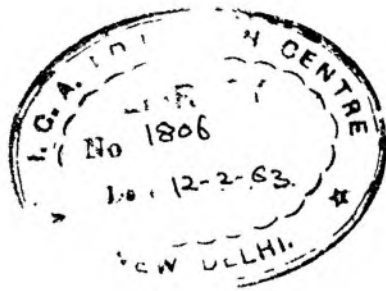


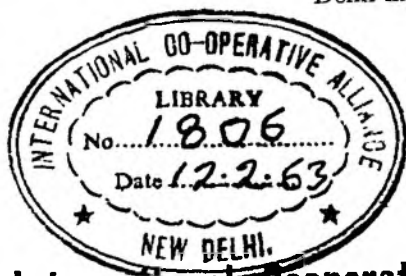
**Cooperative Leadership
in
South-East Asia**

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Cooperative Leadership in South-East Asia

(A collection of papers read at the Seminar on Co-operative Leadership in South-East Asia held at New Delhi in November, 1960)



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Foreword

VOLUNTARY Cooperation in Western countries emerged during a period that was dominated by the concept of economic liberalism. Parallel with the development of Cooperation itself, the role of the State authorities has undergone an enormous change. The night-watchman state has been transformed, step by step, into a modern welfare state in a number of Western countries. The tasks entrusted to the State authorities have been extended to cover increasingly wider fields of social, economic and financial legislation in order to protect the interests of the economically weaker groups in society. Today, the most developed welfare states are concerned with providing social security for all citizens from "the cradle to the grave." At the same time, the aim of the State policy is also to increase productivity in order to raise the national income of the country and to influence the pattern of distribution in a way that would be favourable to the lower income groups. To this end, the State undertakes measures of economic planning.

The expansion of voluntary Cooperation and other forms of popular movements on the one hand, and the gradual transformation of the night-watchman State into the modern welfare state on the other, have to an increasing extent led to the establishment of a division of work between the State authorities and the voluntary popular movements. This means in practice that the general planning through the democratic State is supplemented by different forms of voluntary Cooperation among the citizens. This system has made it possible to achieve a healthy decentralization of economic power.

A comparison between these trends and the pattern of relationships between the State and the voluntary Cooperative Movement in newly-developing regions of the

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world indicates that there are several similarities, though the approach to the same goal of a wide dispersal of economic power is, for historical reasons, often different. In the newly-developing regions, the concept of the democratic welfare state has been introduced, in most cases, as soon as the countries concerned achieved political freedom. The State has had to undertake the task of planning the whole economic and social development. Within the framework of democratic planning, the Cooperative Movement has been looked upon in the developing countries as the most important means for achieving decentralization of economic power and of structuring democracy at the "grass-root" level. Just as the long-drawn out, time-consuming process of gradually transforming the night-watchman state into a modern welfare state — as was the case in the Western countries — has been and is impossible to adopt in the newly-developing regions of the world, the slow and gradual growth of voluntary Cooperation has not been a practical method either. In the newly-developing countries of today, State support in different forms to accelerate the development of voluntary Cooperation has been deemed indispensable during a certain initial period. The basic purpose both in the advanced and in the newly-developing countries, however, remains the same, namely, to work out a division of tasks between the social welfare State and the voluntary Cooperative Movement. Notwithstanding the differences in approach caused by historical factors, it can be said that the trends in the two types of countries seem, to a great extent, to converge towards the same aim: a general economic planning by the democratic State supplemented by voluntary Cooperation. This would imply a wide diffusion of power in society and thus act as a safeguard for ensuring a stable democracy, not only in the political but also in economic affairs throughout the entire socio-economic fabric.

Against the background briefly indicated above, it is obvious that the Cooperative Movement has an outstanding role to play in shaping the future both in developing and in the more industrialized parts of the world. It is perhaps

stating the obvious that a prerequisite for building up an efficient self-help organization like Cooperation is well-educated office-bearers and other Cooperative leaders. It can be seriously contended that in countries where the Movement is weak and ineffective, the absence of a dynamic leadership is one of the major causes. Unless the Movement is able to attract emerging talent within a country, retain it within its own fold and develop regular schemes for training which provide wide opportunities to its employees for exercising their faculties, Cooperation will languish for want of able men who can seize new opportunities and turn them to the advantage of the Movement. This is especially important when the Movement is passing through a phase of rapid expansion. This fundamental aspect of Cooperative development programmes was very clearly brought out in Prime Minister Nehru's Inaugural Address at the Seminar. Mr. Nehru said :

“ But my outlook at present is not the outlook of spreading this Cooperative Movement gradually, progressively, as it has done. My outlook is to convulse India with the Cooperative Movement, or rather with Cooperation : to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere ; and finally, indeed, to make the Cooperative approach the common thinking of India . . . Therefore the whole future of India really depends on the success of this approach of ours to these vast numbers, hundreds of millions of people. With that naturally come processes of training, etc. We cannot just ask them to cooperate. Therefore, we have to train them in a very big way — educate them and give them some special training.”

At the Seminar in New Delhi the International Co-operative Alliance had the privilege of drawing heavily upon the great fund of knowledge about the special educational needs of the Cooperative Movements in the region of South-East Asia. Several eminent specialists from the region had kindly consented to act as lecturers and also to take part in the ensuing discussions.

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It has been felt within the International Cooperative Alliance that for this reason it would be of great value in the promotional work of Cooperation to make selected lectures available for a wider group of interested cooperators in the form of a book. The book also contains the summary of the discussions in the Seminar under the heading "Report and Recommendations." This important document is the outcome of a very efficient team-work performed by the participants of the Seminar and it was adopted without dissent on any major questions.

Within the International Cooperative Alliance there is a general and strong desire that the Cooperative Movement in South-East Asia shall expand rapidly in the near future and thus become a still more important means of raising the standard of living in the countries concerned. It is our hope that the material now being published may, in a modest way, contribute to increase and strengthen the educational activity within the South-East Asian Cooperative Movements and thus assist in laying a stable foundation for further Cooperative development.

DR. MAURITZ BONOW

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Jawaharlal Nehru

Cooperation and the Mind of the Villager

I HAVE been attracted towards Cooperation and the Cooperative Movement, not through normal channels of working in it, but primarily, intellectually and secondly, in some other ways also, and more especially in relation to our problems in India. All I can do is to put before you some of my own feelings on this subject, because I have begun to feel progressively, more and more strongly in regard to it.

Cooperation in India in a sense has been functioning for a fairly long period. It has done good work in selected areas of India, rather more in the South than in the North; but limited work nevertheless. However good it was, it was limited in extent certainly, and in scope also. But it is good work, and I should like that to continue.

TO CONVULSE INDIA

But my outlook at present is not the outlook of spreading this Cooperative Movement gradually, progressively, as it has done. My outlook is to convulse India with the Cooperative Movement, or rather with Cooperation: to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed, to make the cooperative approach the common thinking of India. Now that, of course, is a very big matter and I cannot say how long it will take, though I am inclined to think that it will not take as long as people imagine.

In India, we are faced with everything multiplied by roughly 400 million, that is, broadly, the population of India. If we make any progress in India, as we do, we have to spread it out over 400 million people, and then it seems small although by itself it may seem big. If we calculate the per capita income of India, immediately you have to divide by 400 million and it becomes small at the end. Of course,

the other way of looking at it is that there are 400 million workers adding to the income. That is perfectly true, apart from the infants and the aged. So, while something that we do may appear to be big by itself, when we look at it in relation to the size of India, it is spread out and it becomes small.

Then again, while we have more and more industrialization and towns and cities growing up, India is still basically an agricultural country and a vast proportion of its population is based on the villages. There is a stream of people towards towns and new towns are built up round industries. That is natural.

COOPERATIVE IN EVERY VILLAGE

Now whether it is a Five-Year Plan or any other major activity, or whether it is a Cooperative Movement, if it is really to affect the thinking and the acting of India, it has to catch the mind of the villager. It has to spread over these rural areas, certainly over elsewhere, too. And it has to spread, not merely in the limited context in which it has spread in the past to some extent — those credit cooperatives and the like — but in a bigger way.

So about two-and-a-half years ago, we decided to have a Cooperative in every village of India, there being 550,000 villages in India. It is not necessary to have 550,000 Cooperatives. But nevertheless, it would have meant, I do not know, 200,000 or 300,000 at least — something like that. Small villages near each other could join together. Now we looked upon this type of Cooperative as specially meant for agriculturists, who are, of course, the great majority in the villages. There are others too, and we want them to come in also. And we looked upon this again as the economic side of the village, as we looked upon the administrative side of the village in a different way. That is, we thought of it as a self-governing community on the administrative and political plane — the village or a group of villages. That is, we wanted to draw the mind of the people out of the old conception of some big officials sitting on top and ordering

about people to do things, a conception which was inevitable in British times here. Of course there was no democratic apparatus. Now we start with the democratic apparatus all through. But when you go down to grass roots, it was difficult to get rid of the old conception, both in the minds of our officials and in the minds of the people. Good officials — they wanted to do good, but as officials sitting on top. We felt that that was not the right approach politically, much less, of course, cooperatively.

GRANTING AUTONOMY

So we decided that these village councils should be given very considerable power and authority and resources: that is, the normal money spent on them for developmental purposes by the Government should be handled by the village council. It came from taxes from them after all; and they should be largely left to their own ways, guided of course and helped if they want. But theirs will be the decision and if they make mistakes, they will suffer for them and learn from them.

Some people thought: Oh, well, it is too much of a risk. These people will not do well, and they are not competent enough and will quarrel among themselves. Of course. But it seemed to us that while they did quarrel among themselves a good deal, some very very important people of the world quarrel more. Anyhow, the quarrelling of people in a village had no great consequences. It could be set right. The quarrel of people right up at the top would have very great consequences; and very dangerous at that! And there was no one to put it right, broadly speaking.

Anyhow, on the administrative and political planes we are giving autonomy to the village. In fact, in some parts of India it has been done, and in other parts it is acknowledged that it should be done. We being a Federal State, and this being a State subject and not a Central subject, each State has to frame its legislation, and this is not always quite identical. In parts of India this has been done and done until recently, that is about a year ago. But even a year's

experience has convinced us of the rightness of the step, that is, political administrative autonomy to the village. I need not go into details — how each village has a council, and a group of villages has a larger council which has the chief powers: then a third kind of advisory council at the top. We have tried to keep the official there, of course, but as a distant adviser, to encourage, to advise, and not so much as an executive authority. Now that is on the administrative side.

BY TRIAL AND ERROR

The economic aspect of the village for that purpose can be cooperative, in our minds. Therefore, we wanted the Cooperative in every village.

Now many of you will immediately say that this kind of geographical description of a Cooperative is not how Cooperatives have grown. They have grown out of occupations. We are having, and we will have, occupational Cooperatives — whether they are weavers or tailors or whatever they may be. Nevertheless, as the occupation of a village is largely agricultural they could at present hold together. The approach here is different slightly from the normal approach of the Cooperative Movement elsewhere. But it is not a rigid approach. It is very much a trial and error approach. We are prepared to change anything, with varied experience. But we just cannot wait for this movement, good as it is, to creep along slowly. The problems we have to face are too big, and there is an element of urgency in them. So here we are today aiming at something which is in the nature of a basic revolution in our rural areas, both on the administrative and the economic side.

The administrative side is well on its way. The economic side has not gone so far and it requires a different type of greater competence.

COOPERATION AND THE STATE

I see in your agenda papers considerable talk about producing leaders. Of course, I do not like the word "leader."

But I like the conception behind it. It requires trained persons who can give a lead, although they are not leaders, I hope, in the sense of bosses; and it does require training. All the goodwill in the world, without adequate training, will not produce results. It is not merely a quantitative extension of this work, but it is qualitatively different, if I may say so, because we want to make it an essential basic fabric of the State—not part of the State government; but certainly closely associated with the whole structure of the State. We do believe completely in the voluntary principle of cooperation. That is true. But however voluntary it may be, it will come up against the State all the time, and it will have to be adjusted to the needs of the State and the State to it. That is why we do not want, as in the past, the District Official, or other official, to throw his weight about too much. Again, he is the adviser and friend, but not the boss.

When nearly three years ago the National Congress came to this decision, there was nothing new in it. It was really a slight extension of what we had said previously in a more definite way about the rapid growth of Cooperation in our rural areas. We said that in three years' time we should like to have service cooperatives practically in every village—service cooperatives undertaking almost every kind of economic activity for the village, not merely credit. We further said that we should like this cooperative principle to be extended, where possible and where it was agreed to, voluntarily, to cooperative farming even.

OUT OF THE RUT

As soon as we said that, among certain sections of our people loud noises of opposition were raised: "This is Communism and it is the thin end of Communism that you are bringing in, and it is bad." I need not go into that. Of course, it had nothing to do with Communism. Where you have the voluntary principle, it cannot be Communism.

The real reason for it is that we have to deal in India with very very small holdings and a large population. Gradually

land is split up into tiny little patches. Now it is impossible for that tiny peasant owner to build much. His resources are limited, very limited, and he can barely carry on from year to year or month to month. And that, of course, makes Cooperation in India far more essential than anywhere else.

Basically, looking at it in another way, Indian agriculture and Indian life will only benefit by the introduction of modern technical approaches to such problems of agriculture or industry or whatever it is. But behind that, we want to affect the mind of the Indian peasant: make it come out of its rut. That, of course, is a very big job. To take the mind of 300 millions out of the rut in which they have lived for generations past is a terrific problem. It gradually has taken place.

JOINT FARMING

But we wanted to speed the process. We could not approach the individual peasant all the time. It is very difficult to achieve that. It was through the cooperative principle that again we could lift his mind out, apart from his activities, and our approach was ultimately to the mind. I do not accept the statement often made that the Indian peasant is so frightfully conservative that you cannot make him come out of that rut. He is a very intelligent person, given the chance, only a little cautious, only wanting some proof, some evidence of what he is asked to do — that is a good thing — and not taking too much for granted. Now that makes Cooperation in India for the rural people absolutely essential.

In fact, as some of you may know, about 30 years ago, there was a Commission on Agriculture appointed by the then British Government in India and that Commission said that there is no future for Indian agriculture except through Cooperation. And that was not a revolutionary Commission. It was a very conservative Commission. Therefore, we have asked that these service cooperatives deal with not merely credit, etc. but most of the economic activities of the peasant.

Then we went a step further. Where this could be done, and where people were willing, we told them that it would be desirable for them to have joint farming, joint cultivation, but retaining, their property rights; each individual his share — it is difficult to retain it in the exact patch you are farming but broadly the share, and in getting a proportion of the productive income according to his share, as well as according to his work; that is according to the amount of land he put into the common pool and according to the work he did there himself.

Further, it was open to him or her, after a period, to withdraw from it if he or she chose. Rules for withdrawal would be laid down. He should not upset everything made. Therefore, we felt that in this kind of joint farming, with these little patches, it would be easier to use better tools, better equipment, etc. with larger patches than tiny half-acre and acre plots. And I am convinced that this kind of joint farming is desirable and necessary. I cannot for the moment say that it is desirable all over India in every condition. Conditions vary. But broadly speaking I think it is. But as I have said, that is entirely for the people concerned to decide. For the moment we are stressing service cooperatives.

A DIFFERENT MENTALITY

Having formed service cooperatives, it is for that Cooperative, when it considers it necessary, to take another step or not to take it. But behind all this, if I may say so, is again not some kind of technical approach, but an attempt to influence and somewhat change the mind of the people, to get them out of those narrow grooves. This old style of agriculture does make them function in these narrow grooves, unconnected with the rest more or less — and to some extent the modern structure of society is also, in theory at any rate, not very cooperative. It is competitive. I do not mind competition on the right lines, but if that competition is based entirely on the acquisitive instinct of the individual, it brings trouble. I have no doubt that that particular basis

of an economic or political structure is no longer suited to the world's present condition, apart from the fact that in theory at least — in practice in some places, but in theory everywhere — it has passed out of the age of scarcity into the age of abundance. We have not in India: of course not. But in theory it may be done. It may take a little time and we have to think in entirely different terms. However, the method of an acquisitive society as at present is, I think, quite out of date. Where every country sits on the threshold of the other country, everybody is so crowded together in this world today, that unless we develop a completely different mentality, the cooperative mentality, we come to grief and we come into conflict. That is the basic thing.

A TERRIFIC JOB

That is why about 25 or 30 years ago our national movement, long before Independence, laid down that we wanted to build up a Cooperative Commonwealth. Now if you ask me what exactly that means, I won't be able to define it. But it does give you the idea of our approach. Our whole mental approach was for a constitution and a living structure of society to be built up on this approach and these principles of Cooperation. I hope that will be possible. We are trying to give effect to it in our rural areas, which again is 80 per cent of India. Therefore the whole future of India really depends on the success of this approach of ours to these vast numbers, hundreds of millions of people. With that naturally come processes of training, etc. We cannot just ask them to cooperate. Therefore we have to train them in a very big way — educate them and give them some special training. It is a terrific job. But even what little we have done, has given us hope and confidence. I have no doubt that we shall go ahead faster. We have gone ahead pretty fast, and we should go ahead faster and faster than most people imagine in this work, in which the burden of it has to be borne by us. It is not something out of the book. After all, the materials we work with are the human beings in India, and human

beings differ from each other. And as the basic principle of a Cooperative is a voluntary principle and the principle of voluntary cohesion, this cannot be done by a stroke of the pen or by some forceful methods, because you knock the bottom out of it if you do that. So it is slow work, too. Sometimes, if it spreads, it spreads fast. Anyhow, we have to bear the burden. But in doing so, we naturally would greatly welcome your help and assistance from your great experience in other countries, where this cooperative principle has gone far and is working efficiently in a big way. We would welcome that help and assistance. And of course, to us, as I have just pointed out, this cooperative principle is not just a way of credit or marketing. That of course it is. But if I may say so, it is also a way of life. If you make it a way of life you not only tend to solve the country's problems but also, no doubt, help in solving international problems.

Mauritz Bonow

The Role of Cooperation in Economic and Social Development

SOME GENERAL REMARKS

THE theme chosen for this lecture is a very vast one. It is, therefore, necessary to limit the scope of my survey.

It is obvious that the role played by Cooperation in economic and social development differs very considerably according to the external milieu in which a given Cooperative Movement is operating.

