Warsaw. Tel. 20-90-29.**

**"Spolem" — Union of Consumer Co-operatives, Grazyń 13, Warsaw. Tel. 45-32-41.**

**Central Union of Work Co-operatives, Surawia 47, Warsaw. Tel. 28-51-86.**

**Supreme Co-operative Council, Ul. Jasna 1, Warsaw. Tel. Warsaw 26-72-21; 27-13-26.**

**Portugal:** UNICOOPE - Uniao Cooperativa Abastecedora, S.C.R.L., *Avenida Almirante Reis, 127-4º, Dt., Lisbon 1*. Tel. 315843.

**Puerto Rico:** Co-operative League of Puerto Rico, *458 Fernando Calder, Apartado 707, GPO San Juan*. Tel. 764-2727.

**Romania:** Uniunea Centrala a Cooperativelor de Consum, "Centrocoop", *Strada Brezoianu 31, Sectorul 7, Bucharest*. Tel. 16-00-10; 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

**Central Union of Handicraft Co-operatives, "UCECOM", 46, Calea Plevnei Street, Sector VII, Bucharest. Tel. 13-16-48.**

**Uniunea Nationala a Cooperativelor Agricole de Productie, "Uncap", 25 Bd. Gheorghe Gheorghiu-Dej, Bucharest.**

**Singapore:** Singapore Co-operative Union Ltd., *Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1*.

**Sri Lanka:** National Co-operative Council of Sri Lanka, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496. *Membership under consideration*.

**Sweden:** Kooperativa Förbundet, *S-104 65 Stockholm 15*. Tel. International: 46-8-449560; National: 08-44-90-60.

*Affiliated retail societies (1971): 216; membership: 1,665,552; total turnover of consumer societies: Kr. 8,698 mill.; turnover of K.F.: Kr. 6,744 mill. (thereof Kr. 4,806 mill. to affiliated consumer societies); K.F.'s own production: Kr. 3,270 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,077 mill. and of affiliated retail societies: Kr. 1,291 mill.*

**Hyresgästernas Sparkasse- och Byggnadsför- eningars Riksförbund ek för (H.S.B.), Fack, S-100 21 Stockholm 18. Tel. 54-05-40.**

1972: *Affiliated Building Societies: 94; with individual members: 350,000; number of flats administered by local societies: 315,000; value of real estate: Kr. 16,936 mill.*

**Svenska Riksbyggen, Hagagatan 2, P.O. Box 19015, S-104 32 Stockholm 19. Tel. (08)34-05-20.**

**Folksam Insurance Group, Folksam Building, Stockholm 20. Tel. 22-01-00.**

**Lantbrukarnas Riksförbund, S-105 33 Stockholm 3. Tel. (08)14-16-00.**

Kooperativa Gillesförbundet, *S-104 65 Stockholm 15*. Tel. (08)44-90-60; (08)44-95-60.

**Switzerland:** Coop Schweiz, *Thiersteinerallee 14, CH 4002 Basle*. Tel. (061)35-50-50.

Affiliated societies (1970): 276; retail outlets: 2,451; membership: 899,320; Coop-total turnover: Frs. 3,432.3 mill.; Coop-retail turnover: Frs. 2,893.0 mill.; Coop Schweiz, wholesale turnover: Frs. 1,743.5 mill.

Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), *Schaffhauserstrasse 6, Winterthur 8401*.

Verband sozialer Baubetriebe, c/o SBHV., *Sihlpostfach, Zürich*.

Genossenschaftliche Zentralbank, *Aeschenplatz 3, CH 4002 Basle*. Tel. (061) 23-84-00.

CO-OP Lebensversicherungs-Genossenschaft Basel, *Aeschenvorstadt 67, CH 4002 Basle*.

**Tanzania:** Co-operative Union of Tanganyika Ltd., *National Co-operative Building, P.O. Box 2567, Dar-es-Salaam*. Tel. 23077; 23344; 23347.

**Thailand:** Co-operative League of Thailand, *4 Pichai Road, Dusit, Bangkok*. Tel. 811414.

**Turkey:** Türk Kooperatifçilik Kurumu (Turkish Co-operative Association), *Mithatpasa Caddesi 38, Yenisehir, Ankara*. Tel. 12-43-73.

**Uganda:** Uganda Co-operative Alliance, *P.O.B. 2215, Kampala*. Tel. 56984/6.

**U.S.S.R.:** Central Union of Consumers' Co-operative Societies of the U.S.S.R., "Centrosoyuz", *Tcherkassky per no. 15/17, Moscow*. Tel. 221-7253.  
Consumers' societies (1970): 14,868; members: 59,637 mill.; shops: 369,700.

**United Kingdom:** Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester M60 0AS*. Tel. (061) 834-0975.  
Affiliated retail societies (1971): 303; membership: 11.3 million; share capital: £142 million; retail sales: £1,203 million.

Co-operative Wholesale Society Ltd., *P.O.B. 53, New Century House, Corporation Street, Manchester M60 4ES*. Tel. (061) 834-1212.

Co-operative Insurance Society Ltd., *Miller Street, Manchester 4*. Tel. (061) 832-8686.  
Assets (1964): £369 mill.

Scottish Co-operative Society Ltd., *Centenary House, 100 Morrison Street, Glasgow C.5*. Tel. (041) 429-2100.

Affiliated societies (1967): 153; sales: £89,008,059; reserves and insurance funds: £9,474,291; total resources: £23,139,384.

Co-operative Bank Ltd., *P.O. Box 101, New Century House, Manchester M60 4ES*. Tel. 061-834-1212.

Plunkett Foundation for Co-operative Studies, *31 St. Giles', Oxford*. Tel. 0865-53960.

**U.S.A.:** Co-operative League of the U.S.A., *1828 L Street, NW, Washington, D.C. 20036*. Tel. (202) 872-0550.

**Uruguay:** Centro Cooperativista Uruguayo, *Dante 2252, Montevideo*. Tel. 41-25-41; 40-90-66.

**Yugoslavia:** Glavni Zadruzni Savez FNRJ, *Terazije 23/VI, Belgrade*. Tel. 30-947/9.

**Zaire:** Centrale Générale des Coopératives Angolaises, *B.P. 6039, Kinshasa 1*.

**Zambia:** Eastern Province Co-operative Marketing Assoc. Ltd., *P.O.B. 108, Chipata*. Tel. 439; 485.

National Co-operative Development Committee, *P.O. Box 3579, Lusaka*. Tel. Lusaka 51744.

## INTERNATIONAL ORGANISATIONS

Organization of the Co-operatives of America, *Ap. aéreo 2738, Lima*.

Nordisk Andelsforbund (Scandinavia), *3 Axel-torv, 1609 Copenhagen V, Denmark*. Tel. 15-15-33

International Co-operative Bank Co. Ltd. (INGEBA), *Dufourstrasse 54, P.O.B. 711, CH 4002 Basle, Switzerland*. Tel. (061)23-58-27.

International Co-operative Petroleum Association, *28 West 44th Street, New York, N.Y. 10036, U.S.A.* Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo (SIDEFCOOP), *Casilla de Correo 4311, Buenos Aires, Argentina*.

International Co-operative Housing Development Association (ICHDA), *Suite 1007, 1012-14th Street, N.W. Washington, D.C. 20005, U.S.A.* Tel. 202-737-3420.

# Long-term Credit and Agricultural Production in India

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The following statistics as of 30 June 1971 are of interest :

No. of Central Land Development Banks		20
No. of working units		1,780
No. of members		4·91 mill.
Paid-up capital	(£1 = Rupees 18·04)	Rs. 492·40 mill.
Loans advanced and outstanding		Rs. 6370·50 mill.
Credit receivable under IDA project by seven Land Development Banks as per agreements		\$216·90 mill.

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# Review of International Co-operation

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## IN THIS ISSUE

**New Forms of Collaboration  
between Consumer Co-operatives  
in the Federal Republic of  
Germany**

by A. Peter

**Challenge and Response—The  
present situation of the  
consumers' co-operative  
movement**

by W. P. Watkins

**Co-operatives in Hungary**

by L. Rév

**The ICA Organisation for  
Co-operative Consumer Policy**

by L. Stettner





# THE INTERNATIONAL CO-OPERATIVE ALLIANCE

was founded in London in 1895 as an association of national unions of co-operative societies, which seek to promote a non-profit system of production and trade, organised in the interests of the whole community and based upon voluntary and mutual self-help.

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 280 million. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, housing, credit, workers' productive, artisanal and fishery societies.

Its purpose is to propagate co-operative principles and methods and to promote friendly and economic relations between co-operative organisations of all types, both nationally and internationally.

It promotes, through auxiliary trading, housing, banking and insurance organisations, direct commercial and financial relations between co-operative enterprises in different countries so as to enable them to exert on the world market, as well as at home, an influence beneficial at once to consumers and primary producers.

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The ideological work of the Alliance also finds expression in the annual celebration in July of International Co-operative Day.

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The official Organ of the International Co-operative Alliance

*Editor:* J. H. Ollman

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## CONTENTS

	Page
New Forms of Collaboration between Consumer Co-operatives in the Federal Republic of Germany, by A. Peter . . . . .	134
Challenge and Response—The present situation of the consumers' co-operative movement, by W. P. Watkins . . . . .	139
Co-operatives in Hungary, by L. Rév . . . . .	144
The ICA Organisation for Co-operative Consumer Policy, by L. Stettner . . . . .	151
Book Reviews . . . . .	155

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**Editorial and Administrative Office:**

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# New Forms of Collaboration between Consumer Co-operatives in the Federal Republic of Germany

by **A. Peter**

On the 21st of March, 1973 the Co op Zentrale Aktiengesellschaft was entered in the Commercial Register at the Hamburg County Court. The essential point in the official notification was as follows:

“The objective of the undertaking, in its capacity as umbrella organisation and economic headquarters of the Co op Group, is to combine the economic and organisational aspects of consumers’ co-operatives and related enterprises by a progressive deployment of all resources; to plan the expansion policy of the Co op Group and co-ordinate the measures necessary to this expansion; to deal with production, processing and manufacturing of all types of commodities, with import and export, wholesale and retail trade, brokerage and agency operations, as well as supervising all matters pertaining to management . . . The company has accordingly been formed by decision of the extraordinary general meeting of 5th December, 1972 of the Grosseinkaufs-Gesellschaft Deutscher Konsumgenossenschaften mit beschränkter Haftung (founded in 1894), which established a public company in accordance with §376 ff. of the Company Law”.

This official notification marked a new phase in the development of the

consumer co-operative movement in the Federal Republic of Germany: the movement is now able to perform its original function in keeping with modern conditions. Consumer societies will continue to operate unchanged within the legal framework of laws covering private companies, while the central organisation adopts the legal form of the public company, which is considered in Germany nowadays as being the most adequate for large enterprises which require continuous capital-raising for expansion.

Close collaboration between the societies ranks high in the priorities of national organisations. Its promotion, especially in the field of commodity trade, was one of the points discussed over the past two years while reforms were being considered. It is democratic collaboration between all sectors of the movement that makes it possible to promote growth through rationalisation and the mobilisation of reserves. The high profits and return on capital paid by the private chains bring strong pressures to bear on consumers’ co-operatives to raise their profitability, but if the societies come to an arrangement for spreading risks higher growth targets can be reached.

Voluntary agreements will lead to a

division of tasks between regional societies and Co op Zentrale A.G.: common stocks of goods will be built up through centralised buying, thus enabling the societies to concentrate on sales. A joint sales policy will likewise be developed, covering shop network structure and management methods for the various types of retail outlets, as well as co-ordinated plans for warehousing, transport and production.

This collaboration, under the aegis of Co op Zentrale A.G., will be facilitated by the amalgamation of regional societies, a process initiated three years ago and carried out so quickly as to be largely completed by the end of this year. The ultimate end is to concentrate the total co-operative turnover of DM 6,6 milliard in twenty large regional societies. The number of wholesale enterprises will also be reduced. Those retail co-operatives which have not yet amalgamated under the programme for structural rationalisation will continue to play a constructive role within their reduced trading area.

Future collaboration, the detailed terms of which were laid down in the basic resolutions adopted at the December meeting, is based as it has always been—but in a more truly practical way—on the principle of co-operative self-help. The overriding concern of Co op Zentrale A.G. is to ensure a wide scope for decentralised decision-taking and initiative in the regions; central planning must provide rather than restrict such scope.

The twenty regional co-operatives work together with representatives of the Co op Zentrale's marketing advisers. The marketing advisers' function is to plan the size and composition of stocks, thus providing the Zentrale with the reliable indications needed for outlining the centralised purchasing and general distribution policies. In addition, they plan all measures related to sales and product promotion, and to distribution. The marketing advisers work within the framework of recommendations made by a Co-ordinating Advisory Council, which includes members

of the Purchasing and Sales Committees of the regional co-operatives as well as their counterparts from Co op Zentrale A.G.

All fundamental matters of policy, particularly all those decisions directly concerning the regional societies, are subject to the approval of the Steering Committee, which works in conjunction with the Board of Co op Zentrale A.G. The Steering Committee consists of representatives of the twenty regional societies and is jointly responsible with the Board for ensuring that the Co op Group works towards uniform aims and that all measures are uniformly implemented in accordance with such aims. Although the establishment of the Steering Committee as the decision-making body of Co op Zentrale A.G. is stipulated in the Articles of Association of the company, it has no legal status such as that of the Management Board. This specific type of committee is not recognised in German company law. But it is precisely the introduction of a Steering Committee that brings a specifically co-operative element to an enterprise whose activities are subject to legal provisions intended for capitalist ventures. The Steering Committee must be regarded as an organ *de facto* responsible for the whole Group, whose function is to ensure that both the central and the regional organisations preserve their true identity.

Care must be taken, when strengthening collaboration between consumers' co-operatives, to improve the efficiency and economic performance of the central organisation. Already in 1967 centralised activities were administratively redefined and reorganised; since that time the Bund Deutscher Konsumgenossenschaften and the Grosseinkaufs-Gesellschaft deutscher Konsumgenossenschaften have worked closely together although legally they are separate entities. Integration of the GEG and the BdK on a wider basis than the one envisaged in 1967 had to provide for further rationalisation and consolidation of the centralised functions. Consequently, one of the prerequisites for introducing changes in the structure of

consumers' co-operation was the transfer of the functions of the BdK to Co op Zentrale A.G., thus creating a new-style, unified umbrella organisation able to promote consumers' co-operatives better and at a lower cost. Nevertheless, the BdK remains a legally autonomous enterprise, operating jointly with Co op Zentrale A.G., albeit with a different legal status, to perform those functions made necessary by the institutional framework of the Federal Republic.

The task of promoting member and consumer activities was given high priority when a reform of the Co op Group was being considered. In a rapidly changing society, where the younger generation is for the most part indifferent to the co-operative movement, new forms of working together democratically must be evolved. For this purpose a body known as the "Vertrauensrat", which will include members of the Management Boards of consumers' co-operatives, will be created, and any initiatives of importance concerning the organisation's policies will have to be approved by direct representatives of the membership.

The choice of the legal form of public company was also made with a view to securing a new and more flexible financing mechanism which would increase the growth opportunities and profitability of the Group as a whole. According to the forecasts of long-term strategic planning up to 1980, Co op Group investments will have to amount to some DM 2.4 milliard if its share in the total retail trade in the Federal Republic is to rise from the current 2.9% to 3.7% (which was its share in 1960) by the year 1980. The plans also include diversification to allow the societies to cope with predictable market changes. But investment on this scale will only be possible if based on greater, and above all more stable, capital resources. Under the special conditions of competition, legislation governing competition, taxation and co-operative legislation in the Federal Republic it would not be possible for

consumers' co-operatives to build up such resources. Co op Zentrale A.G., however, will be in a position to meet future capital requirements, since the only restriction on capitalisation over and above the normal requirements is the proviso that over 50% of the company's share capital should be owned by the consumers' societies. Furthermore, the scope for capital expansion will be extended considerably through the participation of banks and co-operators in the company.

There are several ways in which the new organisation may raise capital, depending on the progress made in the integration process:

- (1) In the first stage, liquid reserves accumulated as mutual assets in the GEG would be transformed into share capital in the new public company, thus creating a stable basis for capital formation.
- (2) In a second stage capital can be contributed by third parties up to a maximum of 49% of the company's total share capital. The Articles of Association of the company limit the voting rights of each shareholder to 10% of the total to avoid the risk of excessive external influence. This risk is further avoided by the fact that all shares bear a name, i.e. their sale is conditional on approval by Co op Zentrale A.G.
- (3) Finally, the already increased share capital can be doubled by resorting to the legally permitted practice of issuing non-voting preference shares for up to 50% of the vote-carrying share capital. These preference shares, carrying a special dividend guarantee, must be offered to members of co-operatives. The fact that holders of these shares do not have voting rights is justified, within a co-operative context, by the fact that they already hold democratic voting rights in the co-operatives of which they are members.

The capital growth of Co op Zentrale A.G., achieved by these means, greatly widens its opportunities for obtaining outside financing in accordance with the rules governing credit operations in the Federal Republic. The resulting inflow of resources can be put to a variety of uses to serve co-operative aims. One such use could be the establishment of joint enterprises by Co op Zentrale A.G. and the regional co-operative societies. This would be extremely desirable in cases where co-operatives are unable to reach their growth and diversification targets on account of their capital structure. In any case, the increase in capital resources will enable the Co op Group to make use, for the benefit of the consumer, of the many opportunities for investment arising in conditions of strong competition.

Since the beginning of the '50s the Industrial Constitution Law and the law establishing the workers' right to a voice in the mining industry have been in force in the Federal Republic. The Industrial Constitution Law, to which all large capitalist enterprises as well as co-operatives are subject, stipulates that employees shall have one-third of the seats on the Supervisory Council of companies; in the mining industry the workers command half the

votes in the Supervisory Council and in the event of a clash of interests the casting vote rests with a neutral member of the Council. Furthermore, it is stipulated that one member of the Management Board, who cannot be appointed to the Supervisory Council against a majority vote of the workers, is responsible for safeguarding the workers' interests. The co-operative consumer movement decided to adopt this system of parity voting in the Supervisory Council of Co op Zentrale A.G. in anticipation of future statutory regulations. A corresponding agreement has been concluded with the trade unions. Even if this voluntary agreement did not guarantee an unequivocal majority for co-operatives in the Council of Co op Zentrale A.G. the Co op Group sees it as an important contribution to the long-term preservation of authentic co-operative democracy in the Federal Republic.

It has already been seen how rapidly the Co op Group can carry forward the process of integration. The transformation process will present difficulties and new co-operative rules and structures will have to be tested, but the intense competition prevailing in the retail trade sector in the Federal Republic has made these reforms imperative.

# Balance Sheet 1972

DM 15,263.8 million	Total assets	+ 11.0 per cent
DM 586.7 million	Capital and reserves	+ 11.4 per cent
DM 8,414.8 million	Non-bank deposits	+ 19.1 per cent
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# Challenge and Response: The Present Situation of the Consumers' Co-operative Movement

by **W. P. Watkins**

The concept of challenge and response, employed with remarkable effect by an eminent contemporary historian in interpreting the rise and decline of civilisations, can be no less illuminating in the study of social movements operating within the framework of such "Great Societies". This concept seems particularly useful in the study of the Co-operative Movement as it tacks and beats against the winds of change to achieve, not only immediate economic success, but its ultimate aim of contributing to a juster and humaner social order. And within the world Co-operative Movement today there seems to be no branch to which this concept is more applicable than Consumers' Co-operation in the changing environment of Western "Welfare" states based on "mixed" economies.

The Co-operative Movement, as a world phenomenon, originated in the challenge, in the sense in which the term is used here, offered by the industrial system, introduced under capitalist auspices 200 years ago, to the status, livelihood and other fundamental human rights of working people. The workers' response to the threat of imminent poverty, their appeals for protection being rejected by hostile or indifferent governments, was to help themselves and one another by form-

ing co-operatives, friendly societies, trade unions and other associations from which they derived not only economic bargaining power, but also political influence. And as the industrial revolution spread over the world, Co-operation followed and became worldwide also, its forms differing according to local and occupational needs and circumstances.

For several generations, however, two great departments of the economy, agriculture and distribution, remained largely unconquered by the industrial revolution, even in countries leading the economic advance. Although invaded here and there by big business, agriculture and distribution (especially retailing) continued as domains of small-scale enterprise, where no insuperable competition was offered to competently-managed co-operatives down to the middle of the present century. After the last World War large-scale enterprise, with advanced techniques, massive finance and highly-skilled management, became the pace-maker, rapidly extending its share of consumers' and producers' markets, while the share of other types diminished. The co-operative store's claim to represent a superior form of distribution, acknowledged by economists like Charles Gide and C. R. Fay at the beginning of this



century, became difficult, and where consumers' co-operatives had allowed their business organisation and methods to become out-moded, impossible to sustain.

From the middle of the century onwards, the very existence of the consumers' Co-operative Movement was subjected in country after country to a twofold external challenge, for the technological revolution in distribution coincided with radical changes in social policy denoted by the term "Welfare State". How could the co-operative store continue to defend the consumers if its present and prospective members rejected its long-standing economic benefits in favour of the cut-prices and other specious attractions of great chains of supermarkets, bazaars and department stores? And what need was there of any other bulwark against poverty, after state policies of full-employment and social security had banished the fear of destitution?

In retrospect what may astonish is the sluggishness with which the national consumers' Co-operative Movements mostly took up the challenge—or even realised that a challenge existed. For this the reasons were not everywhere the same. In some countries post-war reconstruction was conceived as a return, after years of dislocation and government restriction, to what was traditional or accepted as normal Co-operative practice before the war. In only a few were the signs of the coming revolution, already visible in America, read by perspicacious minds, with reactions as swift and effective as the speed of change demanded. A handful of consumers' societies in Great Britain were among the first in Europe to try self-service, but the great majority had to lose years of time and millions of pounds of turnover before they could accept the inevitable and act accordingly. In the German Federal Republic there were also co-operatives experimenting with self-service in 1950, but some of the largest and most influential were still trying out "quick-service" as an alternative. There was reluctance to

believe that self-service demanded anything more than a change of policy and additional technical knowledge.

Admittedly the ICA Congress at Copenhagen in 1951 did agree, on the motion of Albin Johannsen, to set up a Rationalisation Committee, but a further six years were to elapse before an Auxiliary Committee on Retail Distribution came into being and almost a decade before Dr Mauritz Bonow's paper on "Co-operation in a Changing World" introduced a full-dress debate in the Congress of Lausanne. In the meantime the small private retail enterprises in several countries had organised themselves in voluntary chains, federated nationally and collaborating internationally—all in a matter of three years or so.

Of course, awareness had been spreading amongst the leading spirits and more progressive co-operative organisations in the industrialised countries that self-service was not a problem in itself, but only one symptom of the emergence in the distributive field of enterprise on the very largest scale, equipped with the most advanced technical devices, backed by enormous financial resources and attracting first-class brains into its service. This was the real challenge the consumers' Co-operative Movement had, and has still, to face and those who had not realised it before, could not plead ignorance after Dr Bonow's paper had not only made the situation plain, but indicated some lines of action necessary to meet it. The resolution based on the paper was phrased in fairly general terms, but it provided a framework which was filled in during the 1960s by the efforts of the auxiliary committees, especially those on wholesale and retail trade, and the research section of the ICA. What was henceforth evident was that to respond successfully to the challenge, the consumers' Co-operative Movement would need to pool all its resources, organisational, intellectual and financial, besides mobilising the maximum of public goodwill. The new policies necessary could

not be implemented by the old institutions. Only thoroughgoing structural reorganisation would make possible the indispensable economies of scale and the rise in the average performance of the national Movements' constituent societies to the level of the best.

Uniformity from organisation to organisation, still less from country to country, owing to differences of circumstances, of efficiency, of resources, of outlook, could not be expected beyond a certain point. The national organisations might exchange good ideas, but they had to apply them in their own way and their own order and time. Nevertheless, as the result of trial and error, through analysis and discussion in the Auxiliary Committees, certain common structural patterns appeared and important issues were isolated and defined. For example, the traditional pattern of national co-operative union—national trading federation and local primary co-operative, with regional federations serving as a link—was shown to be clearly inadequate. The easy-going federalism, which permitted primary societies to affiliate to unions and federations, use their services but retain full liberty to support them or not at will, was no longer tolerable. Under contemporary trading conditions the balance of economic advantage had tipped definitively against the small shop and the small independent co-operative. Primary co-operatives had henceforth to be regional if they were to obtain the requisite economies of scale and attract first-class managers. Hence the drastic reductions in the numbers of primary societies which have coincided in the last ten years with the increase in the number of hypermarkets and other distributive units of the first magnitude. Evolution began to take the pattern of a single central organisation with a limited number of regional affiliates. Before long the possibility of a unitary national consumers' co-operative appeared above the horizon in countries with dense populations and a highly developed communications net-

work, witness the short titles now in use, for example, in Denmark and Switzerland.

From another viewpoint, it may be said that it is the concept of the movement as a whole—the *Verbund*, as our German-speaking colleagues call it—which is displacing the national federation and the primary society as the basic reality and the proper object of Co-operators' loyalty under contemporary conditions, just as for most practical purposes it is becoming recognised as the only viable unit. Inevitably this demands and results in a centralisation of authority and executive power in the organisation whose express object is to represent and to act for the *Verbund*, the whole movement, which is greater than any of its parts. In those countries, such as Sweden, Norway and Switzerland, where the Consumers' Co-operatives from an early stage have been federated in a single all-purpose central union, the accompanying problems are different from those of Movements where there have hitherto been two central organisations, one for wholesale trade, production and import, the other for defence of co-operative principles, representation, education and propaganda. In the latter case, the contrast between the practical and theoretical aspects of policy and objectives, between moral authority and financial control, may, in certain situations, result in conflicts of opinion and rivalry in prestige which divide the allegiance of the co-operatives, retard action or diminish the movement's striking power.

Where outright amalgamation is not feasible, the leaders of a national movement are faced with problems not amenable to hasty solutions, only to be resolved by a process of gradual adjustment, as the imperative necessity of ever closer unity is demonstrated by the increasing pressure of competition. The process may be observed working itself out in three of the largest movements in Western Europe, the British, the French and the Federal German at the present time, and a comparative study of their

similar, but by no means identical, solutions would be highly instructive (but a subject for a separate article). It is significant that in establishing the new Co op Zentrale AG as the overall executive organ of the Verbund, the West German Movement has maintained a division of functions between the *Zentrale* and the *Bund*, which continues to represent the Movement in its external relations, more especially with Government. By the adoption of the company (AG) form it is intended to remedy certain longstanding disabilities imposed on consumers' co-operatives by German co-operative law, which can be more easily avoided than amended.

There is, however, one problem which is common and for which nearly all the Movements seem to be driven along the same path in seeking a solution. This is the problem of the constitutional relation of the primary society to the central federation to which it is affiliated. The educative, advisory and supervisory activities of the unions have never hitherto been able to ensure anything like uniformity of practice or standard of performance among the societies. The gaps between the most efficient, the mediocre and the least efficient have always been too wide. This situation is intolerable, for it damages the Movement's public image and diverts to the care of the weak finance and energy urgently needed elsewhere. In the interests of the whole Movement the central organisations have to be invested with powers which impose a stricter discipline, without impairing the responsibility of the primary societies for the conduct of their affairs. The solution generally favoured is to give the central organisation the right to be consulted before key officials are appointed or large investments made; to appoint representatives, with the right to speak, to attend societies' general meetings; to intervene in cases of serious mismanagement or misconduct and demand the dismissal of paid officials or elected officers and their replacements. The Articles of Association of the Federal

German *Bund* strengthened the second of those requirements by laying down that an appointment or election is invalid unless the *Bund* has declared in writing that the candidate possesses the proper personal and technical qualifications for the post. Corresponding provisions in the rules of the affiliated co-operatives themselves reinforce the effectiveness of this regulation. Conversely, the societies, through two new organs, the Steering Committee and the *Vertrauensrat*, have opportunities of active participation in the policy-making and activities of Co op Zentrale AG.

During the last twenty years the Consumers' Co-operative Movement has been trying to meet the challenge of contemporary economic and social revolutions along two main lines: modernisation of business organisation and methods and structural reform making for concentration of power and more effective collaboration. No one has any great cause for satisfaction with its rate of progress in either direction. For this the Movement's democratic principles and machinery are often advanced as reasons, but this explanation seems too easy: it is contradicted by the observable fact that the Movement is most progressive in countries where it is someone's definite responsibility to ensure that co-operative democratic institutions perform their functions effectively and make their proper contribution to the life of the societies and federations. A much likelier explanation is educational under-development of long standing, and by under-development is meant that the Movement's educational activities over generations have not kept pace in their growth with the expansion of its business undertakings and commitments. The consequence is that Co-operators possessing a sound grasp of its principles, whose conception of the Movement's achievements and possibilities extends beyond the society of which they happen to be members, form a dwindling proportion of its membership. With that the choice of suitable candidates for elected offices becomes even more re-

stricted and with restricted choice the quality also declines. This process seems to continue in many countries even though the modernisation of the Movement's business methods may result in increasing its share of the market.

This is not in any way to underestimate what has been accomplished by national Co-operative Schools in recent years in modernising their methods, extending the range and raising the standards of their courses and supplying all the Movements' important branches with a steady stream of well-trained workers. But in the aggregate the scale of these operations has always been, and still is, too small, and the money allotted to them meagre—largely because education is regarded as an expense rather than an investment. The Movements are still training platoons when they should be training brigades, and the training itself is often too narrowly technical in conception, insufficiently directed to broadening the students' minds and views and deepening their understanding of the true nature of Co-operation.

It is scarcely surprising therefore if the nature of the challenge which the Movement has to overcome is misunderstood and misconceived in purely economic, financial and materialistic terms. This is not to forget that the Movement, as it has come down to this generation, is part of the common people's patrimony or to imagine that this is not worth straining every nerve to preserve. Success, however,

is not to be achieved by attempting to beat capitalism by imitating capitalism's methods on capitalism's own ground, but by drawing on moral resources which capitalism cannot tap and by shifting the battleground to regions where the profit motive is not supreme as an economic driving force.

The Movement's proper object is to present the Co-operative idea to the common people as consumers in such a way that they are drawn to the Movement and desire to participate in it for other reasons besides their own material advantage. Of course, Co-operation has to demonstrate that it is a system that works by producing the expected material benefits, but if the Movement realises that the challenge to be met is not launched simply at the Co-operative Movement as an institution, but against the social and moral values for which Co-operation stands, then it cannot rest content with its material successes but must build upon them its contribution to a higher quality of life. The men of Rochdale were not merely opening a store, they were launching an economic and social revolution. Their dynamism was derived, not from dividend, but from conviction that the aims of their revolution were just and good. A social organisation, self-styled a movement, which is not dynamic is a contradiction in terms. If the Co-operative Movement is to meet today's challenge and triumph, it must recover its dynamism by lifting its sights and clarifying its vision of its present functions and ultimate goals.

# Co-operatives in Hungary

By **Lajos Rév**

*President of the National  
Co-operative Council*

## **A brief history**

The Hungarian Co-operative movement has a long tradition. Co-operatives were started very early, almost at the same time as in the other European countries, and from 1870 onwards we can speak of a movement of considerable importance. It was one of the founding members of the International Co-operative Alliance in 1895, and the ICA Congress of 1904, regarded by co-operators as one of the most progressive Congresses in the history of the co-operative movement, was held in Budapest:

The first co-operatives to play an important role in the Hungarian economy were consumer and marketing co-operatives. Although this type of co-operative organisation—for reasons that it would be too lengthy to elucidate here—could not by themselves serve as a base for a co-operative structure, these co-operatives mobilised large numbers of strongly motivated people. A mass movement was thus initiated and the population became aware of the scope of co-operation. But the turning point for the Hungarian movement came in 1945, the year of the country's liberation: it was then that the first agricultural co-operatives were formed by peasants and small land-holders, beneficiaries of the land

reform programme. By 1951 an independent agricultural co-operative movement had been organised; after some initial difficulties it gained momentum and in 1957 a new phase began for the country's co-operative movement: agricultural co-operatives were established in great numbers, and co-operation became the system almost universally adopted in the agricultural sector.