In countries with a centrally planned economy of the Communist type, the role of Cooperation is, in many important respects, quite different from what is the case both in the developing countries and in the Western States. In the Communist countries the Cooperative Organizations are, and will remain, instruments in the hands of the State authorities, and the character of voluntariness and self-help in the Movement is entirely lacking. The decision whether Cooperative Organizations in certain sectors shall act as producing, purchasing and/or marketing organizations rests solely with the State authorities, i.e. in practice, with the only political party which has the control of the State apparatus. The problems of the relations between the State authorities and the Cooperative Organizations in the Communist countries will, however, not be dealt with in this paper, because my knowledge of economic and social conditions in those countries is insufficient for such a task.

The scope of this paper will be confined to Cooperative Movements which already are or, after a transitional period of State sponsorship, are intended to become *voluntary self-help organizations* in the true sense of the word, that is to say owned, directed and controlled by the members themselves and their democratically elected boards and committees, leaders and other office holders.

The problems and tasks confronting such voluntary Cooperative Movements in highly industrialized countries and in countries where agriculture makes the overwhelmingly major contribution towards national income, obviously differ in several respects. It is, for instance, easier to develop consumer cooperation based upon the purchasing interests of big groups within the wage and salary-earning population in the more industrialized countries than to do it in countries where the industrialized and urban sector of the economy is very small. On the other hand there is, as a rule, great scope and need in the latter countries for different forms of farmers' cooperatives, be it credit societies, cooperative enterprises of the multipurpose type, specialized purchasing and/or marketing societies serving the farming population. Experience has, however, shown that in newly developing countries as well as in more industrialized Western countries there is scope for cooperative forms of enterprises of a number of different types. The practical question is often to give priority in planning to certain forms of Cooperative Organizations, in order to suit the special economic and social conditions in a country at a given stage of development.

In dealing with the role of Cooperation, it is necessary to consider the infinitely great variety of social and economic conditions that obtain in different countries even in the same regions of the world. The enormously complicated pattern of interrelations between the general economic and social development and the special contributions which the Cooperative Movement can render makes it necessary to pool the experiences derived from the Cooperative as also from the general economic and social development in different parts of the world during the century which has elapsed since the cooperative form of enterprise originally emerged. The experience gained in a certain country or a certain region of the world of problems and difficulties which have successively been confronting the cooperative form of enterprise cannot be looked upon as relevant in all respects for Cooperation in other parts of the world. The solutions of certain difficulties which have been arrived at

in one country or in some countries cannot simply be copied in other countries. The experience gained has always to be adapted to regional and national economic and social conditions. Nevertheless a systematic exchange of organizational and technical know-how between Cooperative Movements within a certain region of the world and also between Cooperative Movements working in quite different economic and social environments is always of importance.

Turning from these general considerations and bearing in mind both the usefulness and the limitations of the value of cooperative experience in one part of the world for cooperative development in other regions and countries, my humble contribution to this seminar will be to relate some experiences of the role played by Cooperation in some Western countries. For obvious reasons it is natural for me in this survey to draw rather heavily upon the experiences gained in Scandinavia and more particularly in my own country, Sweden. I am quite aware of the fact that such a survey can only serve the modest aim of presenting a starting point for a discussion where the participants in the seminar will make the really important contribution by pooling their experiences of the present and potential role of Cooperation in the economic and social development within their respective countries.

SOME GENERAL FACTORS DETERMINING ECONOMIC AND SOCIAL DEVELOPMENT

Every effort to list some main factors deciding the general trend of economic and social development is of course open to criticism. It will in any case mean an over-simplification of the exceedingly complicated pattern of very many partly interrelated factors. Nevertheless four very important elements may be mentioned to illustrate at least some principal factors determining the trend towards economic and social progress in Western countries.

(a) The industrialization process

The Industrial Revolution starting in Great Britain and spreading to the European continent is the first main factor

to be mentioned. This still continuing process meant, as is well known, the collapse of the old self-supporting household economy and an increasing division of labour and the establishing of the so-called money economy. During the initial stages when private capitalism in the form of large industries emerged, the first voluntary efforts towards self-help in a cooperative form manifested themselves. The large but economically weak groups of the population, workers, artisans and farmers who could not individually enter into competition felt the pressing need for creating cooperative enterprises as a defence against economic exploitation. Common to all of these groups was their attempt, as one of the Rochdale pioneers expressed it, to take "their economic affairs in their own hands." The growth of industrialism and its consequences were thus a prerequisite and an incentive to Cooperative Organization.

The industrialization process took place in a number of Western countries later than in Great Britain. In Sweden, for instance, the farming population represented about 80 per cent of the total population as late as 1880. Once started, however, industrialization proceeded rather rapidly. The farmers in Sweden today constitute only somewhat more than 20 per cent of the total population. The industrialization process has been accompanied by a continuing increase in productivity within all sectors of the economy. Increased efficiency within the national economies has resulted in a continuing augmentation of the consumption volume and the standard of living for all strata of the population. During the short period 1938/39-1957 the gross national product (i.e. the national income) per inhabitant in Sweden rose, in stable money value, (index figures) from 100 to 443.

(b) The disappearance of illiteracy

A second factor of the utmost importance for the general economic and social development was the gradual education of the illiterate masses in the Western countries.

Taking my own country again as an example, a legislation was passed already in the middle of the nineteenth

century about compulsory attendance for the children in primary schools, but in fact it was not until the last decades of the nineteenth century that illiteracy was generally abolished. The further development of the educational system took place gradually and the very striking results in higher education for the great parts of the Swedish population did not materialize until this century.

The gradual process of abolishing illiteracy was one very important prerequisite for creating voluntary Cooperative Enterprises. Already the equitable pioneers of Rochdale were fully aware of the importance of education. Ever since it has been a tradition of great and growing significance for the Cooperative Movements to devote a considerable part of their resources for educational purposes. This educational activity is manifold and in several countries assumes very important scope. In Sweden, for instance, the Cooperative Movement issues periodicals and books with a very big circulation, organizes an important study circle activity in which special auxiliary women's organizations take an important part, gives college training to office bearers and employees, board and committee members, runs a correspondence school of its own, etc. Another example are the special educational meetings for housewives, which are attended annually by about one-fourth of the total active membership of consumer cooperatives in Sweden.

During the period when higher school education was not available to big groups of cooperative members, the cooperative contribution to adult education was to a great extent to supplement the education given in the primary schools. As school education became successively better, the emphasis of cooperative education was gradually shifted towards social, economic and family economic subjects (price and quality of goods, consumer protection subjects and so on).

Special importance has furthermore been attached to educating cooperative members and their elected representatives not only in cooperative principles but in all problems connected with the successful management of

Cooperative Enterprises. This education is of paramount importance for maintaining Cooperation not only as an efficient form of economic enterprise but as a real popular movement which stands for economic democracy in a growing cooperative sector of the economic life.

(c) The growing influence of the democratic State

During the earlier stages of the industrialization process the role of the State was confined to guaranteeing the citizens' protection ("night watchman's state"). The gradual transformation of the social system in the Western countries towards political democracy based upon the principle of equal human rights, has been accompanied by a successively growing influence of the State authorities over economic and social life. The State authorities have taken over a number of tasks with the aim of safeguarding the common interests of all citizens (e.g. social reforms' protecting all citizens during illness and unemployment, pension systems for old people, other forms of collective consumption, full employment policy, etc.). This expansion of the public sector has gradually transformed "the night watchman's state" of the era of economic liberalism to a more or less pronounced democratic social welfare State. This gradual process has not resulted in an absolute concentration of power vested in the State authorities. It has to a very great extent taken the form of a decentralization of certain functions. For instance, the Central State authorities have transferred several social tasks to district and country authorities which are entrusted with the regional implementation of the State legislation. A great many tasks within the framework of the general social welfare policy of the State have been entrusted also to local authorities (municipalities). Gradually, however, there has also been established a division of tasks between the public authorities (national regional and municipal) on the one hand and voluntary organizations of different kinds on the other, created by the citizens to protect their own economic and social interests through free collaboration. That special aspect will be dealt with in the next paragraph.

(d) *The increasing importance of voluntary economic and social organizations and popular movements*

When the old self-supporting household economy in the Western countries was gradually transformed into the modern money and market economy, big groups of the population became aware of the need for joining together to protect important economic and social interests which within each group were common to all its members. I think the best way for me to illustrate this process of the gradual development of strong voluntary organizations to take care of common interests for big population groups may be to try and show what has happened in this respect in my own country.

(e) *Organizations in the labour market*

The workers and other wage-earners began already during the last few decades of the nineteenth century to organize themselves in local trade union branches. Just before the end of the last century a number of local trade union branches in their turn formed a national organization. In Sweden where the total population today is 7.5 millions the trade union movement comprises 1.4 million individual members. The employers have also formed federations of their own within different lines of business and a national confederation. Both the trade union movement and the employers' associations have an "organization percentage" which is close to 100 per cent. The example of the workers organized in the trade unions was followed in the beginning of the thirties by the growing group of "white collar" employees in Sweden. These are now organized in two national unions with a total membership of about 400,000. The importance of such strong organizations of wage- and salary-earners and employers has resulted in a considerable stability on the Swedish "labour market." The organizations of the employers and the employees have between them concluded agreements which in practice prevent and at the same time make unnecessary any State intervention

as far as wages and salaries are concerned. State legislation in this field has been confined to regulating working hours, paid holidays and pensions. The State also provides a kind of conciliation service in case the parties concerned wish to use it, but there is no compulsion to settle labour disputes over wages at all. In practice there are very few strikes and lock-outs in Sweden though there is of course a hard bargaining before a compromise between the parties concerned is reached. This very important sector of the economic life in Sweden is thus controlled entirely by voluntary and democratic organizations.

CONSUMERS' COOPERATION

The first efforts to create consumers' cooperatives in Sweden date back to the middle of the nineteenth century. During the last few decades of the nineteenth century a number of sporadic efforts were made to create consumer societies both in rural and urban districts. At that time the so-called truck system was fairly widespread especially among the industrial workers. They had often to get their meagre wages in the form of goods delivered by retailing enterprises operated by the factory owner. These and other private retailers were as a rule selling goods of bad quality and at high prices. The workers had usually contracted very large debts to the retailers. The consumer societies which were then started had a great number of difficulties to overcome — lack of experienced personnel, lack of working capital, the need to give consumption credits to compete with private retailers, insufficient control, etc. The development was characterized by a very high death rate among the Cooperative Societies. Through the method of trial and error, however, a gradually growing experience was gained. This made it possible to run some cooperative stores successfully and to accumulate capital. Before a national union was formed the results of the sporadic efforts were, with few local exceptions, insignificant.

In 1899 a Cooperative Union was formed to provide the local Cooperative Societies with assistance in the form of

educational and organizational activity, auditing service, etc. Five years later — after some unsuccessful experiments with separate Cooperative Wholesale Societies — the Cooperative Union started a wholesale department of its own. This wholesale department began to collect buying orders from the Societies, acting as an agent for them and purchasing food-stuffs and such every-day necessities from private factories, importers and wholesalers. The accumulation of capital in the wholesale was made possible by retaining the yearly savings in the small organization (the dividends from the wholesale to the societies) in the form of share capital held by the Societies in the Cooperative Union and wholesale society. Besides the gradual expansion of the wholesaling activity, the central organization succeeded by, for example, elaborating model rules to get the local societies to apply sound economic principles, cash selling, better control, training of the managers and cooperative staff in the Societies, etc. This development gradually resulted in increased financial strength and a stronger bargaining position within both the local societies and the Cooperative Wholesale Society and Union. The Cooperative Wholesale Society and Union in Sweden, because of boycott actions from private factories and private wholesalers, was very early also forced to start industrial production of its own.

Without discussing the gradual development, I may illustrate the present position of the Consumers' Cooperative Movement in Sweden within the national economy. The local consumer organizations have a total membership of 1.1 million families. The consumer cooperative societies now control about 15 per cent of the total retail trade of the country. In the food-stuff retail distribution the percentage is close to 30 per cent. Of all the self-service shops in Sweden (the form of retail distribution which in regard to food-stuffs and other daily necessities is likely to be the dominating form in the future), the Consumer Cooperative Movement now owns 55 per cent. As far as production is concerned the Cooperative Movement controls generally between 15 and 35 per cent of the national output in those branches where it has started factories of its own. In

production of vegetable oils the corresponding figure is about 90 per cent.

The economic impact of the Consumer Cooperative Movement in Sweden could be described in the following terms. Through efficient management and keen competition with the private retailers the local Cooperative Societies influence the retail costs and the retailing margins very considerably to the benefit of the consumers. By keeping low dividends on purchases, generally 3 per cent, the advantage of the efficient price-competing consumer cooperative societies is not restricted only to the members. The effect is spread also to those who buy in private retailing outlets, because these have to adapt their prices as far as possible to those ruling in the cooperative shops. The same applies to the fields of wholesaling and production activities undertaken by Swedish Consumers' Cooperation. In very great number of cases the starting of cooperative production has meant that private cartels and monopolies have been forced to reduce their prices very considerably. Striking examples are the results achieved through cooperative competition in the production of margarine, vegetable oils, rubber shoes and rubber tyres for bicycles and automobiles, electric lamps, flour and flour products (macaroni and bread), cash registers, scales, bath tubs and other sanitary goods, household china, furniture and textiles. The initial result of cooperative competition in the sphere of production has, in many cases, been to transfer the monopoly profit to the consumers in the form of lower prices. The long term result in many cases has, however, been still more important. Competition from an efficient cooperative enterprise has resulted in sustained efforts by the competing private factories to rationalize the production processes in their plants thus reducing the costs and ultimately the prices of their products to the advantage of the consumers.

Besides the healthy influence of the Cooperative Movement in the spheres of distribution and production, the vast educational activity of the Consumer Cooperative Movement should be taken into account. As already mentioned, these educational efforts supplement the commercial initiatives to

reduce the prices¹ and improve the qualities of the goods by consumer information.

FARMERS' COOPERATION

The farming population in Sweden is mainly composed of owners of small-sized or middle-sized farms. The structure of agriculture in the other Scandinavian countries is similar. Already in the nineteenth century the farmers in Sweden began to take an interest in the cooperative form of enterprise. The Danish farmers succeeded very early — in achieving important results both in respect of consumers' cooperation and credit and marketing cooperation. The founding of a national union in Sweden played a very important role in the farmers' early endeavours to co-ordinate the local efforts. The first national union among farmers in Sweden was formed in the beginning of the twentieth century. This union was an apex organization for local and regional Cooperative Societies of the multipurpose type. These societies were service cooperatives for the farmers. They marketed their wheat and rye and other grains and purchased feeding stuffs, fertilizers, agricultural machines and other implements used in the production on the farms. Local cooperative dairies were formed as also some other specialized local marketing societies for the Swedish farmers. It ought to be noted that in procuring food-stuffs not produced on the farms and other daily necessities, the farmers in Sweden to some extent joined together with workers and handicraft people and other groups in consumers' societies. Special consumers' cooperatives to provide for the needs of the farmers in these respects were thus not founded in Sweden. Like the

¹ I have discussed these problems in some detail in the following two papers: (i) "The Cooperative Movement and the Protection of the Consumer," *International Labour Review*, October 1960; (ii) *Cooperation in a Changing World: A Survey of Objectives and Methods with special reference to the Western Cooperative Movement*. A paper prepared for the 21st Congress of the ICA, Lausanne, 10 to 13 October, 1960.

consumers' organizations, the local farmers' societies both of the multipurpose type just mentioned and marketing societies for different agricultural products met with initial difficulties, which caused many local societies to disappear through bankruptcy. On the whole, farmers' cooperation played a fairly small role in the Swedish national economy during the first decades of the twentieth century especially in comparison with the exceedingly well-developed and strong farmers' cooperative buying and marketing organizations in Denmark. This may partly be due to the fact that Danish agriculture was, and is, to a high degree specialized in production for the world market, whereas the Swedish agriculture is dependent upon the home market for a rather high percentage of its sales.

The situation just indicated in Sweden changed rather radically in the thirties. Swedish agriculture was severely hit by the world-wide combined industrial and agricultural depression. The prices of the agricultural products went down to such an extent that a big portion of the Swedish farming population was threatened by economic disaster. In this situation the State authorities in Sweden started a combined agricultural and industrial support policy. The industrial sector got support by big public works and deficit financing in order to diminish the high industrial unemployment figures and increase the purchasing power among the population groups earning their livelihood in industry and trade. The agricultural support policy aimed at bringing up the prices of farm products and thus also the income of the farmers to a more reasonable level. A very complicated system of State levies combined with subsidies to the farming population was created. Because a fairly small percentage of the total production volume from the Swedish farms was exported, it was possible to operate a number of marketing schemes which meant in practice that home market prices of Swedish food-stuffs were increased above the exceedingly low world market level.

It was, however, soon found out by the State authorities that the successful operation of the marketing schemes which had been decided upon in principle by the Government

and the Parliament would make it necessary that the farmers themselves should join together in cooperative marketing organizations in order to control the supply of the farm produce both in the home and the export markets. This knowledge resulted in a legislation which made possible the operation of a vast marketing scheme for the milk products (liquid milk, butter and cheese) and which was dependent upon the farmers' willingness to join in an effort to create a cooperative marketing system for the milk products. The necessary pre-requisite for the operation of this marketing scheme was that a minimum number of at least two-third of all farmers in Sweden who were selling milk to dairies should in practice accept the proposal. The new dairy societies which were accordingly founded and the older cooperative dairy associations should furthermore together represent at least three-fourth of the total quantity of milk received by all cooperative dairies in the country. In order to simplify the task of rapidly organizing the farmers in cooperative dairy societies of their own, the State granted some subsidies and gave other support. The result was that in 1932 a national apex association of cooperative dairies was formed after an intense propaganda campaign. The target figures just mentioned were reached within an astonishingly short time. As a consequence, the State authorities could put this marketing scheme into operation and thus achieve what was the aim: a gradual rise from an exceedingly low level of income which the Swedish farmers derived from milk production. At this initial and critical period for the Swedish farmers different kinds of State support were also given to cooperative marketing organizations for other farm products with the same result.

This example of collaboration between the State and cooperative marketing organizations is another illustration of the division of tasks between the State authorities and voluntary Cooperative Organizations in Sweden. The State regulating measures to support the Swedish farming population which continue to exist, though in a somewhat altered form, are to a certain extent still operated through the farmers' own Cooperative Organizations. The tasks

connected with the governmental marketing schemes are, however, handled separately within the farmers' Cooperative Organizations besides their main work as service organizations for the farmers in collecting, processing and distributing the farm produce.

The present role of farmers' Cooperative Organizations in Sweden's economy may be judged from the following facts. Practically every farmer in the country is now a member in several of the local cooperative marketing and/or supply organizations. Practically all the milk in the country is collected and processed through the farmers' cooperative dairies and their national apex organization. The dairies owned jointly by the farmers are highly rationalized and modern enterprises. The farmers, therefore, derive great economic advantages from their own enterprises. Furthermore, the whole export of butter is handled by the farmers' own apex organization and a considerable percentage of the import and export of cheese is controlled by the farmers' cooperatives. The farmers have also created cooperative marketing organizations of their own, for instance, for grain, eggs, livestock and forest products. In these trades the farmers' own organizations control between 60 and 80 per cent of the total supply. Even as regards credit facilities the farmers' own organizations play an important role. To a limited extent the farmers' dairy societies and other marketing societies have also started retailing outlets of their own in towns, and villages. The percentage of the farmers' retailing in the total national figures is, however, only about five per cent. The really important results for the farmers which their own cooperative marketing organizations have achieved are in collecting, processing and wholesale distribution of the farm produce.

As wholesalers in food-stuffs the farmers' cooperatives collaborate with the Consumers' Cooperative Movement as well as with private merchants. There exists a special collaboration agreement between consumers' and farmers' cooperation. The two types of Cooperative Organizations have even created some important joint enterprises. This is for instance the case in the production of fertilizers (nitrogen)

and in the import and wholesaling of petrol and mineral oils. The latter activity is carried on through a joint enterprise owned by consumers' cooperatives, the farmers' and fishermen's cooperatives and a special Cooperative Organization founded by car-owners. (It might be mentioned that this joint cooperative petrol enterprise is already controlling about 15 per cent of the sales in the Swedish market and is yearly increasing this share.)

RELATIONS AMONG THE VOLUNTARY
ORGANIZATIONS AND BETWEEN THEM AND
THE STATE

In the preceding section of this lecture I have been dealing with some of the most important economic organizations and popular movements which are to a greater or lesser extent a common feature of industrialized Western States. Besides these economic organizations there are in many countries, especially in Scandinavia, a number of voluntary organizations in other fields. Apart from the political parties which in several cases have the character of democratic popular movements, there are, for instance a number of voluntary popular organizations of a religious character. There are furthermore special so-called temperance movements and a number of national women's and youth organizations. It is a very significant feature of many western democracies that such voluntary organizations with very vast support from different groups in the community are playing an important role in shaping the social development, thus supplementing in several fields the activities of State and municipal authorities. This is another example of the tendency to divide the tasks in the field of constructive social work between public authorities and voluntary democratic organizations.

Concentrating again upon the important voluntary organizations mentioned in the preceding section which are active in the economic field, it ought to be added that these organizations, have, through negotiations and voluntary agreements between themselves, built up a rather complicated

network of conciliation and collaboration committees. Such committees serve the purpose of settling disputes about demarcation lines between the activities of the different voluntary organizations and other differences of opinion which may arise in fields where the members of the voluntary organizations may have somewhat conflicting interests. Such committees furthermore have, as already indicated, also the task to act as organs for collaboration between the voluntary organizations in such fields where these organizations have more or less common aims to protect. Thus there exist a number of conciliation and collaboration committees between, for instance, the national organizations of the employers and employees, between the ordinary trade unions and the trade unions of the white collar groups, between Consumers' Cooperation and the two trade union movements just mentioned, between Consumers' Cooperation and Farmers' Cooperation, and so on. This complicated system relieves the State authorities of the task of over-bridging conflicting views and interests between the various voluntary organizations, and makes it unnecessary for the State to act through compulsion or arbitration in order to reconcile conflicting interests between such organizations. These problems are solved by peaceful negotiations leading eventually to compromises between the voluntary organized groups themselves and thus a great measure of internal stability and social peace is created within the democratic society.

There are also very good relations between the voluntary national organizations on the one hand and the democratic State authorities on the other. In several Western countries, such voluntary societies not only play an important role in fostering a generally widened social opinion through their member education activity, but also their national apex organizations are now being increasingly called upon by the State to assist in the formulation and implementation of social and economic legislation. This may be illustrated by an example from Sweden.

When important economic and social legislation is contemplated, the general method used is to set up first of

all inquiry committees to investigate the problem concerned. Such investigating bodies usually consist of representatives from the political parties in Parliament and also of representatives from national voluntary apex organizations, such as the trade union movement, Consumers' Cooperation, Farmers' Cooperation, etc. The choice of the representatives from the voluntary organizations depends on whether the problem to be investigated directly or indirectly concerns the movement in question, and generally takes the form of informal consultation between the cabinet minister concerned and the board of the relevant voluntary organization.

After a proposal for a new bill has been worked out, the report of the inquiry committee and the proposed text of the bill is regularly sent out not only to the State departments concerned but also to the most important voluntary national organizations. They are asked to present their views and to propose amendments to the bill in the form of written statements to the Government. The points of view expressed by the popular movements are given adequate consideration before the bill is finally presented to Parliament and enacted. As already indicated, the popular movements are often also requested by the State authorities to contribute in implementing economic and social legislation. This may be exemplified from Sweden by mentioning the composition of the State board which is handling the governmental support measures for agriculture referred to earlier in my lecture. In this agricultural board, consisting of five persons, the president is an outstanding civil servant; there is, in addition, one representative from the trade union movement, one from consumers' cooperatives and two from farmers' cooperatives. Similar examples of a strong influence of the voluntary organizations in other State boards entrusted with important economic and social tasks could also be mentioned.

To sum up my foregoing description of Swedish conditions: There actually exists a systematic division of tasks through different forms of collaboration between the public authorities and the voluntary national organizations which to a great extent relieves the State authorities from the task

of detailed regulation and direction of the economic and social development in certain spheres. These forms of collaboration contribute also through compromises between different organized groups in the democratic community to ensure a rather wide support from the general opinion outside Parliament in favour of the economic and social policies which are enacted by the Government and Parliament.

Aldous Huxley in his book *Brave New World Revisited* has presented a somewhat pessimistic analysis of the possibilities of maintaining and extending the democratic system under present political, economic and social conditions in the world. In his discussion about measures to be taken in order to strengthen the democratic system Mr. Huxley deals, *inter alia*, with both the problem of overpopulation and the paramount need for increased economic, financial and technical assistance to the developing countries. The following passage is particularly relevant to our present subject:

The right to vote "is a great privilege. In practice, as recent history has repeatedly shown, the right to vote, by itself, is no guarantee of liberty. Therefore, if you wish to avoid dictatorship by plebiscite, break up modern society's vast, machine-like collectives into self-governing, voluntarily cooperating groups, capable of functioning outside the bureaucratic systems of Big Business and Big Government." Mr. Huxley stresses in this connection specifically the role of different forms of voluntary Cooperation.

There is much to be said in favour of this conclusion arrived at by Mr. Huxley. As shown in this lecture, based upon Swedish experience, a decentralization of power might very well, not only in theory but also in practice, be a corollary to a successful operation of democracy. It is also in fact the most efficient method of implementing economic planning in democratic countries.

CONCLUDING REMARKS

My survey has shown that the Cooperative Movement — both farmers' and consumers' as also other types of

cooperative enterprises not specifically mentioned — plays an important role in increasing economic efficiency in those fields in which its activities have so far been concentrated. There is furthermore wide scope for an important expansion of the cooperative form of enterprise in many countries. This will gradually increase the importance of Cooperation as an effort to achieve greater efficiency in distribution and production of goods and services. Through extended collaboration between the different types of Cooperatives, especially farmers' and consumers' cooperatives, the costs of distribution and production can be brought down to the mutual advantage of producers and consumers alike.

The Cooperative Enterprises are not only instruments in the hands of their members to protect their economic interests and secure reasonable prices and better quality goods, however important this aspect of Cooperation in itself might be. Cooperation, in fact, serves a double aim. Besides the economic saving, it can procure for its members and indirectly for the community as a whole, Cooperation is, because of its character as a free and voluntary democratic popular movement, a practical method of educating the citizens into an enlightened democracy. The task of managing Cooperative Societies is probably the most effective way by which ordinary men and women learn how to collaborate in a constructive task and to deal with economic realities. Acting as board and committee members and office bearers in voluntary Cooperative Societies, even if these are small and local in character, is a training in applying democratic principles to the economic field. This training will also produce results which are of great value for the application of democratic working methods within the municipalities, within the larger national context and within different state organs. To support the practical experience gained in managing local Cooperative Societies, district unions, national unions and apex organizations, a vast and intensive programme of cooperative education is necessary. Such education must aim at creating an ever increasing cadre of cooperative leaders and managers at all the different levels just mentioned. This is a very important

but time-consuming task which will call for great and sustained efforts. Therefore the problem of cooperative leadership, which is the key theme of this seminar, is, and will for the future remain, the most central task for all those who in one way or another are concerned about the role Cooperation can and should play in furthering economic and social progress throughout the world.]

Before concluding my survey, let me once more stress the fact that my experience is mainly based on what Cooperation has so far achieved in the Scandinavian countries and more particularly in Sweden. During discussions in the seminar, it will be an important task to pool the experiences gained in the course of cooperative development, more particularly in the South-East Asian Region, to examine how problems have been solved in certain countries, and to see how and how far the solutions thus discovered could be made relevant in the context of other countries. It goes without saying that the greatest value in these discussions will result from experiences gained in countries where the setting of the problem is at least to some extent similar. My introductory survey — I underline that again — is only to be looked upon as a modest starting point for the discussions in this seminar.

M. R. Bhide

Cooperation in a Planned Economy

INTRODUCTION

INDIA is on the threshold of the Third Five-Year Plan and it would not be inappropriate to examine what role 'Cooperation' can play in the development of the country's economy. Although there has been some progress during the first two plan periods a great deal still remains to be done. The country is still primarily agricultural and the process of industrialization has just started. Literacy is very low and education of the people, in the broad sense, still inadequate. Poverty is widespread and the material resources of the country poor. In addition, it has to be recognized that some of the vestiges of colonial rule still continue to affect all aspects of national life. In particular, the spirit of self-help is still largely dormant and dependence on the State almost universal. It is against this background that our plans of development have to be formulated.

ROLE OF THE STATE

In most European countries economic development has primarily been through the private sector which, by and large, is based on the profit motive. It is only in recent times that the State has come into the picture on any substantial scale, but even then it is more in the field of planning than of implementation. If rapid economic development is to take place in India it is essential that the State plays a prominent role both in planning and execution. The resources available are limited and unless the State comes in, there is always the danger that the resources may not be used to the maximum extent and to the best advantage of the community and in as short a time as possible.

WHAT IS INVOLVED IN PLANNING

We may now examine briefly what is involved in planning:

(i) It involves the acceptance of clearly defined objectives. The principal objective of planning must be the promotion of rapid and balanced economic development in all sectors of national life. The programme of development must be such as to strengthen the economy as a whole and particularly at the base.

(ii) Having decided on the objectives it becomes necessary to frame overall policies which can be expected to lead to the achievement of these objectives. Our Constitution has laid down certain directive principles of State policy. One of these is securing and protecting a social order in which justice—social, economic and political—is ensured. Similarly, a democratic form of government, a welfare State, and organization of decentralized units of administration have also been prescribed.

(iii) After this it becomes necessary to assess our resources, both material and human.

(iv) The next step is to formulate a plan of action for the most effective and balanced utilization of these resources. In doing so, it will be necessary to lay down priorities and the stages in which we should march towards the objectives.

(v) In the process it is necessary to find out what factors are retarding development and determine the conditions which should be created for the successful implementation of the plans that may be formulated.

(vi) It is also necessary to be quite clear as to the machinery through which our plans in all their varied aspects are to be executed. Is the machinery adequate? If not, how to make it so? What improvements are necessary and how can they be brought about and how quickly?

The organization of the necessary institutional and other agencies which can be expected to help in fulfilling these objectives should be initiated and completed as early as possible. A phased programme must be formulated and each new step taken on the basis of progress made and in the light of experience gained. It is here that the question of

Cooperatives as the agency for formulating and implementing plans assumes great importance.

(vii) Periodic and systematic assessment of progress achieved must be made and suitable adjustments both in respect of policy and measures should be carried out.

NEED FOR DEMOCRATIC PLANNING

In a totalitarian State, planning can often be imposed by the central authority which has various powers for raising resources and which implements its plans largely through a bureaucracy and by regimentation of the people. Even Cooperatives are made instruments of the State and carry out its directions and lose their character of voluntary self-help organizations. In the short run this may give better and quicker results, but even there, experience shows that sooner or later the people have to be brought in at all stages. The success of a plan and, what is more, its enlargement from time to time can be achieved only with the fullest cooperation of the people as a whole. It therefore follows that planning must be on the basis of the people's felt needs and their fullest cooperation. Such cooperation is needed not only for implementing but also for drawing up the plans. This is imperative in countries like India which have chosen the democratic way of life not only in the field of politics but in the economic and other fields. Planning has therefore necessarily to be democratic.

FOUR SECTORS

In any scheme of planning in a country like India, it is necessary for the State to lay down the broad policies in respect of economic development and also to decide on the necessary agencies to implement them. In respect of certain fields of activity, implementation may be done by the State itself through what is commonly known as the "public sector." Certain fields of activity can be left to the organized private sector subject to such control and regulation as are considered desirable in the national interest. The third and

a very important sector is of the individual working on his own or with the assistance of such hired labour as he requires. The fourth and a growing sector is the cooperative sector. The State must decide the extent of and the manner in which these four agencies can and should be used for implementing the national plans of development. For certain activities, particularly those where large-scale participation by the people is required, the cooperative agency seems to be the most suitable. It alone can provide the local unit which can fulfil the function of educating public opinion in favour of a plan and its execution. It is eminently suited to ascertain the local needs and provide for them. A democratic State, which wishes to carry out its plans of development, must have the goodwill of all sections of the community for and through whom planning is to be undertaken. For this, it must receive assistance from the people. Such assistance naturally cannot be given by each individual. They must, therefore, be organized for a definite programme. Cooperative Organizations by their very nature are the obvious agency for this; they are eminently suited for the task.

ROLE OF COOPERATIVES

Economic development on democratic lines offers a vast field for the application of Cooperation in its infinitely varied forms. This is particularly so in a socialistic pattern of society where the creation of a large number of decentralized units in agriculture and industry is inevitable. Cooperatives are an indispensable instrument of economic planning in any scheme to change the country from a purely individualistic economy to an economy which is socially regulated and the building up of a cooperative sector is therefore one of the central aims of national policy. Cooperatives have a particularly important role to play in respect of agricultural production, processing and marketing, cottage and village industries and internal trade. India's various Five Year Plans fully recognize and accept this role for Cooperatives.

VILLAGE LEVEL UNITS

In a predominantly agricultural country like India where people live in villages and not on isolated farms, the unit of organization and the functions to be undertaken are matters of considerable importance. The unit at the village level must be large enough to be economically viable but not so large as would make it difficult to secure mutual knowledge, a sense of mutual obligation and social cohesion. The Cooperative should not merely provide credit but should become the instrument of all round rural development and must, therefore, assume multipurpose functions. As conditions vary greatly, there must be considerable flexibility in both these respects.

It is necessary clearly to visualize what the role of the village multipurpose society should be in relation to economic development and also in relation to the village panchayat—the local administrative and municipal unit. Their mutual relationship must be defined clearly and without any conflict. This would require a careful study of the organizational pattern that is best suited to Cooperatives at different levels and would fit into the accepted pattern of rural development. The development of the country is to take place partly through the state sector, partly through the controlled private sector, partly through individuals and partly through the cooperative sector and therefore one cannot grow in isolation from the other three. It is therefore necessary clearly to define the role of each of these agencies in the light of our past experience and our judgement of their capabilities in the future. The plans that we draw up for cooperative development must, therefore, fit into the larger national objectives in such a manner as would make a real impact on the life of the country.

NEED FOR STATE ASSISTANCE

In India, the Cooperative Movement is still in its infancy and its rapid development depends considerably on the extent to which the State assists it and where necessary also

sponsors it. I do not propose to go into the details of State assistance except to say that in the initial stages it will have to be financial, technical and administrative. It is also not possible in this short article to mention the various forms this assistance should take. It must, however, be repeated that it is only with such State assistance and sponsoring that the Movement can be expected to develop fairly fast and ultimately become self-governing and self-reliant. How long this process will take will depend on the extent and manner of State assistance and on the extent and degree to which the people respond. Even after such expansion and development it is possible to visualize a situation where the State will have to continue to play a part though the extent and nature of its role may change.

CONDITIONS FOR STATE ASSISTANCE

In giving State assistance, however, there are certain considerations which must be kept in mind. The object of State assistance is to help Cooperatives in building up a sound and efficient business structure on the basis of self-help and mutual help. State assistance should, therefore, be for a limited period and for specific purposes. It should clearly be realized that the State cannot go on giving such assistance indefinitely, and that Cooperatives must become financially independent of government to as large an extent as possible and as quickly as possible. Secondly, it is necessary to ensure that Cooperative Organizations make the maximum efforts to help themselves. The principle of self-help should be brought home right from the beginning and the best way to do so is to give State help on a contributory basis. In the initial stages the State share may be considerable but should gradually go down. Thirdly, it is necessary to ensure that such assistance should not ordinarily involve Government nomination of directors or Government control. There may be special cases where on account of the large amount of Government money involved, or local conditions, Government nomination or Government control, to some extent, may be considered necessary but the period of

such control and nomination should be reduced to the minimum.

It should be clearly understood that the object is not to create a State-controlled sector masquerading as a cooperative sector. On the other hand, if the State is to give substantial financial assistance and has a large financial interest, it is inevitable that it will wield a measure of influence, if not control. In any case, it must keep itself fully informed of how the funds it has provided are being utilized. After all, the assistance given by the State is from its general revenues and the tax-payer has a right to know how his money is being used. The legislature always likes to know how the funds it has voted are being utilized. Members of the legislature have a right to ask questions and the State must at all times be ready to answer them and to justify the grant of assistance to Cooperative Organizations. It must therefore keep in very close touch with Cooperative Organizations which are receiving assistance from it and must also be in a position to see that the help it is providing is put to proper use. It will therefore be wrong for Cooperative Organizations to take up the attitude that they cannot be asked as to how the money provided by the State is being used by them.