## **Present co-operative policy**

The Hungarian government has paid special attention to the problems and development needs of co-operatives. The results achieved by the movement during the past 28 years, the role it now plays in the national economy, show how harmonious and fruitful the relations between the State and co-operators have been.

Economic policy in Hungary is based, broadly speaking, on the joint development on the basis of equality, of the two forms of socialist enterprise: state-owned enterprises and co-operatives. Co-operative activities are included in the national economic plan, but the greater part of their funds come from members' contributions, their work and joint activities, and the principle of self-management is considered of the utmost importance. As



Work on the "Dawn" agricultural co-operative at Akalipusztá

The Radelkis plant near Budapest, an industrial co-operative for the manufacture of electrochemical instruments



far as their internal organisation, the distribution of income to members and their education is concerned, co-operative principles are very close to the principles of socialism and the socialist state provides ample opportunities for any form of co-operation to develop.

In September 1972 the Hungarian Parliament sanctioned a comprehensive law on co-operatives which aroused interest at an international level: it was the first time since the establishment of socialist co-operatives that legislation on co-operatives had been elaborated in such a democratic way, with members of co-operatives participating actively through all the drafting stages. The law thus incorporates the views of co-operative members and contains numerous provisions safeguarding their interests.

The aims of the law are not to regulate the internal functioning of co-operative societies but to define the basic principles guiding co-operative policy on a long-term basis, within the context of Hungary's socio-economic and political framework. Its provisions are applicable to all types of co-operatives and to all co-operators, and refer to matters such as the organisational structure of the movement, conditions for membership, responsibilities of members etc. The societies are given ample scope to determine their own internal organisation and the principle of self-management is guaranteed: only Acts of Parliament or government decrees may modify the administrative structure or regulate the activities of the national co-operative organisations. In addition it is stipulated that the approval of those organs who safeguard co-operative interests must be obtained before any regulation concerning the functioning or management of co-operatives, or on membership matters, is made effective; on other various matters these bodies are requested to give their opinion during the drafting stages.

In order to establish and maintain equilibrium between productive forces and production levels the socialist state deli-

berately acts as economic regulator, directing the national economy, and therefore co-operatives operate in accordance with a definite plan. The state wishes to ensure that co-operative activity supports the aims of national economic policy as well as the interests of co-operators, but it does not directly guide and organise co-operatives.

The new economic policy adopted on January 1st 1968 ensures the organisational and financial autonomy of co-operatives and allows only for indirect regulation (such as economic incentives, etc.) of their activities, according to guidelines given by the various Ministries in order to ensure that co-operative development matches the economic and social significance of co-operatives, and that co-operative societies and their members freely exercise their rights. But clearly the state cannot renounce its right of supervision; it is its duty to warrant that co-operatives abide by the legal statutes in force, that their bye-laws and their activities in general are in keeping with the existing legal framework. This type of state control does not entail direct interference with the internal functioning of the society or the decision-making processes within it: there is no structure subordinating co-operatives to supervisory bodies, and co-operatives are managed by individuals and management boards appointed by, and responsible to their members at the society's annual general meeting.

### **The role of co-operatives in the Hungarian economy**

The co-operative policy outlined above creates favourable conditions for co-operative activity in Hungary. There are at present 5,500 co-operatives in the various sectors of the economy, which means that 50% of all Hungarian enterprises are co-operative societies. With the exception of agricultural co-operatives, they are usually smaller than state-owned enterprises, but their activity is quite considerable: they contribute one-fifth of national income and



A co-operative supermarket in the village of Solt

provide jobs for one-third of the working population.

#### **Agricultural co-operatives**

Farming co-operatives play a very important, we might even say a crucial, role in Hungarian agriculture. They number over 2,300, cultivate 73% of the country's arable land (i.e. approximately 56,000 has.), and own 70.7% of the country's entire livestock. Their production accounts for 71% of gross agricultural product, and of the one million people employed in agriculture 737,000 are members of a co-operative. Co-operative farms average 2,300 has. and 400 members.

These co-operatives, with official support provided by the new economic policy already mentioned, are diversifying their activities to cover the various branches of the foodstuff industry and their develop-

ment in this field has been significant. Their processing activities account at present for 3% of the total value of food production; this will increase to 5% in the near future when a new dairy and meat-processing plant initiates production. Members of a farming co-operative retain ownership of their land and part of the society's earnings are distributed to them in proportion to the amount of land they have contributed, but it must be emphasised that income from this source is very small in relation to income accruing to farmers in proportion to the amount of work they carry out for the co-operative. Another characteristic feature of Hungarian agricultural co-operatives is that members may retain a certain portion of land and livestock for their own personal use. There is a close connection between the co-operative and these so-called "household plots":





Large scale co-operative poultry farming



Measuring instruments are manufactured in a workers' productive society in Budapest

the co-operative supplies members with the necessary animal feed, markets their products and puts at their disposal the collectively-owned machinery and equipment.

### **Consumer and marketing co-operatives**

There are at present 576 co-operatives of this type but since each of them services a wide area their number is not an accurate indicator of their importance as supply distributors and marketing centres, especially for agricultural products. Their memberships exceeds 1.5 million. Their services benefit not only their members but the community as a whole (it is estimated that they provide services to approximately half of the country's population) and they are particularly important in villages and rural areas, where they are virtually the sole suppliers of goods.

Almost one third of the total turnover in the country's retail trade and catering industry corresponds to co-operatives and they employ approximately 28% of the total number of workers in the sector. Their role in distribution and export of fruit and vegetables is of special significance. Some of these co-operatives have also started producing goods, on a small scale, in order to make better use of locally available raw materials and labour.

### **Workers' productive and services co-operatives**

There are at present approximately 11,000 co-operatives of this type, with a total membership of 24,000 and employing over 320,000 workers. They contribute almost 8% of the country's total industrial production. In some branches of industry their proportional share is significantly larger: they represent 20% of the shoe industry, 40% of the clothing industry and almost 40% of the furniture industry. Export of goods produced by co-operatives has been steadily rising, and by employing a great number of outworkers, especially handi-

capped persons who would otherwise find it difficult to participate actively in the country's economic life, they efficiently promote regional industrial development.

The share of co-operatives in the building sector is 10.5%. They have been especially active in the construction of blocks of flats, one of the country's most urgent needs. It is estimated that 166 building co-operatives will build 12,000 flats in the near future. After the dwellings have been completed the co-operatives take over their maintenance: approximately 71,000 flats, housing about 25,000 persons, are kept in good repair by 546 flat maintenance co-operatives.

Co-operatives also play a crucial role in providing essential services such as car maintenance, chemical cleaning, repair and maintenance of household appliances etc. Their share in this sector is 49%.

### **Savings Co-operatives**

Savings co-operatives were first established in a few villages 15 years ago. At present they number 385 and their activities extend to 2,670 out of the country's 3,000 communities. Their total deposits amount to 5,500 million florins and their credit assets to 2,000 million. They pay the same rate of interest on deposits as State banks and provide credit facilities to their members. Total membership is about 980,000, which means that approximately 40% of the country's population makes use of their services.

The Hungarian national co-operative organisations, and Hungarian co-operatives in general, have endeavoured to collaborate with their counterparts in other countries, thus strengthening international co-operation. They have established economic ties with other co-operative movements and, in collaboration with the International Co-operative Alliance, they promote the development of co-operation in the Third World.

# **PORTRAIT OF A MOVEMENT**

A new edition of the highly popular booklet "Portrait of a Movement" is now published, superseding the 1967 edition.

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# The ICA Organisation for Co-operative Consumer Policy

by **Leonora Stettner**

A new committee has been added to the roster of ICA auxiliary bodies which serve as "functional arms" of the Alliance. This is the ICA Organisation for Co-operative Consumer Policy which was formally constituted at a meeting held in Paris on 27th and 28th March, 1973, under the chairmanship of Dr. M. Bonow.

The meeting adopted the rules which had previously been approved by the ICA authorities and elected Mr. Nils Thedin of Kooperativa Förbundet, Sweden, as Chairman and Mr. Giulio Spallone of Lega Nazionale, Italy (also Chairman of EURO COOP) as Vice-Chairman. Mr. Jacques Semler-Collery, Fédération Nationale des Coopératives de Consommation, France, was appointed Secretary.

The decision to set up a new body within the ICA was taken against the background of increasing concern about consumer interests at the international level. There is a tendency to think of the consumer problem as a new one, because "consumerism" is currently fashionable. However, co-operators know better than anyone else just how old the consumer problem is. They are conscious that it was "consumerism" which gave birth to the consumer co-operative movements many

decades ago at the time of the Rochdale Pioneers.

Nevertheless something new and important is now happening in this field. A number of factors have combined to shift the focus of concern over consumer welfare to the international level. At the local and national level there is more interest than ever before in problems of the consumer. But what has happened is that the dimensions of the problem have grown so rapidly, beyond national frontiers, and the pattern has been duplicated in so many countries, that consideration of solutions has now necessarily to be tackled in the centre of the stage, that is increasingly in international forums.

Modern transportation and communications, modern technology and the advantages of large scale production have produced regional systems of economic integration across country lines, as well as giant firms, multinational corporations, worldwide inflation. These developments in turn have meant that increasingly the private and governmental policies which affect individual consumers are being determined internationally—policies relating to price and output, to trade and exchange controls, monetary and fiscal policies etc.

One consequence has been growing activity at the international level in protection of consumer interests. Public attention is being focused, for example, on international standards for quality control and labelling, on protecting the environment and on the harmonisation of national consumer legislation. There is also greater interest internationally in consumer protection in less developed countries; such interest is being expressed by the International Office of Consumer Unions, the World Health Organisation, the Food and Agriculture Organisation and the International Standards Organisation, among others.

Accordingly the ICA has now responded to these pressures by instituting an international co-operative programme for the protection of consumers. There are three major aspects of the role which the new Committee is expected to play:

- (1) to promote an exchange of experience among national co-operative movements in respect of consumer protection and education;
- (2) to protect the consumer interests of co-operative members as affected by international co-operative enterprises; and
- (3) to represent the general consumer interests vis-à-vis the international community.

### **Exchange of Experience**

Member organisations can learn from each other for the purpose of improving their own programmes of consumer protection and education. Much information has already been collected and disseminated to member organisations by the ICA. However, the new Committee will no doubt be giving thought to possibilities for expanding these activities. For example, it might circulate to member organisations questionnaires concerning their consumer protection policies; it might publish a bulletin covering the consumer protection aspects of co-operative activities; and it might convene a Co-operative Consumer

Congress at the international level every few years in line with the practice initiated by the ICA with the advice of the former Consumer Working Party.

### **Protection of Co-operative Consumers**

The scope of international co-operative enterprises is already substantial and is rapidly increasing in the fields of joint production, joint purchasing, and joint selling. Moreover imaginative proposals were put forward at the recent ICA Congress in Warsaw for expanding such activities which are clearly part of the "wave of the future".

At the same time consumer-minded co-operators in INTER-COOP, EURO COOP, the ICA Banking Committee, the International Co-operative Petroleum Association, the ICA Agricultural Committee and the ICA Women's Advisory Committee are concerned that, as co-operatives grow bigger and do business internationally, the consumer interests of their members should be fully safeguarded. This means bringing to bear the best experience available throughout the international co-operative movement in respect of testing, quality control, specifications and environmental impact. Hence it would seem to be appropriate for the new Committee to set itself up as a watchdog for the co-operative consumer.

### **Co-operative Representation in the International Community**

The third function of the Committee relates to the question of how the co-operative voice can best make itself heard in the international community in order to promote and protect the interests of consumers in general, not just co-operative customers.

(a) The first dimension of this problem relates to the "image" of the Co-operative as seen by other international organisations, that is, its credentials to act as a representative of the consumer.

This in turn raises an important issue which is often voiced by non-co-operative

consumer organisations, namely an alleged conflict of interests arising from the co-operative's dual function as producer or trader in addition to serving the consumer. This is a charge which co-operators must take seriously, since at first glance it appears to be analagous to a complaint frequently and justifiably levelled against private-profit producers or traders who pose as champions of consumers; it is pointed out that their primary purpose is to maximise profits and this may very well be—indeed often is—at the expense of the consumer. However, the point to stress is that this is an implication which flows from their very nature as profit-seeking enterprises, and it is this which differentiates them from co-operatives. Consumer co-operatives are established for the express purpose of serving the consumer, and it is the basic co-operative principles which safeguard this objective—the return of surpluses to consumers, limited return on capital, and democratic control which ensures that it is the consumers who dictate policy.

This then should be the basis of the co-operative claim to represent the consumer. It is on these principles that the credentials of the Movement rest. Far from hiding their involvement with trade and production, this involvement should be underlined. Co-operators should emphasise their practical experience in terms of test kitchens, quality control, buying to careful specifications, consumer panels, various forms of consumer information, and co-operative channels for two-way communication with consumers. They should reiterate the basic fact that they represent consumers in business for themselves.

Obviously co-operators do not need convincing on this point. But the international community will have to be convinced if the co-operative voice is to carry weight. How can this be achieved?

For one thing, the new Organisation should make use of all possibilities for publicity. The consumer work of the co-

operatives will have to be advertised and publicised through all the media at their disposal. In addition it will be important to publish and publicise studies and reports that are prepared in the co-operative movement in connection with consumer problems; again, a consumer bulletin might be useful for this purpose.

In addition to publicity media, personal contacts will have to be developed at all levels, since decisions relating to the consumer usually evolve from the local, regional and national levels to the international level. The Committee will need to be represented at relevant international meetings. More important, it will be necessary to keep in touch with staff at the working level of international organisations, particularly at the stages when the situation is still fluid and before final and formal decisions are taken.

(b) The above comments relate to making the co-operative voice heard. But it is equally important that the international co-operative movement should speak with one voice.

This is primarily a matter of co-ordination. It will be necessary to build into the work of the Committee a programme and machinery for achieving co-ordination between the various parts of the international co-operative movement and particularly between the various Auxiliary Committees of the ICA.

Machinery will also have to be devised for enabling the Committee to arrive at agreed positions on the various issues which arise.

- (i) In part this is a matter of ensuring that the Committee is truly representative in its composition so as to reflect the views of both management boards and technicians in national movements, and of both the business and the ideological sides of the movement.
- (ii) Also representation on the Committee must be at a high enough

level to ensure that members of the Committee have authority to speak for their national movements.

- (iii) The administrative machinery must be flexible enough to permit *ad hoc* decisions to be taken quickly when necessary.
- (iv) Most important, there must be an effective system of communications between the Committee, the national movements and the ICA.

### Resources Required

It was stressed at the constituent meeting of the Consumer Committee that its work will need to be of considerable scope and will therefore require adequate resources. The FNCC has already subscribed very generous support to this purpose. Clearly however much more support will be needed—not only money, but also manpower of many kinds including experts, administrative and clerical workers, and contact people. The work cannot be left to the Secretariat alone but will call for the

active participation of all committee members and through them of national movements.

### Priorities

The term “priorities” cropped up a number of times in the discussions at the Paris meeting. In view of the dimensions of the task facing the Committee and the limited resources available to it, it will clearly be necessary to be selective in shaping a work programme. Careful consideration must be given to a choice, first of those tasks which are best suited to the international level, and secondly of those which are best suited to co-operatives as opposed to other international organisations. A range of problems must be selected which is within the capabilities of the Movement. Thus, in addition to the slogan “eternal vigilance” which co-operatives have already adopted as appropriate to their objectives, the new Organisation would do well to adopt also another slogan, namely “do less, but do it well”.

### ERRATUM

In Vol. 66 No. 1/2 1973, p.35, we very much regret that Mr. P. Søliland of Norway was misquoted on the subject of multinational corporations; the penultimate paragraph in the first column on p.35 should have read:

“Mr. P. SØILAND, Norway, pointed out that the development of big private economic organisations, many of which had developed into multinational corporations, was a natural result of the economic system which had been developed in the Western World and in Japan, although it was this free economic system which was responsible for the high standard of living and the democratic system now enjoyed in the Western World. It was obvious, however, that big private enterprises . . .”

# Book Reviews

*We have*  
**Co-operation and the Owenite socialist communities in Britain, 1825-1845**

by R. G. Garnett, Manchester University Press, 1972, 272 pp., £4.80.

This little book is much more concerned with assessing the community experiments at Orbiston, Ralahine and Queenwood in the second quarter of the nineteenth century than with the rapid and successful expansion of the consumers' co-operative movement. However, it analyses the relationships between Owen, the Owenites and the early co-operators, makes some modifications to the commonly held views regarding the contributions of leading Owenites and provides a more accurate definition of the origins of the co-operative movement.

The Queenwood community collapsed a few months before the Rochdale Pioneers founded their society, yet the pioneers regarded the opening of their store as a stepping stone to community development. Communitarian ideas remain with us today in spite of the failure of the Owenite and other communities; and Dr. Garnett's book is of great value when exploring in detail just why the three main Owenite communities ended in failure. These failures of the last century have lessons for twentieth century co-operators and community developers in Britain as well as in developing countries.

P.D.

**Opération Mochav**, by Henri Desroche and Zvi Gat, Paris, Editions Cujas, 1973, 430 pp.

Why does archetypal "scientific" socialism have to be "prescribed, proclaimed, ideological, industrial and centralised"? Henri Desroche, a figure well known to us for his vast contributions in the field of sociology of the co-operative movement, sets out to the land of the Bible to study a new phenomenon in socialist theory—"une socialisation sans socialisme". In this book we are told about the Moshav, an entity that is "voluntary, aware, empirical, rural and autarchic".

Verbatim reports of personal interviews make the book interesting to read and help the reader to understand why, more than a matter of ideology, the character of each individual moshav—and the moshav movement as a whole—is determined by the very idiosyncrasy of its members. The authors allow us even some picturesque insights such as that of the Bulgarian children in an Argentinian moshav that have to learn Spanish to understand the weekly Tarzan film.

We are shown the status conflicts that arise between members and "salaried members" as well as those deriving from the complex interdependency of the various organisations interacting in the background, such as the Histadrut Labour Confederation, the Jewish Agency and the diverse Government Departments. Unfortunately for the reader not



well versed in Israel's system of government, not even the accurate descriptions of the innumerable organisations relevant to the moshav movement, nor the most artistic tables and models provided by the authors, will allow him to see clearly through this bureaucratic jungle.

The moshav, as well as the kibbutz, is faced with the problem of existing as a socialist entity within the framework of a capitalist market and even the collective marketing of some agricultural produce through Tnuva (the Labour Confederation's marketing co-operative) does not solve the problems arising through competition from cheaper salaried labour. The wish of moshavim to remain primarily agricultural is faced with the reality that industry makes more money—a necessary commodity for survival in a capitalist system.

In short, and in spite of the vast quantity of anecdotal material that at most allows the reader to "feel" rather than understand the moshav, this book will definitely be an asset to the student of the Israeli co-operative movement. The chapters dealing with the historical evolution and the structural integration of the movement, and the factual discussion of the problems of moshavim, provide sufficient information to make the reader think and question.

R.F.

Federal German Ministry for Economic Co-operation, the booklet "Pre-Member-Education Course for Housing Co-operatives" has been published.

This booklet, written in English, is the result of the work done by a study group of East-African co-operative housing officials during the above mentioned seminar and its objective is to provide a guideline for all those concerned with the founding of co-operative housing. It will serve well as a textbook to all who have the difficult task of propagating the "know-how" of housing co-operative techniques.

The booklet makes it clear that the most obvious premise for the foundation of a successful housing co-operative is that those interested in membership must have a prior knowledge and understanding of the principles of co-operative association, and only on this basis should a group of people undertake to create a new housing co-operative. The authors rightly state that only those prospective members who are quite clear about their obligations and rights as members of a housing co-operative should take the step of joining together in such an organisation, and that these prospective members should commit themselves to attend a preparatory course for housing co-operative membership. The course would consist of twelve lessons to be held by an instructor from either the Co-operative Union or from a housing co-operative itself. The suggestions for a course of twelve lessons as given in the booklet are excellent. Fundamentally they contain what is basic to all needs and could of course be varied to suit the different areas of the world. It is envisaged that a certificate of attendance should be awarded to each participant and the booklet also contains a set of fifteen educational cards to be filled in by each person attending the course. Additional cards are available at DESWOS office upon request.

The important aspects touched on in the lessons include: What are your housing problems? How to solve them by co-operative action, Types of housing co-operatives, Advantages that can be derived from self-help, Basic co-operative principles, How to become a member of a co-operative, The rights and obligations of a member of a co-operative society, The rights and obligations of a tenant in a co-operative housing society, How to live together in a co-operative community, Bye-

### **Pre-Member-Education Course for Housing Co-operatives**

Published by the German Development Assistance Association for Social Housing (DESWOS) 5 Köln 1, Bismarckstr. 7, Federal Republic of Germany. DM 6,—(applications for copies should be made to: Hammonia-Verlag, 2 Hamburg 54, Basselweg 2).

Following the seminar on "Administration and Management of Co-operative and other Non-profit Housing Societies", conducted by DESWOS with the assistance of Professor Münkner and Professor Stoffregen of Marburg University and under the sponsorship of the

laws made by the members and binding to the members, Why and how to participate in a General Meeting and Duties and responsibilities of office-holders in a co-operative society.

Conceived and compiled by a group of East-African co-operative officials, the study certainly also contains much material of

relevance to members of housing co-operatives in our industrialised countries and these members might well find some of the proposals readily applicable to the solution of their own problems. In short the study deserves attention from all co-operators active in this most humane field of our co-operative work.

J.H.O.

## **ICA PUBLICATIONS**

A report of the meetings held in connection with the 25th Congress in Warsaw is contained in the ICA Co-operative News Service Nos. 10/11, 1972. Copies in English only obtainable from the ICA at 20 pence each.

### **CALENDAR OF TECHNICAL ASSISTANCE FOR CO-OPERATIVES 1973**

Containing information on seminars and conferences planned for co-operators in developing countries and listing new and continuing co-operative projects is now available from the ICA at the price of £1.00 (sea-mail).

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**Regional Director: Mr P. E. Weeraman**  
**PO Box 3312, 43 Friends Colony**  
**New Delhi 14, India. Tel. 631541; 632093.**

**International Co-operative Alliance**  
**Regional Office for East and Central Africa**

**Regional Director: Mr Dan Nyanjom**  
**PO Box 946, Moshi, Tanzania. Tel. 2616.**

## Affiliated Organisations

**Algeria:** Société Coopérative Musulmane Algérienne d'Habitation et d'Accession à la Petite Propriété, 6 et 8 rue du Cercle Militaire, Oran. Tel. 205-00; 237-75; 368-64; also at - 21 rue Edgar Quinet, Algiers, and 9 rue Mathurin-Régnier, 75 Paris 15e.

**Angola:** see 'Zaire'.

**Argentina:** Federación Argentina de Cooperativas de Consumo, Avda. Suárez 2034, Buenos Aires. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, Humberto 1°, 2318—1° P.-A., Buenos Aires. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, Avenida de Mayo 1370, Piso 1°, Buenos Aires. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., Pueyredon 468, 2° Piso, Buenos Aires (RC 24). Tel. 86-6283.

Asociación de Cooperativas Argentinas, 25 de Mayo 35, Buenos Aires.

Confederación Cooperativa de la República Argentina Ltda. (COOPERA), Luis Marfa Compos 1588, Buenos Aires.

**Australia:** Co-operative Federation of Australia, Secretariat: 569 Wellington Street, Perth, Western Australia 6000. Tel. 21-0191.

**Austria:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, Theobaldgasse 19, A-1061 Vienna VI. Tel. 57-75-38.

Membership (1971): 556,300; turnover: retail trade: Sch. 7,434 mill. (thereof consumers' societies: Sch. 6,367 mill.; department stores: Sch. 1,019 mill.; other retail trade: Sch. 48 mill.); wholesale society (G.Ö.C.): Sch. 2,906 mill.; own production: consumers' societies: Sch. 909 mill.; G.Ö.C. and subsidiaries: Sch. 527 mill.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, Bösendorferstrasse 7/11, 1010 Vienna. Tel. 65-71-63; 65-13-25.

1969: Affiliated organisations: 301 (comprising 189 societies and 112 associations); membership: 146,767; dwellings administered: 310,124 (comprising 136,462 societies and 173,662 associations); balance at 1968: 45.2 milliard Sch. (divided as to societies 22.2 milliards, associations 23 milliards).

Österreichischer Raiffeisenverband, Seilergasse 16, Vienna 1. Tel. 52-69-34.

**Bangladesh:** Bangladesh Jatiya Samabaya Union, "Samabaya Sadan" (1st floor) 9/D-Mo. ijheel Commercial Area, Dacca 2. Tel. 255846.

Provincial Fishermen's Co-operative Society Ltd., Iqbal Road, Patharghata, Post Box 27, Chittagong. Tel. 80587; 85967.

**Belgium:** Fédération belge des Coopératives (FEBECOOP), 26-28 rue Haute, 1000 Brussels. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", P.S. Building, 151 rue Royale, 1030 Brussels. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, 135 rue de la Loi, 1040 Brussels. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, 30 rue des Champs, 5300 Ciney (Namur). Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels 7. Tel. 22-56-90.

Union of 26 co-operative societies owning 466 pharmacies, 71 optical departments, 6 drug stores, 14 wholesale depots. Turnover (1971): Frs. 3,102,783,000. Surplus distributed to 535,000 members: 131 mill.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

**Bulgaria:** Central Co-operative Union, Rue Rakovski 99, Sofia. Tel. 7-83-11; 8-03-11.

**Cameroon:** West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

**Canada:** Co-operative Union of Canada, 111 Sparks Street, KIP 585 Ottawa 4, Ont. Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, Case postale 58, Station N, Montréal 129. Tel. (514) 866-8048.

**Ceylon:** See "Sri Lanka".

**Chile:** Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 610, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Unión Cooperativa de Seguros (Ucoseg) Ltda., Moneda 1040, of. 704-705, Santiago de Chile. Tel. 81295; 65100.

Unión de Cooperativas de Consumo y Servicios de Chile Ltda. ("U-Coop"), Agustinas 1141, 7° Piso, Casilla 14439, Santiago de Chile. Tel. 715256.

**Colombia:** Cooperativa Familiar de Medellín Ltda., Calle 49, No. 52-49, Medellín. Tel. 45-00-55; 41-71-13; 41-53-78.

Instituto Nacional de Financiamiento y Desarrollo Cooperativo (Financiacoop), Carrera 13, No. 27-00, Edif. Bochica, piso 2°, Int. 9, Aptdo Aéreo 12242, Bogotá. Tel. 81-06-00.

**Congo, Democratic Republic of:** See "Zaire".

**Cyprus:** Co-operative Central Bank Ltd., P.O. Box 4537, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

**Czechoslovakia:** Ustredni Rada Druzstev, Tesnov 5, 11006 Prague 1. Tel. 621-54; 647-51.

**Denmark:** De samvirkende danske Andelselskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members.

Det Kooperative Faellesforbund i Danmark, Kronprinzengade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Róskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; membership: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

**Finland:** Suomen Osuuskauppojen Keskuskunta (S.O.K.), Vilhonkatu 7, 00101 Helsinki 10. Tel. 90-650-611.

Affiliated Societies (1972): 241; membership: 588,847; wholesale turnover: Fmk 2,594.1 mill.; own production of SOK: Fmk 374.4 mill.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00101 Helsinki 10.

Affiliated societies (1972): 241; membership: 588,847; turnover of societies: Fmk 3,932.5 mill.; total production of affiliated societies: Fmk 51.1 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 740, 00101 Helsinki 10. Tel. Helsinki 10491.

Affiliated societies: 71; membership: 576,649; turnover (1972): Fmk 2558,5 mill.; own production: Fmk 252,2 mill.

Keskusosuusliike O.T.K., P.O. Box 120, 00101 Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies: 71; turnover (1972): Fmk 1652,7 mill.; own production: Fmk 458 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

**France:** Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89 rue la Boétie, 75008 Paris. Tel. 225-99-98.

Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88 rue de Courcelles, 75008 Paris. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88 rue de Courcelles, 75008 Paris. Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, 88 rue de Courcelles, 75008 Paris. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129 Bd. St. Germain, 75006 Paris. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), 20 rue de Richelieu, 75 Paris 1er. Tel. 266-4520.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 3 ave. du Coq, 75009 Paris. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75008 Paris. Tel. 267-14-50.

**Gambia (The):** Gambia Co-operative Union Ltd., P.O. Box 505, Bathurst. Tel. 581.

**German Democratic Republic:** Verband der Konsumgenossenschaften der DDR, Stresemannstrasse 128, 108 Berlin.

**Federal Republic of Germany:** Bund deutscher Konsumgenossenschaften G.m.b.H., Besenbinderhof 43, (2) Hamburg 1. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 milliards.

Co op Zentrale A.G., Besenbinderhof 43, (2) Hamburg 1. Tel. (0411) 284-4310.

Total turnover incl. subsidiaries (1969): D.M.,2,462 milliards.

Gesamtverband gemeinnütziger Wohnungsunternehmen e.V., Bismarckstrasse 7, 5000 Cologne 1. Tel. 52-31-81.

Volksfürsorge Lebensversicherung Aktiengesellschaft, An der Alster, (2) Hamburg 1.

Volksfürsorge deutsche Sachversicherung Aktiengesellschaft, Steinstrasse 27, (2) Hamburg 1.

Deutscher Raiffeisenverband e.V., Adenauerallee 127, 53 Bonn. Tel. (0-22-21) 1061.

**Greece:** Membership suspended.

**Guyana:** Guyana Co-operative Union Ltd., Ministerial Buildings, High Street and Brickdam, Georgetown.

**Haiti:** Caisse Populaire Dominique Savio, 57 Rue Riguard, Pétion-Ville.

**Hungary:** National Council of Consumers' Co-operative Societies (SZOVOSZ), Szabadság tér 14, Budapest V. Tel. 113-600; 112-800.

National Council of Industrial Co-operatives, Pesti Barnabás 6, Budapest V. Tel. 188-800; 188-806.

National Co-operative Council, P.O. Box 661, H.1373 Budapest V. Tel. 113-600; 112-800.

National Council of Agricultural Co-operatives, Akadémia utca 1-3, Budapest V. Tel. 113-600; 112-800.

**Iceland:** Samband Isl. Samvinnufélaga, P.O. Box 180, Samband House, Reykjavik. Tel. 17080.

**India:** National Co-operative Union of India, 72 Jorbagh, New Delhi 3. Tel. 611123; 611343; 619328.

**Indonesia:** Dewan Koperasi Indonesia, 28 Djalan Djenderal Soedirman, Djakarta. Tel. 581400.

**Iran:** Sepah Consumers' Co-operative Society, Avenue Sevvom Esfand, Rue Artèche, Teheran. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, 20-22 Shahabad Avenue, Teheran.

Central Organisation for Rural Co-operatives of Iran, 357 Pahlavi Avenue, Teheran. Tel. 64210.

Consumers' and Services Co-operative Society for the Ministry of Labour and Social Affairs Employees, Ministry of Labour and Social Affairs, Teheran.

**Irish Republic:** Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2*. Tel. 64783/4-6.  
National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., *35 Lower Gardiner Street, Dublin*.

**Israel:** General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv*. Tel. 46111-35.  
Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv*. Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv*. Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nachmani Street, P.O.B. 622, Tel-Aviv*. Tel. 614933.

**Italy:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, 00161 Rome*. Tel. 868-141/2-4.  
Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome*. Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma 22, 00184 Rome*. Tel. 462-659; 471-846.