SELF-RELIANCE

For the sound development of the Cooperative Movement it is absolutely essential that Cooperatives become self-governing and self-reliant in as short a time as possible. This must cover all aspects, i.e. organization, day-to-day work and the formulation and implementation of policies. The development of independent and efficient leadership in Cooperative Organizations as early as possible, is, therefore, of vital importance.

This will involve not only the education and training of leaders but also of the general membership of Cooperatives. Such education must cover much more than the day-to-day working of cooperatives. Cooperative education is only a part of general education. Comprehensive

programmes of training of members, staff and leaders of Cooperatives must therefore be formulated and implemented as early as possible. The present arrangements in India for the training of departmental employees and employees of Cooperative Organizations at various levels must be considerably expanded. The training of members is of the greatest importance. This work is at present being done through peripatetic parties which go to villages and hold courses for short periods. This programme will have to be expanded on a very large scale.

It should, however, be realized that the training of members of Cooperatives cannot be done for all the members of the societies in the country in this manner. These parties can train only a few people; the major work has to be done locally. The trained leaders of Cooperative Organizations must use the knowledge they have acquired to train their members. Full advantage of general meetings, etc. should also be taken to give the members some training in Cooperation. The real training of members of Cooperative Societies also depends to a large extent on the activities the Cooperative Organizations undertake. It is only through actual work and the activities that are taken up that the members can get the necessary knowledge.

PREREQUISITES

There are two questions which we must ask ourselves. Is there a conflict between Planning and Cooperation which is a voluntary movement? Can Cooperation be subjected to the rigours of a planned economy? My own answer to the first question is in the negative and to the second in the affirmative provided certain prerequisites are fulfilled. First of all, it is necessary that there is a responsible democratic form of Government. Whatever the form and shape of that Government, whatever the method of election and so on, it is necessary that the Government is really representative of the people and its policies are in accordance with what the people as a whole desire. It is only then that the necessary atmosphere for the development of individual

initiative and sense of responsibility, two factors of the greatest importance and value in Cooperation, can be created. Secondly, it is necessary that the people understand the principles and practices of Cooperation. This does not mean only the law of Cooperation and the bye-laws of Cooperative Societies. What is really required is general education of the people as a whole. Knowledge of Cooperation is only a part of such education. Thirdly it is necessary that the policy of *laissez faire* in the abstract sense is no longer accepted in all respects and in all fields.

CONCLUSION

Some cooperators claim that as the movement is voluntary it must have complete freedom to act on the lines it chooses and that it should not be used as an agency by the State for carrying out its policies. There is no quarrel about the voluntariness of the Movement but it cannot work in isolation from the rest of the country, the Government and its policies. The overall national policies in respect of economic development have to be formulated by the State in consultation with various interests and the Cooperative Movement should certainly be consulted. Similarly, before any decisions are taken making the cooperatives responsible for implementing a State policy, the consent of the Cooperative Movement should be obtained. Cooperatives, however, cannot claim complete autonomy particularly when they ask for and receive financial, technical and other assistance from the State on an increasingly large scale. It must be realized that in the changed circumstances of today there can be no complete autonomy for anyone. Within certain limits that autonomy will always be there and the State must not in any case interfere in the day-to-day work of the organizations.

Cooperation is a people's movement and all plans in respect of cooperative activity must be people's plans. Within the overall policies of the State, the plans should be drawn up by the Cooperative Movement and approved by the State. Only thus can real support from the people and the State be secured.

W. P. Watkins

Functions, Qualities and Qualifications of Leaders

SELF-HELP AND LEADERSHIP

THE present Seminar is the outcome of the I.C.A. Conference at Kuala Lumpur in January 1958 or, at least, of the discussions which took place immediately afterwards in the Technical Assistance Sub-Committee of the I.C.A. Executive. The object of these discussions was to review the knowledge and impressions gained by the I.C.A. Delegation from its tour of South-East Asia and to draw up a programme of action which should be undertaken in order to manifest the continued interest of the Alliance in the Region and its cooperative problems, pending the establishment of the Regional Office.

There is no need here to explain why the Seminar and the opening of the Regional Office and the Education Centre have in fact coincided in time, but it does seem desirable to point out why cooperative leadership was chosen as the subject of the first Seminar to be organized by the I.C.A. in Asia. On the one hand the recommendations submitted to the Kuala Lumpur Conference by the Working Group appointed to consider cooperative education and the development of cooperative unions emphasized the urgent need for instilling into the public mind the idea of mutual self-help and building up in the individual the conviction that the realization of the moral and social aims of Cooperation is an ideal worthy of his service and devotion. The Working Group listed a number of practical measures by which these objects might be achieved, but their application clearly depended upon the establishment in the several countries of cooperative unions adequately staffed and equipped for the discharge of a whole series of educational functions.

On the other hand, the I.C.A. Delegation, travelling from country to country within the Region, could not fail

to be impressed by the extent to which, almost everywhere, Cooperative Organization was the result of Government initiative and was still dependent, for both stability and progress, on support and guidance coming from the Governmental sphere. No member of the Delegation was disposed to question in principle the necessity of Government action in this field or failed to recognize that without it the national Cooperative Movements of the Region would not have reached their present degree of development. From the standpoint of the Movement's future, however, it seemed no less clear to the Delegation that Cooperation would not make its best possible contribution to economic and social progress apart from a much more effective application of its underlying principles of self-help and voluntary mutual aid than appeared to be thought necessary in many quarters. An increase in the numbers and an improvement in the quality of the personnel of Ministries or Departments of Cooperation was everywhere accepted as a pre-condition of any considerable cooperative expansion. Nevertheless the necessity of increasing the numbers and improving the quality of the conscious and active cooperators in the societies and federations seemed to be even more urgent.

These two sets of considerations accordingly pointed to the conclusion that one important line of action which the I.C.A. should pursue, in its efforts to reinforce and accelerate cooperative development in the Region, was to strengthen the elements of self-help, self-reliance, and self-responsibility on which cooperative democracy is based. There was a third consideration. The detailed discussions which took place in the Working Groups of the Kuala Lumpur Conference showed plainly that the solutions to the principal problems of cooperative development in the South-East Asian Region already existed to a large extent within the Region itself. In other words, when the cooperators of neighbouring countries came together to compare their experience, it was perceived that problems which had hitherto baffled the cooperators of some countries had already been solved by other National Movements. One of the best ways, therefore, in which the I.C.A. could assist them would be to work out,

in consultation with them, methods and, eventually, some permanent machinery, for the exchange of experience and the pooling of ideas. To convene a Seminar is one such method which has in the past yielded useful results. The permanent machinery is already taking shape in the Regional Office and the Education Centre.

REQUIREMENTS FOR LEADERSHIP

“ Co-ops are like dog-teams — they can only work if there are leaders.”¹ The principle expressed in this quotation is as true on the Equator as on the Arctic Circle, in New Delhi as in New York. However they may be appointed or chosen, leaders are a necessity in human affairs. If people are to achieve the common objects for which they band themselves together, some one must take the initiative, make proposals, assume responsibility for carrying them out, give directions, possibly inspire the rest with the will to achieve the result desired. Whosoever does any of these things, is discharging one of the functions of leadership. It does not follow that all the functions have to be concentrated in a single person or group.

To adapt a Shakespearean saying, some are born leaders : others achieve leadership ; others have leadership thrust upon them. An army has its leaders imposed upon it. They are appointed by a higher authority. A Cooperative Society, however, is by definition democratic. Things are decided, leaders may be chosen or elected, with the consent, if not of all, at least of a majority of its members. Some leaders may, in a sense, choose themselves — not necessarily by proposing themselves, but simply by being by general consent the most competent persons available for the job. The job is in the words of the Canadian handbook, to make the cooperative work. Leadership is the element which makes democracy dynamic. Where there is no leadership there is no Movement in the true sense, only drift or stagnation.

1. Canadian Government Handbook for Eskimos.

Functions: The function of a leader in a Cooperative Organization is primarily to show his fellow cooperators the way ahead. In the pioneer stage this process may start a long way back; it may mean convincing his neighbours that forming a Cooperative offers the best solution of their common problem, whatever that may be: selling their produce at a fair price or getting loans at reasonable rates of interest. After enough people have been convinced and have decided to form a Cooperative Society, the task of leadership is to guide them through the process of getting it established and launched in business — a process which may involve many separate decisions and much explanation and discussion about each. Assuming a Society established, its affairs have to be managed, its policies formulated, the confidence and loyalty of its members built up, its progress maintained so far as external circumstances will permit. All the time those members with the greater acuteness of mind and more penetrating foresight will have to guide those with less knowledge and intelligence in the direction of decisions which will make for the society's prosperity. Their chief instrument is persuasion and their object must be to obtain the maximum of consent, which is the essence of democratic government. In certain circumstances the most convincing thing they can do is to set an example, more especially in subordinating their individual interests and wishes to the good of the whole Society or Movement.

All the time, however, the leaders must remain in touch with the main body of the members. No matter how far ahead their vision extends, the practical measures leaders recommend must be such as they know or shrewdly guess the members will be willing to take at any given time — except in an emergency when drastic steps may be imperative. On the other hand, their study of the mind of the members should not lead them into indecision, waiting to ascertain the feeling of the majority in order that they can then place themselves at the head of it. Their constant aim and function should be to keep the minds of the members moving as a body along the line of thought proper for their Society's development and prevent them from straying down by-paths.

Qualities: Inborn qualities of character, temperament and intelligence probably count more in leadership than qualifications which can be acquired by training.

The first of these qualities is courage, the most fundamental of all the virtues. If a leader is convinced that cooperation is the right thing, he must have the courage to declare and act upon his conviction. Courage is, of course, to be distinguished from boldness or rashness, on the one hand, and timidity on the other. Its display is to be guided by a second quality which we may call judgement. This is a different thing from knowledge or intelligence. Many knowledgeable and intelligent people have a poor judgement, no instinct which tells them what to do and what to avoid, how far to go, when to press on and when to bide one's time, when to speak out and when to hold one's tongue. Rashness may be described as courage without judgement. Judgement without courage leads nearly always to inaction.

The third quality may be called sympathy, using the term in the sense of a constant awareness of other people, their thoughts and feelings, even if they do not freely express them. Without sympathy and a respect for the feelings of others the leader is liable to be tactless and, what is worse, impatient and unfair in his relations with his fellow-members, particularly those who may disagree with him or quite honestly oppose him. The leader needs imagination of this kind, as well as the creative imagination which can portray the Society as it exists and will be in the future, in order that he can fire the imagination of his fellow cooperators.

The leader therefore needs qualities both moral and mental. If he can add to these certain talents which may be inborn but which can certainly be developed by exercise — fluent speech, a ready wit, the gift of clear exposition, a mind quick to absorb new knowledge — he can render invaluable services to his Society and the Movement.

Qualifications: Men and women who possess in varying degrees the qualities and talents already mentioned are no more than potentially good leaders for Cooperative

Organizations until they have undergone a certain training and acquired the necessary minimum of knowledge for the efficient discharge of their functions.

The first and most fundamental of these qualifications is an understanding of the true nature of Cooperation and its principles. In one sense this can be the study of a life-time, but the elementary idea of an association which is voluntary, democratic and equitable in the distribution of its benefits, is not difficult to grasp, especially for people whose tradition of village mutual aid is still living. More difficult perhaps, is to master the business and administrative techniques through which cooperative principles are applied to practical problems, because they demand literacy. This is liable to limit very considerably the field of selection for leading positions until government programmes for combating illiteracy have achieved their objectives. At the same time, it is well not to confuse leadership with administration or management, although those responsible for management will always need to exercise leadership in some degree. The real leader in any group, in the sense of the one wielding the most powerful and decisive influence, need not be an office holder at all.

All the foregoing qualifications need to be raised to a higher degree when we consider leadership, not in primary societies but in secondary organizations. The vision of the leader must be broader and constantly broadening. The parochial mind in an organization whose operations are regional or national stultifies leadership. The aim must constantly be to increase the number of cooperators with a vision of the Movement much broader than the field in which they are actually engaged, so as to give the widest possible choice when leaders have to be elected or selected.

Besides general cooperative knowledge, the leaders must be equipped with special knowledge of the branch of the Movement, the types of cooperative undertaking in which they are engaged and their commercial and industrial background.

Almost as necessary as knowledge of the Cooperative Movement itself, is an understanding of the economic and

social milieu in which it works and an appreciation of the influences which are continually changing that milieu and consequently demand changing strategy and tactics on the part of the Movement. In particular, the cooperative leaders must understand its relations with government action, in such fields as community development, with aims closely allied to that of the movement itself.

Finally, there are a number of techniques required for the business-like handling of cooperative affairs and the observance of the principles of democracy which the leaders can acquire by training. It is the business of cooperative unions increasingly to place such training within their reach. The conduct of meetings of different kinds, the guidance of discussion, the working of constitutional procedures in various types of organizations are all matters with which leaders should be familiar if their work is to be effective. The unions must regard it as one of their main tasks to keep an educational road open and unbroken whereby the rank and file cooperator, with qualities fitting him for leadership, should be able to qualify himself, stage by stage, for the exercise of its functions right up to the highest level.

THE APPROACH AND PROGRAMME OF THE SEMINAR

Coming back to the Seminar, I may emphasize that no representative of the I.C.A. taking part in this Seminar, conceives that its purpose is to impose any idea, method or practice, however successful anywhere else, which the experience and practical needs of the South-East Asian Coöperative Movements do not call for or suggest as desirable or useful at their present stage of development. Cooperative growths can seldom be transplanted without acclimatization and adaptation. It is perfectly consistent with a belief that cooperative principles are for universal application, to admit that practical rules and policies based on the experience of Cooperative Movements which originated under the *laissez faire* system are of limited validity when applied to Movements in countries where Government is and must for

some time remain the principal agency of social progress. The only conclusions resulting from the Seminar which can be valid or useful are those which are reached by logical thinking after a fair and objective examination of the facts of cooperative development and its socio-economic background in South-East Asian countries. These conclusions cannot be determined, either positively or negatively, in advance.

The objective of formulating conclusions and recommendations which grow naturally out of cooperative experience in South-East Asia and are relevant to it has been kept in mind from the very beginning in the composition as well as the plan of work of the Seminar. Thus the members of the Seminar have been appointed by both Cooperative Organizations and Governments. They include Government Officers with field as well as administrative experience, together with cooperators holding elective offices in their respective societies and unions or working for agencies, external to the National Cooperative Movements, yet actively engaged in the promotion of Cooperation. Similarly, in inviting lecturers, readers of papers and members of discussion panels, the need for drawing upon a variety of experience, not merely in different countries but on different levels, has been kept constantly in mind. In addition, provision has been made, by enlisting the services of eminent academic friends of the Cooperative Movement, to supplement practical experience by the broader and more detached view of cooperative problems given by scientific teaching and research.

Turning now to the plan of work, it will be seen that, after the day devoted to mutual introductions through the presentation of background papers on the National Movements, we are to attack our subject proper with an attempt in Section I, entitled "Leadership in Cooperative Democracy", to work out common concepts and definitions of the role of leaders in the Cooperative Movement, given the latter's fundamentally democratic character — even though its democracy may be in many ways imperfect in practice. The underlying assumption is that, unless and until

Cooperative Movements are capable of finding and choosing their leaders by their own democratic processes, they will continue to be dependent on external direction.

In Section II, we are to consider how external direction of Cooperative Organizations can be supplemented and ultimately superseded by self-government. This consideration must necessarily begin with an examination and evaluation of the guidance and stimulus given from outside the Movement by Government or by organizations inspired by social or humanitarian motives.

In particular, it will be necessary to distinguish between those methods of cooperative promotion which lead to progressively increasing self-reliance and independence for Cooperative Societies and their federations and those which cannot but perpetuate their dependent situation. In the same connection it will be necessary to lay down the conditions which will need to be fulfilled for each step forward towards self-government. It does not seem reasonable to suppose that this process can be rapid or sudden. It is more in harmony with the character of Cooperation and its reliance on persuasion and education that such a fundamental change should be made in stages and carefully prepared, all the more as it may have to be carried out in the face of obstacles created by traditions or tendencies prevailing in society as a whole. In this section the aim of the Seminar should be to formulate some general directives which will help those called upon to attempt the transition to surmount these obstacles.

Section III, which deals with leadership problems, continues the search for directives but plunges deeper into questions of method and organization. The practical problem is to enlarge the choice of suitable leaders available to any movement at any time. The problem is not to be solved exclusively in terms of education and training, for it involves selection. While general cooperative education is a necessity for all cooperators, special leadership training is wasted on those with little or no capacity for leadership. Here we also encounter the fact of the incapacity of the typical primary society to train leaders adequately and the consequent

necessity for the secondary organizations, familiarly known as cooperative unions, to devote special attention to this task. In discharging it they will very likely need and can receive help in more than one form from the I.C.A. or another International Organization with a programme of cooperative promotion.

Finally, it may be worthwhile to recapitulate that the Seminar has been conceived and will be carried on as an endeavour by the I.C.A. to help the Cooperative Organizations and Governments of the South-East Asian Regions to help themselves in building up stronger and more effective Cooperative Movements. Through discussions and the pooling of ideas and experience from different countries, it is hoped to reach conclusions which will provide enlightenment and guidance, not merely for the participants in the Seminar, but to the Organizations and Governments they represent. It is also hoped that the work of this Seminar will open up avenues for further enquiry to be pursued as part of the regular activity of the Regional Office and the Educational Centre. From another point of view the Seminar must also be regarded as continuing the collaboration between cooperators in the Region initiated by the Conference of Kuala Lumpur. The Authorities of the Alliance are convinced that, if adequate opportunities for consultation are provided, and full advantage is taken of them, the Cooperative Movements of South-East Asia will find the right solutions for their national problems of growth and development and eventually enrich and reinforce the Alliance by effective contributions to its work on the international plane.

P. E. Weeraman

Role of Leadership in the Pioneer Stage and Well-established Societies

THE role of leadership varies according to the character of the institution. The tasks that devolve upon the leaders of an undertaking for ensuring the success of that particular undertaking comprise the role of leadership. Thus the role of leadership in a cooperative undertaking would be to ensure that the undertaking not only proves a successful business enterprise, but also is carried on in accordance with the principles of Cooperation. Further, leadership will have different roles to play at various stages of the evolution of a cooperative undertaking. Hence the need to examine separately the role of leadership in the pioneer stage and well-established societies.

As the theme of this Seminar is "Cooperative Leadership in South-East Asia," I shall deal with the subject assigned to me in the context of the Asian countries. Their problems and environments are different from those which obtained in Great Britain and Europe when the Movement began there. At the time of the introduction of the Movement into this region its peoples were under foreign rule. As a result, the social and economic environments of the people were such that leadership had to come from the State.

The pattern of introducing the Movement was somewhat uniform in these countries — the enactment of a law governing Cooperative Societies and the setting up of a government department for fostering the Movement, under a Registrar of Cooperative Societies. The latter was assisted by Assistant Registrars and Inspectors of Cooperative Societies. These official leaders worked with the leaders who emerged from among the people in the cause of Cooperation. There have been thus in these countries from the very beginning two types of leaders — the official appointed by the Government to promote the Movement, and the non-official chosen by the people from among themselves. Both types are

important. One cannot do without the other. However, the fact that the spread of the Movement is largely the result of State-sponsoring makes the official leader the more important factor in the pioneer stage.

THE PIONEER STAGE

The pioneer stage in cooperative development is the most important and most difficult stage. Hence, the need for proper leadership at this stage cannot be over-emphasized. It is necessary for the leaders to be both honest and efficient if their leadership is to be sound. Time was when the leaders in the village belonged to certain groups as a birth-right. Today, that "ascribed leadership" is yielding place to "achieved leadership." It is important that the leaders of a society are not careerists who have seen in the Cooperative Movement a convenient way of coming to the forefront of society. If the leaders are not qualified to lead, if they do not believe in Cooperation as a way of life and do not have both idealism and a sense of purpose, then the responsibility of leadership will not be properly discharged by them and this is particularly harmful in the pioneer stage. The first task of the leaders would be to make the enterprise a truly cooperative one. This can be achieved only if the leaders know and believe in the cooperative method. Thus before we discuss the role of leadership, it is necessary to discuss who should fill the role of leaders. Ceylon has some experience in this connexion.

The Ceylon Movement was started in 1911 with the formation of cooperative credit societies. Until 1942, the credit societies were the main group of Societies. These Societies were with a few exceptions, all of unlimited liability. The temptation to acquire a place of importance in society through holding office in a Cooperative Society was thwarted by the unlimited liability which membership entailed. Therefore, in the result, the careerist was not attracted to the Cooperative Movement. One cannot, therefore, ignore the lesson this circumstance offers us, viz. that membership of a society must entail such responsibility as would prevent

careerists from getting into positions of leadership for their own ends. But of course, this responsibility should not prevent the honest but indigent person from joining the Movement. The terms of acquiring membership should be so easy that membership would be within the reach of all who are in need of Cooperation. Those actually in need of cooperative assistance will not hesitate to undertake the responsibility that membership entails.

Unlimited liability kept the really rich man away from the Cooperative Movement in Ceylon during its first three decades. The rich man joined the Movement only when consumers' and producers' societies of limited liability were set up after 1942. It may be well worth our considering whether it is in the interest of the Movement to allow its leadership to fall into the hands of persons who are in much better circumstances economically than the average member of a Cooperative Society. I would hazard the observation that with all the attendant limitations in respect of education and experience it would be better for leadership to vest in persons belonging to the common run of the membership than in persons who are not of the ordinary type. The leaders should be as interested in solving problems as any other member and this would be so only if the leaders have interests that are common to the general membership.

Therefore, I would say that even in the pioneer stage the role of leadership should fall on the average type of member notwithstanding his comparative poverty and ignorance. Ceylon had the experience in the early days of the Movement of the lead being taken by the Chief Headmen (no doubt on the instructions of the Government) to organize Cooperative Societies. These Chief Headmen came from the old aristocratic class of society and they were in administrative charge of the traditional revenue divisions, each covering about a hundred villages. These early efforts ended in miserable failure for the two reasons that leadership came from a higher strata of society and that the leaders themselves were ignorant of cooperative methods.

The lesson to be learnt is that wherever possible the leader should come from the same social strata as the potential

membership and if the leaders come from a higher strata of society than the villagers or are government officials they must be trained personnel who will be able to achieve their goal in spite of their inherent handicaps.

Leaders from the same strata of society as the rank and file of the membership do not have the handicaps referred to but it is necessary to ensure that they are thoroughly conversant with cooperative principles and practices. The people are likely to be less suspicious of the leaders whose qualification is that they themselves are villagers who having followed the cooperative method have been able to improve their own economic condition. In Ceylon there was until recently a category of worker called the "honorary supervisor." He came from the same social strata as the average villager and had long practical experience of cooperative credit societies. These leaders working side by side with the official leaders and under their direction were able to achieve much in both introducing and reviving credit societies.

THE ROLE OF LEADERSHIP

And now, let us consider the role of leadership. Within the society the non-official leader has an important part to play (assuming that he comes from the same strata as the rank and file). The Presidents, Secretaries, Treasurers and Committee members are leaders. They must understand cooperative principles and practices, observe them themselves, impart their knowledge to others, and act honestly and democratically. It is their duty to teach and lead others by precept as well as by good example. It is not necessary that office-bearers of societies be persons of learning. It is, however, necessary that they be literate, have practical commonsense, make impartial decisions, and see that employees, if any, carry out their duties promptly and efficiently.

In the pioneer stage the task of both the official and non-official leaders is one of changing people's attitudes. The leaders' first task will be to create a sense of dissatisfaction

with the existing conditions, the condition of mind which is necessary for the seed of Cooperation to germinate. In Asian countries, centuries of foreign rule have made the people apathetic. They do not see any need to change their life and outlook. At the outset the official leader will have to change the attitude of those who are the natural leaders of the village. In Ceylon an interesting experiment was made in this connexion when it was decided in 1957 by the Government, as a matter of policy that multipurpose cooperative societies should be organized to cover the entire island. The first step taken was to elect a Cooperative Development Committee of about fifteen persons from among the villagers in public meeting for each group of villages which it was thought would form an economic unit. The fifteen so selected were by and large those who enjoyed the confidence of their fellows. This body was charged with the task of organizing a multipurpose cooperative for the area. Through these committees the country was made conscious of the new type of Cooperative Society in a very much shorter time than it would have taken to achieve this result if the idea had been spread only by the officials. It also created greater enthusiasm among the people for this type of society than there would have been if there had been no local development committee. Within a space of five months 11,000 committees were formed. This illustrates the value of official and non-official leaders working together on equal terms feeling partners in a common cause. Both parties stood to gain by it, the official gaining the confidence of the non-official and the non-official ceasing to regard the official as an outsider. Therefore, it would be correct to assume that right from the beginning both officials and non-officials should work together.

Once the cooperative idea has been understood it will be the task of the leaders to give the prospective members a practical lesson in Cooperation, for the practical solution of a common economic problem would be the best starting point for the economic education of the members. In Ceylon groups of fishermen who are organized into study-circles operate schemes of selling jointly their fish and so get a

practical education in cooperative methods. Once the members have understood practical Cooperation, they should be given a good knowledge of the principles and practices of Cooperation and thereafter, be taught the by-laws of the Society and the law of the land relating to Cooperatives.

When confronted with the actual task of introducing Cooperation and making people adopt cooperative methods and procedures everything does not turn out the way we expected when we planned the campaign from the armchair. It is then that the leader's determination and his deep faith in the ultimate success of correct cooperative methods are called for. In the pioneer stage the official leader's task is one of patient teaching and repeated correction of misconceptions. He must have faith in Cooperation and faith in the ability of ordinary people to manage their affairs by themselves in due course, following cooperative methods and practices. The leader must be able to see honesty, goodwill and ability in the ordinary man and have faith in him in spite of his failures here and there, teaching him and guiding him ceaselessly until some measure of success is achieved.

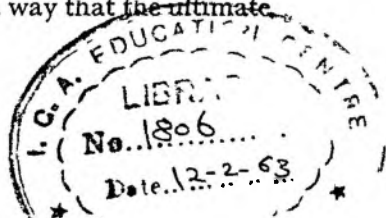
The villager will respond only to the leader who has won his confidence. For this, the leader must from the outset be careful to avoid adopting a superior attitude. We no longer think of a leader as one who has unusual talents, as one who would excel in any situation and who stands out from the rest as markedly superior. The role of leadership is to realize the needs of the community and to plan for meeting those needs with the assistance of the persons who have such needs. The role of leadership is to stimulate the people into seeking solutions for their problems. Official leaders are only sponsors of a Movement. So they must try to discover leadership among the non-officials and they must put elected leaders in charge of an undertaking which has been sponsored by them as soon as it is possible to get them elected. The officials must not try to remain leaders too long. If Cooperation is made use of for officialdom to gain control over the private sector, then Cooperation will be understood

by the people to be another form of governmental activity. Cooperation will soon lose its original force and meaning for the people and with it will go the attitudes which make for the democratic development of a nation.

Any failure to keep the elected leaders in the forefront will curb their initiative and delay their assumption of full responsibility. Their enthusiasm must be sustained from the very start and gradually developed so that they would themselves initiate action for expanding their activities. The official leader should have his eyes and ears open with a view to picking out the natural leaders, but here too it is best in the long run for him to accept the popular choice even if he disapproves of it, for he must by both precept and example place a premium on the democratic will of the people. The official leader must not think of the immediate results as much as the lasting effects of any action. Imposing a very suitable person on a society by pressure may have immediately a good effect. But it will kill the initiative of the members to find suitable leaders and, from there on, the members will leave it to the official leaders not only to choose their office-bearers but indeed to solve all their problems. Soon the cooperative will cease to be a cooperative except in outward form. Thus it will be seen that the official leader's role is a very responsible one and that it must be filled by persons who have a proper understanding of their assignment. They must be genuine guides, philosophers and friends and be prepared to remain in the background without ever coming into the limelight.

The Registrar and his staff should regard their duty of promoting the Movement as a mission entrusted to them. There is no room in the cooperative department of a country for birds of passage who merely perform the official acts required of them without any regard to cooperative principles or belief in the value of cooperative effort. The official leader must be first a cooperator and only second an official. The Registrar should be an officer "of experience and authority," to quote the Maclagan Report, and well-versed in the techniques, methods and procedures of cooperative work. He should play his role in such a way that the ultimate

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result of cooperative effort would be the setting up of an economic democracy based on cooperative principles and the development of a civic consciousness and a sense of purpose among the people, two essential ingredients for the making of a nation. The Cooperative Society is the finest instrument for achieving a state of national unity and integrity, and the role of the official leader especially in the pioneer stage will be to develop Cooperation in such a manner that this benefit will accrue therefrom to the country as a whole. In sponsoring the Movement, the official leaders must always keep these objects in mind and work towards their achievement. It is of the utmost importance, therefore, that those who fill the role of leader in the Cooperative Movement should have a deep knowledge of Cooperation and also be convinced of its value.

This brings me to the role of the Minister in charge of cooperative development as the highest official leader of the Movement. In the Asian countries, we cannot wait till the people themselves realize the need for Cooperation as a means of their own economic betterment. The Government has, therefore, to take the initiative. We have, therefore, to examine how a government should provide that leadership. How Cooperative a Movement will be will depend upon the quality of the leadership provided at the pioneer stage. Therefore, it is very important that this official leadership should be absolutely correct in its approach. There is always much temptation for any government to place political considerations above the principles of Cooperation. This does not mean that a government should not regard Cooperative Societies as its instruments for economic development. Governments are welcome to regard the Cooperative Society as an instrument for economic development and the Cooperative Movement will no doubt welcome such an attitude on the part of a government. But it is important that the government which seeks to do this remembers at every turn that the instrument which it seeks to use is a cooperative body and that the cooperative character of that body must in no way be undermined in the process of its being used as an instrument for economic development. The Minister

has to guard himself from over-enthusiasm. Over-enthusiasm can lead to a government giving undue preferential treatment to a Cooperative Movement such as would lead to complacency on the part of its leaders. The leaders would tend under such circumstances to overlook the fact that any success of the Movement is the result of such preferential treatment. The movement must be made to depend for its survival and promotion upon its own efficiency. But the Government must assist the Movement so as to remove the handicaps it would necessarily have otherwise. This would be mainly in regard to the supply of finance and the training of personnel. The Government should not grant the Movement or any section of it a monopoly of any trade. Monopolies must be won by the Movement in the only way open to it, the cooperative way, i.e. by inducing all the people concerned to give their patronage voluntarily. It will be the primary duty of those whose task it is to advise the Minister to do so without fear or reserve. This is the most important part of the Registrar's role, and the Minister would be well-advised to be guided by the Registrar. Calvert in his monumental *Law and Principles of Co-operation* has called the Registrar "the very foundation of the Movement." We may add that the Minister is the fountain-head of the Movement. Today with popularly elected governments in control and with the cooperative method increasingly resorted to for the implementation of governmental schemes of economic development, the Minister's leadership is very far reaching. He is in a position to influence the thoughts, decisions and actions of a large number of persons and he can order and direct the official leaders. The non-officials are also prepared to be guided by the Minister and they more often than not accept his views. Therefore, the Minister must regard his charge of cooperative development as a sacred trust.

In Cooperation, it is dangerous to force the pace. We are dealing with none other than human material. And human beings take long to be convinced of the desirability of something new. Unless that conviction is there, the result will be far from cooperative. Therefore, there should be no attempt

to get quick results. In the pioneer stage of a Movement, the quality of the Societies is far more important than their size or number.

Although finally the Cooperative Society should solve all economic problems it should not attempt to do so at once. It should enlarge its sphere of activity gradually, gathering experience as it goes on. Any effort to quicken the pace particularly when the official and non-official leaders are new to the Movement will certainly bring unhappy results. Thus it will be also the role of leadership to prevent the society from attempting too much at once. This does not mean that every society must in its pioneer stage attempt only one thing at a time. It can profit from the experience of others and attempt what amount it can reasonably expect to achieve at the same time, activities which are complementary to each other and which, therefore, should be undertaken together if the integration of those activities, and, thereby, the best results, are to be achieved. Therefore, it will be the function of the leaders to assess carefully what activities should be undertaken in the pioneer stage.

Finally, the leader must not be a faddist or an uninformed enthusiast or be so conservative that he cannot brook any change in the pattern of cooperative development set up already. Just as much as the fundamental tenets of Cooperation never change, as a living movement its outward aspects, namely its organizational methods and practices, must develop and change. It will be the role of the leader, especially the official leader in the Asian countries, to assess the situation and adapt his cooperative instrument to be in tune with the needs of a fast changing economy whilst maintaining its basic cooperative quality. This way lies the road to the best results from Cooperation and it will be the role of leadership especially in the pioneer stage to show the way.

LEADERSHIP IN WELL-ESTABLISHED SOCIETIES

Now let us examine the role of leadership in well-established societies.

At this stage, the leadership of the Movement would be concerned with — (a) development policy (b) planning (c) defensive action (d) training (e) research (f) de-officialization (g) consolidation.

In well-established institutions, the leaders should be primarily concerned with development. Without a policy of development, the society's growth would be haphazard. The Government would be the first to see the immense possibilities of social and economic upliftment through Cooperation and seek to employ societies for these purposes. Whilst welcoming such an attitude on the part of the Government the leaders should work out a policy of development that would not only meet with the requirements of the day, but also be in harmony with the principles of the Movement. In the words of Mr. G. de Soyza, a former Registrar of Ceylon, "Cooperation is a very adaptable instrument — and it is the one economic method that applies in all circumstances." So a cooperative solution can always be found however new the problem may be. But it will not do for the leaders to find the answer. Their development policy should be subjected to discussion and the leaders should do what they think is good for the society only if their policy has been endorsed by the general body.

Planning is closely connected with policy making in that the plan works out the details of how policy is to be implemented. In implementing a given policy of development, the leaders must work out the details.

At a developed stage when the society has become an economic force in the area and when large numbers of persons have come into the Movement there arises a need for defensive action. This is also a task for the leaders. As the Movement gains strength it also acquires enemies both within and without. There may be persons who have come into the Movement through selfish motives to feather their own nests. It is the duty of the good leader to organize the rank and file to combat these enemies. Rectification is a field in which the leaders both official and non-official have to be constantly engaged, as the Movement gathers momentum and launches out into various fields of

development. The enemies outside will be found in the form of vested interests who have been adversely affected by the forward march of Cooperation. To combat them the leaders of the Movement have to see that a public opinion favourable to the Movement is created. The terms publicity, information, extension and education are used to signify the different methods used by the leadership in discharging their function of defence.

The education of the rank and file is a function of the leaders. In as much as education is necessary at the pioneer stage to introduce correct cooperative ideas and practices, education is also necessary as a continuous process in cooperative development.

The term "training" is used, as distinct from "education," particularly with reference to the imparting of certain skills. With a fast developing Movement the leaders have to give thought to the problem of training the employees.

In a well-established Movement the organization of research is an important function for the leaders of the Movement.

In well-established societies there should be no official leader. In fact a society cannot be said to be well-established if it is in need of official leadership. Further, in such societies what is needed is not leadership in general but dynamic leadership. A leader who is effective for one situation and one group is not necessarily effective for another group or even the same group in another situation.

In well-established societies the elected leaders should have not only a thorough knowledge of cooperative methods, but also a fund of experience and capacity to run and guide the business. The essential role of a leader in well-established societies is his undertaking of responsibility. It will also be his role to expand the field of mutual help always regarding Cooperation as a spring-board for further development.

The leader's role in a well-established society is to plan for the continuous growth and expansion of its activities until all the economic activities of the village are embraced by the Cooperative Organization. Finally it will be the role of leadership to subject the society's activities to re-appraisal

from time to time, to invite criticism and suggestions of the rank and file and to be willing to be criticized. The role of leadership would be to guide the society so that it will grow from strength to strength as the all-inclusive organization for the solution of economic problems on a voluntary, universal, democratic and non-profit-making basis, giving the members not only economic satisfaction, but also a feeling of spiritual happiness.