**Jamaica:** Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston*. Tel. 24737.

**Japan:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo*. Tel. Tokyo (404) 3231.

Zenkoku Nogyo Kyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *8-3, 1-chome, Otemachi, Chiyoda-ku, Tokyo*.

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Co-op Building, 7th floor, 1-12 Uchikanda 1 chome, Chiyoda-ku, Tokyo 101*.

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100*.

**Jordan:** Jordan Co-operative Organisation, *P.O.B. 1343, Amman*. Tel. 23101/3.

**Kenya:** Kenya National Federation of Co-operatives Ltd., *P.O.B. 49768, Nairobi*. Tel. 21486.

**Korea:** National Agricultural Co-operative Federation, *75, 1st Street, Chung-Jong-Ro, Sŏ-daemun-ku, Seoul*. Tel. 73-0021; 75-2681.

**Lebanon:** Fédération Nationale des Coopératives du Liban, *B.P. 3079, Beirut*.

**Malaysia:** Co-operative Union of Malaysia Ltd., *Peti Surat 685, Kuala Lumpur*. Tel. 23903.

Co-operative Central Bank Ltd., *29 Leboh Ampang, P.O. Box 685, Kuala Lumpur*. Tel. 26531/4.

Co-operative Bank Malaysia Ltd., *140 Jalan Ipoh, Peti Surat 1024, Kuala Lumpur*. Tel. 299677; 299679.

Sarawak Co-operative Central Bank Ltd., *Kuching, Sarawak*.

Malaysian Co-operative Insurance Society Ltd., *36 Jalan Ampang, P.O. Box 817, Kuala Lumpur*. Tel. 87915/6.

Angkatan Kerjasama Kebangsaan Malaysia Berhad (ANGKASA), *Jalan Templer: Petaling Jaya, Selangor*.

**Malta:** Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa*. Tel. Cent 24896.

**Mauritius:** Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis*. Tel. Port Louis 822.

**Netherlands:** Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", *Postbus 52, Europalaan 30, Utrecht*.

Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam 3*. Tel. 62303.

**Nigeria:** Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Ibadan, P.M.B. 5101*. Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., Co-operative Office, *147 Yakubu Gowon Street, Lagos*. Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *Private Mail Bag 1021, No. 4 Murtala Mohammed Road, Benin City, Mid-Western State*. Tel. Benin 594.

**Norway:** Norges Kooperative Landsforening, *Revierstredet 2, Post Box 451, Sentrum, Oslo 1*. Tel. (47-2)20-62-90.  
Affiliated societies (1970): 753; membership: 406,000; turnover of local societies: Kr. 3,500 mill.; of N.K.L.: Kr. 1,149 mill.

Norske Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5*. Tel. 33-32-42.

**Pakistan:** West Pakistan Co-operative Union Ltd., *11 Masson Road, P.O.B. 905, Lahore*. Tel. 54203.

Karachi Central Co-operative Bank Ltd., *14 Laxmi Building, Bunder Road, Karachi 2*. Tel. 36185.

Karachi Co-operative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5*. Tel. 40244.

Karachi Co-operative Union Ltd., *Co-operative House, Shaheed-e-Millat Road, Karachi 5*. Tel. 230289.

Fishermen's Co-operative Society Ltd. (FISCOS), *Fish Harbour, West Wharf Road, P.O. Box 5328, Karachi*. Tel. 229101; 224457.

Sind Baluchistan Provincial Co-operative Bank, Ltd., *Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2*. Tel. 32361; 37290; 34736.

**Peru:** Cooperativa de Seguros "INCA" Ltda., No. 181, *Av. Brasil 1360, Apartado 10159, Lima 21*.

Cooperativa de Seguros del Perú Ltda., No. 170, *Maximo Abril 552, Lima*. Tel. 46769.

Banco Nacional de las Cooperativas del Perú Ltda., *1 Av. Tacna 411, Apartado 4895, Lima*. Tel. 276569.

**Philippines:** Central Co-operative Exchange Inc., *P.O.B. 1968, Manila*. Tel. 7-60-09.

Grains Marketing Co-operative of the Philippines "Gramacop" Inc., *107-D Arellano Street, Calocan City*. Tel. 23-91-40.

Filipino Cooperative Wholesale Soc. Inc., *P.O. Box 4439, Manila*.

**Poland:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, *Kopernika 30, Warsaw*. Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, *Ul. Marchlewskiego 13, Warsaw*. Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, *Grazyny 13, Warsaw*. Tel. 45-32-41.

Central Union of Work Co-operatives, *Surawia 47, Warsaw*. Tel. 28-51-86.

Supreme Co-operative Council, *Ul. Jasna 1, Warsaw*. Tel. Warsaw 26-72-21; 27-13-26.

**Portugal:** UNICOOPE - Uniao Cooperativa Abastecedora, S.C.R.L., *Avenida Almirante Reis, 127-4<sup>a</sup>, Dt., Lisbon 1*. Tel. 315843.

**Puerto Rico:** Co-operative League of Puerto Rico, *458 Fernando Calder, Apartado 707, GPO San Juan*. Tel. 764-2727.

**Romania:** Uniunea Centrala a Cooperativelor de Consum, "Centrocoop", *Strada Brezoianu 31, Sectorul 7, Bucharest*. Tel. 16-00-10; 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Central Union of Handicraft Co-operatives, "UCECOM", *46, Calea Plevnei Street, Sector VII, Bucharest*. Tel. 13-16-48.

Uniunea Nationala a Cooperativelor Agricole de Productie, "Uncap", *25 Bd. Gheorghe Gheorghiu-Dej, Bucharest*.

**Singapore:** Singapore Co-operative Union Ltd., *Post Box 366; Office and Library: 3-JJK Clifford House, Singapore 1*.

**Sri Lanka:** National Co-operative Council of Sri Lanka, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496. *Membership under consideration*.

**Sweden:** Kooperativa Förbundet, *S-104 65 Stockholm 15*. Tel. International: 46-8-449560; National: 08-44-90-60.

Affiliated retail societies (1971): 216; membership: 1,665,552; total turnover of consumer societies: Kr. 8,698 mill.; turnover of K.F.: Kr. 6,744 mill. (thereof Kr. 4,806 mill. to affiliated consumer societies); K.F.'s own production: Kr. 3,270 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,077 mill. and of affiliated retail societies: Kr. 1,291 mill.

Hyresgästernas Sparkasse- och Byggnadsförningars Riksförbund ek för (H.S.B.), *Fack, S-100 21 Stockholm 18*. Tel. 54-05-40.

1972: Affiliated Building Societies: 94; with individual members: 350,000; number of flats administered by local societies: 315,000; value of real estate: Kr. 16,936 mill.

Svenska Riksbyggen, *Hagagatan 2, P.O. Box 19015, S-104 32 Stockholm 19*. Tel. (08)34-05-20.

Folksam Insurance Group, *Folksam Building, Stockholm 20*. Tel. 22-01-00.

Lantbrukarnas Riksförbund, *S-105 33 Stockholm 3*. Tel. (08)14-16-00.

Kooperativa Gillesförbundet, S-104 65 Stockholm 15. Tel. (08)44-90-60; (08)44-95-60.

**Switzerland:** Coop Schweiz, Thiersteinerallee 14, CH 4002 Basle. Tel. (061)35-50-50.

Affiliated societies (1970): 276; retail outlets: 2,451; membership: 899,320; Coop-total turnover: Frs. 3,432.3 mill.; Coop-retail turnover: Frs. 2,893.0 mill.; Coop Schweiz, wholesale turnover: Frs. 1,743.5 mill.

Verband ostschweiz. landwirtschaftlicher Genossenschaften (V.O.L.G.), Schaffhauserstrasse 6, Winterthur 8401.

Verband sozialer Baubetriebe, c/o SBHV, Sihlpostfach, Zürich.

Genossenschaftliche Zentralbank, Aeschenplatz 3, CH 4002 Basle. Tel. (061) 23-84-00.

CO-OP Lebensversicherungs-Genossenschaft Basel, Aeschenvorstadt 67, CH 4002 Basle.

**Tanzania:** Co-operative Union of Tanganyika Ltd., National Co-operative Building, P.O. Box 2567, Dar-es-Salaam. Tel. 23077; 23344; 23347.

**Thailand:** Co-operative League of Thailand, 4 Pichai Road, Dusit, Bangkok. Tel. 811414.

**Turkey:** Türk Kooperatifcilik Kurumu (Turkish Co-operative Association), Mithatpasa Caddesi 38, Yenisehir, Ankara. Tel. 12-43-73.

**Uganda:** Uganda Co-operative Alliance, P.O.B. 2215, Kampala. Tel. 56984/6.

**U.S.S.R.:** Central Union of Consumers' Co-operative Societies of the U.S.S.R., "Centrosoyuz", Tcherkassky per no. 15/17, Moscow. Tel. 221-7253.

Consumers' societies (1970): 14,868; members: 59,637 mill.; shops: 369,700.

**United Kingdom:** Co-operative Union Ltd., Holyoake House, Hanover Street, Manchester M60 0AS. Tel. (061) 834-0975.

Affiliated retail societies (1971): 303; membership: 11.3 million; share capital: £142 million; retail sales: £1,203 million.

Co-operative Wholesale Society Ltd., P.O.B. 53, New Century House, Corporation Street, Manchester M60 4ES. Tel. (061) 834-1212.

Co-operative Insurance Society Ltd., Miller Street, Manchester 4. Tel. (061) 832-8686. Assets (1964): £369 mill.

Co-operative Bank Ltd., P.O. Box 101, New Century House, Manchester M60 4ES. Tel. 061-834-1212.

Plunkett Foundation for Co-operative Studies, 31 St. Giles, Oxford. Tel. 0865-53960.

**U.S.A.:** Co-operative League of the U.S.A., 1828 L Street, NW, Washington, D.C. 20036. Tel. (202) 872-0550.

**Uruguay:** Centro Cooperativista Uruguayo, Dante 2252 Montevideo. Tel. 41-25-41; 40-90-66.

**Yugoslavia:** Glavni Zadruzni Savez FNRJ, Terazije 23/VI, Belgrade. Tel. 30-947/9.

**Zaire:** Centrale Générale des Coopératives Angolaises, B.P. 6039, Kinshasa 1.

**Zambia:** Eastern Province Co-operative Marketing Assoc. Ltd., P.O.B. 108, Chipata. Tel. 439; 485.

National Co-operative Development Committee, P.O. Box 3579, Lusaka. Tel. Lusaka 51744.

## INTERNATIONAL ORGANISATIONS

Organization of the Cooperatives of America, Ap. aéreo 2738, Lima.

Nordisk Andelsforbund (Scandinavia), 3 Axel-torv, 1609 Copenhagen V, Denmark. Tel. 15-15-33

International Co-operative Bank Co. Ltd. (INGEBA), Dufourstrasse 54, P.O.B. 711, CH 4002 Basle, Switzerland. Tel. (061)23-58-27.

International Co-operative Petroleum Association, 28 West 44th Street, New York, N.Y. 10036, U.S.A. Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo de Financiamiento Cooperativo (SIDEFCOOP), Casilla de Correo 4311, Buenos Aires, Argentina.

International Co-operative Housing Development Association (ICHDA), Suite 1007, 1012-14th Street, N.W. Washington, D.C. 20005, U.S.A. Tel. 202-737-3420.





# Long-term Credit and Agricultural Production in India

Agriculture is the backbone of the Indian economy, and the Co-operative Land Development Banks are the main institutional agencies in the country providing long-term credit for building up capital assets on land to increase agricultural production. The development of minor irrigation through wells, pumping equipment and lift irrigation; soil conservation and the mechanisation of agriculture are some of the purposes financed by the Banks. The long-term investment in agricultural industry by these Banks has raised farm productivity and substantially sustained the green revolution. The Land Banks are also implementing the bulk of the Special Development Schemes financed by the Agricultural Refinance Corporation, and Agricultural Projects financed by the World Bank.

The following statistics as of 30 June 1971 are of interest :

No. of Central Land Development Banks		20
No. of working units		1,780
No. of members		4.91 mill.
Paid-up capital	(£1 = Rupees 18.04)	Rs. 492.40 mill.
Loans advanced and outstanding		Rs. 6370.50 mill.
Credit receivable under IDA project by seven Land Development Banks as per agreements		\$216.90 mill.

Issued by

**The All India Central Land Development Banks  
Co-operative Union Limited  
Garment House (2nd floor)  
Worli Naka  
BOMBAY 18  
India**

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## IN THIS ISSUE

### **Multinational Corporations: The Threat to the Third World**

by Dr S. K. Saxena

### **The Future of the Multinational Corporation**

by Paul Derrick

### **Youth in Conference**

by Muriel J. Russell

### **COOPRIX—A New Approach to Consumer Co-operation**

by Gérard Saint-Denis

# THE INTERNATIONAL CO-OPERATIVE ALLIANCE

was founded in London in 1895 as an association of national unions of co-operative societies, which seek to promote a non-profit system of production and trade, organised in the interests of the whole community and based upon voluntary and mutual self-help.

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 280 million. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, housing, credit, workers' productive, artisanal and fishery societies.

Its purpose is to propagandise co-operative principles and methods and to promote friendly and economic relations between co-operative organisations of all types, both nationally and internationally.

It promotes, through auxiliary trading, housing, banking and insurance organisations, direct commercial and financial relations between co-operative enterprises in different countries so as to enable them to exert on the world market, as well as at home, an influence beneficial at once to consumers and primary producers.

It convenes international congresses, furthers the teaching and study of co-operation, issues publications and research data, and collaborates closely with the United Nations as well as with voluntary and non-governmental international bodies which pursue aims of importance in co-operation.

In the United Nations, its Economic and Social Council, as well as in some of the Specialised Agencies, it enjoys the right of participation in their meetings and work as an International Organisation with Consultative Status, Category I.

Its official organ is *The Review of International Co-operation*, published bi-monthly.

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The ideological work of the Alliance also finds expression in the annual celebration in July of International Co-operative Day.

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*Editor:* J. H. Ollman

*Publications Assistant:* C. Bermúdez

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## CONTENTS

	Page
Multinational Corporations: The Threat to the Third World, by Dr S. K. Saxena	166
The Future of the Multinational Corporation, by Paul Derrick; . . . . .	171
Youth in Conference, by Muriel J. Russell . . . . .	177
COOPRIX—A New Approach to Consumer Co-operation, by Gérard Saint-Denis . . . . .	181
Book Reviews . . . . .	185
Annotated List of Books Received at the ICA Library . . . . .	187

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**Editorial and Administrative Office:**

**11 Upper Grosvenor Street, London, W1X 9PA**

**Tel. 01-499 5991/3**

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# Multinational Corporations: The Threat to the Third World

by **Dr. S. K. Saxena**

*The following is an abridged version of the remarks made by Dr Saxena to a Summer School on Multinational Corporations sponsored by the Education Department of the London Co-operative Society in July 1973.*

When speaking of the Third World one must necessarily indulge in generalisations which are quite wide-ranging. Nor is there time for statistics and factual observation. I intend rather to concentrate on *problem areas*.

## **What are multinational corporations?**

The distinguishing feature of the multinational corporation is that it has production facilities in more than one country. This means that ultimate decision-making occurs outside the country of operation; hence multinational corporations are to an important extent removed from the influence of governments, of trade unions and of consumers in both the home and the host countries. Because of their size and geographic coverage they can organise the utilisation of production factors on a *global scale*.

There is great variety in types of multinational corporations. They may operate through manufacturing facilities set up in several countries; through joint ventures with other major companies in the same industry; or through licensing agreements. Decision-making may be centralised with the parent company or partly decentralised amongst subsidiaries. They may operate through wholly-owned sub-

siidiaries, partly-owned affiliates or branches. There may be one parent or several. Most multinationals are so called because they operate in many national economies, not because they have a multi-national management structure; many are still controlled from their country of origin.

Of the 100 largest economic units in the world today 50 are national, the other 50 multinational corporations. The total output of foreign subsidiaries of multinationals is now more than \$300,000 million a year, more than the gross national product of any nation except the United States and the USSR.

Much of the foreign direct investment in developing countries consists of subsidiaries and branches of large multinational corporations. Multinationals in these countries are generally larger than those in developed countries and have more tentacles in a greater number of countries. As far as developed countries are concerned, the primary motive for setting up operational units abroad has been access to raw materials and cheap labour. Sometimes the purpose is to seek out "tax havens". In some cases there is also the wish to achieve a more intimate link with purchasers of such items as

chemicals, petroleum products, newsprint and fertilisers.

### **What benefits do multinationals bring to developing countries?**

Clearly they must bring some benefit since the developing countries have been so active in wooing the multinationals, and have often competed with each other in offering generous concessions as an incentive such as, for example, duty-free entry of components, agreements not to import from competitors, exemptions from income tax, and guarantee of the right to remit profits and even capital.

What are these benefits? For one thing, the developing countries are desperately short of capital for exploiting natural resources, setting up new industries and importing modern equipment. The slow process of internal capital formation, difficulties in borrowing from abroad on reasonable terms and high charges for debt servicing make them more receptive to the financing made available by multinational corporations. In addition, multinationals innovate, transfer and adapt technological know-how to meet the needs of the developing countries; they bring with them competent management and professional personnel; and in some cases they make an effort to train local workers.

Multinationals also provide links to world markets, market information, and essential skills required for exporting; they make available many of the capital goods required for industrialisation; and they sometimes stimulate local enterprise by providing an example and by creating a demand for satellite services and component industries.

### **What do developing countries consider to be the dangers of multinationals?**

Developing countries almost invariably find that multinationals bring them not only the capital and know-how they need but also very serious disadvantages which in the end tend to more than counterbalance the benefits.

## **1. Multinationals erode national sovereignty**

The developing countries increasingly resent the fact that major economic decisions which vitally affect national policies and the lives of ordinary citizens are being made in foreign centres by relatively few individuals. They are rebelling against this perpetuation of political and economic dependence on developed countries.

Developing countries are particularly worried by the multinationals' lack of political responsibility. These corporations make choices that affect the ability of the host governments to govern. These choices relate to decisions on the introduction of new products, product mixes, location of industry, use of different technologies, financial sources, investment decisions and market development—all factors which influence the rate and direction of economic growth. Because these decisions are made by representatives of private interests who are not responsible to society they constitute a clear challenge to national sovereignty.

It is true that domestic companies also lack clear-cut responsibility to the public, but in their case the government can control irresponsible behaviour. Such control is not possible with multinationals because of the wide choice open to them among their various worldwide operations. They can avoid restrictions by moving to countries where there is less interference and where costs are lower. The image of irresponsibility on the part of multinationals has been enhanced by their tendency to play governments against each other. This image originated in the era of the "robber barons" but it has been revived by the recent history of international petroleum and mining companies, to say nothing of the International Telephone and Telegraph Company.

A particularly serious aspect of this irresponsibility is the fact that the operations of multinationals tend to frustrate national planning for economic development. They can with impunity make

economic decisions which run counter to national interests and aspirations.

Moreover, the structure of the multinationals makes it almost impossible for national governments to regulate them through legislation on monopolies and restrictive trade practices. The network of interrelations between firms is far too extensive. The enforcement of competition implies the existence of transactions between independent companies, but it is difficult to do much about the complex web of various types of kinship between the multinationals which operate through joint research, joint overseas ventures, joint expert committees and interlocking directorates.

The difficulty of controlling multinationals is increased by the secrecy which deliberately surrounds their operations. But even if the information were available it would be difficult to quantify, or to balance "costs" and "benefits". The rate of return cannot easily be determined, nor the ratio between costs and returns, because the operational unit is only a part of a much wider network; indeed some of the resources lie outside the country. Certain facilities of the multinational are used jointly throughout the network, for example information and distribution services, trade marks, global capacity to borrow funds and training facilities. In addition many "transfer prices" of components of goods and services purchased or sold by the auxiliary are completely arbitrary.

## **2. Multinationals thwart a rational pattern of international trade**

Multinational corporations are a major source of instability in money and foreign exchange markets. Monetary instability is caused by short- and long-term manipulation of currencies, by hedging against changes in international exchange rates and by transferring funds from currency to currency and from country to country. There is no doubt that currency crises can be aggravated and even precipitated by the

ability of multinationals to shift assets, orders, profits and reserves in and out of a country.

Most developing countries are trying desperately to increase their exports in order to earn much-needed foreign exchange. However, these efforts are being defeated to an alarming and growing extent by the drain on foreign exchange resulting from transfers of interest payments, profits, royalties and other fees to the parent multinational firm. In Latin America it has been estimated that something like three dollars is drained out of the country for every dollar brought in by multinationals.

Multinationals make a mockery of the "free market" insofar as the international allocation of productive resources is determined not on the basis of "comparative costs" but rather of internal company decisions which hinge partly on political concessions. Imports and exports are determined on the basis of artificial "transfer prices" which reflect hidden subsidies, tax evasions and manipulated accounts rather than relative resource costs.

One of the more serious forms of trade distortion has been the effect of multinationals in discouraging regional economic integration in the Third World. Their restrictive practices often frustrate the efforts of developing countries to expand their exports on a regional basis; these practices include control over the allocation of export activities between subsidiaries and the parent company, informal market-sharing agreements and arbitrary import and export prices. Numerous surveys have demonstrated that subsidiaries in the developing countries are often restrained by the parent firm from exporting their output, or are limited in their exports to certain designated areas. Multinationals also tend to tie purchasing agreements and to require their subsidiaries to import from them instead of using the materials produced in the host country.



### 3. Multinationals are obstacles to sound economic and social development

All too often the operations of multinationals fail to come to grips with the basic problems which cause under-development. They do little to improve the situation with respect to land tenure, income inequalities between regions, economic sectors and social classes, low agricultural productivity, unemployment, poverty and low propensity to save in rural areas. Indeed they often aggravate old development problems and create new ones.

As already noted, they cause balance of payments and exchange difficulties, they distort trade patterns, and they tend to develop a lop-sided industrial sector. Experience has demonstrated that giant international firms in developing countries succeed only in setting up isolated "modern" sectors or "dual economies" which, instead of spreading industrialisation, create urban slums and further impoverish the rural areas. This happens because the "multiplier" or "spread" effect of large capital-intensive production complexes is quickly choked off by the lack of purchasing power and of the required skills in countries which are desperately poor and predominantly agricultural.

The kinds of technology brought to developing countries by multinationals are often inappropriate in terms of skill levels of the population and the availability of unemployed manpower. In many cases the big firms bring in trained managers and technicians rather than training local workers. Moreover, multinationals drain away from developing countries the fruits of their economic development. The repatriation of profits, interest on loans, royalties etc was noted above; in addition, brain power is drained away from one country to another through the firm's personnel structure. And multinationals compete with local enterprise for locally available credits and investment funds.

Multinationals deprive host governments of tax revenue by arranging to pay taxes on a large part of their operations in

another country with lower tax rates. This kind of tax evasion is often carried out by means of "transfer pricing" in relation to the internal prices at which different branches of a multinational acquire goods from each other. By inflating the prices paid to companies situated in a country where tax rates are lower a multinational can reduce its tax burden in countries with higher rates.

More recently a new hazard has been added. As Lord Kennett recently said in the House of Lords, "the familiar idea of the 'tax haven' has now also to be joined in a conceptual parallel with it by the new idea of the 'dirt haven'. Certain Japanese-based international companies are already setting up factories in East Africa in order to profit from the absence of anti-pollution laws there".

#### What can be done?

A good deal has been written concerning measures that might be taken to counter the abuses of multinational corporations and to restore economic sovereignty to developing countries.

Suggestions are often put forward for an *international charter or code* of "good" multinational behaviour. Such a charter might include, for example, obligations to reveal information, to hire nationals, to sell shares locally, not to distort the wage structure etc. It might be possible to reach agreement on such a code, but it is unlikely that it would prove very effective. It is a basic objective of multinationals to centralise control over key policy issues in order to maximise profits for shareholders, and they can hardly be expected to direct their efforts towards the quite different task of maximising economic and social development in host countries. "Good behaviour" on the national level would mean becoming less of a multinational, that is, less integrated and centralised; on the international level it would mean that private enterprises would accept social responsibility in world markets under rules agreed

by all governments, and this is probably not-attainable.

An allied proposal is that a *government director* from each host country be appointed to the *executive boards* of the various subsidiaries and of the parent firm, thus making possible intergovernmental co-ordination of policies vis-à-vis the multinational. This would certainly be resisted by the multinationals.

It has also been suggested that host governments set up machinery for *permanent consultation* to prevent multinationals from playing one government against the other, as has been done already by the Andean Pact countries in Latin America. It might even be possible to extend this kind of arrangement on a regional basis or even through UNCTAD. However, this would involve the difficult political negotiations that characterise all efforts to achieve international agreements. The problem of enforcement would be even more difficult.

A more practical suggestion, and one which is increasingly being adopted, is for *joint ventures between host governments and multinationals* through government acquisition of equity in the corporations. This approach may lead in some cases to a joint intergovernmental holding body, and eventually to an investment code requiring majority ownership of foreign firms by host countries, as has been done in the Andean Pact countries. Another variant which is sometimes suggested would stipulate eventual take-over of multinationals by public, private or co-operative interests in the host country in accordance with a specified time-table.

Finally, there may be opportunities for utilising the undeniable contributions which multinationals can make to development in the form of capital and technical know-how within the framework of a more meaningful development programme. One way of accomplishing this would be

through *management or service contracts* under which multinational corporations make their services available for a management fee. Another would be to impose on multinational corporations carefully specified *profit limitations*. There is also the possibility of utilising local manpower and skills in the manufacture of component parts, for example in farm equipment or electronic equipment, under *sub-contracts with multinational corporations*, who would assemble these parts for sale in more advanced countries.

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The problems posed by multinational corporations are being given serious consideration by the international co-operative movement. At the ICA Congress in Warsaw in September 1972 the major theme for consideration was co-operative development in the context of multinational corporations. As a result of the wide-ranging discussion a resolution was adopted which:

- recognised the competitive challenge posed by multinationals;
- drew attention to international activities of co-operatives and asked for greater management efficiency and financial viability;
- urged the United Nations to convene a conference on multinationals;
- asked for accelerated exchange of information on structural reforms in co-operative movements and for management training programmes; and
- supported the convening of a conference for establishing an institutional framework within which long-term funds could be pooled and made available to co-operative organisations.

These suggestions are being actively followed up in an attempt to give real effect to the sixth co-operative principle of collaboration among co-operators.

# The Future of the Multinational Corporation

by Paul Derrick

One of the main resolutions discussed at the 25th Congress of the International Co-operative Alliance held in Warsaw in October 1972 was a long one on multinational corporations which endorsed a brief paper on multinational corporations prepared by the ICA Secretariat together with longer papers on co-operative management and co-operative finance. The resolution noted the role of co-operatives in providing a countervailing force to the power of multinational corporations and called for two conferences to help co-operatives do this more effectively. One would be concerned with more exchange of information on ways and means of increasing co-operative efficiency by structural changes and intensive high level management training at the international level; and the other with an institutional framework for the international mobilisation of co-operative funds for long-term investment. The resolution also called for the exploration of the possibility of expanding multinational co-operatives to handle commodities in international trade.

This resolution was concerned not only with what co-operatives could do to combat the power of multinational corporations more effectively but also with what governments might be pressed to do.

It noted the threat posed by these huge international companies to the public interest, to the living standards of farmers, workers and consumers and to economic stability, and proposed that the United Nations should be urged to convene an international conference to study the impact of multinational corporations on developing countries, on governments and on international trade relations, and to formulate a programme for international control to counteract their abuses\*. The resolution also called on governments to limit the expansion of monopolist corporations and establish a strict control over their activities, to lessen their key position in economic and political life and to deprive them of financial, taxation, customs and other privileges and advantages.

The part of the resolution on multinational corporations calling for the strengthening of co-operatives in order that they may compete more effectively with the multinational corporations is part of the general ICA purpose of seeking to promote and strengthen co-operatives; but what can be done by *governments* in relation to the growth of the irresponsible power of

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\*A UN Conference on multinational corporations was held in Geneva in November 1973.

multinational corporations? How can they be controlled and made socially responsible?

The ICA Secretariat paper on multinationals pointed out that it is predicted that by the end of the century a couple of hundred giant multinationals will control something like 80 per cent of the world market. Their size is such that they dominate world markets and though they may bring capital and technical skills to developing countries they are at the same time the instruments through which these countries are exploited for the profit of investors in Europe and North America. At the same time they must take their share of blame for the reckless depletion of the world's natural resources and the pollution of the environment.

### Co-operatives and Multinationals

In some countries, such as Sweden, co-operatives have had some success in breaking the power of monopolies in national markets, and the International Co-operative Petroleum Association has set an example as the world's first multinational co-operative. Nevertheless its resources are small compared with those of the big oil companies. Agricultural and consumers' co-operatives in industrialised and in developing countries obtain many of their supplies from big multinational companies and some agricultural marketing co-operatives sell to big companies too.

The 1967 ICA report on "Co-operatives and Monopolies in Contemporary Economic Systems" pointed out that mergers between large companies in the European Economic Community are often encouraged in order to enable European companies to compete more effectively with American ones in world markets. The case for such mergers and for the development of "European Companies" is put eloquently by Christopher Layton in his stimulating book *Cross Frontier Mergers in Europe*\*. But as companies grow in size,

power competition tends to become less effective in spite of legislation against monopolies and restrictive practices. What can be done to protect the consumer and the community against this growth of corporate power?

A great variety of suggestions have been put forward in numerous books and academic papers about the problems posed by the growth of multinational corporations. Some people, such as Mr Graham Bannock in his book *The Juggernauts*† call for the more effective implementation of anti-monopoly legislation, for more decentralised decision-making, for steps to make mergers and take-overs more difficult and for a new attempt to increase the power of shareholders as against that of management. Others, such as Mr Christopher Tugendhat MP in his book *The Multinationals*‡ note that the power of multinationals can be limited by governmental or private local shareholdings in their subsidiaries. Developing countries resent domination by multinational corporations and the subsidiaries of multinationals have sometimes been nationalised by nationalist or socialist governments on more or less arbitrary terms. On the other hand developing countries need the capital and the technological know-how that multinational corporations bring them. Tax concessions may be offered and governments may adopt other policies favourable to multinationals in order to attract investment.

### Trade Unions and Multinationals

In December 1970 the Executive Board of the International Confederation of Free Trade Unions approved a resolution expressing concern about the danger of governments adopting anti-trade union measures in order to attract foreign investment. At its Tenth World Congress in July 1962 the ICFTU passed a resolution calling

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†Weidenfeld & Nicolson, 1971

‡Eyre & Spottiswoode, 1971

\*Bath University Press, 1971

for more information on multinationals to be collected, in particular for more information on the way they are organised and controlled and their impact on governmental policies. While the development of all kinds of co-operatives is one way of curbing the power of the multinationals and while the growth of "consumerism" in industrialised countries and the passing of consumer protection legislation is clearly another, the growth of trade union power across national frontiers and the development of international collective bargaining is undoubtedly a third.

The development of this kind of "countervailing power" is naturally emphasised in the report *Multinational Corporations\** published by the ICFTU after its conference in Geneva in June 1971. There have been a number of interesting examples of the international co-ordination of industrial action against multinational corporations by trade unions in a number of different countries, and this kind of international collective bargaining seems likely to grow considerably. Nevertheless trade union power at the international level seems unlikely to become anything like as effective as it sometimes is at the national level. The immense resources of the multinational corporations and their power to transfer funds and facilities from one country to another puts them in a very strong bargaining position.