D. G. Karve

Pattern of Cooperative Leadership

LEADERSHIP consists in a capacity to shoulder responsibility and to carry it out. Even the mere membership of a cooperative body involves a deliberate action which has attendant responsibilities. Organizing Cooperative Societies of different sorts, and running them successfully involves leadership of the highest order. From member to president level, how to secure in appropriate measure the required types of responsible and competent personnel is a question which has to be satisfactorily answered if Cooperation is to succeed. In the relatively underdeveloped conditions of the countries of South-East Asia the problem is specially acute. The example of India may be studied with advantage as a case in point.

COOPERATIVE LEADERSHIP IN INDIA

It is well-known that in India Cooperative Organization was introduced by the British Government as an institutional means to help the small cultivator to obtain finance on reasonable terms. Thus policy direction came from foreign officials, but in common with the rest of the administrative structure the main responsibility for organization fell on local officials. In the very nature of things these Indian officials had to work through local non-official people, who came to be called honorary organizers. The primary task of the honorary organizer, who may be described as the first genuinely cooperative leader, was to interpret the opportunities and responsibilities of cooperative association to the farmers who were exhorted to form Cooperative Societies. This task had to be done individually and in groups. Thus cooperative leadership came to be established in the field of education, and propaganda, before it took on other tasks.

Credit Societies

The earliest cooperatives were small credit societies with unlimited liability of members for common debts. Services necessary to run the routine operations of these small societies, sometimes more than one in a village, were supplied by honorary workers. The prevailing illiteracy in rural India put a premium on the mere capacity to attend to records and accounts. As a continuous correspondence with several government offices was involved, and as generally the people were shy of contacts with officials, the really significant portion of cooperative membership tended to play a somewhat passive role. Many of the evils which occasionally crept into the working of village cooperatives were primarily due to this inability of members to make their own active contribution. No doubt the situation varied from place to place, but generally it may be said that the illiteracy among the people, the formalism of governmental administration, the dominance of foreign officials and of foreign language made the emergence of genuine cooperative leadership at the basic level very difficult.

District Leadership

At the next higher level, which significantly enough is represented in India by the purely administrative unit called district, leadership, both educative and operative, could come more readily from non-official cooperators. But these non-official elements were mostly from a class of persons who were not themselves interested in the active operations of the members, either in the village or in the market town. They were well-meaning "public workers." Even leaving out of consideration the by no means unusual intrusion of competing interests such as usurers and traders, the presence and leadership of the urban classes did little to abate the sense of dependence felt by primary rural members and their local leaders. Many among the urban leaders both at the district and State levels, some at least drawn from classes who were accustomed to doing business on a large

scale, rendered constructive and selfless service to the cause of genuine cooperative progress. They supplied to the central organizations of cooperatives the prestige and the competence which they otherwise would have lacked. It is no exaggeration to say that in India as between State and State, and even within a State as between district and district, the progress of genuine and effective Cooperation has in the past been strictly in proportion to the availability of disinterested and competent leadership from among classes who have achieved leadership in other spheres of action than are strictly relevant to cooperative business.

The opportunities offered to the ordinary members of cooperatives went on gradually increasing. The progress of literacy and growing familiarity with business also helped to widen the scope of active interest and of progressive participation. The advance of democratic participation in other institutions, governmental as well as social and cultural, created a new confidence among all cooperators. By 1921, the era of progressive democratization dawned in India. Not only did the number and variety of Cooperative Organizations begin to multiply since then, but more and more the comparatively sophisticated members of the agricultural and rural communities started to assume more and more responsible tasks. When after the end of the Second World War governmental power came to be exercised by representatives of the people an active effort was made to alter the composition of the boards of directors of central institutions so as to popularize them more completely, and especially to bring in representatives from rural areas. This process has now reached a fairly advanced stage, and at least in some States effective cooperative leadership is being exercised from the village to the State level by persons whose interest in, and active association with, cooperative business is real and continuous.

On the level of executive authority within cooperative institutions, either of finance or of industry and commerce, the development of professional cooperative leadership is of recent origin. Following the Raiffeisen model as it operated in Germany towards the end of the last century,

Indian cooperators had learnt in large measure to equate cooperative with honorary management. With the extension of Cooperation in fields where regular, skilled and responsible direction of business is inevitably called for, either because of the size or of complexity of business, the honorary management principle became inappropriate, and it served to prolong conditions of mismanagement and of inefficient management, which almost became proverbial. Recently, however, a welcome change has come over the policy of Cooperative Organization. Here again experience in the rest of the economy and in political and social life has been a help. People have come to realize that cooperation can and ought to be good business, and, therefore, appropriate provision must be made for the efficient discharge of all functions which are inseparable from organizing a business. Along with an insistence on the *cooperative*, that is mutual, character of business and on effective self-direction by the members themselves, the functional operations of all cooperative activity are conforming to standards appropriate to the conduct of any modern and progressive organization. Cooperative education carried out at all levels from top-ranking ministers to humble members of village societies has helped to inaugurate this change. Some of the Cooperative Organizations in the country would now compare favourably with similar organizations in private industry in India, and they would not lose by comparison with similar organizations elsewhere. Combining cooperative zeal with capacity for democratic and efficient management is not easy of achievement. But as in several other countries, in India also this is being progressively accomplished.

Japan, of course, is even more convincing a case of successful cooperative leadership than India. But even in other countries of the region, in keeping with general social and economic progress, standards of achievement in the cooperative sphere are also rising. Certain compulsions of the welfare State are bringing Cooperative Organization to the very centre of national and international democracy. To take a couple of examples from India again, the conflict of interests and paralysis of action developing from a purely

free and competitive economy were frequently witnessed in the industries of the nation. The grower of raw materials such as sugarcane, the seasonal workers, employed in factories, and the capitalist enterprisers not only cared solely for their own immediate interests, but they also had to depend entirely on their own resources. A continuous conflict and a general weakening of effort were the result. When, however, the decision was taken that future growth of sugar factories would be in the cooperative sector, that these Cooperatives will be formed by cane-growers, and that workers employed in these factories will by preference be drawn from local population and will have a special status, not only was conflict minimized but the combined results of an all-round collaboration were most favourable to national as well as to local progress. The promotion and organization of this effort have given an opportunity to thousands of persons to learn new jobs, and to initiate and direct progressive business.

Need for Progress in Cooperation

This by no means exhausts the need and possibility of progress. The entire field of Consumer Cooperation yet awaits the efforts of pioneers and leaders. Not only in respect of sugar, but in respect of almost all consumer goods and of some producer goods as well, the lack of institutional agencies of efficient and equitable distribution has frequently caused most deplorable manifestations of anti-social behaviour on the part of established agencies. Even to give to these latter the requisite toning up of social purpose and professional rectitude it is essential that Consumer Cooperative Movement should be organized, especially in urban areas, in the same comprehensive manner in which the credit movement is organized in rural areas. This field awaits the efforts of cooperative leaders of India almost at all levels. They are aware of the challenge, and one hopes that with determination on their part, and with the assistance of better endowed and more experienced friends elsewhere, a substantial progress in this field would

be registered in the next few years. In all other countries of the region there are comparable achievements and comparable challenges. But with confidence and skill gathered from experience all these nations are marching forward towards cooperative progress. In all walks of life a distinctive dimension is being supplied by cooperative leadership.

At bottom all such progress is conditioned by cooperative education in the widest sense of the term. In the act of joining a Cooperative an individual member makes himself responsible for following certain essential principles of cooperative association, and for so conducting his professional activities as a member as not to endanger either his own, or his collaborators' and the communities' best interests. It is, therefore, imperative that all primary members of cooperatives should be suitably educated cooperatively and professionally, before they join a cooperative. At any rate, this educative process should be completed before membership is confirmed. For higher levels of cooperative functioning appropriate schemes of training must be devised, and they must be scrupulously carried out. There is nothing inherently effective or beneficent in the mere form of Cooperative Organization. Many cooperatives so called are bad cooperatively, as well as professionally. A conscious and continuous effort to preserve and promote high standards of cooperative action is an essential part of Cooperation. The national Cooperative Movement of each country and the international organization of cooperators must combine so as to make Cooperation a significant part of the massive change towards modernization which is taking place in hitherto undeveloped parts of the world. No higher purpose can be indicated for cooperative education than the creation of adequate leadership to guide the destinies of the new institutions which are being set up in the cooperative sectors of all the newer democracies.

Socio-Economic Factors Underlying Pattern of Leadership

D. R. Gadgil

PROBLEMS of leadership of Cooperative Organizations are similar to a considerable extent all over the world. However, the underdeveloped countries show certain peculiarities of social and economic structure which condition, in a special manner, problems of cooperative leadership among them. Features which specially distinguish the underdeveloped countries from the industrially advanced countries are, poverty with its concomitants of low standards of living and of education, and a traditional social structure adapted to older social and economic conditions. A hundred years ago, at the time when Cooperation was first making headway in countries of Western Europe, conditions in them bore some similarity to existing conditions in underdeveloped countries. They had large proportions of population still engaged in agriculture; the peasantry in most of them was still at the mercy of the moneylender-trader; conditions of living and work in their growing cities were unsatisfactory and the labour class was heavily exploited. A notable feature of the situation in the underdeveloped countries today is the large extent to which in movements like that of Cooperatives or trade unions outside leadership is in evidence. In the initial stages of the Cooperative Movement in Europe also leadership came essentially from outside as in the persons of Owen and Raiffisen.

Poverty, backwardness and an antiquated social structure gravely hamper the progress of Cooperative Organizations and the emergence of cooperative leadership in the underdeveloped countries. The classes and groups in these countries who have a significant saving potential, or have clear comprehension of the possibilities of progress and possess opportunities to take advantage of these, are usually sharply separated from the others. They occupy the spheres of modern business and industry, of the professions and

government service in which there are ample opportunities and all that is needed is aggressive individual effort and group patronage. On the other hand those who are not economically well off, specially privileged or educationally well-equipped cannot make any progress or improve their positions without special effort and assistance. Inevitably, improvement of the conditions of the poor and backward classes in the underdeveloped countries, cannot be initiated by leaders among themselves and if perchance, some such leadership emerges the effort cannot advance far without considerable external assistance. This external aid and assistance has been given, by and large, by government authorities.

In colonial regimes, initiative in relation to cooperative activity was almost invariably taken by government and its officers. There was a special reason for this. It was that the operation of colonial regimes themselves resulted to a large extent in putting down growth and activity of natural leaders in indigenous society. The need to maintain an alien regime necessarily led to discouragement of any large upsurge of spontaneous activity among governed societies as this might lead eventually to agitation for change in the colonial regime. This made it inevitable that government officers supply, in the main, leadership in Cooperative Organizations. For obvious reasons, such official leadership could not lead to any substantial progress or achievement. The growth of Cooperative Organizations would have a logic of its own which would in time impinge on government policy. As economic policy was largely inflexible in colonial regimes, there was a natural check on the growth of cooperative activity. Moreover, in these circumstances, progress in any activity or regime depended largely on the zeal and competence of individual officers and was hampered, apart from other reasons by lack of continuity in leadership. In the more intelligently administered colonial regimes, limited scope was left for the emergence of non-official leadership side by side with leadership of officials. However, even in such regimes, the sources of such non-official leadership and its quality were subject to grave limitations. Such

leadership could emerge only from groups within society which were loyalists or, who were, at least, not militantly opposed to the colonial regime. This was because, on the one hand, it was not possible for such regimes to entrust leadership of potentially powerful Cooperative Organizations to members of hostile groups and, on the other hand the militant groups would ordinarily not find it worth their while to engage in work with highly limited political effectiveness. As a result, it happened that the militant parties whose representatives in most cases came into power, after the cessation of colonial rule, were not usually associated during that rule with the early origins or growth of the Cooperative Movement.

With the attainment of independence, there was no reason why any section of non-officials should keep away from cooperative activity; but the attainment of independence did not materially change the situation in other respects. The handicaps of poverty and backwardness continued and the need for government sponsorship and assistance for initiating and developing cooperative effort among the peasantry and other backward strata was as urgent as before. Also government action now became even more all-pervasive and its spread met with less criticism, than before. Because of the closer identification of people with government and because of the orientation of policies of most newly independent governments towards development planning, official encouragement of the cooperative sector became readily accepted and in the new context, cooperatives were generally agreed upon as the most appropriate agencies through which large numbers of types of plans should be implemented. As the new governments took a much more positive view of their responsibilities than their predecessors, not only the urgency but also the field and types of effort required were greatly increased.

With all this, in the initial stages at least, reliance on government officers also continued. To the extent that colonial regimes had discouraged the growth of indigenous self-reliant leadership and had directly or indirectly fostered habits or attitudes of dependence on government, there

was no alternative readily available. Also, to the extent that the older structure and traditions of societies did not allow for ready emergence or growth of leadership suitable for modern cooperative business, the disappearance of the colonial regime did not immediately prove a corrective. The combination of these two sets of circumstances led and leads in part even today, to a continuation of the dependence on government officers as providing initiative and continuous direction for the growth of the Cooperative Movement.

However, this may be taken as representing an essentially transitional stage. The older disadvantages of official leadership continue even in the post-colonial era. Further, government officers in the new independent States suffer from a continuous diminution of authority and prestige, as the power and prestige of politicians and other non-official leaders grow. The immediate problem in cooperative leadership in all newly independent countries is, therefore, that of rapidly dispensing with leadership of government officers in cooperative activity and establishing a pattern of non-official leadership from among the people themselves. Apart from the general problems arising out of poverty and backwardness, the special problems faced in the emergence and operation of cooperative leadership stem from the stratified social structure and the many divisive factors in the older societies. These differ in their manifestations from society to society and my account is related to the conditions in India and, more particularly, to those in Maharashtra. In India the dominant social factor to which attention has to be paid in every context, is that of the caste. Added to this are other related features of our society such as the division between religious groups, the distance between urban and rural societies and as special corollaries of the above the privileged and isolated position of the classes from whom professionals, and administrators are drawn and the differentiation of the trading communities from the rest of the society and their intense sense of cohesion. All these features of our society have striking results in relation to problems of cooperative leadership. I shall attempt to deal with a few of these.

The first is the provision, badly needed in relation to the poor and the backward, of pioneering leadership from outside these classes. In India, because of the caste structure and because of the cleavage between urban and rural society, leadership from among those who are competent and well-off is not readily attracted towards this work. The classes such as the intellectuals, professionals, administrators or leaders in trade and industry from among whom leadership for pioneering in the cooperative field could most easily come are not, sufficiently, in close or continuous touch with the peasants, artisans or labourers or their problems. Few among them, therefore, possess close understanding of the problems or have intense feeling regarding the conditions of the backward and poorer classes to whom leadership has to be provided. On the other hand, the backward and the poor classes are not always in a position to welcome such leadership from outside when offered. They have stored experience of the past, and lasting memories of oppression, exploitation or at best of neglect or indifference of the urban and the advanced castes and classes towards the problems of other elements in society. The memories of the past and also current and continuing evidence of exploitation, or neglect of these other classes engender feelings of distrust and suspicion among those to whom outside leadership is offered. The lack of sympathy and of trust among those who might be in a position to afford pioneering leadership and those in whose behalf it is to be exercised create grave difficulties relating to leadership. The distrust and the lack of sympathy are not, it may be noted, transitory phenomena, but are rooted in the structure and operation of our hierarchical and caste society.

Our social structure affects not only the attitude of peasants, labourers and other backward classes, towards external leadership, but also influences the degree of internal cohesiveness of these groups. The most important factor, in this context, is the division of these classes among a number of closed groups. In a few regions in India, peasant society may be found relatively homogeneous, i.e. the bulk of the peasantry in the region may belong to a single large

caste or related sub-castes. In the large majority of the regions, however, this is not the case ; so that the peasantry in different parts of a region may belong dominantly to one caste with minorities of other peasant castes or in all parts of the region the composition of peasantry by caste or community might be highly mixed. The division among different caste groups of varying strength, of say, peasant society in a region may have considerable influence over the operation of cooperative leadership. This is because loyalty to caste and suspicion of those belonging to other castes intrude into this area. As a result, members in a Cooperative Society may tend to back leaders from their own caste or community without reference to the quality of these leaders in relation to the work of the cooperative. Also, the leaders and those in authority would show favouritism, in the administration of the society, towards members of their own caste or community. A cooperative, if it has to succeed, has to be operated as an essentially open organization, that is in admission to membership and in the conduct of affairs of the Cooperative Society differentiation between member and member should not be made in relation to any factor that is not relevant to the working of the Society. This is difficult to achieve in a caste society which is composed of a number of relatively closed groups with little intimate social intercourse among members of the different groups. In such a context leaders who will take a consistently non-partisan view of cooperative affairs do not readily emerge nor are members of Cooperatives ready to accept with equal enthusiasm and trust good leaders irrespective of the caste or the community to which they belong.

In areas where the social composition is relatively homogenous or where the membership of a primary belongs to one group the foregoing problems may not come to surface at this level. However, they have to be faced at the higher and more comprehensive stages i.e. wherever members of different caste or community groups have to join together in cooperative effort either primary, secondary or federal and in all integrated efforts and systems.

Another aspect of our traditional society is its hierarchical structure. The different closed groups, castes or communities, are usually ranked in an order which traditionally indicates socio-economic status. In such a society the groups ranking higher find themselves privileged in relation to those that rank lower and it is expected that the latter will defer in most matters to the former. Traditional attitudes and expectations of this type create other problems for the working of Cooperative Societies. The working of a Cooperative assumes equality of all irrespective of community or class. Where the hierarchical ideas derived from the older structure persist (and they are very persistent and pervasive) the democratic functioning of cooperatives meets with a real difficulty. The situation is further complicated by existence within regional and group societies of hereditary positions of leadership in the village, the region, the guild, etc. These were traditionally associated with certain families and were expressed in certain forms of social precedence, some of which may continue to the present. Members of such families or holders of the traditional positions may, and do, expect recognition of their status and the resulting complex of attitudes may get reflected in the working of even a cooperative society. The position of Chairmen, Managers, members of the Boards or Committees of cooperatives may come to be expected as matter of traditional social right by members of the higher ranking groups and families and holders of hereditary offices. It may not occur to the rest to question these claims and if somebody questioned them he might not find general support. To some extent all this may not affect more than the formal arrangements in the Cooperative Organization. However, it is capable of influencing in an adverse manner even the working of these organizations. Positions not only of formal status, but even of real authority may continue to be engrossed by certain groups or persons and they may prove incompetent or dishonest or both; public criticism may yet not be vocal or effective because of the association or continuing influence of traditional attitudes or sentiments. Also, there might be an unequal distribution of benefits of operation of the

cooperative. This is all the more likely as in a number of cases social ranking and economic strength go together. In the circumstances, the cooperative system may operate even within the class, say, of peasants for the special benefit of those higher in socio-economic gradation rather than as an egalitarian force. The situation would be particularly aggravated where groups which are extremely dissimilar in socio-economic status and partly antagonistic to each other live side by side; for example, in common organizations of caste Hindus and untouchables or of those of settled agriculturists and members of aboriginal tribes.

It is, in such contexts, that the much canvassed concept of "natural" leaders needs special examination. It is easy and usual to identify "natural" leaders, with traditional leaders, without remembering that traditional leadership is intimately associated with the hierarchical and hereditary aspects of the older social structure. Reliance on natural or traditional leadership in this case, would, be beneficial only if the natural or traditional leaders accepted fully the values of an open and democratic society and worked for their active implementation and articulation in the operation of Cooperative Organizations. Otherwise, their influence may not prove helpful and may indeed warp Cooperative Organizations from their real objectives and purposes.

Another aspect of traditional society is the high degree of specialization of occupations and the tradition of ignoring interests and skills outside a narrow range. The functioning of a cooperative even at the primary level requires from its leaders a certain awareness of social purpose, some administrative ability and a business outlook. Awareness of social purpose was not absent in the older societies. In fact, paramountcy of group interests was usually taken for granted in these societies. This traditional emphasis could prove an asset to the functioning of Cooperatives except for the fact, already noted, of the somewhat limited interpretation of the concept of group loyalty and group interest. The intervention of colonial rule everywhere, made for a break in the older administrative traditions and did not provide a suitable

substitute on a wide scale especially in relation to administration in a self-governing group. The administrative tradition of the colonial rule was and had to be essentially authoritarian. To this extent administrative experience would be generally lacking. However, this handicap would be got over with independence, when, in due course self-governing political and other organizations proliferated rapidly.

The requirement of a business outlook would be more difficult to meet in a general way. A self-sufficient peasant economy does not breed a business outlook and to the extent that many occupations and pursuits in the older society were oriented away from a market economy business outlook would be lacking in them also. The resulting handicap would be felt not only in the case of classes such as peasants, artisans, or labourers, but also at the level of secondary urban organizations. This is because in the older society the scholar, the administrator and the businessman, were not only functionally differentiated but also usually belonged to rigidly separated castes. The scholar may have high ranking, but would remain poor with no experience of business and money dealings and with an attitude of near contempt in relation to those whose main vocation was finance and trading. The trading and business communities on the other hand, had a highly developed business outlook and were extremely proficient in their own lines, but they possessed, on the whole, little of a tradition of a broad social purpose or of an integrated social loyalty. Therefore, to the extent that leaders in the secondary organizations came from castes with administrative, professional or scholarly backgrounds, they might show an understanding of cooperative principles and an enthusiasm for them, but little appreciation of administrative techniques and almost no aptitude for practical business. On the other hand, if they derived from business communities they would, in the main, not show a high social purpose and would, in addition be more distrusted by the backward communities. Problems of leadership at even the secondary level thus prove difficult because of the special requirement of a combination of social purpose with aptitude for practical business.

Problems arise also in connection with relationships of leaders of the larger Cooperative Organizations with the salaried, administrative and technical staff of these organizations. Apart from such aspects of the situation as are universal the special difficulties in Indian conditions arise from the lack of mutual contact and the resulting distrust and suspicion of each other. This is due to the fact that ordinarily the salaried administrators and technicians and the leaders of the Cooperative Organizations belong to different strata in society and to different closed groups.

At present leadership at the level of secondary organizations is being provided to a large extent by the urban and professional classes. But the extent of this provision is neither adequate nor very effective. The development that holds most in store for the future is the rapid growth of educational facilities in small towns and in the countryside which is raising the level of education in rural society. This together with the gradual increase of effective political power in the hands of the farming community should have the effect of stimulating the emergence of adequately qualified and sufficiently numerous body of leaders from among them. It appears highly likely that in the near future the peasant classes will provide leadership in increasing proportions not only at the primary but also at secondary levels.

In the ultimate analysis, problems associated basically with poverty and backwardness could be solved only by total socio-economic progress. Except in the case of a revolution the process of development is likely to bring about not a sudden change in the conditions of all but only a gradual improvement of conditions of stratum after stratum. However, even a partial improvement of the condition of some among the older poor and backward groups could make for a significant widening of the field from which leadership could emerge. And such a widening might be highly preferable to a continued restriction of the potential of leadership to small urban groups as before. The widening of this potential in relation to the top strata among peasantry and artisans has special significance. Both caste and economic conditions function as divisive factors in India today. The

urban higher caste leadership suffers from handicaps on both accounts in relation to peasants and artisans. The possibility of leaders coming forth from among the better-off peasants and artisans has importance because, in the first instance, they would not labour under the disadvantage of caste differentiation. Secondly, in the prevailing atmosphere of insistence on progress towards a socialist society and the rising importance of mass vote in politics, leaders from among them, the richer strata of peasants, etc. are likely to realize the need of functioning so as to achieve the broader objective.

Finally, there is one aspect of cooperative leadership in India today to which I should like to draw special attention. At present there is an almost entire lack of emphasis in India on training and education of non-official leaders in basic principles of cooperation. The cooperative way has become so associated with economic development and cooperative organizations are so much looked upon as instruments of economic planning that the aspects of instrumentality of economic betterment and of efficiency in operation are almost exclusively emphasized. There is little attention given, side by side, to the aspect of the cooperative as deliberately giving a second place to individual profit and as emphasizing progress of the group as a whole and, in the larger context as seeking protection and growth of the interests of the poorer groups in society. It is true that in an underdeveloped society it is particularly important to insist upon attention being paid to the economic calculus and economic rationality. But it is common experience that the lesson of the pursuit of aggressive self-interest is very easily too well learnt and in the result the old restraining social influences and group loyalties are broken down. It is undesirable that this should be allowed to happen.

Further, in the erection of a cooperative structure, attention to basic principles, the proper division of labour among the different sides, the mutual relations of the primary, the secondary and of the higher federal organizations, meaningful coordination and integration of different types at all levels, attain very great importance. No proper

understanding of these or appropriate articulation of principles could be achieved except through impartation of training and education in basic principles of cooperation. The lack in India in this regard is grave in relation to the general body of members at both primary and secondary levels and specially in regard to leaders of cooperatives at these levels. Serious misdirection of effort at all levels is evident today because of the very uncertain and unclear grasp by all, including the official leadership, of principles fundamental to the formation and operation of cooperative economic activity.

J. C. Ryan

**Forms of External Guidance
and Stimulus
—Governmental**

THE Cooperative Movement is a people's movement. In Western countries, it was led, organized and established by leaders of the people themselves. In Germany, for instance, Schulze Delitsch introduced the Cooperative Credit Movement in the urban areas, while Dr. Raiffisen and Dr. Hass organized it in the rural areas. In England, the Rochdale Pioneers founded the Consumers' Cooperative Movement. In Ireland, Sir Horace Plunkett and Fr. Finlay established the Irish Agricultural Organization Society under whose aegis the cooperative creameries and other Cooperatives were set up. In Canada, Aaron Spiro was responsible for the wheat pool and Mons. Jardine introduced the cooperative credit unions.

In most of the Eastern countries, the picture is different: the Cooperative Movement was initiated by the Government. In India, Burma, Ceylon, Malaya, Thailand, and other countries of the region the Government enacted a Cooperative Law and the Movement was introduced in pursuance thereof. Naturally, therefore, some one had to be made responsible for introducing and guiding the Movement on safe and sound lines. Usually, the law places this responsibility on a Registrar of Cooperative Societies. The leader of the Cooperative Movement in these countries was therefore an official, and, very often, the Cooperative Movement came to be identified with the official. For instance, in the Punjab, it meant Mr. Strickland, Mr. Calvert or Sir Malcolm Darling, and in Madras, it meant Mr. P. Rajagopalachariar or Mr. Swamikannu Pillai or Mr. Hemingway; but these Registrars recognized the fact that the Cooperative Movement should be a popular movement and the best way of making it such a movement was to pick out local leaders to run Cooperative Societies. In fact, Sir Fredrick Nicholson's Report on Agricultural Credit in Europe which led to the

enactment of the first Cooperative Law in India in 1904 recommended that if cooperative credit societies were to succeed in India a Raiffiesen should be found for each village. Successive Registrars in the various provinces of India set themselves to this task of finding Raiffiesens and advised their junior officers to do likewise.

In the early years of the Cooperative Movement, therefore, much of the efforts of the officials of the cooperative department was devoted to searching for local leaders, picking them out and assisting them to get into the managements of cooperatives. The leaders were usually chosen from among those who were recognized in the locality as men of integrity and as men who would work for the common cause in the interests of the general good. They were either the natural leaders of the community or caste which formed the Cooperative Society or wealthy men with wide influence who were inclined to serve their fellow men in a spirit of *noblesse oblige* or educated men who were willing to render a helping hand to their fellow men to improve their economic conditions by joint effort. The officers of his Department were instructed by the Registrar to select such men, acquaint them with the principles of Cooperation and the by-laws of the Societies, enthuse them for the cause and even suggest them to the members of the newly-organised Societies to elect them as their presidents or secretaries. As the selection was usually done with care, the suggestion was almost invariably accepted and these leaders became the office-bearers of Cooperatives.

From the primary level to the secondary and tertiary levels the ascent of the leaders was easy. Their own prestige and influence in the villages and their performance in the primary societies marked them out as leaders who could go up to the higher levels and it needed but a word or two from the district cooperative officer to help a deserving leader to climb up to the central cooperative bank or other district organizations. If it was a case of election to the state cooperative bank or other State Cooperative Organization, a hint from the Registrar was enough to secure the most competent leader for the top office. Most Registrars and their assistants

however did not interfere in the elections at any stage but functioned as friends, philosophers and guides of the Cooperative Society concerned.

The part the officials of the cooperative department played in choosing and promoting leadership in the Movement has gained considerable importance after the war in countries where political independence of some kind was obtained and planning for economic development was undertaken. Planning carries with it the responsibility to execute the plan and is very often backed by funds provided by Government for the fulfilment of the plan. In some cases, as in India, Government had entered into partnership with cooperatives by contributing to their share capital. In some other cases, Government had provided subsidies and loans to assist the societies to attain their objectives more efficiently. In all these cases, the need for safeguarding the funds of the Government given to Cooperatives and for accomplishing the plans drawn up for their expansion and development led Government to desire that they should have a voice in the administration of large societies either through their own officials or through non-officials selected by them. This has given rise to a new variety of leaders, official and non-official, being introduced into the Cooperative Movement. There are instances where the entire committee of a newly registered Cooperative is nominated by Government for the first three or four years; there are cases where a part of them, or at least the chairman, is nominated by the Government initially. This procedure has been generally welcomed by the non-official cooperators themselves because they are in agreement with the plan for speedy economic development and are satisfied that the development desired and the expedition with which it should be attained can be better secured with the help of Government nominees on committees. In India, however, they have restricted the extent of such nomination by saying that it should not exceed one-third of the total strength of a committee or three, whichever is less.

The procedure of nominating a committee or a part of a committee of a society or only its chairman appears to

resemble the procedure which has been adopted by the British Government in the political sphere in countries which they were helping to progressively attain full self-government. Legislative bodies were first constituted with nominated members; later elected members were added on to them; still later even the chairmanship was thrown open to elections. In the economic sphere dealt with by Cooperatives, government policy has approximated to this pattern; but two important differences should be noted: Firstly, Government have made it clear that they will withdraw their nominees from every Cooperative Institution as soon as their own stake in it is retired by the society. Secondly, Government do not exercise any power of veto over the decisions reached by the society. This is a recognition of the autonomous character of the Cooperative and of the fact that full autonomy can be reached quickly and efficiently with initial help and guidance from Government.

It is gratifying to observe that in many societies whose committees or part of whose committees or whose presidents were nominated by Government, when the principle of nomination was given up and the offices were thrown open to election, a good many of the nominees of Government got into office again by the vote of their respective general bodies. Particular mention may be made of a state cooperative bank in which the Finance Secretary of Government who had been nominated by Government as its president was elected to the same office by the members of the bank on the expiry of its period of nomination. Similarly, in a cooperative spinning mill, the nominated president resumed office by the vote of its members when the period of his nomination expired. I give these instances not to justify that leaders of the Cooperative Movement should be selected by the cooperative department or Government. They should ordinarily be chosen by the Cooperative Organizations themselves. Nominations or suggestions from Government or the Registrar should be made only in unavoidable cases. We cannot however ignore the fact that a Cooperative is no a mere social organization.

In the words of a recent publication of the International Labour Office entitled *Cooperative Management and Administration*, "a Cooperative is both an association and an enterprise, combining an ethical content with a business structure and business activities." Therefore it follows that managerial ability which combines clear thinking, good judgement and ability to take a decision and bear responsibility should be ensured to make the enterprise a success. Most developing countries have yet to build up a cadre of efficient managers of big Cooperatives to whom the leaders of the Cooperative Movement can entrust the management of Cooperatives and confine their attention to the broad policies of administration and the ethical aspect of the Movement. In the U.K., Canada and the U.S.A. Cooperatives have attained a standard of financial strength which has enabled them to pay salaries to such technical men comparable with salaries paid by other business organizations. Their Directors are therefore in a position to look after the general conduct of the society leaving details of administration to these experts. Indeed, cooperative unions in some of the advanced countries maintain a list of efficient managers from which Societies choose their chief executives. The sooner Cooperative Organizations in developing countries build up their financial strength and stability, give up Government aids obtained in the form of share capital and subsidies and build up their own managerial strength the quicker will they bloom as fully autonomous institutions which they should be. This is a goal towards the speedy attainment of which official and non-official workers should devote their energies; for, Cooperation should be based on self-help and mutual help and not on self-help, mutual help and State help.

L. C. Jain

**Forms of External Guidance
and Stimulus
— Non-Governmental**

WHERE economic problems are pressing and importunate, as in under-developed countries, they tend to overshadow all other problems and in the desire to seek solutions to these problems means are sometimes subordinated to ends.

In India, economic problems are undoubtedly serious and the standard of living is extremely low by all accepted standards. It has led her to attack with determination the problems of her want and poverty. But this has not ruled out her adopting other goals which are being pursued simultaneously and with equal devotion. Politically, India has embraced the democratic way of life. She is equally wedded to the Fundamental Freedoms which have long been the cherished dream of humanity. In building up society, India upholds and respects the freedom of the individual, and will give as much — if not even more — for preserving it as she will for ensuring to her children, decent living and working conditions, good education, health and welfare.

In such a context, the Cooperative Movement of India assumes unusual significance. One can look only in vain for another form or philosophy which can as neatly combine all the values sought by Indian society.

With this perspective in sharp focus, it becomes easier to answer a number of questions which face the Cooperative Movement today. They are seemingly tedious questions; yet, when examined in the perspective outlined, they are at once simple.

The role of non-official leadership is basic to the Cooperative Movement. If Cooperatives were to be mere economic institutions, we would only need State managers and administrators to run them. But if they are to build up not only the economy, but also human beings, then it is a task beyond the competence of any Government anywhere, at

any time. Even in economic terms, no cooperative venture has yet recorded success where it has also not built up human beings.

This, then, is the first and foremost task of people devoted to this philosophy — to build up human beings, leaders especially — outside the civil service of the Government or of the Cooperatives.

The question is often posed: “Where will so many leaders and builders come from, if the spread of cooperatives is not to be delayed?”

I would like to answer this question by a reference to the experience of the Indian Cooperative Union in its well-known experiment in self-help: Faridabad.

Thirty thousand refugees from the NWFP in Pakistan were provided with temporary tented shelter by the Indian Government at Faridabad, an old town 18 miles south of Delhi. All of them were fed on Government doles. An army unit administered their camp as they were considered a difficult lot in terms of law and order. They lived there for months without any enlightenment as to their future. They grew restless. At last they became desperate and marched to the Prime Minister's house to demonstrate before him. Within a few days the Prime Minister set up a development authority with a number of social workers, social organizations and Government officials, to attend to future plans for these distressed people. The Indian Cooperative Union was one of the organizations invited to join this group.

The ICU found that official plans, until then, had been to construct a township for housing these refugees, a project which was expected to take about five to seven years. The usual building contractors attached to the Public Works Department, appeared on the scene to take up this \$5 million project. Meanwhile, Government had no other plans than to continue the doles till the township was constructed. Feeding 30,000 people over five years would have needed another \$5 million, if not more. The ICU also found that besides converting the tented roofs into concrete ones, the authorities had no plans or ideas to secure gainful employment

for the refugees after they had moved into their newly-built permanent dwellings.

It was patent that the refugees were lacking in leadership, initiative and imagination. The whole burden of planning and completing the job was thus on the officials, who felt that they were already doing more than their best.

The ICU's first step was to prevent the township project from being handed over to the contractors. It felt that the refugees themselves should build their township. A rapid occupational survey, however, showed that, not more than ten per cent of them had ever done a job with their own hands. The rest were moneylenders, petty traders and merchants. At the same time, it was evident that they would have to learn, sooner or later, the use of their hands. It was a hard thing to expect them to undergo an occupational transformation of this nature, but would not the difficult social and psychological problem involved in this transformation be easier if they were made to realize that they were building their own homes? Would not even manual labour then come to be invested with dignity and its travails made lighter?

There were about 5,000 able-bodied men and women who were soon inspired to take up spade and shovel. For effective working, such a large labour force had to be organized in smaller groups numbering in total about 400. And as they were all working not only for a wage but also for an ideal, it became easier to win them over to the cooperative idea. The 400 groups elected as many leaders and periodically changed them, electing new ones. From simple labour cooperatives, various groups acquired enough confidence to take up brickmaking, blacksmithy, carpentry, transport, flour mills, consumer stores, hosiery, garments and power-looms. They spent five hours a day learning their new vocation or trade, and an hour learning the principles and practices of Cooperation.