In June 1973, at the 9th General Congress of the Confederation of Turkish Trade Unions, Mr Otto Kersten, the General Secretary of the ICFTU, declared that ICFTU trade unions "demand an enforceable code of conduct" for multinational companies which would lay down rules to prevent unfair practices and the exploitation of workers. Such a "Code of Practice" for multinationals has also been suggested in a UN report published in August, in various academic papers and in books such as that by Mr Tugendhat. In April 1972 the World Federation of Trade

Unions adopted a resolution calling for increased collaboration between the World Federation, the International Confederation of Labour and the World Confederation of Labour in their relations with the multinationals. In September 1973 a similar resolution calling for increased collaboration between international trade union organisations was approved by the British Trades Union Congress, and such increased collaboration seems likely. The attitude of trade unions to multinational corporations was fully discussed in the recent ILO report on *Multinational Enterprises and Social Policy*†.

### **Irresponsible Power**

The attitude of employers to multinational corporations was discussed in the International Chamber of Commerce report *World Economic Growth: the Role, Rights and Responsibilities of the International Corporation*‡ which was debated at the 22nd Congress of the ICC in June 1969. On the whole employers' organisations seem to favour the idea of some kind of code of conduct for multinationals. Many top executives of these organisations are concerned about the reputation of their organisations and like to talk of the development benefits they bring. Company directors and organisations such as the UK Institute of Directors like to claim that company directors have responsibilities to their customers, to their workers and to the community as a whole even though, according to traditional company legislation, they are responsible only to their shareholders and must not have regard to the interests of their customers, to those of their workers or to those of the community except insofar as doing so helps the profits and dividends of shareholders.

Most of the investment of multinational corporations is financed from their undistributed profits. That is to say, the money is provided by the consumer but the

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†ILO, 1973

‡ICC, 1969

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\*ICFTU, 1972

profit from the investment goes to the shareholder. Professor Michael Fogarty declared in his book *Company and Corporation—one Law?*\* that doubt and uneasiness about the legitimacy of this transaction are a main source of suspicion about the general role of private enterprises. Gardner Means made the same point about undistributed company profits in his book *Pricing Power and the Public Interest*† as did the UK Labour Party in a 1973 policy statement. Multinational and other corporations make substantial profits and justify them on the ground that they are needed to finance investment. The investment is clearly desirable; but it is not obvious that the people holding the ordinary shares in the big companies concerned should be the main beneficiaries.

A resolution approved at a World Confederation of Labour conference in October 1971 called for a campaign to ensure that the technical progress achieved through multinational corporations is of benefit to the whole of society; and also calls for every effort to promote the democratic control of multinational corporations and direct worker influence on their policies.

The possibility of workers' participation in the control of multinational corporations was briefly discussed at an ILO conference on the Relationship between Multinational Corporations and Social Policy held in Geneva in October and November 1972. Labour-Management co-operation in companies generally was more fully discussed at an OECD Seminar in Paris in October 1972 and has been discussed in many books, as in *The Company: Law, Structure and Reform in Eleven Countries*\* Workers have been represented on the Supervisory Councils of larger companies for more than twenty years in the Federal Republic of Germany and for some months on the Boards of

companies in Sweden; and the European Commission has taken an active interest in the possible extension of such workers' participation in control.

### Co-operative Direction

It can be argued that moves towards the democratic control of companies by those working for them are moves in a co-operative direction though it falls a long way short of the ownership and control of co-operative productive societies by those working in them. There have also been interventions in some countries about the way in which companies distribute their earnings. For example a number of developing countries have from time to time placed restrictions on the remittance of dividends by the subsidiaries of multinational corporations and have argued that additional profits ought to be re-invested in the host country; and attempts have been made to formulate codes on international investment. The Secretariat paper on multinational corporations approved at the 25th ICA Congress at Warsaw suggested that company law might be modified in such a way as to require the subsidiaries of multinational corporations to pay an unlimited return on capital to their parent organisations for a specified period only—such as five or ten years—and at the end of that time pay a limited return based on asset values. It suggested that multinational corporations might come to accept such an arrangement in order to avoid arbitrary expropriation.

The 1967 ICA report on *Co-operatives and Monopolies in Contemporary Economic Systems* pointed out that the encouragement of mergers tended to make competition less effective and that Article 85 of the Treaty of Rome nevertheless required that the fruits of technological and economic progress should be passed on to the consumer. It suggested that where this was not done by the process of competition it should be done in the way pioneered by consumers' co-operative societies, that is to say by setting a permanent limit on the

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\*Geoffrey Chapman, 1965

†Harper & Brothers, 1962

\*Edited by Charles de Hoghton, Allen & Unwin & PEP, 1971

return paid on capital and arranging for consumer participation in residual company earnings.

Mr Ralph Nader, who has taken an interest in the ethos of corporations, could be interested in a development of this kind. A number of the governments of industrialised countries have from time to time imposed temporary restrictions on the distribution of dividends by companies. These include Norway, Sweden, Denmark, Holland, Britain, New Zealand, and the United States of America. Such restrictions have been considered useful as a measure against inflation and Professor Alfred Eicher of Columbia University argued in a paper for an OECD Seminar on prices in November 1972 that the limitation of dividends was very important if inflation was to be contained. The Confederation of British Industry has recently commended the continuation of restrictions on dividend increases but the TUC has argued that such temporary restrictions merely mean that profits accumulate on behalf of shareholders. It is studying the case for permanent limitation.

### Limited Return

A permanent limit on the return paid on share capital by multinational corporations would change their basic character. They would be run in the interests of the community like co-operatives instead of for the profit of private shareholders. Surplus earnings might be divided between workers and consumers or used in some other way for the benefit of the community. *There are no moral or economic grounds for continuing to allow multinational corporations to be run for the profit of private shareholders.* Professor John Kenneth Galbraith remarked in his Reith Lectures on the BBC in 1966 that "no grant of feudal privilege in British history has ever equalled, for effortless return, that of the American grandparent who endowed his descendants with a thousand shares in General Motors or IBM". There is no question of a limit on the return paid on

the shares of a multinational corporation having any appreciable effect on its capacity to raise capital; and if it did it would not matter—it would help to prevent further growth. All that is required is the political will in the countries in which these corporations are based.

A change of this kind, the application of the co-operative principle of a limited return on capital to large companies, would not mean that such companies would be organised in exactly the same way as co-operatives. There are a number of important differences between co-operatives and companies, one being that co-operatives raise their share capital from their consumer, farmer or worker members whereas companies raise their share capital from anyone with savings to spare. The statutory and permanent limitation of the dividends paid on the ordinary shares of very large companies would make it reasonable for the shares to become non-voting after maximum dividends had been paid for a period of some years. Power in large companies has, in fact, been passing from shareholders to management for many years, as Berle and Means pointed out in *The Modern Corporation and Private Property*\* more than forty years ago. Shareholder democracy has become a farce in large companies as is already recognised in Dutch company law. In the circumstances it is only reasonable to set a limit on the rewards of capital and combine this with a development of industrial democracy.

The resolution on multinational corporations at the 25th ICA Congress in Warsaw calls for the "international control" of multinational corporations to "counteract their abuses" and for a "strict control over their activities". But is it not at least as important to transform their basic character so that they are run in the interests of the community instead of for private profit? Would it not be advantageous to co-operators if the surplus profits of

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\*The Macmillian Company, 1932

the big oil companies were distributed in patronage dividends to agricultural co-operatives and other customers instead of in increasing dividends to private shareholders? Would it not be in the public interest if the profits of the big millers and grain merchants were distributed in patronage dividends to consumer co-operatives and other customers instead of going to increase the profits of wealthy shareholders?

Has not the time come to ask whether large companies should not be run in the interests of the community instead of for private profit? A change of this kind would appear to be implicit

in the Rules of the International Co-operative Alliance when they state that the Alliance seeks, in complete independence and by its own methods, to substitute for the profit-making regime a co-operative system organised in the interests of the whole community and based upon mutual self-help. The prospect of the world economy becoming increasingly dominated by multinational corporations run for the profit of private shareholders is unattractive to many people. It is to be hoped, therefore, that more work will be done in exploring the possibility of transforming these organisations so that they are run in the interests of the community.

## **ICA PUBLICATIONS**

A report of the meetings held in connection with the 25th Congress in Warsaw is contained in the ICA Co-operative News Service Nos. 10/11, 1972. Copies in English only obtainable from the ICA at 20 pence each.

### **CALENDAR OF TECHNICAL ASSISTANCE FOR CO-OPERATIVES 1974**

Containing information on seminars and conferences planned for co-operators in developing countries and listing new and continuing co-operative projects will be available in January from the ICA at the price of £1.00 (sea-mail).



# Youth in Conference

by **Muriel J. Russell**

Is youth being given opportunities in Co-operative Movements? There are many who would argue that the answer is negative. Others would say the opportunities are there, but either the young are not seeking the openings, or they are not being informed in such a way as to attract their interest. Perhaps there is some truth in each of these assumptions. However, a group of 63 young people had recently a unique opportunity to examine the situation and discuss what is required of themselves if they accept the responsibility of their Co-operative heritage.

In an age when beards and sideburns are in vogue it is often overlooked that the bearded Rochdale Pioneers were also young—it is recorded that only one of the famous 28 was over 30. The participants of the 2nd ICA Youth Conference held in June this year in Sinaia, Romania, belonged to a similar age group, 18-27, and it soon emerged that among them were many individuals who have the capacity to become leaders in whatever sphere they work. The question is, will the present leadership recognise these qualities and provide the conditions which will encourage the necessary staying power?

All the participants, 48 young men and 15 young women, had made their

initial contact with their own Co-operative Movements, either as employees, or as members or sons or daughters of members. Among them were administrators, shop workers, farmers, elected board members, educationalists, teachers and students. In many cases they were young parents; some had widened their experience by offering their services in the field of local government.

Under the theme "Opportunities for Youth in Co-operative Movements" several forms of Co-operation were included, e.g. consumers', housing, agricultural, handicraft and artisanal co-operatives. Furthermore various aspects of each were identified; for instance, when dealing with consumers' co-operation, "both sides of the counter" were discussed. Retailing, with its detailed planning at policy-making and management levels, needs the energy, enthusiasm and enterprise of youth in the present climate of competition facing consumer co-operatives. This assertion was made by one of the lecturers, a chief executive officer who had himself progressed from the shop floor through years of hard work and partly through studying at a Co-operative college before achieving his present important position. Several participants confirmed the validity



Dr. S. K. Saxena, Director of the ICA, addresses the participants

of this claim, particularly a young woman from the USSR who at 26 years of age was already manager of a large departmental store, but who was still required to undergo refresher courses to keep abreast of new techniques. On the other hand, the consumer for whom retailing caters is in the main youth, whether as a child influencing parents' choice, as adolescents protesting against the so-called "consumer society" or as young parents looking for choice, economic advantage and protection in the market place. An example of the way in which co-operatives could lead young people into active participation in consumer affairs has been set by the French Movement, which promoted the 1st International Exhibition for the Information, Protection and Defence of the Consumers. Housing co-operatives, another form of Co-operation meeting a consumer demand, must inevitably provide for youth, whether for the shelter of the family or for the temporary period of student life.

The common problem of agriculture is how to keep youth sufficiently interested to remain in the farming world. In the same way, in many countries, the skills of small-scale production and crafts are being lost because youth has turned its attention to the quicker gains of mass production and technological advance. From the experience of several participants, themselves engaged in agriculture and industry, the Conference learned of the solutions Co-operation can offer. The young Romanian craftswoman making jewellery, the Polish participants from the extensive school co-operative system which thrives in Polish agriculture, the farmers from Australia, all testified to personal and community gains derived from co-operative organisation.

Some participants nevertheless had reservations on the performance of present co-operatives. They accepted the principles of Co-operation but they questioned the implementation of these principles by those whom they termed "the establishment".

Was it not clear, they asked, that the efforts towards increasing size and efficiency tended to separate the higher levels of policy makers and managers from the rank and file membership, thus creating apathy? Young people were not willing to just stand in a queue but were looking round for alternative ways of Co-operation where they could re-instate the ideology upon which co-operatives were meant to be built. Strong words, and doubtless not very palatable for people who have themselves entered the Movement in their youth with the same aspirations to which these young people laid claim. Maybe some day the opportunity will arise for the ICA to arrange a confrontation between the two generations.

On one subject everyone was agreed, i.e. the need for co-operative education. Many participants described the educational facilities provided by their own co-operative movements. These involved training and correspondence courses, scholarships, etc designed to prepare the

individual or the group to accept vocational or democratic responsibility. The end product of Co-operative education has seldom been more aptly presented than by Dr Ovidiu Badina, Director of the Romanian Research Centre for Youth Problems and presently one of the advisors on Youth to the UN Secretary-General. Addressing the Conference he said: "Co-operation is for the younger generation and for the entire community *a school teaching democracy, human solidarity and comradely inter-assistance . . .* At the same time the growth in improvement of education within and for Co-operation cannot fail to result in the improvement of the co-operative itself, in its higher efficiency . . ."

When Co-operators speak of education the developing countries will inevitably be brought into focus. The need to provide not only educational facilities but also technical assistance concerned these young people, but they also recognised the importance of understanding the countries' real requirements. Here were areas in



Young delegates at the Conference

which the representatives of ILO and UNESCO were able to indicate current action undertaken by their organisations, frequently in collaboration with the ICA.

Incidentally, the ICA was put under scrutiny after its Director, Dr S. K. Saxena, had outlined its co-ordinating functions within the vast network of member organisations. What was the ICA doing about multinational corporations and their insidious expansion? What steps could the ICA take if and when a member organisation encountered major difficulties? Were there joint economic enterprises among co-operatives? Questions were put and answers debated.

Not all Co-operative Movements have established youth organisations; in fact, there are comparatively few, but at one session some were identified. Youth Clubs and the Woodcraft Folk operate in the UK; in Austria they have their own Co-operative Youth Clubs—Vereinigung österreichischer Genossenschafts-Klubs; in the USA and Canada, NASCO—North America Student Cooperative Organisation; in the East European countries there are national youth organisations in which young co-operators are particularly active and, of course, the school co-operatives have their place. Some participants were at a loss to understand why there were countries where co-operative youth had not been organised, but no doubt their leaders would argue that they approach youth directly on the basis of membership, thus making special youth organisations unnecessary.

“All work and no play makes Jack a dull boy” is an old saying but one that could not be applied to this group. Outside Conference hours and in the five days following the formal sessions play came into its own. The three Romanian Co-operative Unions had laid on all the requisite facilities; the communal dining room was easily converted into a recreation room when needed. Seldom can there have been in ICA history such an impromptu

concert which featured songs, dances and sketches from Australia, Austria, Bulgaria, Czechoslovakia, Finland, France, German Democratic Republic, Federal Republic of Germany, Hungary, India, Israel, Italy, Nigeria, Norway, Poland, Romania, Sweden, UK, USA and USSR. Whether at a barbecue in the forest with the local co-operators, cheering the beautiful dance ensembles of the amateur teams and orchestras, playing the national game of “Perinita”, firing questions—often controversial—at presidents and managers of factories or agricultural and producers’ societies, drinking the local wines at banquets or being received in the magnificent State rooms of the Council of Ministers by the Vice-President Mr Virgil Trofin and the Minister for Youth Mr I. T. Stefanescu, these young people were always united by a spontaneous comradeship which knew no barriers. This atmosphere was as vitally important to the success of the Conference as the lectures and discussions, and must have sown many seeds for future activists in many Co-operative Movements. For this the Romanian Co-operators can be justly proud.

Can an assessment be made of such a Conference? In the short term certainly not; in the long term possible effects may become evident. Numbers mean little: 63, 603 or 6003 participants would only touch the fringe of the challenge before the Co-operative Movement if it wishes to perpetually replenish its membership. The important thing is to ensure a realistic follow-up. The ICA has already contacted each participant and is on the look-out for the site of the 3rd ICA Youth Conference, but the responsibility lies mainly with the nominating organisations. There will be a certain amount of wastage but valuable man and woman potential is waiting to be developed among those young people. They have been told of the opportunities, now they must be guided to the right positions in their home countries. None of them were too young to be useful.

# COOPRIX—A New Approach to Consumer Co-operation

by **Gérard Saint-Denis\***

## **Consumer co-operatives in Canada**

Consumer co-operatives are to be found in all Canadian provinces, the strength of the movement varying according to the regions. At a national level, the Inter-provincial Co-operative Ltd (IPOC), whose headquarters are in Saskatoon, Saskatchewan, distributes the Co-op products throughout Canada.

The IPCO started operating in 1947 on a modest scale. At present its activities extend to all sorts of industrial and agricultural products, as well as to foodstuffs, and it supplies three grain co-operatives and six wholesale co-operatives, including the Quebec Federation of Co-op Stores (Fédération des Magasins Co-op).

## **Consumer co-operatives in Quebec**

In Quebec the share of consumer co-operatives in the foodstuffs market is 5%. This is not much when compared to the strength of the big chains, which in 1972 controlled 42% of this market. There are four types of consumer co-operatives in the province: the 75 Co-op Stores (Magasins Co-op), situated mainly in rural and semi-

rural areas; agricultural co-operatives dealing directly with consumers, which number 125; the Consumers' Clubs, small co-operatives composed of individual members, whose 25 centres are located in low-income areas; and the 8 COOPRIX, all situated in urban areas. All these co-operatives are regulated by the Quebec Law on Co-operative Associations, which incorporates the various principles of co-operation.

## **The Federation of Co-op Stores**

The Federation of Co-op Stores was founded in 1942. Today it includes not only the Co-op Stores but also the COOPRIX, and supplies the Consumers' Clubs.

The Co-op Stores have made steady progress since the end of the war, but the great increase in migration to the Quebec urban centres made it necessary to find a new formula for consumer co-operation. The importance of the rural emigration phenomenon is immediately apparent from population statistics: at present only 25% of the Quebec population lives in rural areas. With few exceptions, no co-operative centre was available in urban areas. It was thus necessary to establish consumer co-operatives in the various towns, but not

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\*Mr Saint-Denis is a member of the Executive Committee of the Co-operative Council of Quebec and Director of the Institute for the Promotion of Consumers' Interests (IPIC).

just any kind of consumer co-operative; a flexible formula that would adapt itself to the needs of urban consumers had to be found.

In June 1968 the Congress of the Federation of Co-op Stores analysed the imbalance between rural areas and towns. The existing structures were critically examined. It was a time when amalgamation, horizontal and vertical integration, and cartels dominated the scene, and in the midst of all this the consumer found himself defenceless and unprotected. The challenge facing consumer co-operatives became clear: to provide a framework in which the urban consumer would not be restricted to the purely passive role of buyer.

Many decisions were taken during 1968: the Federation was to be transformed into a co-operative society at provincial level, grouping the 75 Co-op Stores and accepting individual consumers as members (to this end an amendment to the law on co-operatives was requested); and the Federation was to start immediately an expansion programme in the largest towns of Quebec.

### **COOPRIX, a co-operative answer**

The Quebec consumer, who had seen the society in which he lived change, within a few decades, from predominantly agricultural to increasingly industrialised, felt more and more disoriented. The big chains manipulated conditions in the foodstuffs market and he was helpless to cope with these large monopolies whose ultimate aim was to increase profits. Abuses were numerous: deceptive packing, mark-ups, excessive and often misleading advertising, stamp bonuses that disguised higher prices, etc . . .

The consumer must claim respect for his fundamental rights: the right to be informed, to choose freely, to be protected, to be represented. And COOPRIX appeared as a "militant co-operative". The main co-operative principles (democratic control, distribution of surpluses) remained,

but this new formula was, in addition, an answer to consumers' claims: low prices, an increase in goods (both food and non-food) and services, information and protection. The COOPRIX formula is based on four principles and aims: to promote consumers' interests; to increase the family income in real terms; to provide services exclusively to co-operators; to propagate the co-operative ideal.

### **Increasing the family's real income**

One of the objectives of co-operation is to eliminate intermediaries at production and distribution levels in order to achieve lower prices. COOPRIX has observed some additional rules that enable it to offer articles at the lowest possible price. First of all its premises, though pleasantly decorated, are modest; the number of products available within the same category is limited in order to reduce warehouse costs and accelerate the rotation of stocks; and COOPRIX promotes Co-op and Quebec products. COOPRIX has also cut out publicity—its only advertising is purely informative, and even this is done on a limited scale—and loss leaders, as well as some unessential and expensive services such as telephone orders, home deliveries and the carrying of purchases to customers' cars except when done on a voluntary basis. Food products are displayed in their original packing whenever possible, and customers must mark the price of each article themselves; this not only reduces running costs (only meat and frozen foods carry price labels) but also makes the consumer more aware of the cost of his purchases. Finally, the COOPRIX formula presents one fundamental difference with traditional co-operation: the net annual surpluses are distributed to benefit all members alike, and not as individual dividends.

### **Promoting the interests of the consumer**

COOPRIX differs most sharply from the ordinary shop in that it promotes and protects consumers' interests. This is done

through an independent body, the Institute for the Promotion of Consumers' Interests (IPIC). How does IPIC operate? By running tests kitchens in each COOPRIX, where a dietician or a nutrition expert gives information to consumers, helping them with advice on menus and recipes, explaining nutritional charts, discussing their problems and noting their complaints. Since mid-1972 IPIC has also been publishing an informative monthly, "Le Réveil du Consommateur", distributed in the Co-op Stores, the COOPRIX and the Quebec thrift and credit co-operatives (Caisses Populaires du Quebec). This publication analyses the various food products and has carried out surveys on, for instance, the different brands of coffee, mineral water and orange juice available on the market. The work of IPIC consists thus in listening to the consumer-co-operator, informing and protecting him as much as possible, and making him aware of his "power". It acts as support for co-operatives and one of their main social aims, the promotion of the consumer-co-operator.

### **Services are provided exclusively to members**

Only members of COOPRIX can benefit from services given, but in order to make COOPRIX accessible to all a membership share costs only \$1.00. COOPRIX finances

its operations through the issue of various types of preference shares. This "members only" policy is made necessary by the fact that surpluses are distributed collectively and not as individual dividends.

The propagation of the co-operative ideal is an extremely important aspect of the activity of COOPRIX. It involves disseminating the principles of co-operation, particularly by means of conferences, meetings and symposia, and making society aware of the "co-operative alternative", that is, creating the will to modify the economic and social structure of Quebec.

### **COOPRIX and the future**

COOPRIX has to face three major challenges: to preserve a fair equilibrium between the purely economic and the social aims of a co-operative enterprise; to widen its scope, including in its activities not only co-operative distribution of consumer goods but also co-operative production; and to pave the way for the co-operatives of the future, those that will deal with cultural matters and with leisure activities.

The aim of COOPRIX is to improve the quality of life of the people of Quebec and to help create "a society for consumers, not a consumer society".

# The International Co-operative Alliance 1895-1970

by **W. P. Watkins**

This volume of ICA history commemorates the 75th Anniversary of the International Co-operative Alliance tracing its evolution from its first manifestation as a phrase on the lips of a few 19th century co-operators to its present status as the largest consultative organisation recognised by the United Nations with over 255 million adherents.

The first chapter shows how the idea of the ICA arose out of the growth of co-operative association at local roots through national organisation to international level to be finally realised when the basis of its constitution was laid at the London Congress of 1895.

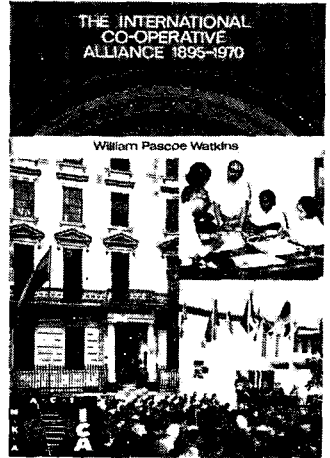
The second chapter traces the development of the ICA's democratic constitution, its efforts to recruit members, hold them together and devise effective administrative organs and working methods in its first fifteen years.

The third chapter relates the struggles of the Alliance to maintain its existence and keep on its proper course amid the successive wars, political revolutions and economic depressions and upheavals which shook the world between 1914 and 1945.

The fourth chapter outlines the growth of the ICA, its expanding activities in the newly-developing regions, the development of its auxiliary, technical, economic and financial organisations from the start of a new era of international collaboration, inaugurated by the Charter of the United Nations in 1945, to the opening of the United Nations Second Development Decade.

**English Edition, 1970. Price: £2.50**

*Order your copy from:* **INTERNATIONAL CO-OPERATIVE ALLIANCE  
11 UPPER GROSVENOR STREET,  
LONDON, W1X 9PA,  
UNITED KINGDOM**





# Book Reviews

## COOPRIX is no miracle but . . .

*by Art Danforth, Washington, Co-operative League of the USA. Price: \$5.00 (air mail), \$2.50 (surface mail).*

Those interested in the COOPRIX formula outlined in an article in this issue by Gérard Saint-Denis will find further information about the COOPRIX supermarkets in this booklet published by the Co-operative League of the USA. The COOPRIX formula implies sales to members only, no patronage dividend, no advertising, no special offers, no loss leaders, customer price marking, limited range of products but concentrating on Co-op label, campaigns in the consumer interest, low-cost buildings and display of products in original cartons and *lowest possible prices* through large scale operation. This booklet, available in English only, should be of interest to all concerned with co-operative retailing.

P.D.

## Why Some Co-ops Fail

*by Art Danforth, Washington, Co-operative League of the USA. Price: \$1.70 (air mail), \$0.75 (surface mail).*

This little booklet provides a brief account of the development of consumer and other co-operatives in the USA—other than the agricultural co-operatives and credit unions. More than a thousand co-operative stores were established in New England between 1845 and 1857 but they failed as did many consumer co-operatives formed later. Mr Danforth discusses the reasons for these failures, such as poor management and accounting, lack of initial capital and failure to accumulate capital—and calls for more co-operation between agricultural co-operatives and urban consumer co-operatives in the USA.

P.D.

## Conflict and Co-operation

*by Norman Bromberger, Saskatchewan Co-operative Credit Society, 1973*

This little booklet is a detailed and very readable history of the settlement and development of the Canadian province of Saskatchewan since the formation of the Dominion of Canada in 1867, and in particular, of the development of Credit Unions in the Province since the first Credit Union Act of 1937. It was not until the end of the century that the prairie provinces really began to be settled; and there was constant conflict between the farmers of the prairies and Eastern business men. The Territorial Grain Growers' Association was formed in 1901 and there was rapid development in Saskatchewan in the early years of the century; but the prairies were very severely hit by the depression. In the post depression years co-operative development in Saskatchewan did much to help the farmers recover. The number of credit union members in the Province increased from 268 in 1937 to 319,656 in 1970 and the assets of their credit unions from \$2,200 to \$406,838,900. This little book is a very useful account of the contribution that credit unions can make to the development and prosperity of an agricultural community.

## Radical Reformers and Socialists

*Edited by Michael Katanda, London, Charles Knight, £3.80*

This collection of essays gives an account of the contribution of a number of people to the development of the Labour Movement in Britain, including Thomas Paine, Francis Place, William Lovett, Keir Hardie, John Burns and Sidney and Beatrice Webb. The essay on Robert Owen is by Beatrice Hutchins, and gives a brief account of his life and work. The essays were originally published separately by the Fabian Society and the collection is introduced by Margaret Cole, the President of the Society.

P.D.

# Annotated List of Books Received at the ICA Library

## **BÄNSCH, Axel**

### **Genossenschaftliches Wörterbuch**

51 pp; Bern, Herbert Lang, and Frankfurt/M Peter Lang, 1972. Price: DM 10.

*A collection of 400 words and expressions related to co-operation, this book provides a guide to both the economic and philosophical aspects of the co-operative movement.*

## **BENECKE, Dieter W.**

### **Kooperation und Wachstum in Entwicklungsländern**

261 pp; index; bibliogr; graphs. Tübingen, J. C. B. Mohr (Paul Siebeck), 1972

*An analysis of the contribution of co-operation to economic development in developing countries.*

## **CO-OPERATIVE UNION LTD.**

### **An Outline of the Co-operative Movement**

24 pp; bibliogr; tabs (mimeo). Manchester, Cooperative Union, 1972.

## **BHULESHKAR, Ashok V.**

### **Bargaining Co-operatives, with special reference to the quick-frozen food industry in Great Britain.**

194 pp; bibliogr; tabulations; diagrams. Bombay, Jawaharlal Nehru Memorial Institute of Development Studies, 1973. Price £3.00.

## **DEUTSCHE GENOSSENSCHAFTSKASSE**

### **Bibliothekskatalog der Genossenschaftsliteratur der Deutschen Genossenschaftskasse**

508 pp; index. Frankfurt a/M. D. G., 1971

*The library catalogue of the Deutsche Genossenschaftskasse. All books listed refer to the co-operative movement and are classified by subject.*

## **DIGBY, Margaret**

### **The organisation of fishermen's co-operatives**

148 pp; diagrams. Oxford, Plunkett Foundation, 1973. Price £1.50.

*This book is based on a tour of 14 countries in the West Indies, Asia, and Europe and contains descriptions of and recommendations for fishery co-operatives.*

## **FLORES, Xavier**

### **Agricultural Organisations and Development**

586 pp; tabs; bibliogr. Geneva, International Labour Office, 1971

*This book analyses the extent to which agricultural organisations can play an effective part in the process of development. Countries are grouped on a geographical basis. The author draws partial conclusions at the end of each section as well as more general conclusions applying to both developed and developing countries.*

## **FUTRO, Aleksander**

### **Invalids' Cooperatives in Poland**

82 pp; photos; charts. Warsaw, Union of Invalids' Cooperatives, 1970.

*This book is a report on the current activities of the Polish co-operatives for disabled persons; it describes the range of work available, the medical rehabilitation schemes, and explains the organisation of the societies.*

## **HIRSCHFELD, André**

### **La vie et l'oeuvre de Robert Owen (Offprint from Revue des Etudes Coopératives no. 163)**

27 pp; bibliogr. Paris, Institut des Etudes Coopératives, 1971.

## **INTERNATIONAL COOPERATIVE ALLIANCE**

### **40th ICA Seminar, Moscow 1971. "Co-operative education as a Factor Increasing the Importance of the Role Played by Co-operatives in the Economy and in Public Life"**

53 pp; tabs; diags. London, ICA, 1972, Price: £0.50.

## **INTERNATIONAL CO-OPERATIVE ALLIANCE, REGIONAL OFFICE AND EDUCATION CENTRE, NEW DELHI**

### **Balanced Diet**

52 pp; tabs. New Delhi, ICA R. O. & E. C., 1972.

## **KOOPERATIVA FÖRBUNDET**

### **Co-op Group Organisation. Facts and Figures for 1971**

15 pp; tabs; diags, Stockholm, KF, 1972, (Also in German).

## **KUHN, Johnnes and STOFFREGEN, Heinz**

### **How to Measure the Efficiency of Agricultural Co-operatives in Developing Countries**

165 pp; tabs. Marburg/Lahn, Institute for Co-operation in Developing Countries, Phillips-University, 1971.

*Part of this work defines the concept of efficiency and the methods of measuring it; the rest of the book contains descriptions of investigations made of three selected cases, all in Kenya.*

## **PERRAULT, Paul T.**

### **Application des théories de la firme et de quelques notions à l'étude de l'entreprise coopérative**

259 pp; bibliogr; graphs. Sherbrooke, Quebec, Université de Sherbrooke, 1972.

*The author applies modern methods of economic analysis to co-operatives. His work is partly based on the work of American economists.*

## **SCHEDIWY, Robert**

### **Die genossenschaftliche Verbandsprüfung**

97 pp; bibliogr. (mimeo), Vienna, University of Vienna, 1972

*A comparative study of auditing in different types of co-operative unions in Austria and other European countries.*

**UNIVERSIDAD DE PUERTO RICO, FACULTAD DE CIENCIAS SOCIALES,  
INSTITUTO DE COOPERATIVISMO**

**Legislación cooperativa de Puerto Rico**

314 pp; N.p., Editorial Universitaria, 1971.

*A compilation of co-operative legislation in Puerto Rico, with a chronological summary.*

**de VILLENEUVE, J. C.**

**Les coopératives agricoles dans le marché commun.**

486 pp; tabs. Paris, Dictionnaires André Joly, 1970

*A comparative study of the legislative, fiscal, social and financial aspects of agricultural co-operatives in the six original EEC countries.*

**VIR, D. et al**

**Farm Guidance Activities of Agricultural Co-operatives**

128 pp; diags; tabs, New Delhi, ICA, 1971

*A general review, and analysis of case studies, of agricultural advisory and extension services in Asia, based on a Seminar held in 1969.*

**WEBSTER, F. H.**

**Agricultural Co-operation in Denmark**

152 pp; maps; tabs; photos; charts; diags. Oxford, Plunkett, Foundation for Co-operative Studies, Occasional Paper No. 39, 1973.

*This book describes the organisation and main activities of each branch of the Danish movement. It also gives an example of the typical village pattern of co-operative services, and a historical sketch of the movement.*

**WEITZ, Raanan**

**From Peasant to Farmer. A revolutionary strategy for development**

292 pp; index; tabs. New York, Columbia University Press, 1971

*Based on the experience of 47 developing countries, this book puts forth the view that development cannot be achieved without a strong agricultural foundation, and gives detailed guidelines for implementing a policy of agricultural promotion.*

**WESTERGAARD, Paul W. (Editor)**

**Economic Base-Line Studies of the Co-operative Societies in Tanzania based on the accounts for 1967 onwards**

Irreg pag; diags; tabs (mimeo). University of Dar Es Salaam, Economic Research Bureau; Cooperative College, Cooperative Education Centre, 1972.

**WIDSTRAND, C. G. (Editor)**

**African Co-operatives and Efficiency**

239 pp; bibl. Uppsala, Scandinavian Institute of African Studies, 1972.

*A report of a Seminar held at the end of 1971 as part of the follow-up action to a previously held seminar on co-operatives and rural development in East Africa. The 15 papers range from descriptions of the movement in Kenya, Tanzania, Uganda, Zambia, and Mauritius to case studies.*

**International Co-operative Alliance  
Regional Office and Education Centre for  
South-East Asia**

**Regional Director: Mr P. E. Weeraman  
PO Box 3312, 43 Friends Colony  
New Delhi 14, India. Tel. 631541; 632093.**

**International Co-operative Alliance  
Regional Office for East and Central Africa**

**Regional Director: Mr Dan Nyanjom  
PO Box 946, Moshi, Tanzania. Tel. 2616.**

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## Affiliated Organisations

**Angola:** see 'Zaire'.

**Argentina:** Federación Argentina de Cooperativas de Consumo, *Avda. Suárez 2034, Buenos Aires*. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, *Humberto 1°, 2318—1° P.-A., Buenos Aires*. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, *Avenida de Mayo 1370, Piso 1°, Buenos Aires*. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., *Pueyrredon 468, 2° Piso, Buenos Aires (RC 24)*. Tel. 86-6283.

Asociación de Cooperativas Argentinas, *25 de Mayo 35, Buenos Aires*.

Confederación Cooperativa de la República Argentina Ltda. (COOPERA), *Luis Maria Campos 1588, Buenos Aires*.

**Australia:** Co-operative Federation of Australia, Secretariat: *569 Wellington Street, Perth, Western Australia 6000*. Tel. 21-0191.

**Austria:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, A-1061 Vienna VI*. Tel. 57-75-38.

Membership (1971): 556,300; turnover: retail trade: Sch. 7,434 mill. (thereof consumers' societies: Sch. 6,367 mill.; department stores: Sch. 1,019 mill.; other retail trade: Sch. 48 mill.); wholesale society (G.Ö.C.): Sch. 2,906 mill.; own production: consumers' societies: Sch. 909 mill.; G.Ö.C. and subsidiaries: Sch. 527 mill.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, 1010 Vienna*. Tel. 65-71-63; 65-13-25.

1972: Affiliated organisations: 277 (comprising 164 societies and 133 associations); membership: 167,737; administered units: 357,241 (of which 156,144 correspond to the societies and 201,097 to the associations; closing balance for 1971: Sch. 56,4 mill. (of which Sch. 25,6 mill. correspond to the societies and Sch. 30,8 to the associations).

Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna 1*. Tel. 52-69-34.

**Bangladesh:** Bangladesh Jatiya Samabaya Union, "*Samabaya Sadan*" (1st floor) *9/D-Motijheel Commercial Area, Dacca 2*. Tel. 255846.

Provincial Fishermen's Co-operative Society Ltd., *Iqbal Road, Patharghata, Post Box 27, Chittagong*. Tel. 80587; 85967.

**Belgium:** Fédération belge des Coopératives (FEBECOOP), *26-28 rue Haute, 1000 Brussels*. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151 rue Royale, 1030 Brussels*. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, *135 rue de la Loi, 1040 Brussels*. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Economie Populaire, *30 rue des Champs, 5300 Ciney (Namur)*. Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,000,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels 7. Tel. 22-56-90.

Union of 26 co-operative societies owning 466 pharmacies, 71 optical departments, 6 drug stores, 14 wholesale depots. Turnover (1971): Frs. 3,102,783,000. Surplus distributed to 535,000 members: 131 mill.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

**Bulgaria:** Central Co-operative Union, Rue Rakovski 99, Sofia. Tel. 7-83-11; 8-03-11.

**Cameroon:** West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

**Canada:** Co-operative Union of Canada, 111 Sparks Street, KIP 585 Ottawa 4, Ont. Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, Case postale 58, Station N, Montréal 129. Tel. (514) 866-8048.

**Ceylon:** See "Sri Lanka".

**Chile:** Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 610, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Unión Cooperativa de Seguros (Ucoseg) Ltda., Moneda 1040, of. 704-705, Santiago de Chile. Tel. 81295; 65100.

Unión de Cooperativas de Consumo y Servicios de Chile Ltda. ("U-Coop"). Agustinas 1141, 7° Piso, Casilla 14439, Santiago de Chile. Tel. 715256.

**Colombia:** Cooperativa Familiar de Medellín Ltda., Calle 49, No. 52-49, Medellín. Tel. 45-00-55; 41-71-13; 41-53-78.

Instituto Nacional de Financiamiento y Desarrollo Cooperativo (Financiacoop), Carrera 13, No. 27-00, Edif. Bochica, piso 2°, Int. 9, Aptdo Aéreo 12242, Bogotá. Tel. 81-06-00.

**Congo, Democratic Republic of:** See "Zaire".

**Cyprus:** Co-operative Central Bank Ltd., P.O. Box 4537, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

**Czechoslovakia:** Ustředni Rada Druzstev, Tesnov 5, 11006 Prague 1. Tel. 621-54; 647-51.

**Denmark:** De samvirkende danske Andels-selskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members.

Det Kooperative Faellesforbund i Danmark, Kronprinzengade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Røskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; membership: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

**Finland:** Suomen Osuuskappojen Keskus-kunta (S.O.K.), Vilhonkatu 7, 00101 Helsinki 10. Tel. 90-650-611.

Affiliated Societies (1972): 241; membership: 588,847; wholesale turnover: Fmk 2,594.1 mill.; own production of SOK: Fmk 374.4 mill.

Yleinen Osuuskappojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00101 Helsinki 10.

Affiliated societies (1972): 241; membership: 588,847; turnover of societies: Fmk 3,932.5 mill.; total production of affiliated societies: Fmk 51.1 mill.

Kulutussosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 740, 00101 Helsinki 10. Tel. Helsinki 10491.

Affiliated societies: 71; membership: 576,649; turnover (1972): Fmk 2558.5 mill.; own production: Fmk 252.2 mill.

Keskussosuusliike O.T.K., P.O. Box 120, 00101 Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies: 71; turnover (1972): Fmk 1652.7 mill.; own production: Fmk 458 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations; 1,102 societies.

**Fiji:** Fiji Co-operative Union, Registry of Co-operative Societies, Co-operative Department, Suva, Fiji.

**France:** Fédération Nationale des Coopératives de Consommation, F.N.C.C., 89 rue la Boétie, 75008 Paris. Tel. 225-99-98.  
Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88 rue de Courcelles, 75008 Paris. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88 rue de Courcelles, 75008 Paris. Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, 88 rue de Courcelles, 75008 Paris. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129 Bd. St. Germain, 75006 Paris. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), 20 rue de Richelieu, 75 Paris 1er. Tel. 266-4520.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 3 ave. du Coq, 75009 Paris. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75008 Paris. Tel. 267-14-50.

**Gambia (The):** Gambia Co-operative Union Ltd., P.O. Box 505, Bathurst. Tel. 581.

**German Democratic Republic:** Verband der Konsumgenossenschaften der DDR, Stresemannstrasse 128, 108 Berlin.

**Federal Republic of Germany:** Bund deutscher Konsumgenossenschaften G.m.b.H., Besenbinderhof 43, (2) Hamburg 1. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 milliards.

Co op Zentrale A.G., Besenbinderhof 43, (2) Hamburg 1. Tel. (0411) 284-4310.  
Total turnover incl. subsidiaries (1969): D.M. 2,462 milliards.

Gesamtverband gemeinnütziger Wohnungsunternehmen e.V., Bismarckstrasse 7, 5000 Cologne 1. Tel. 52-31-81.

Volksfürsorge Lebensversicherung Aktiengesellschaft, An der Alster, (2) Hamburg 1.

Volksfürsorge deutsche Sachversicherung Aktiengesellschaft, Steinstrasse 27, (2) Hamburg 1.

Deutscher Raiffeisenverband e.V., Adenauerallee 127, 53 Bonn. Tel. (0-22-21) 1061.

**Greece:** Membership suspended.

**Guyana:** Guyana Co-operative Union Ltd., Ministerial Buildings, High Street and Brickdam, Georgetown.

**Haiti:** Caisse Populaire Dominique Savio, 57 Rue Riguard, Pétiion-Ville.

**Hungary:** National Council of Consumers' Co-operative Societies (SZOVOSZ), Szabadság tér 14, Budapest V. Tel. 113-600; 112-800.

National Council of Industrial Co-operatives, Pesti Barnabás 6, Budapest V. Tel. 188-800; 188-806.

National Co-operative Council, P.O. Box 661, H.1373 Budapest V. Tel. 113-600; 112-800.

National Council of Agricultural Co-operatives, Akadémia utca 1-3, Budapest V. Tel. 113-600; 112-800.

**Iceland:** Samband Isl. Samvinnufélaga, P.O. Box 180, Samband House, Reykjavik. Tel. 17080.

**India:** National Co-operative Union of India, 72 Jorbagh, New Delhi 3. Tel. 611123; 611343; 619328.

**Indonesia:** Dewan Koperasi Indonesia, 28 Djalan Djenderal Soedirman, Djakarta. Tel. 581400.

**Iran:** Sepah Consumers' Co-operative Society, Avenue Sevjom Esfand, Rue Artèche, Teheran. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, 20-22 Shahabad Avenue, Teheran.

Central Organisation for Rural Co-operatives of Iran, 357 Pahlavi Avenue, Teheran. Tel. 64210.

Consumers' and Services Co-operative Society for the Ministry of Labour and Social Affairs Employees, Ministry of Labour and Social Affairs, Teheran.



**Irish Republic:** Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2.* Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., 35 *Lower Gardiner Street, Dublin.*

**Israel:** General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.* Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv.* Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209, Tel-Aviv.* Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nachmani Street, P.O.B. 622, Tel-Aviv.* Tel. 614933.

**Italy:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, 00161 Rome.* Tel. 868-141/2-4.

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome.* Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma 22, 00184 Rome.* Tel. 462-659; 471-846.

**Jamaica:** Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston.* Tel. 24737.

**Japan:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo.* Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *8-3, 1-chome, Otemachi, Chiyoda-ku, Tokyo.*

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Co-op Building, 7th floor, 1-12 Uchikanda 1 chome, Chiyoda-ku, Tokyo 101.*

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100.*

**Jordan:** Jordan Co-operative Organisation, *P.O.B. 1343, Amman.* Tel. 23101/3.

**Kenya:** Kenya National Federation of Co-operatives Ltd., *P.O.B. 49768, Nairobi.* Tel. 21486.

**Korea:** National Agricultural Co-operative Federation, *75, 1st Street, Chung-Jong-Ro, Sodaemun-ku, Seoul.* Tel. 73-0021; 75-2681.

**Malaysia:** Co-operative Union of Malaysia Ltd., *Peti Surat 685, Kuala Lumpur.* Tel. 23903.

Co-operative Central Bank Ltd., *29 Leboh Ampang, P.O. Box 685, Kuala Lumpur.* Tel. 26531/4.

Co-operative Bank Malaysia Ltd., *140 Jalan Ipoh, Peti Surat 1024, Kuala Lumpur.* Tel. 299677; 299679.

Sarawak Co-operative Central Bank Ltd., *Kuching, Sarawak.*

Malaysian Co-operative Insurance Society Ltd., *36 Jalan Ampang, P.O. Box 817, Kuala Lumpur.* Tel. 87915/6.

Angkatan Kerjasama Kebangsaan Malaysia Berhad (ANGKASA), *Jalan Templer: Petaling Jaya, Selangor.*

**Malta:** Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa.* Tel. Cent 24896.

**Mauritius:** Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis.* Tel. Port Louis 822.

**Netherlands:** Coöperatieve Vereniging U.A., Centrale der Nederlandse Verbruikcoöperaties, "CO-OP Nederland", *Postbus 52, Europalaan 30, Utrecht.*

Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam 3.* Tel. 62303.

**Nigeria:** Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Ibadan, P.M.B. 5101.* Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., Co-operative Office, *147 Yakubu Gowon Street, Lagos.* Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *Private Mail Bag 1021, No. 4 Murtala Mohammed Road, Benin City, Mid-Western State.* Tel. Benin 594.

**Norway:** Norges Kooperative Landsforening, *Revierstredet 2, Post Box 451, Sentrum, Oslo 1.* Tel. (47-2)20-62-90.

Affiliated societies (1970): 753; membership: 406,000; turnover of local societies: Kr. 3,500 mill.; of N.K.L.: Kr. 1,149 mill.

Norske Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5*. Tel. 33-32-42.

**Pakistan:** West Pakistan Co-operative Union Ltd., *11 Masson Road, P.O.B. 905, Lahore*. Tel. 54203.

Karachi Central Co-operative Bank Ltd., *14 Laxmi Building, Bunder Road, Karachi 2*. Tel. 36185.

Karachi Co-operative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5*. Tel. 40244.

Karachi Co-operative Union Ltd., *Co-operative House, Shaheed-e-Millat Road, Karachi 5*. Tel. 230289.

Fishermen's Co-operative Society Ltd. (FISCOS), *Fish Harbour, West Wharf Road, P.O. Box 5328, Karachi*. Tel. 229101; 224457.

Sind Baluchistan Provincial Co-operative Bank, Ltd., *Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2*. Tel. 32361; 37290; 34736.

**Peru:** Cooperativa de Seguros "INCA" Ltda., No. 181, *Av. Brasil 1360, Apartado 10159, Lima 21*.

Cooperativa de Seguros del Perú Ltda., No. 170, *Maximo Abril 552, Lima*. Tel. 46769.

Banco Nacional de las Cooperativas del Perú Ltda., *1 Av. Tacna 411, Apartado 4895, Lima*. Tel. 276569.

**Philippines:** Central Co-operative Exchange Inc., *P.O.B. 1968, Manila*. Tel. 7-60-09.

Grains Marketing Co-operative of the Philippines "Gramacop" Inc., *107-D Arellano Street, Caloocan City*. Tel. 23-91-40.

Filipino Cooperative Wholesale Soc. Inc., *P.O. Box 4439, Manila*.

**Poland:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, *Kopernika 30, Warsaw*. Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, *Ul. Marchlewskiego 13, Warsaw*. Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, *Grazyny 13, Warsaw*. Tel. 45-32-41.

Central Union of Work Co-operatives, *Surawia 47, Warsaw*. Tel. 28-51-86.

Supreme Co-operative Council, *Ul. Jasna 1, Warsaw*. Tel. Warsaw 26-72-21; 27-13-26.

**Portugal:** UNICOOPE - Uniao Cooperativa Abastecedora, S.C.R.L., *Avenida Almirante Reis, 127-4º, Dt., Lisbon 1*. Tel. 315843.

**Puerto Rico:** Co-operative League of Puerto Rico, *458 Fernando Calder, Apartado 707, GPO San Juan*. Tel. 764-2727.

**Romania:** Uniunea Centrala a Cooperativelor de Consum, "Centrocoop", *Strada Brezoianu 31, Sectorul 7, Bucharest*. Tel. 16-00-10; 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units; 18 educational centres.

Central Union of Handicraft Co-operatives, "UCECOM", *46, Calea Plevnei Street, Sector VII, Bucharest*. Tel. 13-16-48.

Uniunea Nationala a Cooperativelor Agricole de Productie, "Uncap", *25 Bd. Gheorghe Gheorghiu-Dej, Bucharest*.

**Singapore:** Singapore Co-operative Union Ltd., *Post Box 366; Office and Library: 3-J/K Clifford House, Singapore 1*.

**Sri Lanka:** National Co-operative Council of Sri Lanka, P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3. Tel. 85496.

**Sweden:** Kooperativa Förbundet, *S-104 65 Stockholm 15*. Tel. International: 46-8-449560; National: 08-44-90-60.

Affiliated retail societies (1971): 216; membership: 1,665,552; total turnover of consumer societies: Kr. 8,698 mill.; turnover of K.F.: Kr. 6,744 mill. (thereof Kr. 4,806 mill. to affiliated consumer societies); K.F.'s own production: Kr. 3,270 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,077 mill. and of affiliated retail societies: Kr. 1,291 mill.

Hyresgästernas Sparkasse- och Byggnadsföreningars Riksförbund ek för (H.S.B.), *Fack, S-100 21 Stockholm 18*. Tel. 54-05-40.

1973: Affiliated building societies: 90; membership: 351,200; No. of completed units: 338,727; production value: Kr. 18,038 millions.

Svenska Riksbyggen, *Hagagatan 2, P.O. Box 19015, S-104 32 Stockholm 19*. Tel. (08)34-05-20.

Folksam Insurance Group, *Folksam Building, Stockholm 20*. Tel. 22-01-00.

Lantbrukarnas Riksförbund, *S-105 33 Stockholm 3*. Tel. (08)14-16-00.

Kooperativa Gillesförbundet, S-104 65 Stockholm 15. Tel. (08)44-90-60; (08)44-95-60.

**Switzerland:** Coop Schweiz, *Thiersteinerallee 14, CH 4002 Basle*. Tel. (061)35-50-50.

Affiliated societies (1970): 276; retail outlets: 2,451; membership: 899,320; Coop-total turnover: Frs. 3,432.3 mill.; Coop-retail turnover: Frs. 2,893.0 mill.; Coop Schweiz, wholesale turnover: Frs. 1,743.5 mill.

Verband sozialer Baubetriebe, c/o SBHV, *Sihlpostfach, Zürich*.

Genossenschaftliche Zentralbank, *Aeschenplatz 3, CH 4002 Basle*. Tel. (061) 23-84-00.

CO-OP Lebensversicherungs-Genossenschaft Basel, *Aeschenvorstadt 67, CH 4002 Basle*.

**Tanzania:** Co-operative Union of Tanganyika Ltd., *National Co-operative Building, P.O. Box 2567, Dar-es-Salaam*. Tel. 23077; 23344; 23347.

**Thailand:** Co-operative League of Thailand, 4 *Pichai Road, Dusit, Bangkok*. Tel. 811414.

**Turkey:** Türk Kooperatifçilik Kurumu (Turkish Co-operative Association), *Mithatpasa Caddesi 38, Yenisehir, Ankara*. Tel. 12-43-73.

**Uganda:** Uganda Co-operative Alliance, *P.O.B. 2215, Kampala*. Tel. 56984/6.

**U.S.S.R.:** Central Union of Consumers' Co-operative Societies of the U.S.S.R., "*Centro-soyus*", *Tcherkassky per no. 15/17, Moscow*. Tel. 221-7253.

Consumers' societies (1970): 14,868; members: 59,637 mill.; shops: 369,700.

**United Kingdom:** Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester M60 0AS*. Tel. (061) 834-0975.

Affiliated retail societies (1971): 303; membership: 11.3 million; share capital: £142 million; retail sales: £1,203 million.

Co-operative Wholesale Society Ltd., *P.O.B. 53, New Century House, Corporation Street, Manchester M60 4ES*. Tel. (061) 834-1212.

Co-operative Insurance Society Ltd., *Miller Street, Manchester 4*. Tel. (061) 832-8686. Assets (1964): £369 mill.

Co-operative Bank Ltd., *P.O. Box 101, New Century House, Manchester M60 4ES*. Tel. 061-834-1212.

Plunkett Foundation for Co-operative Studies, *31 St. Giles, Oxford*. Tel. 0865-53960.

**U.S.A.:** Co-operative League of the U.S.A., *1828 L Street, NW, Washington, D.C. 20036*. Tel. (202) 872-0550.

**Uruguay:** Centro Cooperativista Uruguayo, *Dante 2252 Montevideo*. Tel. 41-25-41; 40-90-66.

**Yugoslavia:** Glavni Zadruzni Savez FNRJ, *Terazije 23/VI, Belgrade*. Tel. 30-947/9.

**Zaire:** Centrale Générale des Coopératives Angolaises, *B.P. 6039, Kinshasa 1*.

**Zambia:** Eastern Province Co-operative Marketing Assoc. Ltd., *P.O.B. 108, Chipata*. Tel. 439; 485.

National Co-operative Development Committee, *P.O. Box 3579, Lusaka*. Tel. Lusaka 51744.

## INTERNATIONAL ORGANISATIONS

Organization of the Cooperatives of America, *Ap. aéreo 2738, Lima*.

Nordisk Andelsforbund (Scandinavia), *3 Axel-torv, 1609 Copenhagen V, Denmark*. Tel. 15-15-33

International Co-operative Bank Co. Ltd. (INGEBA), *Dufourstrasse 54, P.O.B. 711, CH 4002 Basle, Switzerland*. Tel. (061)23-58-27.

International Co-operative Petroleum Association, *28 West 44th Street, New York, N.Y. 10036, U.S.A.* Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo y Financiamiento Cooperativo (SIFECOOP), *Casilla de Correo 4311, Buenos Aires, Argentina*.

International Co-operative Housing Development Association (ICHDA), *Suite 1007, 1012-14th Street, N.W. Washington, D.C. 20005, U.S.A.* Tel. 202-737-3420.

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No. of members	4·91 mill.
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# Review of International Co-operation

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## IN THIS ISSUE

### **ICA Seminar discusses Co-operative Finance**

by Dr L. Sieber

### **Co-operation and Egalitarianism in the Developing Countries**

by L. Stettner

### **Czechoslovakia's Co-operative Jubilee**

by Dr Ing. Leopold Kovalčík

# THE INTERNATIONAL CO-OPERATIVE ALLIANCE

was founded in London in 1895 as an association of national unions of co-operative societies, which seek to promote a non-profit system of production and trade, organised in the interests of the whole community and based upon voluntary and mutual self-help.

It comprises organisations in every continent, and its total affiliated membership through national organisations exceeds 300 million. The consumers' movement accounts for about half the membership, the other half consisting of agricultural, housing, credit, workers' productive, artisanal and fishery societies.

Its purpose is to propagate co-operative principles and methods and to promote friendly and economic relations between co-operative organisations of all types, both nationally and internationally.

It promotes, through auxiliary trading, housing, banking and insurance organisations, direct commercial and financial relations between co-operative enterprises in different countries so as to enable them to exert on the world market, as well as at home, an influence beneficial at once to consumers and primary producers.

It convenes international congresses, furthers the teaching and study of co-operation, issues publications and research data, and collaborates closely with the United Nations as well as with voluntary and non-governmental international bodies which pursue aims of importance in co-operation.

In the United Nations, its Economic and Social Council, as well as in some of the Specialised Agencies, it enjoys the right of participation in their meetings and work as an International Organisation with Consultative Status, Category I.

Its official organ is *The Review of International Co-operation*, published bi-monthly.

The study of International Co-operation takes place under the auspices of the 'Henry J. May Foundation', the Permanent Centre of International Co-operative Study.

The ideological work of the Alliance also finds expression in the annual celebration in July of International Co-operative Day.



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## CONTENTS

	Page
ICA Seminar Discusses Co-operative Finance, by Dr L. Sieber . . . . .	198
Co-operation and Egalitarianism in the Developing Countries, by L. Stettner	203
Czechoslovakia's Co-operative Jubilee—25 years since the enactment of the Law on the Central Co-operative Council, by Dr Ing. Leopold Kovalčik .	219
Book Reviews . . . . .	225
Annotated List of Books Received at the ICA Library . . . . .	228

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# ICA Seminar Discusses Co-operative Finance

by **Dr L. Sieber**

The 41st International Co-operative Seminar was held in Nicosia, the capital of Cyprus, from 15th to 25th October, 1973, on the basis of an invitation extended to the ICA by the Co-operative Central Bank of Cyprus. The main theme of the Seminar was "Self-help and Outside help in Financing Co-operative Activities".

Although the co-operative organisations of 4 countries cancelled their participation because of the Middle-East War which broke out practically on the eve of the Seminar, attendance was very good: there were over 60 participants from 15 countries, including the Director of the ICA, Dr S. K. Saxena, and a representative of the International Labour Organisation, Mr H. Watzlawick. Great importance was attached to the Seminar by the hosts—co-operatives and government alike. On the opening day, the official inauguration was attended by a large number of leading personalities of Cyprus—the Chairman of the House of Representatives, the Minister of Finance, the Minister of Trade and several other members of the Government, the Mayor of Nicosia, members of the Diplomatic Corps, as well as top level co-operative leaders, including Mr A. Azinas, the Commissioner for Co-operative Development.

A message of greetings was conveyed to the Seminar on behalf of the President of the Republic, His Beatitude Archbishop Makarios, who later received the whole group of participants personally at the Presidential Palace.

While visiting the Turkish part of Nicosia, participants were also received by the Vice-President of the Republic of Cyprus in his official residence.

As a result, the Seminar got great coverage in the Press, Radio and Television and thus undoubtedly helped create considerable publicity for co-operatives throughout Cyprus.

The main aim of the Seminar was to enable participants to exchange views and experience on various problems involved in the financing of co-operative activities. The deliberations of the Seminar were based on several background papers and case studies, prepared by leading co-operative officers, executives and finance specialists from the national movements of Austria, Cyprus, Czechoslovakia, the Federal Republic of Germany, France, the German Democratic Republic, Hungary, Japan, Sweden, the United Kingdom and the USSR.<sup>1</sup>

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<sup>1</sup>Some of these papers will be reprinted in a future issue of the *Review of International Co-operation*.



Dr S. K. Saxena, Director of the ICA, received by Archbishop Makarios at the Presidential Palace. In the background Mr A. Azinas, Commissioner for Co-operative Development, Cyprus.

The usefulness and success of the Seminar largely depended on whether the problems of self-financing and financing from outside sources could be discussed in sufficient depth, in view of the very different backgrounds and conditions existing in the individual countries whose co-operative movements were represented at the Seminar. Indeed, this was felt by the organisers to be one of the crucial “question marks”, for we knew in advance that its composition would be more haphazard than homogeneous—if only because of the different types of co-operatives and countries that decided to be represented.

As it turned out, without the ICA being able to influence the selection in any respect, most participants represented consumer co-operatives, while others were people working in agricultural, credit, pro-

ducer, marketing and other societies, including multi-purpose co-operatives. In the geographical and socio-economic respects, the variety was similar: part of the European participants represented co-operative movements of planned-economy socialist countries (Czechoslovakia, the German Democratic Republic, Hungary and the USSR), others came from market-economy countries (Austria, the Federal Republic of Germany, France, Sweden and the United Kingdom); then there were also non-European participants—from Japan, Malaysia, the USA and Zambia, and finally, of course, numerous local participants, representing both the Greek and Turkish movements of Cyprus. Fortunately, however, all these co-operators together formed an agile gathering, keenly interested in learning something from their foreign colleagues,

even from those working under considerably different conditions.

A greater part of the Seminar programme was taken up by plenary sessions, which enabled participants to hear and discuss lectures presented by a number of top-level co-operative leaders and specialists, one of whom was Mr Bertil Tronêt, Vice-President of the International Co-operative Bank (INGEBA).

For some of the sessions, participants were divided into three working groups, in which they were set the task of studying specific problems, such as:

- (a) Self-financing and inflationary pressures.
- (b) Needs of self-financing in consumer and agricultural co-operatives.
- (c) Advantages and disadvantages of self-financing.
- (d) Possibilities and limitations of financial collaboration between consumer and agricultural co-operatives.
- (e) To what extent, at what stages, or for how long should co-operative activities be confined within the limits of their self-financing possibilities?

The working groups and the subsequent plenary discussions arrived at interesting conclusions and recommendations, the length of which would by far exceed the scope of this article; they will be incorporated in the Seminar Report, which the ICA will publish in due course.

The theoretical part of the Seminar lasted six days, during which all participants were kept very busy. This was made easier for them by the excellent facilities provided by the host organisation. After a day of rest, the practical part of the Seminar started. Each day a coach took participants to different parts of the beautiful "Island of Aphrodite", as Cyprus is known to its inhabitants, visitors and tourists—Yialoussa, Famagusta, Kyrenia, Morphou, Limassol, Paphos, etc.—where they visited various co-operative societies and institutions—credit co-operatives, banks, factories, stores, etc., and also saw numerous historical monu-

ments, unique in the world, for relics more than 5,000 years old were not rare among them.

Impressive as all these sights undoubtedly were, all participants were also overwhelmed by the remarkable hospitality that accompanied them at every step. From local shop-level co-operative staff and members, to the top-level co-operative leaders and the Commissioner for Co-operative Development, all obviously did their utmost to help participants in every respect—with kindness, friendliness and great hospitality.

When the Seminar ended after 12 busy days, all participants undoubtedly shared the feeling that their stay in Cyprus had been not only agreeable, but also very usefully spent. This usefulness, of course, will now largely depend on participants themselves, on the extent to which they will be able to apply in practice, in their everyday work, what they have learnt in Nicosia. As far as the ICA is concerned, its Education Department will help them—and make such help also available to all member organisations—by publishing a comprehensive report, which will contain all the relevant documentation.

Despite all the positive aspects mentioned, it was not easy to organise such a Seminar and to make it a success. There were several difficulties, some of which should be pointed out in this context, as they are likely to occur again in the course of the preparation of future international co-operative seminars.

In the first place, it is necessary to mention a regrettable lack of interest and non-co-operation on the part of several member organisations. For example, while the co-operative movements of some countries attached so much importance to the Seminar as to send whole teams of participants to attend it in order to learn something useful (Sweden 6, Federal Republic of Germany 4, France 3, German Democratic Republic 3, etc.), several other national movements sent nobody and made no contribution to the documentation prepared for



The platform. From left: Mr M. Eshref (Cyprus Turkish Co-operative Central Bank), Mr G. Petrides (Co-operative Central Bank of Cyprus), Dr L. Sieber (Secretary for Education, ICA), Dr S. K. Saxena, Mr A. Azinas, Mr R. Clerides (Co-operative Central Bank of Cyprus).

the Seminar, which was thus deprived of the possibility of benefiting from the experiences of the co-operators of Belgium, Bulgaria, Denmark, Finland, Italy, Norway, Poland, Switzerland, Turkey and some other countries.

Similarly, it will always be difficult for the ICA to make its Seminars cover the interests of all branches of the co-operative movement, if some ignore requests for background papers and specialist advice at the stage when the programme is being prepared, and then, practically on the eve of the Seminar, start criticising the agenda, claiming that the lectures do not pay adequate attention to their specific field of activity.

These examples seem to indicate that the ICA has apparently not yet done enough to make all of its member organisations appreciate the opportunities of exchanging experience internationally. Therefore, one of the main conclusions for the ICA's future educational policy and programme of activities will have to be, to keep

trying to get together not only people who *do* realise that they need to widen their horizons, but also (and particularly) those who do not realise this sufficiently, because they are apparently those that would benefit most of all from a "cross-fertilisation" of ideas, which is the aim of the ICA's annual international co-operative seminars.

If the Nicosia Seminar was successful, in spite of these and several other difficulties, its organisers and participants have an additional reason to feel satisfied. But the work does not end with this: the Seminar documentation is now being edited in order to be compiled in a Report which will be informative and meaningful to all co-operative organisations, not only those that participated.

At the same time, preparations have already begun for the next—the 42nd—International Co-operative Seminar, which will be held at the Co-operative College, Stanford Hall, Loughborough (United Kingdom) towards the end of September 1974. Previous seminars have set the stan-

dard at a high level, so it will be no easy task to equal or even surpass it: this will largely depend on the degree of co-operation that

the organisers can get from their colleagues in the co-operative movements in as many countries as possible.

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# Co-operation and Egalitarianism in the Developing Countries

by Leonora Stettner

The credentials of co-operatives as instruments of development in less advanced countries have been called into question in a number of publications in recent years. Moreover there appears to be a degree of "inbreeding" among the scholars involved in the sense that they tend to participate in the same conferences and seminars, to quote each other and to deal with certain common themes. Insofar as these themes can be generalised, it is fair to state that the central issue relates to the capacity of Co-operation to achieve greater egalitarianism in the Third World.

Major among these publications—in terms of number of pages and of impact, in that it bears the official stamp of the United Nations—is a series of six volumes published by the United Nations Research Institute for Social Development (UNRISD) over the past three years on the subject of *Rural Co-operatives as Agents of Change in Developing Areas*.<sup>1</sup> In addition there have appeared *Two Blades of Grass*, a series of papers presented at a conference held at the Institute of Development Studies, University of Sussex, in April 1969<sup>2</sup>; two volumes published by the Scandinavian Institute of African Studies

covering two successive seminars sponsored by it<sup>3</sup>; and an unpublished manuscript, which has been widely circulated, by Guy Hunter, Director of the Joint Research Programme on Agricultural Development Overseas, The University of Reading and The Overseas Development Institute<sup>4</sup>.

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<sup>1</sup>Estudios de la realidad campesina, cooperación y cambio, Orlando Fals Borda (ed.), UNRISD Report Volume II, 1970; *Cooperatives and rural development in Latin America: an analytic report*, Orlando Fals Borda, UNRISD Report Volume III, 1971; *Rural cooperatives and planned change in Africa: case materials*, Raymond Apthorpe (ed.), UNRISD Report Volume IV, 1970; *Rural cooperatives and planned change in Africa: an analytic review*, Raymond Apthorpe, UNRISD Report Volume V, 1972; *Cooperatives and planned change in Asian rural communities: case studies and diaries*, Inayatullah (ed.), UNRISD Report Volume VI, 1970; *Cooperatives and development in Asia: a study of cooperatives in fourteen rural communities of Iran, Pakistan and Ceylon*, Inayatullah, UNRISD Report Volume VII, 1972.

<sup>2</sup>*Two Blades of Grass, Rural Cooperatives in Agricultural Modernisation* Peter Worsley, (ed.) Manchester University Press, 1971.

<sup>3</sup>*Cooperatives and Rural Development in East Africa* Carl Gösta Widstrand, (ed.) Africana Publishing Cooperation, New York, 1970. *African Cooperatives and Efficiency* Carl Gösta Widstrand, (ed.) Almqvist and Wiksell Informationsindustri AB, Uppsala, Sweden, 1972.

<sup>4</sup>*Research on Cooperatives in East Africa*, March 1971.

As practitioners actively engaged in promoting co-operatives in developing countries, we at the ICA very much welcome any kind of cross-fertilisation of ideas with social scientists in the UN and academic circles. We recognise that if we are to do our job effectively, we must not be sensitive to criticism. On the contrary, we have been the first to acknowledge the numerous co-operative failures which have occurred in the developing countries; and many of our research and educational efforts have been devoted to an attempt to analyse the reasons for those failures as a basis for more constructive approaches. By the same token we are convinced that it is equally important to analyse the co-operative successes that have been achieved and the factors that have contributed to them. There is no doubt that in this effort we need all the help we can get from academics in various social science disciplines. It is also reasonable to believe that they could make use in their research of the rich and constant flow of information which is available to the ICA and its member organisations throughout the world.

At the same time it must be stressed that "cross-fertilisation" implies an *exchange* of ideas, a two-way flow. This is why we have been disturbed to note that the UNRISD series, as well as the other papers cited above, were prepared and published in a complete academic vacuum. There was no consultation with knowledgeable officials in the international co-operative movement—most notably the ICA, the ILO and the FAO—and almost no reference to their publications.

In November 1972 UNRISD, following publication of the six volumes on co-operatives, convened a meeting of representatives from the ICA, the ILO, the FAO and from certain other institutions to discuss, together with the UNRISD Director and the researchers who prepared the series, a draft *General Statement* which it was proposed to publish as a summary of the conclusions of the previous six volumes. The meeting was an extraordinarily lively

one with many questions being raised as to the methodology and conclusions of the UNRISD series. The Director of UNRISD promised that these criticisms would be taken into account in revising the draft for publication, but in subsequent correspondence with participants in the meeting he then suggested that the draft might not be substantially altered but that their comments could be indicated in footnotes and/or in an annexed Record of the Debate. Since the *General Statement* has not yet been published and there seems to be no likelihood of its publication in the near future, references in this paper are to the original draft.

It is clear from these various publications that the investigators

- did not understand the objectives of Co-operation,
- looked primarily at co-operative failures and tended to ignore successes,
- did not give due consideration to the variety and flexibility in types of co-operation, the internal measures in respect of education, servicing, credit and machinery for democratic control which co-operators consider indispensable for efficiency, and the external prerequisites, and
- did not look at the alternatives to co-operatives as instruments of social and economic progress.

On this completely inadequate basis they then concluded that Co-operation should be rejected as an approach to development in the Third World.

"This is, of course, a highly critical and negative position; it would even justify an assertion that an obsession with co-operatives is one of the major impediments to agricultural development, because their frequent failure to achieve goals set for them results in a really catastrophic defeat of the attempted 'package' deal, discourages the extension service and gives opposite political effects from those intended by any egalitarian or socialist-minded Government."<sup>1</sup>

<sup>1</sup>Guy Hunter, *op. cit.*



“These (co-operative) practices cannot be expected to meet adequately the challenge of the future. . . . Co-operative experts face today a grave dilemma: either to sanction and support ‘co-operatives’ which are not truly so, or to promote active peasant organisations that would indeed challenge the *status quo*: whether to keep on fostering reforms and administering development palliatives or to encourage larger and more significant transformations in rural societies.”<sup>1</sup>

“At the grass roots there has been much specific and extensive failure and disillusionment as regards co-operatives in action throughout Africa. . . . With few exceptions the performance of co-operatives has not been very effectual. . . . If even the measure of change that they do propose cannot be implemented, there is reason for considerable and fundamental rethinking about the subject in general.”<sup>2</sup>

“. . . rural co-operatives have seldom achieved the goals set for them by economic and social planners. . . . their activities often bear little relation to the patterns of economic activity in the country and their performance has little relevance to the wider context of social and economic change. . . . In summary, rural co-operatives appear to have played a marginal role in implementing structural change, in spite of the ambitious goals avowed for them. . . . the results achieved at the local level, especially from the social standpoint, are on the whole not very satisfactory. The question must be faced, therefore, as to the wisdom of continuing along the same way as in the past if it has such low guarantee of success and so often involves a waste of expectations, talents, resources and funds. It must be asked whether more promising solutions to the problems of rural social change do not lie elsewhere. However, the possibility of creating new

and more dynamic forms of rural co-operatives better suited to local conditions should be explored first—forms that might mobilize the peasantry more effectively. Where the aims and spirit of existing co-operative policies are genuinely directed toward the benefit of the rural populations at large but where the institutions and inputs that are set up as a result are ineffective or even counter-productive of the originally stated intentions, a fundamental rethinking of policy would seem to be now an urgent necessity.”<sup>3</sup>

## A. The Methodology of the UNRISD Studies

### 1. The Case Study Approach

None of the studies cited at the outset even pretends to be a systematic, quantitative evaluation or measurement of the performance of co-operatives in developing countries. All of those listed other than UNRISD are collections of essays, and the UNRISD series consists of three volumes of selected case studies—about 40 cases—and three analytic volumes based on these cases and to a limited extent on a general browsing through some of the literature on co-operatives.

Case studies can be useful insofar as they investigate in depth and detail. They can contribute to an understanding of some of the factors at work and their interrelationships in specific situations, and they can help to identify certain problem areas. On the other hand case studies cannot provide the basis for “a general assessment of the co-operative experience.”<sup>4</sup>

“The purpose of the project under review has been to make a comparative examination of the actual functioning of co-operatives in the field rather than to discuss co-operative policies from a theoretical point of view. However, policy implications can be drawn with-

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<sup>1</sup>Fals Borda, *op. cit.*

<sup>2</sup>Apthorpe, *op. cit.*

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<sup>3</sup>UNRISD General Statement.

<sup>4</sup>*Ibid.*

out too much difficulty from various of the research findings.”<sup>1</sup>

“General assessments” and “comparative examinations of the functioning of co-operatives” would require a comprehensive, systematic and standardised social survey based on samples carefully selected according to rigorous criteria. Certainly the particular 40 cases which were looked at do not justify the strongly worded sweeping generalisations quoted above.

There are four ways in which the *representativeness* of the UNRISD cases is open to criticism. (a) Many of them were not genuine co-operatives. (b) They covered only a small range of the existing types of co-operatives in developing countries. (c) Their geographical coverage was quite inadequate. (d) Many of them were much too new to justify any generalised conclusions.

This is hardly surprising in view of the happenstance way in which the cases were selected—as has been freely admitted by the UNRISD investigators—according to availability of researchers and of documentation, the costs that would be involved, and the personal relations and knowledge of researchers who happened to be in residence.

Following is a brief summary of the cases studied:

**Latin America.** Three cases were from *Venezuela*, three from *Ecuador* and five from *Colombia*. Of these, three were State collective farms set up as pilot projects for land reform; membership was compulsory and members worked for wages and were given no information or advice as to the purpose of the “co-operative”. Four were sponsored by local parish priests and run by them in a paternalistic fashion, and another was propagated by the Protestant Church for the sole purpose of acquiring land for some 20 squatters. Two others were subsidiaries of peasant syndicates (trade unions) set up for openly political purposes. Only one was promoted

“from below” by local private initiative; it operated successfully for several years but then failed because of embezzlement.

**Africa.** The “case materials” included in UNRISD volume III consisted primarily of studies prepared for other purposes but later incorporated into the UNRISD project. These are largely general analytic essays; only a few actual cases are presented, and most of these rather sketchily.

One is a fishing “co-operative” in *Ghana* which was admitted to have been not voluntary, but externally imposed, “not a co-operative”, and not based on self-help. For *Cameroon* there was a generalised discussion of male “mutual help associations” comprising work teams which function two to three days a week, with proceeds being put into a common fund which is used mostly for collective feasts; small savings associations of 4 to 5 members each designed to insure them against the risks of illness and death; and female agricultural “mutual help associations” which are small, loose, temporary groupings for teamwork by women of the same clan during a crop season; no technical, advisory or educational services are provided. Another society in Cameroon is not officially recognised or registered as a co-operative; it merely reactivates existing and traditional forms of social co-operation through loose groupings with rotating chairmen, largely for the purpose of collecting produce for sale. In *Kenya* two large and relatively successful coffee processing societies were reviewed, and in *Tanzania* three Unions of coffee processing and marketing co-operatives and also a Union of Ujamaa co-operative farming settlements. The *Zambian* case was a small poultry and vegetable producing society autocratically run by a manager who was also chairman of the Board. And in *Tunisia* four agricultural producing units were studied, all of them founded in 1969 as part of the nationalisation programme; in two of them participation is compulsory and in all of them management is largely by

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<sup>1</sup>UNRISD General Statement.

directive from State-dominated Boards, and members are paid daily flat wages and given almost no education or training.

**Asia.** In *Ceylon* four consumer stores were studied, three of which expanded into multipurpose co-operatives; two were successful, but the others failed due largely to mismanagement and corruption. The *Iranian* cases included two credit co-operatives which only provided credit for consumption purposes and in one of which membership was compulsory, and two small multipurpose co-operatives. In *East Pakistan* three multipurpose co-operatives of the Comilla type were reviewed and all of them were considered effective; and in *West Pakistan* two credit co-operatives, mostly for consumption purposes and which proved ineffective, and one service co-operative set up by the Government to supply farmers with fertilisers and seeds.

From the above résumé it is obvious that less than half—perhaps sixteen—of the cases studied were clear-cut cases of genuine co-operatives in which the members understood the purpose of Co-operation, had a degree of democratic control and were provided with education, training and technical and advisory services.

Moreover, out of the wide spectrum of types of co-operatives in developing countries the studies included only a large number of credit co-operatives (mostly for unproductive purposes), several collective farming organisations, a few marketing and supply co-operatives, a few consumer stores and a number of multipurpose societies. There were no clear-cut examples of workers' productive societies, labour contracting societies, or co-operatives for processing, insurance, handicrafts, housing, transport or irrigation. Moreover, with the exception of Kenya, Tanzania and East Pakistan, the cases all related to local primary societies with no attention being given to the servicing co-operatives at secondary or apex level which are so vital to co-operative efficiency.

In terms of geographic coverage it is almost sufficient to point out that thirteen

countries were represented out of the 77 or so which are widely recognised as developing countries. As obvious omissions of countries in which Co-operation has achieved some success, Argentina, Mexico, Chile, Brazil and India might be mentioned. Moreover in Iran co-operatives are much better developed in the North than in the South, from where the examples were drawn.

Finally, with reference to the relative *newness* of many of the cases studied, and bearing in mind that the data for most of the studies were collected in 1970 and 1971, it should be noted that five of the co-operatives examined were founded in 1969, and about twenty of them in the middle sixties.

## 2. The Formulation of Co-operative Objectives

Another dubious aspect of the methodology of the UNRISD studies relates to definition. The investigators undertook to evaluate the "performance" or "efficiency" of co-operatives in developing countries. But "efficiency" can only be assessed in relation to objectives, and there is evidence throughout the series of a good deal of confusion as to the role of co-operatives in the Third World, and the connection between their "social" and their "economic" goals.

Professor Fals Borda appears to conceive the co-operative purpose as nothing less than mobilising the peasantry for revolution; and he concludes that they have failed in Latin America because they "did not . . . lead to significant political, economic and social *transformation*." They have, he concedes, achieved "marginal modifications", for example, "dissemination of modern technology or adoption of improved fertilisers and seeds or new systems of credit tried out and savings stimulated." But, even though "they meet a need, however partially" and bring about "marginal change which may do some limited good", this is "not enough to

threaten established rural systems that block significant progress.”<sup>1</sup>

Professor Apthorpe, on the other hand, complains that co-operators have been too concerned with social aims (“social change, self-help, social participation and social education”) or the “non-monetary rewards and sanctions” which “distinguish co-operatives from capitalist enterprise.” He recommends accordingly that “co-operative policies should put less emphasis on social development in the long run as their main aim and be more sensitive to economic developments at the local level.”<sup>2</sup>

But then Professor Fals Borda compounds the confusion by referring in a deprecatory way to co-operatives as “becoming regular business enterprises”, and to “competition, profit and ‘a good business sense’, in contradiction to (what should be) the anti-capitalist, anti-profit ideology of the co-operatives”.<sup>3</sup>

A more balanced understanding of the co-operative purpose is revealed in Inayatullah’s observation that “the members of the ‘high impact’ co-operatives had a concept of co-operation considerably different from that of members of ‘low impact’ co-operatives. While the former conceived co-operatives as instruments of capital formation and introduction of technical innovations and as a means of improving production, the latter regarded them as a means of acquiring certain facilities from the government and other agencies. Some regard co-operatives simply as banks.”<sup>4</sup>

The first of these conceptions accords with the definition of the co-operative goals which is most acceptable to co-operators throughout the world; namely, to achieve a significant increase in output, a more egalitarian distribution of that output and a more egalitarian participation in the decision-making which determines the pattern of that output and its distribution.

This definition emphasises efficiency of management, modern productive and business techniques and maximum surpluses for reinvestment or distribution to members. It is not *profits* that are rejected by co-operators, but rather the basis on which private profits are distributed. Co-operatives are not welfare organisations; they are business enterprises. They can achieve their *social* purposes only to the extent that they succeed in outdoing their private competitors in *economic* performance.

### 3. Factors Which Determine the Efficiency of Co-operatives

It is obvious that co-operators should be their own sharpest critics. They must be constantly on the alert for studies which point to problems and which identify the major factors influencing co-operative efficiency. Otherwise their performance will not improve.

The UNRISD approach, however, is quite different—again with the notable exception of the Asjan studies by Inayatullah. Having looked at a relatively small number of cases, many of them obvious failures, they conclude that the fault lies with Co-operation as an institution and that co-operatives should therefore be replaced by (unspecified) alternative institutions.

This is in sharp contrast to the large number of co-operative scholars who have over the years been seeking to pinpoint the reasons both for co-operative failures and for co-operative successes in developing countries. As a result of these efforts the major determinants of co-operative effectiveness have already been identified. These are of two kinds, internal prerequisites and external prerequisites; and by and large these have been ignored or underplayed in the UNRISD analysis as well as in many of the other studies cited earlier.

(a) **Education.** The UNRISD General Statement has this to say:

“Official documents and ideology recognise the need for training the local co-operative officers and members. How-

<sup>1</sup>Fals Borda, *op. cit.*

<sup>2</sup>Apthorpe, *op. cit.*

<sup>3</sup>Fals Borda, *op. cit.*

<sup>4</sup>Inayatullah, *op. cit.*

ever, in practice, training is seldom well organized and often the methods were found to be defective in the co-operatives studied in Latin America and Africa. Whilst this generalization is largely true of the Asian countries also, the co-operatives in the Comilla programme in East Pakistan (now Bangladesh) have a more effective built-in training mechanism.”

This sweeping indictment is surprising in view of the conspicuous absence in the UNRISD documents of descriptions or analysis of the extensive, and in many cases innovative, co-operative activities in this field in the developing countries. Training and education are accorded high priority in most co-operative movements, and they account for a major proportion of the activities of the ICA regional offices in South East Asia and in East Africa.

Co-operators hardly need reminding that the single most important reason for co-operative failures in developing countries is the lack of trained managers, committee members and members who understand the co-operative approach and are equipped to cope with modern methods and tools of production. At the same time they are well aware that training and education facilities are expensive and instructors are scarce. This is clearly an activity that calls for a substantial degree of external support—from apex co-operative organisations, from governments and from international aid donors.

In this connection it is relevant to summarise the conclusions of the Research Seminar held in Nairobi in September 1972 under the joint sponsorship of the International Co-operative Alliance and the Scandinavian Institute for African Studies.<sup>1</sup> Practically every issue touched upon in the seminar led to stress on the importance of education, which was seen as fundamental, for motivation, for democratic control, for effective leadership, for competent discharge of the duties of committee men, for financial management, for development of

a career service for staff, and in general for co-operative efficiency.

Specific recommendations included:

- more research into simple teaching techniques and the use of audio-visual aids, radio, newspapers, correspondence courses and study circles;
- increased production of teaching materials at the national and international levels and exchange of experience between co-operative movements;
- mobilisation of finance for educational buildings and equipment;
- orientation of overseas training to local needs;
- increased research into high level manpower needs, management training and the availability of consultancy services; and
- the extension of schemes like that in Tanzania for a national co-operative career service involving standardised job descriptions and terms, and conditions of service; a promotional ladder with appropriate salary scales; centralised recruiting; continuous education of staff; and development of yardsticks for evaluating performance and for recruitment.

(b) **Servicing.** Although many of the UNRISD studies referred to the importance of “upward linkages”, the actual cases selected were in most cases rural primary societies without access to secondary or apex co-operative servicing organisations. This seems to have reflected a conviction that such services can be better provided by non-co-operative organisations.

“... whereas the initial reason for starting Co-operatives is usually to provide a primary grouping of many individual farmers (for convenience of extension and credit services, and for sharing some kind of facility—tractor, pump, dairy, etc.), once this primary grouping is achieved, the higher, large-scale functions can just as well be done either commercially or by a semi-public corporation. . . . above the essential ‘primary’ groups (perhaps) a Union, or a public

<sup>1</sup>Widstrand, *op. cit.*

corporation . . . or merely a better controlled private commercial system should be entrusted with the higher level organisation, whether of processing or marketing or both, with the recollection that if a small, genuinely co-operative, genuinely participatory, genuinely self-governing group is established at village level, most of the key objectives of co-operation have already been achieved; above this level efficiency may become the chief criterion.”<sup>1</sup>

This view has clearly been accepted by Prof. Apthorpe who quotes Guy Hunter to prove that even where co-operatives are useful for the “take off”, they have not much function beyond that. And Prof. Widstrand states: “. . . there are many occasions where the very success of co-operative ventures (at the beginning) may be the reason to discontinue or limit the co-operative. For, by raising incomes, and knowledge, and capital resources, this starting mechanism may have brought producers to the point where they can get better services through commercial channels.”<sup>2</sup>

By way of contrast the attitude of co-operators on this crucial aspect of co-operative efficiency can be summed up as follows. An indispensable feature of the development programme of any less advanced country is the provision of expert technical, advisory and specialised training services to the individual producers through whom the development process must operate. Precisely because they are less advanced, these producers must be given access to professional help on various aspects of their particular contribution to the national product. This may take the form of extension services for training; specialised advice on accounting, purchasing, marketing; instruction on productive techniques; access to collective facilities such as transport, storage and machinery; cen-

tralised provision for a specific phase of processing; banking and credit facilities; joint research; centres for specialised market and industry information; guidance in preparing loan applications, etc.

There are many alternative ways of making such centralised services available including governments, international agencies, private enterprise and semi-autonomous public institutions as well as co-operatives. But it is true of all of them that the servicing function can be more adequately carried out if it is channelled through some kind of organised grouping of producers rather than on an *ad hoc* individual basis.

In the co-operative method, the servicing function is fundamental in that it epitomises the co-operative principle of self-help through a *pooling* of efforts. One of the distinctive advantages of co-operation as a form of economic organisation is its capacity to make the optimum use of scarce expertise and technical facilities through centralising them in a way appropriate for joint use. This is why it is essential for co-operative efficiency for the movement to build up a network of secondary and apex federations capable of providing primary societies with the advantages of scale.

(c) **Availability of Finance.** Another remarkable gap in the UNRISD coverage relates to co-operative credit. This is perhaps the most widespread of the activities of co-operatives in developing countries and there is a voluminous literature on the subject. Moreover, it is generally accepted that “supervised” or “directed” or “guided” credit is basic to co-operative development and that multipurpose co-operatives which combine credit with agricultural production, marketing, processing, purchasing and storage, and sometimes consumer stores, offer the best prospect for progress in these areas.

Yet in the majority of the cases selected for study, credit activities appear to have been restricted to unsupervised lending, much of it for consumption purposes,

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<sup>1</sup>Guy Hunter, *op. cit.*

<sup>2</sup>Widstrand, *Cooperatives and Rural Development in East Africa.*

and there was no discussion at all of the wide experience of co-operatives in linking credit with productive activities thereby at the same time stimulating savings and increasing output.

This being so, there would appear to be little basis for the statements that "in many countries, the evidence indicates that much of the credit through co-operatives has not been used for production purposes . . ." and ". . . it is evident that there is something wrong with the current credit systems of most co-operatives in developing countries, given the current social objectives of co-operatives. Either the credit systems should be changed—for example, by obtaining more extensive long-range support from outside—or the objectives should be changed with more overt economic emphasis."<sup>1</sup>

The same applies to Prof. Aphorpe's suggestion that:

"A question that arises for policy here is whether credit should be made available in the first place through the co-operative or another means. In some circumstances alternatives for less costly and less counter-productive means of relief and support should be sought. Studies that establish precisely who is in receipt of how much credit, and how and for what purposes it is expended, are needed."<sup>2</sup>

Before leaving this subject it is perhaps just worthwhile calling attention to a curious statement in the UNRISD General Statement:

"... credit is often not advanced to those who have defaulted on repayment previously. This may be economically necessary for the survival of the co-operatives but one result is that those who need credit most in order to introduce technical changes and increase the size of the marketable crop are likely to be the ones who fail to receive it."<sup>3</sup>

The reader may wonder what policy implication is supposed to be drawn!

(d) **Machinery for Democratic Control.** Many of the failures pointed to in the various studies to which reference has been made stemmed from the lack of measures designed to ensure internal discipline in primary societies. Facilities for education of members and staff, for technical and advisory services and for credit will not achieve co-operative efficiency in the absence of effective democratic control.

The range of steps that should be taken to achieve democratic control is broad indeed. Included are "propaganda", information and education of a kind that will instil a sense of loyalty, a feeling of participation and an understanding of co-operative objectives and the importance of complying with rules; appropriate statutes and byelaws; and a career service or promotional ladder for co-operative staff based on appropriate criteria for evaluating performance and on centralised recruiting according to standardised job descriptions—in order to ensure that the most competent people come to the fore and also to safeguard against corruption.

(e) **External Prerequisites.** Many of the criticisms levelled at co-operatives in the studies cited relate to problems which also confront any alternative approaches to development. These are the problems which caused underdevelopment in the first place, and it is simply not realistic to expect co-operatives to solve them by their own efforts alone. There are certain basic reforms on the part of governments, and in some cases of the international community, which are *prerequisite* to co-operative efficiency.

Co-operatives can do a lot to combat the inequalities and stratification which obstruct economic growth—and which even infiltrate co-operatives and undermine their effectiveness by diverting surpluses to a privileged few who exploit their positions of authority within the co-operative. But this is only part of a more general problem of inequality and stratification in the

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<sup>1</sup>UNRISD General Statement.

<sup>2</sup>UNRISD Series, Volume V.

<sup>3</sup>UNRISD General Statement.

economy as a whole, and primary responsibility for combatting it rests with the government through its powers to tax, to subsidise, to legislate land reforms and to allocate public funds for providing the people with educational opportunities, public facilities for health, sanitation, communications, roads, transport, storage, marketing, credit and power for heating and lighting. It is only in a framework of adequate infrastructure of these kinds that co-operatives can be expected to operate at maximum efficiency.

In addition there are a number of fields in which co-operatives, as major instruments of development, deserve specific support from their governments; these include financial assistance (grants or soft loans, trade concessions, etc.), extension services and technical information and advice.

Also appropriate co-operative legislation is required. Co-operatives must operate within the framework of the prevailing co-operative legislation which can have an important influence on their development. Because of the rapidly changing circumstances in developing countries, legislation is in many cases outdated and needs revision to conform to the social and economic objectives of co-operators and governments in these countries. A major concern is the independence of co-operatives and the need to ensure that legislation does not permit arbitrary, undemocratic and discriminatory encroachment by government officials on the autonomy of the co-operative.

Finally there are a number of international market factors which have a predominant influence on the economic prospects of the less advanced countries but over which their governments have very little control. These include instability of international prices and markets, particularly for the basic commodities which constitute such a large proportion of the trade of those countries; deteriorating terms of trade, partly as a result of shrinking demand in the industrialised countries

(due to their own increases in agricultural productivity and the development of new ways of saving on raw materials or of substituting for them); tariff and other barriers to the exports of the developing nations; and foreign exchange difficulties aggravated by the heavy burden of servicing the debts incurred through foreign loans.

Co-operatives market their products both within and across national frontiers. Hence they are directly and seriously affected by all these factors. However, they cannot by themselves make good the failure of governments to provide an adequate infrastructure of the kind required to make domestic producers competitive on the world market. And they are even more helpless in the face of those international forces with which UNCTAD, to say nothing of the governments of the developing countries, have been grappling over the years—largely unsuccessfully. Clearly national and supranational decisions are called for.

## **B. The Issue of Egalitarianism**

At this point it seems relevant to repeat the definition of the purpose of Co-operation suggested above as “the achievement of a significant increase in output, a more egalitarian distribution of that output, and a more egalitarian participation in the decision-making which determines the pattern of that output and its distribution.”

The major challenge posed by the UNRISD studies, as well as by some of the other papers cited at the outset, is that co-operatives in developing countries tend to reinforce inequalities rather than reduce them.

“If some members, especially those in better circumstances, take advantage of credit and of new methods and techniques of production while others do not . . . there will be an increase of economic inequalities in the community, contrary to co-operative ideals.”<sup>1</sup>

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<sup>1</sup>UNRISD General Statement, para. 44.



It is certainly true, as will be argued below, that other things being equal, co-operatives prove more effective in situations of greater *homogeneity* of occupation and economic and social status. Nevertheless there are reasons to believe that co-operation can be a powerful instrument for breaking down social, economic and political inequalities.

### 1. More Equality in Income Distribution

The crux of the UNRISD case appears to rest upon the curious fallacy that because some members of a co-operative derive more benefits than others from the services of the co-operative, they have thereby increased the degree of inequality in the community.

“Co-operatives do not tend to redistribute the newly generated wealth with equity and fairness, but reinforce old patterns of exploitation, benefiting those persons who are already stronger from the economic or social standpoints, who are more alert to modernization and more cynical in regard to the new institutions.”<sup>1</sup>

“... the opportunities for expansion that co-operatives can offer may be of much less advantage to some than to others. . . . If the inequalities that the new policy aims to reduce are confined to those in the co-operative sector alone, the overall net effect of introducing a co-operative can be self-defeating seen from the point of view of the total community concerned.”<sup>2</sup>

“... strengthening of the competitive position of members may weaken the power of those excluded, who may be the poorest . . . One significant consequence of the activities of these four (high impact) co-operatives was to arrest the trend towards the proletarianization of the middle farmers whose condition, if left alone, would have worsened and who would have joined the ranks of landless labourers, tenants and the marginal

farmers. The arresting of this trend maintained or to some extent widened the economic gap between these two classes.”<sup>3</sup>

These astonishing observations apparently imply that because the co-operative has raised the living standards of some members of the community but not of all, and has done so at differential rates of increase, there has been an overall *increase in inequality*. Measured in this way it would seem that the only way to achieve greater equity in income distribution would be to “liquidate” relatively prosperous landowners and merchants so that the generally prevailing poverty would be equally shared by all!

The UNRISD statement continues as follows:

“On the other hand, preoccupation with maintaining or realizing equality can lead to low overall productivity or efficiency and questions have arisen whether the same institution as a local operation can be expected to pursue both goals effectively and at the same time.”<sup>4</sup>

A much more logical conclusion would be that any achievement by way of bringing up the incomes of co-operative members closer to the median income of the community is likely to result in a *reduction of inequality* in the community as a whole. Equally important, the best way and indeed the only way of doing this is by increasing co-operative productivity. There is no “dilemma” of equality versus efficiency. Co-operative efficiency can only be defined in terms of effectiveness in attaining the co-operative goals of greater productivity *and less inequality*.

There is an additional point which is given a good deal of emphasis by all three UNRISD investigators. This relates to the “failure” of co-operatives to improve the lot of those low-income groups that are either not members of the co-operative or not in a position to benefit from the services offered by it. This concern has even led Apthorpe to suggest that perhaps co-

<sup>1</sup>UNRISD Series, Volume III.

<sup>2</sup>UNRISD Series, Volume V.

<sup>3</sup>UNRISD Series, Volume III.

<sup>4</sup>UNRISD General Statement, para. 44.

operative membership and activities should be confined to the poorest and least educated of the population!

“... the design of the co-operatives has not included special measures to attract and encourage participation by the landless sections of the peasantry.”<sup>1</sup> “... the net effect of the issuance of credit through them has generally been to increase existing inequalities in the sense that the poorest have got least benefit.”<sup>2</sup> “... the co-operatives seem to benefit most the middle-sized and the resident large-sized farmers who appear to be able to make most use of the services provided.”<sup>3</sup>

This would seem to be fairly obvious and reasonable. Co-operative services designed to improve farming methods and to provide credit and marketing and other facilities to farmers are most likely to benefit those who have land to farm. The point that is obscured by the statements quoted is that the co-operative provides machinery for pooling the needs and the resources of a large number of small producers enabling them jointly to benefit from the services and advantages of scale that are already available to larger producers. Co-operation helps the small men by increasing their productivity, mobilising small savings, providing access to inputs, training and technical services and enabling them to escape the bondage of merchants and money lenders. Thus the co-operative can, and often does, have the effect of enabling small producers to acquire land and essential inputs in order to start operating on a larger and more efficient scale.

An additional and highly important consideration is that the productivity of both rural and urban areas and the incomes of those in the lower income brackets can also be increased by measures which open up job opportunities. The UNRISD General Statement criticises co-operatives on this score too.

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<sup>1</sup>UNRISD General Statement, para. 31.

<sup>2</sup>*Ibid.*, para. 46.

<sup>3</sup>*Ibid.*, para. 21.

“... the design of the co-operatives has not included... much effective action to deal with problems of unemployment among agricultural labourers.”<sup>4</sup>

What this statement overlooks is the important contribution made by co-operatives whenever they open up employment in land resettlement schemes, irrigation projects, soil improvement, agricultural processing, marketing, housing, construction, handicraft production or light industry. These are fields of co-operative activity that were largely neglected in the UNRISD studies, but they have a significant impact in arresting the flow of idle workers from rural areas to towns where they tend to swell the growing numbers of unemployed.

## 2. More Equality in Participation

The egalitarian aims of Co-operation embrace far more than the improvement of material living standards described above. An equally important objective is to help members to achieve self-fulfilment as individuals in terms of participation, initiative, decision-making and exercising influence in their work and in their communities.

Co-operative claims in this connection are inherent in their basic principles: open and voluntary membership, democratic control (one man, one vote), distribution of surpluses in proportion to participation rather than wealth, and stress on education. In practice, too, co-operatives have demonstrated that they can offer members social, economic and political opportunities through equal access to credits, productive inputs and innovations, market outlets, technical advice and training facilities.

These claims however have been disputed in the studies cited. This has given rise to discussions concerning *leadership* on the one hand, and *communal tradition* on the other.

(a) **Leadership and Co-operatives.** One of the major factors to which UNRISD and other studies attribute the “failure” of co-operatives in respect of egalitarianism is

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<sup>4</sup>UNRISD General Statement, para. 31.

their tendency to work through recognised leaders who are invariably the richer, better educated and more influential members of the community. This, it is said, results in the "patron syndrome" in which the "boss" is relied on for protection and special favours; it also leads to corruption. As a consequence the co-operative fails to alter the existing power structure.

In reply it seems fair to pose the question: how are co-operative concepts and organisation structures to be introduced into rural communities if not in collaboration with local leaders who are in a position to influence uneducated and traditionally conservative members of the community?

This community elite represents scarce skills and leadership talents which are surely indispensable to development efforts. It is not very helpful to suggest, as Apthorpe does, that the "big men"—the "social or economic notables"—should be avoided because they might abuse their influence. A more constructive approach would be to provide an institutional framework within which such leaders can be encouraged or constrained to act responsibly.

Indeed it is irresponsible to imply that all community leaders in the less developed countries are exploiters, or corrupt, or part of the "Establishment". Much depends on the kinds of responsibility they are given and on built-in administrative safeguards, including, *inter alia*, improved education facilities, better machinery for democratic control and institution of a career service with adequate salaries in order to reduce susceptibility to corruption. Within these limits, however, efforts must certainly be made to take advantage so far as possible of community leaders in terms of their superior links to the outside world; of their greater receptivity to innovation; and of their capacity to underwrite co-operative efforts financially and to recruit members, and to represent members vis-à-vis government and international bodies.

Another point is that co-operatives would appear to have a better chance than

any alternative form of organisation to throw up *new* leaders to challenge the traditional élite and to keep a close watch on them. This is because of the democratic opportunities which they offer, their commitment to education of members and their motivational impact. Even Prof. Fals Borda admits that not infrequently there are trends leading "to greater genuine participation by members, to emergence of new leaders who challenge traditional leaders or to discussion of radical alternatives which could lead to action for redistribution of wealth."<sup>1</sup> But then he turns the argument on its head by arguing that co-operatives succeed too well in this respect and thereby invite resistance from vested interests. ". . . as soon as (such) trends are observed, the insurgent leaders are encircled and the nucleus of rebellion is destroyed before it can spread and before strong federations with the same tendencies can be set up". The reader can decide for himself which side of the argument is reinforced by this line of reasoning.

(b) **Tradition and Co-operatives.** A prominent feature of the criticism levelled at co-operators in the developing countries is the allegation that they rely unduly on continuity between traditional patterns of communal sharing and modern forms of co-operative organisation, with serious consequences for co-operative effectiveness.

". . . the Co-operative appears to draw upon traditions of co-operative behaviour in pre-colonial traditional society. . . . Traditional societies with a fairly strong vertical type of social organisation, which have already developed elements of 'modern' leadership, will tend to absorb co-operatives into this style (patronage, segmentary competition, etc.). In consequence co-operatives will tend to re-emphasize and strengthen social stratification. The egalitarian and socialist aims of co-operatives

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<sup>1</sup>UNRISD Series, Volume III.

will thus be, at least partially and temporarily, frustrated.”<sup>1</sup>

“... some themes of traditional communalism have been evoked and propagated through political parties and other organs of communication. This new move raises even more sharply questions about the relevance between autochthonous communal sharing and modern co-operative organisational forms.”<sup>2</sup>

Actually this is a classical case of a “straw man”, that is, a proposition which is fabricated for the sole purpose of discrediting it. It has been sociologists and politicians, each for their own reasons, who have tended to elaborate theses concerning the issue of co-operative “continuity with indigenous tradition”, while co-operators have been too busy trying to promote co-operatives on a modern basis consonant with the economic and social realities of the day to worry about the historical bases of communal action. The result has been a sterile controversy which has done little to advance the cause of development.

It is interesting to note that it is in the writings of co-operative scholars that the most clear-cut expositions are to be found of the reasons why modern Co-operation necessarily represents a distinct break with traditional social forms such as extended family ties in Asia, blood or tribal ties in Africa and community or parish ties in Latin America. These reasons can be briefly summarised as follows:

- traditional social structures have built into them a system of wealth, power and status inequalities based on age and genealogical position; only occasionally do they involve a common sharing of production,
- they embody particularisms of class, that is, social stratification,
- they represent a “cohesion” based on coercion, a consensus stemming from the “collective conscience”,

- their leadership is authoritarian and despotic with status depending on age or birth,
- their economy is static, based on subsistence production, family farming, and primitive technology,
- there is no precedent for looking ahead and saving for the future; the outlook is consumption-oriented in terms of immediate rewards,
- they are controlled by power groups with very limited range for personal advancement; no machinery for democracy or incentive to self-help.

The contrast of these traditional social patterns with modern Co-operation are aptly described by Cracombe:

“Kin-based units appear less well adapted to co-operative activity than territorially-based units. . . . The sociological principle is clear. Membership of a co-operative bestows identical rights on members and requires the acceptance of certain elective authority roles as common to all, i.e., they are institution-centres. Kinship systems, by contrast, are ego-centred. They necessitate individuals recognising others as different in varying degrees according to the proximity of genealogical connection, whether the attachment is through males or females, seniority of both, or other criteria. In kin-based authority structures the leadership roles are usually held by seniority of descent and such systems necessitate deference to persons on grounds of inherited rank. This is inimical to co-operative success, which depends on quite different selective criteria.”<sup>3</sup>

Clearly the argument that co-operators rely on continuity with the past cannot be sustained. Nevertheless the discussion on this point has at least had the merit of focussing attention on the useful role of co-operatives in developing countries as a mechanism for hastening the “disintegration” or “destruction” process which

<sup>1</sup>Guy Hunter, *op. cit.*

<sup>2</sup>Migot-Adholla, S.E., Traditional Society and Co-operatives, in *Cooperatives and Rural Development in East Africa*.

<sup>3</sup>Cracombe, Ronald G., Social Aspects of Co-operative and Other Corporate Land-Holding in the Pacific Islands, in *Two Blades of Grass*.

is now widely recognised as a prerequisite of development.

There are many factors which are helping less developed countries to break through the barriers of traditionalism, including the emergence of cash economies and employment for wages, as well as modern systems of transport, communication, production, marketing, credit and education. Co-operatives, in turn, are capable of greatly accelerating these trends through collective action, pooling of resources, and education of members and staff—to say nothing of their innovative, motivational impact on members. They stimulate a more open and experimental mentality among peasants, helping them to realise that their strongest allies are not their relatives but other peasants who share the same economic fate. By offering them real and perceived benefits from modern methods and economies of scale, they combat apathy and fatalism and encourage members to think dynamically in terms of improved living standards. And by opening up opportunities for individual betterment through education and democratic participation in co-operative affairs, they nurture new leaders who can challenge the authoritarianism and factionalism of the traditional order.

This is not to deny that co-operatives can exacerbate the problems of traditional authoritarianism and factionalism if they allow themselves to reinforce dominant groups and to be absorbed by them. However, cliques are endemic to every human institution; and the challenge which confronts co-operatives—as well as any other organisational form for promoting development at the grass-roots—is to be aware of the problems and to find ways of diverting into constructive channels the energies and talents of the existing community leaders.

“. . . the ‘destruction’ introduced by the internal market system has gone much too far . . . for any great reliance to be placed upon traditional communalism as a guarantee of effective co-operation. If co-operation is to be a goal the major

emphasis must be placed upon the conscious creation of the ‘social prerequisites’ for such co-operation via education and political and organisational mechanisms which, quite literally, help the majority of the peasants to help themselves.”<sup>1</sup>

Co-operators must capitalise on the concepts of mutual aid, mutual trust and group loyalties which are inherent in traditionalism but at the same time reconcile them with the “positive individualism” inherent in the co-operative concepts of self-help, democratic control and pooling of resources.

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The UNRISD studies are clearly an indictment of co-operative efficiency in the developing countries. But “efficiency” must necessarily be interpreted in a *comparative* sense. The problem is to overcome the difficulties that have made the developing areas lag in social and economic development, and the relevant question is which of available alternative approaches is likely to be most effective in tackling these difficulties.

There are numerous references in the UNRISD volumes to the need for alternative approaches, but not one of these has been identified, must less evaluated. It would, for example, be interesting to know what lies behind Prof. Fals Borda’s reference to “the challenge and opportunity of a true movement for peasant action leading to greater participation with an increased class consciousness.” And what are the “new policies” which “should encourage and support much more spontaneous and autochthonous action at the popular base, as well as stimulate in all levels of society a process of active participation leading to the real liberation and transformation of the low-income rural masses”?<sup>2</sup>

Similarly Prof. Apthorpe makes the comment that “one has to consider what might have happened if an alternative

<sup>1</sup>Saul, John S., *Marketing Cooperatives in a Developing Country*, in *Two Blades of Grass*.

<sup>2</sup>Fals Borda, *op. cit.*

policy or no policy had been followed,<sup>1</sup> but fails to act on his own suggestion.

The UNRISD General Statement is even more tantalising. "The question must be faced, therefore, as to the wisdom of continuing along the same way as in the past if it has such low guarantee of success. . . . It must be asked whether more promising solutions to the problems of rural social change do not lie elsewhere."<sup>2</sup>

Agreed, but the nagging question persists: where and how, other than through Co-operation?

The issue at stake is one of "relative

efficiency", that is, whether co-operatives can do certain tasks not perfectly but more quickly and more effectively than individual private enterprise, or State Socialism or some combination of private and group enterprise.

This is not an academic question. Progress in research and in development will be much more rapid if investigations and evaluations are conducted in the pragmatic sense of trying to discuss not the perfect solution but the solution that is relatively most satisfying in this imperfect world. Otherwise we are in danger of being left with no solution at all. And this, indeed, is the danger posed by the UNRISD approach.

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<sup>1</sup>Apthorpe, *op. cit.*

<sup>2</sup>UNRISD General Statement.

# ICA PUBLICATIONS

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# Czechoslovakia's Co-operative Jubilee

## 25 Years since the Enactment of the Law on the Central Co-operative Council

by **Dr Ing. Leopold Kovalčik**

*President of the Czechoslovak Central  
Co-operative Council, Member of the  
Central Committee of the ICA*

The working people's political victory in February 1948 was a significant landmark in Czechoslovakia's modern history. The preceding defeat of German fascism in World War II and the restoration of Czechoslovakia's national independence in 1945, after the liberation of her territory by the Soviet Army, had created favourable conditions for enabling the working people of our country, led by the Communist Party, to fulfil their aspirations for the establishment of a political system of social justice and progress—socialism.

The key positions of monopoly capital and other big business were uprooted already in the course of the national and democratic revolution of 1945, when wide-scale nationalisation of heavy industry, banks and other sectors of the country's economy was carried out. The process of changes, affecting the economic sphere and simultaneously democratising the system of government and social structures, encountered increasing resistance on the part of the reactionary forces, although the government was only putting into effect its programme approved at Košice, in 1944, by all the major political parties associated within the National Front. On the other hand, however, this process was actively supported by the people and its implementation

involved increasingly wide sections of both the urban and rural population—workers, peasants, tradesmen, artisans, etc. The reactionary political forces obstructed and sabotaged it because they sought to restore the pre-war capitalist conditions in Czechoslovakia. Eventually, relying on the positions they held within some political parties and in the Government, they resorted to an attempt to bring about an internal political crisis, by means of a sudden resignation of their ministers, with the aim of frustrating the country's development towards socialism.

As soon as the attack against the socialist policy had been repelled in February 1948, the development towards social progress started to gather momentum as new prospects opened up in all fields of social life and activity.

The struggle for the legal recognition of the Central Co-operative Council, as the supreme organisation of the Czechoslovak co-operative movement, had to be waged with similar intensity since May 1945. In the programme of the government elected to office in 1946, all political parties officially agreed that the co-operative movement should be organised on the basis of national unity, and pledged themselves to help to speed up the legislative recognition



A new co-operative department store in Prague.

of the Central Co-operative Council. In practice, however, progressive co-operators had to wage bitter struggles all the time, until the February victory in 1948, to counter the intrigues of various reactionary politicians (even within the National Front), who tried to prevent the co-operative movement's unification and, moreover, to misuse co-operatives against the power of the People's Democracy. This struggle was brought to a successful end by the enactment of the Law on the Central Co-operative Council, which came into force half a year after the February victory, in August 1948.

As the supreme organisation of Czechoslovakia's united co-operative movement, the Central Co-operative Council has played a significant role in building up the movement and developing its functions within a socialist society, having completed

its dissociation from reactionary elements and its reconstruction on the basis of socialist principles.

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In the course of the socialist transformation an important part was played by *consumer co-operatives*, the movement's branch with illustrious traditions in the working-class movement. In the first place, they expanded their scope of operation, at the expense of the capitalist sector of trade, and placed at the nation's disposal their experience, their organisation as well as their network of wholesale trade, together with all the skilled personnel.

Secondly, consumer co-operatives provided organisational and material assistance to the newly-arising agricultural co-operative movement. They concentrated



their attention on rural areas, where they not only ensured a constant supply of consumer goods to the farming population, but also made their own premises, equipment and experience available according to need; in these ways, as well as by the example of their own successful operation, they convincingly illustrated the advantages of the co-operative method and its applicability to agriculture.

Thirdly, a number of outstanding organisers from among co-operative officials came to help the country's socialist sector. Among them were Otakar Šimůnek, Antonín Zmrhal and Josef Nepomucký, to mention only three of the many who served in highly responsible government posts. Furthermore, consumer co-operatives proved instrumental in recruiting small tradesmen for the co-operative movement, where many of them have continued to

work ever since, some holding office at very high level.

Both the membership and the volume of business of consumer co-operatives have undergone considerable changes and a successful development. Before February 1948, consumer co-operatives had 1,200,000 members and about 7,800 shops; at the end of 1972, membership totalled 2,107,000 (i.e. 14.5 per cent of the country's population) and the number of co-operative shops and restaurants was more than 40,000. At present, consumer co-operatives account for nearly 26 per cent of the total national retail turnover.

In the endeavour to serve the rural population everywhere, even in small out-of-the-way localities, consumer co-operatives use their fleet of 722 mobile shops for supplying consumers in such places with a wide range of goods. Apart from operating



One of the numerous roadside snack-bars opened by consumer co-operatives in recent years.

their main network of shops, consumer co-operatives have simultaneously—especially in recent years—continued to establish high-standard shopping centres, department stores, hotels and restaurants in towns and cities.

In both rural and urban areas, consumer co-operatives have a vast network of inns, hotels, restaurants and other catering establishments, owning more than 45 per cent of their total number, and accounting for 32 per cent of their aggregate national turnover.

Today, consumer co-operatives form an indispensable part of the country's system of socialist trade and their permanent development is assured. At the same time the quality of their service is under constant supervision of elected co-operative officers and collective bodies, ranging from local shop-level supervisory committees to national-level authorities of the consumer co-operative movement.

The co-operative movement's prosperous development can also be illustrated by the achievements of *workers' productive* (industrial and artisanal) co-operatives. At the end of 1947, the membership of these co-operatives totalled less than 11,000, but at the end of 1972 they had over 177,000 members, working in 8,028 establishments (workshops, factories, service centres, etc.).

Productive co-operatives are engaged in numerous fields of activity and various branches of specialisation, including chemicals, metal-working, production of building materials, woodworking, paper and cellulose processing, production of glassware and china, textiles, clothing, leather processing, as well as a number of handicraft and folk-art branches. Some of the societies specialise in building and project designing, and many concentrate on various repairs and services for the general public. Productive co-operatives market their products partly by direct sales in their own retail outlets and partly through the shops of consumer co-operatives or state-owned trading organisations; furthermore, a fairly considerable part of their produc-

tion is exported. Since 1967, the total volume of the co-operatives' production and services has increased by 84 per cent; cash receipts from private customers have risen by 80 per cent, and a similar growth has also been recorded in the total turnover.

Favourable results have been achieved in the development of *housing co-operatives*, which had 135,000 members in 1947, but more than 747,000 at the end of 1972, when they administered a total of over 450,000 co-operatively-owned homes, mainly flats. They were responsible for 33.4 per cent of all the new housing constructed in 1972; as many as 11,661 of these new homes were built by means of the members' own self-help schemes.

Housing co-operatives are efficiently assisted by the government in several respects. Direct subsidies, calculated per square metre of the inhabitable floor space, cover roughly 50 per cent of the building costs nowadays. For approximately another 30 per cent, credit can be obtained from the State Bank, at a very advantageous rate of interest, as low as 1 per cent. Thus the government serve as a good example of how the co-operators' personal interests can be suitably combined with the public interest in solving the housing problem.

\* \* \*

At present Czechoslovakia's co-operative movement is faced with several important tasks. Recent years have provided new, convincing evidence about the viability of the co-operative idea in agriculture. Agricultural co-operatives administer and cultivate more than 60 per cent of all farm land. Considerable progress has been made in crop raising as well as in animal husbandry. In the corn harvest of 1973, a record unprecedented in the history of Czechoslovak farming was achieved, not only in the total volume of the crops harvested, but also in the yields per hectare. This success was the result of many years of endeavours to mechanise agriculture and to employ scientific methods and advanced



The workshop of a workers' productive society.

technology in the cultivation of crops as well as in breeding livestock; it was likewise the result of the skill and personal efforts of all the people working in the co-operative farms, together with the use of high-yielding types of seed obtained from the USSR. All these factors were combined with efficient organisation of work, based on co-operative democracy and good co-ordination between the activities of agricultural co-operatives, state farms, purchasing and supply agencies, as well as local government authorities.

The new conditions created by the socialist way of life in villages place greater demands on the standard of co-operative trade, which responds by continually widening the selection of goods. Industrial products account for a steadily rising percentage of the retail turnover of consumer co-operatives, whose shops also sell increasing

quantities of building materials. Nowadays, all new house-building as well as reconstructions of older homes in rural areas are carried out co-operatively; as a result, the standard of housing in villages is rapidly catching up with that of urban areas—already surpassing it, of course, in the environmental respect.

In accordance with the directives of Czechoslovakia's contemporary fifth Five-Year Plan, productive co-operatives are paying increased attention to certain priority areas of activity, especially as regards the performance of various services (including repairs, maintenance, etc.), as well as bespoke work and small-scale production of an ancillary character; the aim is gradually to reduce overlap with the production programmes of the state-owned industries, in order to release the necessary capacities and productive forces for activi-

ties directly helping to raise the standard of living of the population in general.

Housing co-operatives will continue to play an important role in building new homes, as well as in the administration of the houses and blocks of flats which they own.

The results achieved during the first three years of the five covered by the national economic plan—including 1973—provide convincing evidence of the Czechoslovak co-operative movement's continuing success in contributing towards the prosperity of the country's economy.

The co-operative movement itself is likewise undergoing a favourable economic development, but it does not see its purpose in the economic sphere alone. Hand in hand with their business activities, Czechoslovak co-operatives educate their members for fullest possible participation in the management and control of their affairs, with the aim of intensifying internal co-operative democracy through the members' active involvement in the pursuance of the main policy set for the current period—to combine co-operative members' interests with those of society as a whole. As a result, members and officials of co-operatives take an active interest in public life and serve on various committees of the people's government authorities and social organisations. This, in turn, enables them to participate at all levels in the shaping and imple-

mentation of policies concerning various stages of the country's socialist construction programme. Thus co-operatives are represented within the National Front, which is a political alliance of workers, peasants and intellectuals, and associates all political parties and social organisations in Czechoslovakia. Important posts are held by co-operators within the country's representative bodies—the local, district and regional-level government authorities, known as National Committees, as well as in the legislative bodies—the Czech and Slovak National Councils and the Federal Assembly (i.e. Parliament).

Czechoslovakia's co-operative movement pays considerable attention to international relations and maintains close contacts particularly with the national co-operative organisations of other socialist countries. Its international activities also include assistance to co-operative organisations of developing countries in several respects—by organising technical training courses, theoretical seminars, exchanges of experience, consultations and other schemes, as well as by making expert advisers available for specific projects.

The first quarter of a century of Czechoslovakia's socialist co-operative movement has proved the correctness of the policy pursued since February 1948, for which the enactment of the Law on the Central Co-operative Council was an indispensable prerequisite.

# Book Reviews

## **Industrial Democracy and the Worker-owned Firm**

by Carl J. Bellas, New York, Praeger Publishers Inc., 1972.

This is a fascinating study of one of the few examples of co-operative production in the USA—the twenty-one plywood co-operatives in the Pacific North West. Conversion to a co-operative basis enabled a number of these plywood enterprises in the States of Oregon and Washington to survive in tough competitive conditions; but Professor Bellas notes that some of the more successful of them, in particular Olympia Veneer which was founded in 1921, have sold up or reverted to a conventional basis as a result of their success.

This appears to have been partly because these plywood co-operatives paid a limited return on capital like other co-operatives; but the value of the shares nevertheless increased with the growth of the business. The worker shareholders of some of the successful co-operatives, such as Olympia Veneer, after 30 years, decided to sell up and realise their capital gains.

Professor Bellas is a management expert and discusses in detail the management problems of these US co-operative productive societies and the extent to which they are

effectively controlled by their worker members. It is a book that should be of interest to all concerned with the problems of workers' productive societies. Professor Vanek of Cornell University suggests in a preface that "with membership in the co-operative linked exclusively to work and not to ownership many of the negative aspects of the plywood firms discussed by Professor Bellas would vanish and other positive ones would be strengthened."

P.D.

## **The Day the Pigs Refused to be Driven to Market**

by Robin Wight, London, Hart-Davis MacGibbon, 1972, £2.75.

This important and entertaining book discusses the impact of the consumer revolution on the advertising industry. The consumer movement in most industrialised countries has grown so strong that most politicians find it expedient to claim that one of their prime objectives is to serve the interests of consumers. Mr Nixon more or less ignored the consumer in his 1968 campaign but later found it necessary to pay attention to him. When Mr Heath was elected in Britain in 1970 he promptly

ly abolished the Consumer Council but later decided to sponsor a whole range of consumer protection measures. Mr Wight shows in his book how the rise of the consumer movement has been accompanied by such an increase in the scepticism and sophistication of large numbers of ordinary consumers that many of the easy assumptions of the advertising industry need increasingly to be questioned.

He illustrates his theme with a wealth of revealing detail about the gap between human behaviour and the way advertisers think we ought to behave. Advertising no longer makes the kind of impact it did; and when it does make impact it does not necessarily increase sales. It is a book that needs to be read by those responsible for co-operative advertising campaigns. Consumers today realise that they are the people who pay for advertising and some stores, such as John Lewis in Britain and the Cooprix supermarkets in Canada, manage without conventional advertising. Co-operators need to remember that they have a point that is more convincing than many of the claims of advertisers in that they *really are* run in the interests of their consumer members. Increasing attention by consumer co-operatives to the interests of consumers, and association with the broader consumer movement may help them to reduce costs and prices and serve their members even better.

C.S.M.

### Consumerism, Cooperatism and the Idea of the Consumer

by Horace M. Kallen, Rochdale Institute and New School for Social Research, New York, 1973.

Professor Horace Kallen has been the leading and most eloquent advocate of consumerism and co-operative ideas in the United States for more than forty years. In his *Decline and Rise of the Consumer*, published in 1936, he insisted on the primacy of the consumer and the need for a strong co-operative movement to achieve an economy of abundance and a better society.

In this new booklet he reviews the rise of consumerism in the USA and discusses in a philosophical way many of the issues and problems of contemporary society from a co-operative and a consumer point of view. His comments on the consumer movement in the USA show many insights; and he ranges also over business monopolies, trade unions and other aspects of life in modern industrial society, coming at last to the forgotten producer. While agricultural co-operatives have long been strong in the USA, while housing, telephone, electricity, health, credit and other co-operatives have made important contributions to a diverse co-operative movement and while the broader consumer movement has at the same time been pioneered in the USA, co-operative production has been very weak so that co-operative productive societies are almost unknown. In the last four sections of his booklet Professor Kallen looks at the "Rehumanisation of Labour", firstly on the kibbutzim and moshavim of Israel, then in the American Federation of Southern Co-operatives, thirdly among trade unionists and factory workers in Europe and America and finally in relation to the function of management.

H.M.G.

### Las Cooperativas

by Alicia Kaplan de Drimer and Bernardo Drimer, Buenos Aires, INTERCOOP y FACC, 1973, 577 pp.

Co-operation is not primarily a theory, or rather, it is a theory that develops through its own application—its refinements are the result of a praxis, not of conceptual exercises. While it is possible to write on, for instance, micro-economics without referring to any actual or even potential state of affairs—indeed in many cases it would be impossible to do so—such a work, in the case of co-operation, would be of little use, if not totally meaningless. This new book by Alicia Kaplan de Drimer and Bernardo Drimer analyses the theory of co-operation without losing sight of its concrete manifesta-

tions nor of its historical development. Its main purpose, as the authors say in their introduction, is to give a global view of the co-operative movement by stating clearly those characteristics common to all co-operatives, the criteria generally applicable and the conclusions that can be validly drawn in all instances, while at the same time clarifying those concepts that can only be applied to certain types of co-operatives; but one of their chief concerns was to avoid too rigid and static an outlook which would not take into account the fact that co-operation is very much a living theory and therefore in constant evolution.

The book is divided into twelve chapters, of which the first three analyse those features that characterise the co-operative movement as a whole. Chapter 4 deals with the classification of co-operatives and the development of their various types. The following three chapters outline a history of the co-operative movement and concisely describe the ideas and achievements of leading co-operators, from the days of the Rochdale Pioneers and Raiffeisen to the present time. Of special interest is chapter 8, on the links between co-operation and other socio-economic theories and movements; it provides a good introduction to this always controversial subject, though here one

might observe that no separate section studies the complex and often uneasy relationship between co-operatives and the capitalistic framework. Co-operative integration, inter-co-operative activities and international organisations concerned with co-operation are the subjects of chapters 9 and 10, while the last two chapters study co-operative education and the relationship between co-operatives and the State. Two appendixes deal respectively with the history of the Argentinian co-operative movement and with the principles of co-operation as established by the Rochdale Pioneers and re-examined by the ICA Congresses of 1937 and 1966. An extensive bibliography and a carefully established analytical index complete the work.

The book thus deals with almost all those subjects relevant to a study of co-operatives (one exception being the role of co-operatives in the socio-economic development of the Third World) and does so without indulging in sweeping generalisations or accumulating unnecessary details. It is an excellent reference book which will be of great use to researchers; and students of co-operation, if undaunted by its length, will find it an invaluable guide to the subject.

C.B.

# Annotated List of Books Received at the ICA Library

## **BEDI, R. D.**

### **Co-operative Land Development Banking in India.**

312 pp; tabs. New Delhi, Committee for Co-operative Training of the National Co-operative Union of India, 1972?

*Land developing banking is a unique feature of the Indian Co-operative Movement. The author traces its growth and shows how this system, which provides long-term land credit, has developed into a highly flexible and adaptable mechanism.*

## **DODGE, Philip J.**

### **A new look at cooperatives.**

28 pp. New York, Public Affairs Pamphlets, 1972.

## **FOOD AND AGRICULTURE ORGANISATION OF THE UNITED NATIONS**

### **Report on Credit for Artisanal Fishermen in South-East Asia (FAO Fisheries Reports No. 122 FIEE/R 122).**

53 pp; bibliogr. Rome, FAO, 1972.

## **GABELMANN, Ekkehart**

### **Die Genossenschaften in Kamerun.**

270 pp; tabs; map; bibliogr; English and French summaries. Marburg, Eukerdruck-Institut für Genossenschaftswesen der Philipps-Universität, 1971.

*A study of the impact made by co-operatives in the economic and social development of Cameroon.*

## **GUNAWARDENA, Lionel**

### **Amalgamation of Primary Co-operatives: the Japanese Experience.**

117 pp; tabs; diags; photo. New Delhi, International Co-operative Alliance, 1973. Price: Rs.15.00.

*There is an increasing necessity to amalgamate small co-operative societies in Asia. This book shows what made the formation of large societies an economic necessity in Japan, how the problem was approached, what obstacles were encountered and how they were surmounted.*

## **HAJELA, T. N.**

### **Principles, Problems and Practice of Co-operation.**

569 pp; tabs. Agra, Shiva Lal Agarwala & Co., 1973.

*This book deals mainly with the practice of co-operation in India, and covers all aspects of the Indian co-operative movement.*



## **INTERNATIONAL CO-OPERATIVE ALLIANCE—REGIONAL OFFICE AND EDUCATION CENTRE FOR S.-E. ASIA**

Co-operative Management. Recommendations made by the ICA/CCE/GRAMACOOOP Regional Seminar held in the Philippines, January 10-30, 1973.

31 pp; photos. New Delhi, ICA RO & EC, 1973.

### **KNAPP, Joseph**

**The Advance of American Cooperative Enterprise, 1920-1945.**

646 pp; notes. Danville, Ill., Interstate Printers and Publishers Inc., 1973.

*The second volume of Dr Knapp's history of American co-operatives covers the years during which the movement was given a vigorous forward thrust, and describes the developments that occurred in most co-operative sectors.*

### **MACEOIN, Gary**

**Agent for Change: The Story of Harvey (Pablo) Steele.**

175 pp. Maryknoll, NY, Orbis Books, 1973.

*The story of a catholic priest from Nova Scotia who worked as a missionary in China and a pioneer of the co-operative movement in Latin America.*

### **NAIK, D. D.**

**Practices of Housing Co-operatives.**

324 pp; tabs. Bombay, Law House, 1972.

*A handbook, written with Indian conditions in mind, on the objectives and advantages of co-operative housing, and on how to start and manage a society of this type.*

## **NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH**

**Effectiveness of Co-operative Credit for Agricultural Production.**

396 pp; index; tabs. New Delhi, NCAER, 1972.

*An empirical study of the efficacy of agricultural co-operative credit in three districts of India.*

## **ORGANIZACION DE LOS ESTADOS AMERICANOS**

**Las cooperativas de electrificación en Argentina, Chile y Estados Unidos.**

103 pp; tabs; photos. Washington DC, OEA, 1972.

*This pamphlet describes three typical examples of co-operative electrification programmes: the electrical co-operatives of the USA, where they form a well developed network; those of Argentina, mostly urban and covering the generating as well as the distribution of electricity; and those of Chile, where electrical co-operatives are mainly rural and limited to distribution.*

## **POLISH CO-OPERATIVE RESEARCH INSTITUTE and INTERNATIONAL CO-OPERATIVE ALLIANCE**

**International Seminar on Research Sponsored by Developed Countries Relating to Co-operatives in Developing Countries, Warsaw, May/June 1972 (ICA Studies and Reports No. 9).**

225 pp. Warsaw, Polish Co-operative Research Institute, 1972.

*The report of the first seminar during which systematic consideration was given by the international co-operative movement to the urgent need for co-ordination of research activities in relation to co-operatives in developing countries.*

### **SINHA, B. K.**

**Cooperation in a changing society.**

198 pp; tab. New Delhi, Deluxe Printers, 1972. Price: Rs. 20.00.

*The aim of the author is to acquaint the reader with the special characteristics of co-operation in the developing world.*

### **TEWARI, R. N.**

**Agricultural Planning and Co-operatives.**

100 pp; tabs. Delhi, Sultan Chand & Sons, 1972.

*This study examines the High Yielding Varieties Plan being implemented in the Indian State of Rajasthan, and the manner in which the co-operative structure has been integrated within the Plan.*

**International Co-operative Alliance  
Regional Office and Education Centre for  
South-East Asia**

**Regional Director: Mr P. E. Weeraman  
PO Box 3312, 43 Friends Colony  
New Delhi 14, India. Tel. 631541 632093.**

**International Co-operative Alliance  
Regional Office for East and Central Africa**

**Regional Director: Mr Dan Nyanjom  
PO Box 946, Moshi, Tanzania. Tel. 2616.**

## Affiliated Organisations

**Angola:** see 'Zaire'.

**Argentina:** Federación Argentina de Cooperativas de Consumo, *Avda. Suárez 2034, Buenos Aires*. Tel. 28-5381/3.

Intercoop, Editora Cooperativa Limitada, *Humberto 1°, 2318—1° P.-A., Buenos Aires*. Tel. 99-3193.

Asociación Argentina de Cooperativas y Mutualidades de Seguros, *Avenida de Mayo 1370, Piso 1° Buenos Aires*. Tel. 33-0222/7138.

Federación Argentina de Cooperativas de Crédito Ltda., *Pueyrredon 468, 2° Piso, Buenos Aires (RC 24)*. Tel. 86-6283.

Asociación de Cooperativas Argentinas, *25 de Mayo 35, Buenos Aires*.

Confederación Cooperativa de la República Argentina Ltda. (COOPERA), *Luis María Campos 1588, Buenos Aires*.

**Australia:** Co-operative Federation of Australia, Secretariat: *569 Wellington Street, Perth, Western Australia 6000*. Tel. 21-0191.

**Austria:** "Konsumverband" Zentralverband der österreichischen Konsumgenossenschaften, *Theobaldgasse 19, A-1061 Vienna VI*. Tel. 57-75-38.

Membership (1971): 556,300; turnover: retail trade: Sch. 7,434 mill. (thereof consumers' societies: Sch. 6,367 mill.; department stores: Sch. 1,019 mill.; other retail trade: Sch. 48 mill.); wholesale society (G.Ö.C.): Sch. 2,906 mill.; own production: consumers' societies: Sch. 909 mill.; G.Ö.C. and subsidiaries: Sch. 527 mill.

Österreichischer Verband gemeinnütziger Bau-, Wohnungs- und Siedlungsvereinigungen, *Bösendorferstrasse 7/11, 1010 Vienna*. Tel. 65-71-63; 65-13-25.

1972: Affiliated organisations: 277 (comprising 164 societies and 133 associations); membership: 167,737; administered units: 357,241 (of which 156,144 correspond to the societies and 201,097 to the associations; closing balance for 1971: Sch. 56.4 mill. (of which Sch. 25.6 mill. correspond to the societies and Sch. 30.8 to the associations).

Österreichischer Raiffeisenverband, *Seilergasse 16, Vienna 1*. Tel. 52-69-34.

**Bangladesh:** Bangladesh Jatiya Samabaya Union, "Samabaya Sadan" (1st floor) *9/D-Motijheel Commercial Area, Dacca 2*. Tel. 255846.

Provincial Fishermen's Co-operative Society Ltd., *Iqbal Road, Patharghata, Post Box 27, Chittagong*. Tel. 80587; 85967.

**Belgium:** Fédération belge des Coopératives (FEBECOOP), *26-28 rue Haute, 1000 Brussels*. Tel. 13-28-60; 11-83-50.

Affiliated consumers' societies: 21; membership: 300,000; turnover (1968): Frs. 4,180 mill.; shops: 1,409; Wholesale society turnover (1968): Frs. 1,272 mill.

Société Coopérative d'Assurances "La Prévoyance Sociale", *P.S. Building, 151 rue Royale, 1030 Brussels*. Tel. 18-80-80.

Premiums (1966): Frs. 1,903 mill.; reserves: Frs. 6 milliards; insurance funds, life: Frs. 20 milliards.

Fédération Nationale des Coopératives Chrétiennes, *135 rue de la Loi, 1040 Brussels*. Tel. 35-60-90.

(1967): 1,250 shops; turnover: Frs. 1,430 mill.; Savings Bank: 2,050 branches; 500,000 members; deposits: Frs. 12 milliards; Insurance Society: 290,000 policy holders; premiums: Frs. 450 mill.; reserves: Frs. 1,300 mill.

L'Économie Populaire, *30 rue des Champs, 5300 Ciney (Namur)*. Tel. (083) 228-01.

Branches (1970): 466; membership: 98,456; turnover: F.B. 1,319,030,000; savings deposits: F.B. 380 mill. + 340 mill. CEP (Private Savings Bank, Ltd.); capital and reserves: F.B. 208 mill.

L'Institut Provincial de Coopération Agricole, 42 rue des Augustins, Liège. Tel. Liège 32-36-52.

OPHACO (Office des Pharmacies Coopératives de Belgique), 602 Chaussée de Mons, Anderlecht-Brussels 7. Tel. 22-56-90.

Union of 26 co-operative societies owning 466 pharmacies, 71 optical departments, 6 drug stores, 14 wholesale depots. Turnover (1971) : Frs. 3,102,783,000. Surplus distributed to 535,000 members : 131 mill.

Centrale des Caisses Rurales du Boerenbond Belge (CERA), Minderbroedersstraat 8, 3000 Leuven. Tel. 016/279.31.

**Bulgaria:** Central Co-operative Union, Rue Rakovski 99, Sofia. Tel. 7-83-11; 8-03-11.

**Cameroon:** West Cameroon Co-operative Association Ltd., P.O. Box 135, Kumba, Meme Division, West Cameroon. Tel. Kumba 251.

**Canada:** Co-operative Union of Canada, 111 Sparks Street, KIP 585 Ottawa 4, Ont. Tel. 232-9657.

A federation of English-language co-operative organisations, organised in 1909.

Conseil Canadien de la Coopération, Case postale 58, Station N, Montréal 129. Tel. (514) 866-8048.

**Ceylon:** See "Sri Lanka".

**Chile:** Cooperativa Sodimac Ltda., Casilla 3110, Santiago de Chile. Tel. 734023.

Cooperativa de Empleados Particulares Ltda., Teatinos 610, Casilla 424, Santiago de Chile. Tel. 82935.

Instituto de Financiamiento Cooperativo, IFICOOP, Ltda., Agustinas 853, Oficina 547, Casilla 1118, Santiago de Chile. Tel. 398253.

Unión Cooperativa de Seguros (Ucoseg) Ltda., Moneda 1040, of. 704-705, Santiago de Chile. Tel. 81295; 65100.

Unión de Cooperativas de Consumo y Servicios de Chile Ltda. ("U-Coop"). Agustinas 1141, 7° Piso, Casilla 14439, Santiago de Chile. Tel. 715256.

**Colombia:** Cooperativa Familiar de Medellín Ltda., Calle 49, No. 52-49, Medellín. Tel. 45-00-55; 41-71-13; 41-53-78.

Instituto Nacional de Financiamiento y Desarrollo Cooperativo (Financiacoop), Carrera 13, No. 27-00, Edif. Bochica, piso 2°, Int. 9, Aptdo Aéreo 12242, Bogotá. Tel. 81-06-00.

**Congo, Democratic Republic of:** See "Zaire".

**Cyprus:** Co-operative Central Bank Ltd., P.O. Box 4537, Nicosia. Tel. 62921; 62677; 63311.

Cyprus Turkish Co-operative Central Bank Ltd., P.O. Box 791, Nicosia. Tel. 4257.

Vine Products Co-operative Marketing Union Ltd., P.O. Box 314, Limassol. Tel. 2331; 2872; 4582.

**Czechoslovakia:** Ustredni Rada Druzstev, Tesnov 5, 11006 Prague 1. Tel. 621-54; 647-51.

**Denmark:** De samvirkende danske Andels-selskaber (Andelsudvalget), Vester Farimagsgade 3, DK-1606 Copenhagen V. Tel. (01)12-14-19. Representing 30 national organisations, comprising: consumers' societies, agricultural production, marketing and purchase societies, other production and marketing societies, insurance societies, banking societies. Membership: 750,000 individual members.

Det Kooperative Faellesforbund i Danmark, Kronprinzengade 13, 1114 Copenhagen K. Tel. (01)12-22-62.

Affiliated societies (1963): 634; total sales: D.Kr. 1,582 mill.; employees: 12,500; comprising consumers', workers', artisans', productive and housing societies, etc.

Faellesforeningen for Danmarks Brugsforeninger (FDB), Róskildevej 65, Albertslund. Tel. (01)64-88-11.

Affiliated societies (1969): 1,742; membership: 839,000; turnover: 4,032 mill. D.Kr.; wholesale turnover: 2,198 mill. D.Kr.; own production: 741 mill. D.Kr.

**Finland:** Suomen Osuuskauppojen Keskus-kunta (S.O.K.), Vilhonkatu 7, 00101 Helsinki 10. Tel. 90-650-611.

Affiliated Societies (1972): 241; membership: 588,847; wholesale turnover: Fmk 2,594.1 mill.; own production of SOK: Fmk 374.4 mill.

Yleinen Osuuskauppojen Liitto r.y. (Y.O.L.), Vilhonkatu 7, 00101 Helsinki 10.

Affiliated societies (1972): 241; membership: 588,847; turnover of societies: Fmk 3,932.5 mill.; total production of affiliated societies: Fmk 51.1 mill.

Kulutusosuuskuntien Keskusliitto (K.K.), r.y., P.O. Box 740, 00101 Helsinki 10. Tel. Helsinki 10491.

Affiliated societies: 71; membership: 576,649; turnover (1972): Fmk 2558,5 mill.; own production: Fmk 252,2 mill.

Keskusosuusliike O.T.K., P.O. Box 120, 00101 Helsinki 10. Tel. 71-13-22; 70731.

Affiliated societies: 71; turnover (1972): Fmk 1652,7 mill.; own production: Fmk 458 mill.

Pellervo-Seura, Central Organisation of Farmers' Co-operatives, Simonkatu 6, Helsinki K. Tel. 61046.

Affiliated organisations (1963): 10 central organisations: 1,102 societies.

**Fiji:** Fiji Co-operative Union, Registry of Co-operative Societies, Co-operative Department, Suva, Fiji.

**France:** Fédération Nationale des Coopératives de Consommateurs, F.N.C.C., 89 rue la Boétie, 75008 Paris. Tel. 225-99-98.  
Affiliated societies (1970): 315; membership: 3,400,000; shops: 8,300; turnover: NF. 6,100 mill.

Société Générale des Coopératives de Consommation, 61 rue Boissière, 75 Paris XVI. Tel. 553-88-22.

Fédération Nationale des Sociétés Coopératives Ouvrières de Production du Bâtiment, des Travaux Publics et des Matériaux de Construction, 88 rue de Courcelles, 75008 Paris. Tel. 622-40-48; 622-45-20.

Confédération Générale des Sociétés Coopératives Ouvrières de Production, 88 rue de Courcelles, 75008 Paris. Tel. 622-07-81/2.

Banque Française de Crédit Coopératif, 88 rue de Courcelles, 75008 Paris. Tel. 227-48-03.

Confédération Nationale de la Coopération, de la Mutualité et du Crédit Agricoles, 129 Bd. St. Germain, 75006 Paris. Tel. 033-93-31.

Caisse Nationale de Crédit Agricole, 91-93 Boulevard Pasteur, 75 Paris XV. Tel. 273-90-00.

Fédération Nationale des Sociétés Coopératives d'Habitation à Loyer Modéré (H.L.M.), 20 rue de Richelieu, 75 Paris 1er. Tel. 266-4520.

Confédération des Coopératives de Construction et d'Habitation, "L'Habitation", 3 ave. du Coq, 75009 Paris. Tel. 742-45-79; 874-67-62.

Confédération des Organismes de Crédit Maritime Mutuel, 18 bis, Avenue Hoche, 75008 Paris. Tel. 267-14-50.

**Gambia (The):** Gambia Co-operative Union Ltd., P.O. Box 505, Bathurst. Tel. 581.

**German Democratic Republic:** Verband der Konsumgenossenschaften der DDR, Stresemannstrasse 128, 108 Berlin.

**Federal Republic of Germany:** Bund deutscher Konsumgenossenschaften G.m.b.H., Besenbinderhof 43, (2) Hamburg 1. Tel. (0411)284-4001.

Affiliated societies (December 1969): 115; membership (end of 1969): 2,235,000; turnover (1969): D.M. 4,827 milliards.

Co op Zentrale A.G., Besenbinderhof 43, (2) Hamburg 1. Tel. (0411) 284-4310.

Total turnover incl. subsidiaries (1969): D.M. 2,462 milliards.

Gesamtverband gemeinnütziger Wohnungsunternehmen e.V., Bismarckstrasse 7, 5000 Cologne 1. Tel. 52-31-81.

Volksfürsorge Lebensversicherung Aktiengesellschaft, An der Alster, (2) Hamburg 1.

Volksfürsorge deutsche Sachversicherung Aktiengesellschaft, Steinstrasse 27, (2) Hamburg 1.

Deutscher Raiffeisenverband e.V., Adenauerallee 127, 53 Bonn. Tel. (0-22-21) 1061.

**Greece:** Membership suspended.

**Guyana:** Guyana Co-operative Union Ltd., Ministerial Buildings, High Street and Brickdam, Georgetown.

**Haiti:** Caisse Populaire Dominique Savio, 57 Rue Riguard, Pétion-Ville.

**Hungary:** National Council of Consumers' Co-operative Societies (SZOVOSZ), Szabadság tér 14, Budapest V. Tel. 113-600; 112-800.

National Council of Industrial Co-operatives, Pesti Barnabás 6, Budapest V. Tel. 188-800; 188-806.

National Co-operative Council, P.O. Box 661, H.1373 Budapest V. Tel. 113-600; 112-800.

National Council of Agricultural Co-operatives, Akadémia utca 1-3, Budapest V. Tel. 113-600; 112-800.

**Iceland:** Samband Isl. Samvinnufélaga, P.O. Box 180, Samband House, Reykjavik. Tel. 17080.

**India:** National Co-operative Union of India, 72 Jorbagh, New Delhi 3. Tel. 611123; 611343; 619328.

**Indonesia:** Dewan Koperasi Indonesia, 28 Djalan Djenderal Soedirman, Djakarta. Tel. 581400.

**Iran:** Sepah Consumers' Co-operative Society, Avenue Sevjom Esfand, Rue Artèche, Teheran. Tel. 332015; 332019.

Credit and Housing Co-operative Society of Iran, 20-22 Shahabad Avenue, Teheran.

Central Organisation for Rural Co-operatives of Iran, 357 Pahlavi Avenue, Teheran. Tel. 64210.

Consumers' and Services Co-operative Society for the Ministry of Labour and Social Affairs Employees, Ministry of Labour and Social Affairs, Teheran.

**Irish Republic:** Irish Agricultural Organisation Society Ltd., *The Plunkett House, 84 Merrion Square, Dublin 2.* Tel. 64783/4-6.

National Organising and Advisory Body for Agricultural Co-operatives. Affiliated societies: 333; membership: 127,000; turnover (1967): £152 mill.

Co-operative Development Society Ltd., 35 *Lower Gardiner Street, Dublin.*

**Israel:** General Co-operative Association of Jewish Labour in Eretz-Israel "Hevrat Ovdim", Ltd., *P.O.B. 303, Tel-Aviv.* Tel. 46111-35.

Affiliated societies and companies (1963): 1,855 in all branches.

"Merkaz" Audit Union of the Co-operative Societies for Loans and Savings, *44 Rothschild Bd., P.O. Box 75, Tel-Aviv.* Tel. 65085.

"Haikar" Audit Union of Agricultural Societies of the Farmers' Federation of Israel, *8 Kaplan Street, P.O.B. 209 Tel-Aviv.* Tel. 250881.

"Bahan" Audit Union of Agricultural Co-operative Societies in Israel, *47 Nachmani Street, P.O.B. 622. Tel-Aviv.* Tel. 614933.

**Italy:** Lega Nazionale delle Cooperative e Mutue, *Via Guattani 9, 00161 Rome.* Tel. 868-141/2-4.

Confederazione Cooperative Italiane, *Borgo Santo Spirito 78, 00193 Rome.* Tel. 653-875; 565-605; 565-614.

Associazione Generale delle Cooperative Italiane, *Via Parma 22, 00184 Rome.* Tel. 462-659; 471-846.

**Jamaica:** Jamaica Co-operative Union Ltd., *14-16 Barry Street, Kingston* Tel. 24737.

**Japan:** Nippon Seikatsu Kyodokumiai Rengokai (Japanese Consumers' Co-operative Union), *1-13, 4-chome, Sendagaya, Shibuya-ku, Tokyo.* Tel. Tokyo (404) 3231.

Zenkoku Nogyokyodokumiai Chuokai (Central Union of Agricultural Co-operatives), *8-3, 1-chome, Otemachi, Chiyoda-ku, Tokyo.*

Zenkoku Gyogyo Kyodokumiai Rengokai (National Federation of Fisheries Co-operative Associations), *Co-op Building, 7th floor, 1-12 Uchikanda 1 chome, Chiyoda-ku, Tokyo 101.*

National Federation of Forest Owners' Co-operative Associations, *11-35, Nagato-cho, 1-chome, Chiyoda-ku, Tokyo 100.*

**Jordan:** Jordan Co-operative Organisation, *P.O.B. 1343, Amman.* Tel. 23101/3.

**Kenya:** Kenya National Federation of Co-operatives Ltd., *P.O.B. 49768, Nairobi.* Tel. 21486.

**Korea:** National Agricultural Co-operative Federation, *75, 1st Street, Chung-Jong-Ro, So-daemun-ku, Seoul.* Tel. 73-0021; 75-2681.

**Malaysia:** Co-operative Union of Malaysia Ltd., *Peti Surat 685, Kuala Lumpur.* Tel. 23903.

Co-operative Central Bank Ltd., *29 Leboh Ampang, P.O. Box 685, Kuala Lumpur.* Tel. 26531/4

Co-operative Bank Malaysia Ltd., *140 Jalan Ipoh, Peti Surat 1024, Kuala Lumpur.* Tel. 299677; 299679.

Sarawak Co-operative Central Bank Ltd., *Kuching, Sarawak.*

Malaysian Co-operative Insurance Society Ltd., *36 Jalan Ampang, P.O. Box 817, Kuala Lumpur.* Tel. 87915/6.

Angkatan Kerjasama Kebangsaan Malaysia Berhad (ANGKASA), *Jalan Templer: Petaling Jaya, Selangor.*

**Malta:** Farmers' Central Co-operative Society Ltd., *New Building, Middleman Street, Marsa.* Tel. Cent 24896.

**Mauritius:** Mauritius Co-operative Union, *Co-operation House, Dumat Street, Port Louis.* Tel. Port Louis 822.

**Netherlands:** Coöperatieve Vereniging U.A., *Centrale der Nederlandse Verbruikscöoperaties, "CO-OP Nederland", Postbus 52, Europalaan 30, Utrecht.*

Association of Enterprises on a Co-operative Basis, *Bloemgracht 29, Amsterdam 3.* Tel. 62303.

**Nigeria:** Co-operative Union of Western Nigeria, Ltd., *c/o Co-operative Buildings, New Court Road, Ibadan, P.M.B. 5101.* Tel. Ibadan 24399; 24446.

Lagos Co-operative Union Ltd., *Co-operative Office, 147 Yakubu Gowon Street, Lagos.* Tel. 58920/85.

Mid-Western Nigeria Co-operative Federation Ltd., *Private Mail Bag 1021, No. 4 Murtala Mohammed Road, Benin City, Mid-Western State.* Tel. Benin 594.

**Norway:** Norges Kooperative Landsforening, *Revierstredet 2, Post Box 451, Sentrum, Oslo 1.* Tel. (47-2)20-62-90.

Affiliated societies (1970): 753; membership: 406,000; turnover of local societies: Kr. 3,500 mill.; of N.K.L.: Kr. 1,149 mill.

Norske Boligbyggelags Landsforbund (NBBL), *Trondheimsveien 84-86, Oslo 5*. Tel. 33-32-42.

**Pakistan:** West Pakistan Co-operative Union Ltd., *11 Masson Road, P.O.B. 905, Lahore*. Tel. 54203.

Karachi Central Co-operative Bank Ltd., *14 Laxmi Building, Bunder Road, Karachi 2*. Tel. 36185.

Karachi Co-operative Housing Societies' Union, *Shaheed-e-Millat Road, Karachi 5*. Tel. 40244.

Karachi Co-operative Union Ltd., *Co-operative House, Shaheed-e-Millat Road, Karachi 5*. Tel. 230289.

Fishermen's Co-operative Society Ltd. (FISCOS), *Fish Harbour, West Wharf Road, P.O. Box 5328, Karachi*. Tel. 229101; 224457.

Sind Baluchistan Provincial Co-operative Bank, Ltd., *Provincial Co-operative Bank Bldg., Serai Road, P.O. Box 4705, Karachi 2*. Tel. 32361; 37290; 34736.

**Peru:** Cooperativa de Seguros "INCA" Ltda., No. 181, *Av. Brasil 1360, Apartado 10159, Lima 21*.

Cooperativa de Seguros del Perú Ltda., No. 170, *Maximo Abril 552, Lima*. Tel. 46769.

Banco Nacional de las Cooperativas del Perú Ltda., *1 Av. Tacna 411, Apartado 4895, Lima*. Tel. 276569.

**Philippines:** Central Co-operative Exchange Inc., *P.O.B. 1968, Manila*. Tel. 7-60-09.

Grains Marketing Co-operative of the Philippines "Gramacop" Inc., *107-D Arellano Street, Caloocan City*. Tel. 23-91-40.

Filipino Cooperative Wholesale Soc. Inc., *P.O. Box 4439, Manila*.

**Poland:** Central Agricultural Union of "Peasant Self-Aid" Co-operatives, *Kopernika 30, Warsaw*. Tel. 26-39-69; 26-10-81.

Central Union of Building and Housing Co-operatives, *Ul. Marchlewskiego 13, Warsaw*. Tel. 20-90-29.

"Spolem" — Union of Consumer Co-operatives, *Grazyny 13, Warsaw*. Tel. 45-32-41.

Central Union of Work Co-operatives, *Surawia 47, Warsaw*. Tel. 28-51-86.

Supreme Co-operative Council, *Ul. Jasna 1, Warsaw*. Tel. Warsaw 26-72-21; 27-13-26.

**Portugal:** UNICOPE - Uniao Cooperativa Abastecedora, *S.C.R.L., Rua Alvaro Gomes, 112 Z.R. Pasteleira, Porto*.

**Puerto Rico:** Co-operative League of Puerto Rico, *458 Fernando Calder, Apartado 707, GPO San Juan*. Tel. 764-2727.

**Romania:** Uniunea Centrala a Cooperativelor de Consum, "Centrocoop", *Strada Brezoianu 31, Sectorul 7, Bucharest*. Tel. 16-00-10, 13-87-31. 1969/70: Associated 1,728 Consumers' Co-operatives in 39 District Unions; membership: 7 mill.; 28,000 retail shops: of which 8,100 public catering units; 7 processing and marketing enterprises; 18 production enterprises; 17 building enterprises; 20,400 servicing units, 18 educational centres.

Central Union of Handicraft Co-operatives, "UCECOM", *46, Calea Plevnei Street, Sector VII, Bucharest*. Tel. 13-16-48.

Uniunea Nationala a Cooperativelor Agricole de Productie, "Uncap", *25 Bd. Gheorghe Gheorghiu-Dej, Bucharest*.

**Singapore:** Singapore Co-operative Union Ltd., *Post Box 366; Office and Library: 3-JIK Clifford House, Singapore 1*.

**Sri Lanka:** National Co-operative Council of Sri Lanka, *P.O. Box 1669, Co-operative House, 455 Galle Road, Colombo 3*. Tel. 85496.

**Sweden:** Kooperativa Förbundet, *S-104 65 Stockholm 15*. Tel. International: 46-8-449560; National: 08-44-90-60.

Affiliated retail societies (1971): 216; membership: 1,665,552; total turnover of consumer societies: Kr. 8,698 mill.; turnover of K.F.: Kr. 6,744 mill. (thereof Kr. 4,806 mill. to affiliated consumer societies); K.F.'s own production: Kr. 3,270 mill.; total capital (shares, reserves and surplus) of K.F.: Kr. 1,077 mill. and of affiliated retail societies: Kr. 1,291 mill.

Hyresgästernas Sparkasse- och Byggnadsföreningsars Riksförbund ek för (H.S.B.), *Fack, S-100 21 Stockholm 18*. Tel. 54-05-40.

1973: Affiliated building societies: 90; membership: 351,200; No of completed units. 338,727; production value: Kr. 18,038 millions.

Svenska Riksbyggen, *Hagagatan 2, P.O. Box 19015, S-104 32 Stockholm 19*. Tel. (08)34-05-20.

Folksam Insurance Group, *Folksam Building, Stockholm 20*. Tel. 22-01-00.

Lantbrukarnas Riksförbund, *S-105 33 Stockholm 3*. Tel. (08)14-16-00.

Kooperativa Gillesförbundet, *S-104 65 Stockholm 15*. Tel. (08)44-90-60; (08)44-95-60.

Plunkett Foundation for Co-operative Studies, *31 St. Giles', Oxford*. Tel. 0865-53960.

**Switzerland:** Coop Schweiz, *Thiersteinerallee 14, CH 4002 Basle*. Tel. (061)35-50-50.

Affiliated societies (1970): 276; retail outlets: 2,451; membership: 899,320; Coop-total turnover: Frs. 3,432.3 mill.; Coop-retail turnover: Frs. 2,893.0 mill.; Coop Schweiz, wholesale turnover: Frs. 1,743.5 mill.

Verband sozialer Baubetriebe, c/o *SBHV., Sihlpostfach, Zürich*.

Genossenschaftliche Zentralbank, *Aeschenplatz 3, CH 4002 Basle*. Tel. (061) 23-84-00.

CO-OP Lebensversicherungs-Genössenschaft Basel, *Aeschenvorstadt 67, CH 4002 Basle*.

**Tanzania:** Co-operative Union of Tanganyika Ltd., *National Co-operative Building, P.O. Box 2567, Dar-es-Salaam*. Tel. 23077; 23344; 23347.

**Thailand:** Co-operative League of Thailand, *4 Pichai Road, Dusit, Bangkok*. Tel. 811414.

**Turkey:** Türk Kooperatifcilik Kurumu (Turkish Co-operative Association), *Mithatpasa Caddesi 38, Yenisehir, Ankara*. Tel. 12-43-73.

**Uganda:** Uganda Co-operative Alliance, *P.O.B. 2215, Kampala*. Tel. 56984/6.

**U.S.S.R.:** Central Union of Consumers' Co-operative Societies of the U.S.S.R., "*Centrosoyus*", *Tcherkassky per no. 15/17, Moscow*. Tel. 221-7253.

Consumers' societies (1970): 14,868; members: 59,637 mill.; shops: 369,700.

**United Kingdom:** Co-operative Union Ltd., *Holyoake House, Hanover Street, Manchester M60 0AS*. Tel. (061) 834-0975.

Affiliated retail societies (1971): 303; membership: 11.3 million; share capital: £142 million; retail sales: £1,293 million.

Co-operative Wholesale Society Ltd., *P.O.B. 53, New Century House, Corporation Street, Manchester M60 4ES*. Tel. (061) 834-1212.

Co-operative Insurance Society Ltd., *Miller Street, Manchester 4*. Tel. (061) 832-8686. Assets (1964): £369 mill.

Co-operative Bank Ltd., *P.O. Box 101, New Century House, Manchester M60 4ES*. Tel. 061-834-1212.

**U.S.A.:** Co-operative League of the U.S.A., *1828 L Street, NW, Washington, D.C. 20036*. Tel. (202) 872-0550.

**Uruguay:** Centro Cooperativista Uruguayo, *Dante 2252 Montevideo*. Tel. 41-25-41; 40-90-66.

**Yugoslavia:** Glavni Zadruzni Savez FNRJ, *Terazije 23/VI, Belgrade*. Tel. 30-947/9.

**Zaire:** Centrale Générale des Coopératives Angolaises, *B.P. 6039, Kinshasa 1*.

**Zambia:** Eastern Province Co-operative Marketing Assoc. Ltd., *P.O.B. 108, Chipata*. Tel. 439; 485.

National Co-operative Development Committee, *P.O. Box 3579, Lusaka*. Tel. Lusaka 51744.

## INTERNATIONAL ORGANISATIONS

Organization of the Cooperatives of America, *Ap. aéreo 2738, Lima*.

Nordisk Andelsforbund (Scandinavia), *3 Axel-torv, 1609 Copenhagen V, Denmark*. Tel. 15-15-33

International Co-operative Bank Co. Ltd. (INGEBA), *Dufourstrasse 54, P.O.B. 711, CH 4002 Basle, Switzerland*. Tel. (061)23-58-27.

International Co-operative Petroleum Association, *28 West 44th Street, New York, N.Y. 10036, U.S.A.* Tel. LA 4-4455.

Sociedad Interamericana de Desarrollo y Financiamiento Cooperativo (SIDEFCOOP), *Casilla de Correo 4311, Buenos Aires, Argentina*.

International Co-operative Housing Development Association (ICHDA), *Suite 1007, 1012-14th Street, N.W. Washington, D.C. 20005, U.S.A.* Tel. 202-737-3420.

# The International Co-operative Alliance 1895-1970

by **W. P. Watkins**

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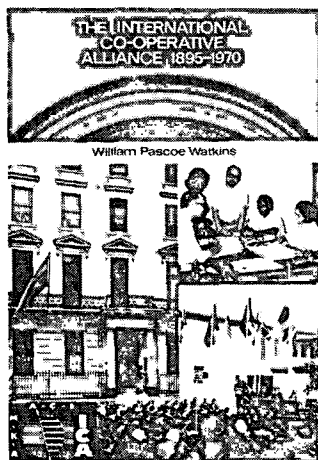
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