In little or no time the township sprang up with 5,000 dwellings, hospitals and schools. The faces of the refugees had changed and presented a rare sight, so full of achievement and robust self-confidence. There were many

shortcomings that the township naturally came to experience in the course of its progress, but never was it at a loss for leadership!

Not only at Faridabad, but throughout its work with farmers, craftsmen, slum-dwellers, the ICU has found that given the necessary friendly help and opportunity, human qualities are never slow to develop and assert themselves, and that in such conditions all enterprises function with great speed and economy. Faridabad itself came to completion within three years, two years earlier than the contractors with all their experience had expected to finish it. The lesson is obvious.

A. Q. Ansari

The Role of Secondary Organizations in Developing Leadership at the District and National Levels

A fruitful discussion of the role of national voluntary Cooperative Organizations in developing cooperative leadership is predicated upon two factors. The first is a proper understanding as to what precisely is meant by 'cooperative leadership.' The second is an appreciation of the nature and scope of the activities that could be undertaken from without, without in any manner jeopardizing the autonomous character of the beneficiaries or sacrificing the principles governing Cooperatives, for developing cooperative leadership. Therefore emerges the need at the outset for a brief discussion of 'cooperative leadership.'

"Leadership," it is said, "is the activity of influencing people to cooperate toward some goal which they come to find desirable." A leader is not supposed to compel or subordinate or boss over individuals. But, he is expected to bring together, guide and assist people in developing goals and then to work together for the common ends effectively and happily. His job is to present the goal in an appealing manner to the people, to ensure group cooperation and team work strongest, to make the group loyal to the purpose, and, among others, to show and convince people how they are benefited by the purpose.

ATTRIBUTES OF LEADERSHIP

A genuine interest in the welfare of even the humblest of the people under his leadership, ability to inspire confidence in them, firm faith in the principles of his organization, persistence and perseverance for the accomplishment of the desired ends, willingness to subordinate his personal desires to the interest of the group, knack to understand people and their reactions and above all objectivity and forthrightness, are some of the more important attributes of

leadership. Besides, a leader must have the capacity to assume full responsibility demanded by the position he occupies and to make decisions in the best interests of the group.

Assuredly, these are qualities that cannot be acquired solely by undergoing a predetermined course of training or by possessing a particular degree of education. There are some who are gifted with these and others who have acquired these in the hard school of experience.

While the essential qualities of a leader remain the same irrespective of the field in which he functions, the technical knowledge, capacity to do the job, etc. required for being an effective leader varies, however, with the position and the field of his activity. For instance, persons occupying positions of leadership in the Cooperative Movement shall, in addition, have a thorough knowledge of the principles and practices of Cooperation, and an abiding faith in their efficacy. Mere knowledge of Cooperation and faith would still not be sufficient to render one an effective leader. For, it is futile to expect an 'arm-chair' cooperative leader, however superior his theoretical knowledge of the principles of Cooperation, Cooperative Law, bye-laws, etc. to ensure the successful operation of a Cooperative, say, of handloom weavers, without a thorough grasp of the problems of the industry and a deep understanding of the several processes of manufacture and marketing. Therefore, experience and practice in the particular branch of activities of the society which one seeks to lead become indispensable. Then only would it be possible for the leader concerned to secure concrete gain for the members in order to make them keen in a long-sustained effort.

It is equally important to ensure the mental and moral development of the membership. As has been said by Sir Thomas Allen: "In all human endeavour nothing is worth making unless in the process it contributes to the making of man." Societies truly cooperative cannot exist until the people of whom they are composed are not only educated in cooperative principles and methods, but converted to Cooperation as a means, not only of self-help,

but of help to the community. Thus the cooperative leader cannot afford to lose sight of his responsibility to help develop the individual member to his full stature.

EACH MEMBER A POTENTIAL LEADER

In conformity with the principles of Cooperation, every individual member of a Cooperative is a potential leader. The emergence of leadership from among the members is, however, conditioned by the ability to acquire the qualities of leadership and the necessary knowledge and experience to do a job. The principle of equality which is embedded in cooperative ideology forbids the assumption that the Cooperative Movement comprises 'leaders' and 'followers' in the sense in which these terms are usually employed. It is possible that the assumption was taken for granted in the developing countries, and even found necessary, owing to the conditions obtaining at the time of the introduction of the Movement by the State. In consequence, Government officers, owing to the responsibility assumed by the Government in the promotion of Cooperation, and some public-spirited citizens who were noted for their integrity and had the ability and the leisure required, were grafted into positions of leadership in the Movement by legislative and other devices that satisfied the letter of the principles of Cooperation. Needless to mention that these leaders, more often than not, belonged to a strata of society entirely different from that to which the bulk of the members belonged. As such they had little use of the services undertaken by the societies under their charge.

But, the continuation of the devices for admission of non-user members, over a period of time, seems to have led to the emergence of two classes of members — one consisting of the governing class whose major interest was to occupy positions of leadership and the other comprising the bulk of members whose job was to supply capital, assume liability, deliver their products, purchase their requirements, ask for loans and, last but not the least, vote for the leaders. Although completely segregated from one another by their

social status and economic inequality, they exist side by side in the same cooperatives, each depending on the other for the fulfilment of their respective objectives — one for maintaining its position as the governing class and the other for ensuring the continuity of the services.

All these, among other factors, seem to have conspired to transform, to some extent, elective positions of leadership in cooperatives as coveted places of honour and prestige in one's efforts to climb up the social ladder than as positions that demand from the occupants unremitting services to the membership and the community. Wherever this has happened, societies became mechanical organizations, with the same set of people continuing to occupy elective positions of leadership in disregard of the aspirations of the bulk of the membership to share the responsibility in the management of their own affairs; the societies not infrequently, laying themselves open to political hazards, party factions and internecine strife.

So long as the primary aim of the cooperatives remains to improve the socio-economic situation of its members, its goal has necessarily to continue to be to develop members so that animated by the spirit of self-help and mutual-aid, they individually could rise to a full personal life and collectively to a full social life. Such development of the member — the user-member — who constitutes at once, in the Cooperative Society, the agent as well as the object of socio-economic progress, could be ensured only when he has full opportunities afforded by the leaders to acquire the knowledge, techniques and the attitude of mind necessary for sharing the responsibility to manage the affairs of his society.

ROLE OF NATIONAL COOPERATIVE ORGANIZATIONS

All this points to the need for the development of responsible and responsive leadership. What could be the role of National Cooperative Organizations in the task?

Structurally, the machinery of Cooperation is said to rest on decentralized control in the interest of democracy and

centralized administration in the interest of efficiency. But, so far there has not been a clear-cut demarcation between the spheres of democratic control and the spheres of administrative control necessary for ensuring efficient functioning. Often, there is considerable overlapping resulting in wastage of time and energy and leading to some amount of confusion as well. Without in any manner interfering with the democratic control of institutions at different levels, it should be possible for the national organizations to secure their acceptance of a clear demarcation between the spheres of democratic control to be exercised through elected leaders and executive control to be exercised by the employed, nominated or otherwise chosen leaders. This entails a detailed study of the existing conditions. Yet, this seems to be most urgently called for as a preliminary to the development of cadres of effective leadership for functioning at different levels and in different branches. When once this is successfully accomplished, the task of developing leadership reduces itself to one of organizing facilities for job training.

National organizations should address themselves to the task, preferably through their affiliates, to discover men having the attributes of leadership and imbued with the spirit of Cooperation and the zeal for undertaking pioneering service. They should then train these leaders to perform their functions as efficiently as leaders in private business concerns.

METHODS OF TRAINING

There could be no cut and dried method either for discovering such men or for imparting the training. The methods to be employed are largely determined by the circumstances obtaining and the needs felt in a given region or a given branch of cooperative activity. Among the methods that were employed successfully by national organizations of cooperatively advanced countries for imparting training are refresher and correspondence courses, study groups and study tours, seminars and summer camps.

Another important direction to which the national organizations could turn their attention to is the problem of freeing the Movement from the domination of non-user members. How the domination of non-user members affects the development of proper leadership is too well-known to be mentioned. Efforts have to be made to secure the willing acceptance of all concerned for the gradual elimination of the non-user or non-participating members from having their voice in the administration of the affairs of the Cooperatives at the primary level, to begin with. This, in itself, would help to promote a sense of ownership and attachment among the user-members to their respective Cooperatives. In its wake would be brought out the latent qualities of leadership among the members, who with a little assistance and a proper job training could be equipped to fill in positions of leadership at lower levels.

The National Cooperative Organizations have a responsibility to organize, either directly or through their affiliates, study groups at frequent intervals for members; and seminars or symposia periodically for the purpose of bringing home to the leaders their responsibilities and duties of their boards of directors as trustees of the user-members' interests and their own direct responsibilities as board members. They should be taught as to how to interest and inspire the membership to be active and well-informed owners of their enterprises, working continuously for their expansion. They should be trained to shoulder responsibility and to delegate authority. In other words, they should be taught not merely how to do their jobs well, but also how to help other men do their jobs well.

Such seminars could be followed by the distribution among the participants, of specially prepared literature or other publications including periodicals prepared on these and allied aspects of the subject matter.

SEMINARS. FOR LEADERS

Yet another direction in which the National Cooperative Organizations could help the development of leadership is

by bringing together periodically groups of leaders occupying executive positions in different institutions in a particular sphere of cooperative activity for exchanging experience and information and for acquainting them with the latest trends and developments in their particular field. Such gatherings could be organized as short refresher courses or seminars. The advantages of such seminars are obvious. The services of the participants, on conclusion of the seminars, could be utilized for organizing short courses for members of the boards of management of cooperatives in the same branch, covering the functions, obligations, duties and responsibilities of the members of the board, the relationships of the boards with other institutions and of the members of the board with the officials of the respective cooperatives. For instance, after organizing a seminar for the secretaries of State Cooperative Banks, the Secretary of State Cooperative Bank 'A' could be requested to help the organization of a course for the benefit of the members of the board of management of State Cooperative Bank 'B'. Similarly, such courses or seminars could be conducted for other types of institutions and for leaders of institutions at other levels as well. In the same manner, seminars could be organized for leaders in elective positions also.

Establishment of junior boards is said to have proved an excellent means of affording training and understanding regarding the business problems of Cooperatives in some parts of the United States.¹ Projects on similar lines could be formulated by the National Cooperative Organizations, taking into consideration the local conditions, etc. obtaining in each country, for instituting junior boards of management and commend the same for adoption by their affiliates and other institutions at lower levels. It would be beneficial if every member of the board of management in a Cooperative assumes the responsibility to train another promising member of the society in the functions, etc. of a member of the board of management during the period of his term. There should be no harm in admitting the junior board

¹ *Cooperative Business for Farm Youth* (U. S. Department of Agriculture, Washington, D. C.).

members to the meetings of the boards of management as it would enable them to gain the required experience, although they may not be permitted to participate. However, even in this case, there is no room for any dogmatic approach; but this is an area in which experiments would prove fruitful for the development of leadership at different levels.

It is possible to conceive of many more approaches to problem of developing cooperative leadership consistent with the circumstances and the needs of the situation. The details of all such approaches could best be worked out by the national organizations concerned with due regard to the needs of the time, the stage of progress achieved, etc.

All the same, it has to be remembered that, as has been said by Mr. Wolff, "Cooperation is not a thing that men could be put to by pulling a string or drilling them into the performance of some mechanical action but can be the product only of their own free unrestrained will. They must act for themselves, not suffer themselves to be moved like pawns on a chessboard." Therefore, it is the self-reliant leader who could put forth the best efforts, both of hand and of mind, of which he is capable, that would make for sound and successful cooperation. The emergence of such leaders largely rests with well-informed, enlightened and active membership. Towards that end the national organizations have to put forth the best of their efforts for educating, informing and enlightening the large body of members for finding a lasting solution to the problem of developing cooperative leadership.

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The Role of Secondary Organizations in Developing Leadership at the District and National Levels

IMPORTANCE OF COOPERATIVE LEADERSHIP

MANY a practical Cooperator has come to realize how serious a handicap lack of proper leadership in a Cooperative Movement can be. This is a general truth applying to all Cooperative Movements in the world, but it finds its most striking illustration in the case of the developing Movements of Asia and Africa. Among the several reasons usually advanced for the failure or near failure of some of these Movements, lack of leadership ranks high. In fact, for most of those Movements, it would not be wrong to assert that the deciding factor for success or failure lies in the quality of the leadership given by the people controlling the affairs of these Movements. If these people are honest, sincere and imbued with the right spirit, and if they have trained themselves to be competent and efficient in the conduct of their societies' businesses, then the societies concerned have a reasonable assurance of sound progress and stable prosperity. The atmosphere in such societies is also bound to be healthy and stimulating and will seldom be marred by internal strife or faction, which has spelt the ruin of so many societies in the past.

Crucial as this kind of leadership is, it is so difficult to come by. The sad truth has to be faced that it is definitely a scarce commodity in the market. The reason for this is perhaps to be found in the long-standing habits and traditions of the peoples involved and the dead weight of their former dependent status.

AGENCIES FOR DEVELOPING COOPERATIVE LEADERSHIP

There are a number of possible agencies for developing

this form of leadership in the community, but the following may be listed as the most important :

- (a) governments,
- (b) higher educational institutions (like universities and colleges),
- (c) governmental or non-governmental bodies concerned with promotion of the national welfare in the social and economic spheres (such as Directorates of Social Welfare and Rural and Community Development Councils), and
- (d) Cooperative Organizations themselves (cooperative associations, unions and federations).

Up till now, reliance has been placed mainly on governments in the matter of developing leadership in most Cooperative Movements of the region. This is in a way not unnatural, in view of the superior resources, of both men and material, at the disposal of governments and the relative poverty and inadequacy of the Movements in this regard. We have reason to regret, however, that this reliance has been carried too far and lasted too long, at the expense of the independent and self-reliant character of the Movements. This situation has tended to suppress the autonomy of the Movements and stifle their initiative and enterprise. Besides, there is another trend that has inevitably developed from this extreme dependence on governments, with consequences that are no less deplorable. Our cooperators have not only failed to develop enough genuine leadership within their own organizations; they have, as it were, relinquished leadership of the Movements themselves to government cooperative departments and the officials manning these departments. We are not unmindful of what governments have done for our Movements and are not ungrateful. But the fact remains that government leadership, of whatever calibre, is at best a substitute, an *ersatz*, and should not for long be allowed to take the place of the Movements' own leadership; that would be contrary to the very principles on which the Movements are founded.

The higher educational establishments and public organizations (governmental or otherwise) that are interested in the people's welfare in various social and economic fields, have also a role to play in the development of leadership in a popular movement like the Cooperative Movement. There would seem to be wide scope for making use of the services and facilities that these organizations can offer and for advantageously coordinating their activities with our own in fostering cooperative leadership.

THE ROLE OF SECONDARY COOPERATIVE
ORGANIZATIONS

Much as the foregoing classes of agencies may be relied upon to assist in the development of cooperative leadership, it is the Cooperative Organizations themselves which bear the ultimate responsibility for this task. What the secondary bodies of the Cooperative Movement can do, and how, by way of fulfilling this responsibility is the subject of this paper. Leadership that is under consideration here is leadership at the district and national levels.

The secondary organizations which are to be involved in this all-important task may broadly be divided into two categories:

(a) national or regional wholesale societies which are essentially business organizations formed for the purpose of providing the benefits of large-scale operations (in trade or industry) in favour of the primary or unit societies affiliated to them. They are not, however, precluded from engaging in organizational or educational activities for which their constitutions normally provide.

(b) national or regional unions or federations of societies for non-business purposes like organization, education, propaganda, audit and supervision. By virtue of their aims and objects and the resources they possess or can command, they are the most appropriate organs for developing leadership in the Movement.

RESPONSIBILITIES OF COOPERATIVE
LEADERS

Before we go on to describe the methods and the machinery that the secondary organizations will need to employ for the purpose of developing competent leadership, we might attempt to examine the responsibilities resting on those who purport to lead the Movement.

At the national level, the highest responsibility would appear to be the duty of shaping and securing acceptance of the general policy of the Movement and guiding and directing its activities in accordance with such policy. The proper discharge of this obligation covers a variety of functions and faculties. The leaders of the Movement must have the ability to do some original and creative thinking (based on adequate knowledge and experience) concerning the major problems of the Movement. They should be able to observe astutely the current trends of the Movement, identify its problems and work out genuine and practicable solutions of the same. Once the problems have been thus identified and the solutions found, they should be able to present them to the Movement for recognition and acceptance in as democratic a manner as possible. For smooth and effective application of the democratic procedures which should regulate all important decisions of the Movement, its leaders will need to educate and train the general membership of Cooperative Societies as well as the directors and office-bearers. In addition to its responsibilities towards the Movement, cooperative leadership has certain duties to perform *vis-a-vis* government and the general public. It should never relax in making honest and sincere efforts to spread the cooperative message among the people, to clarify any doubtful or controversial issues that may arise and to counteract all hostile and biased propaganda against the Movement. In its relations with government, cooperative leadership should not allow any legitimate Cooperative cause to suffer by default of vigorous and skilful presentation.

These, then, are the responsibilities of the national leadership of the Cooperative Movement. District leadership

bears similar responsibilities at its own appropriate level, but there are two contributions of particular significance which district leadership can make towards the national effort. The first is the active assistance which district leaders can render in the necessary process of crystallization of the Movement's views and attitudes concerning vital questions confronting the Movement from time to time. We know from experience how difficult and painful a process this can be, if it is not supported and guided by trained and competent leadership. A lot of time and energy can be wasted by diffused or distracted thinking manifested in interminable discussions without any useful or conclusive results. An associated failing is the narrow and parochial outlook that not infrequently intrudes into the national picture and blurs it. District leaders can make their second important contribution by keeping this tendency within bounds and helping local cooperators to look at national problems of the Movement from a broader angle.

WAYS AND MEANS OF DEVELOPING LEADERSHIP

We have first to recognize the fact that few leaders are born, but that most are bred. It will be unrealistic to expect leaders to appear spontaneously without any effort on our part to create favourable conditions for the growth of leadership. It is surprising how often lack of cooperative leadership is deplored but how seldom the need to engender it by intentional design is recognized. It is high time that the secondary organizations of our Movements appreciated this and set about formulating and putting into effect concrete plans for developing leadership. In order to obtain the best results, these plans should be of a comprehensive character and embrace the following essential tasks:

- (a) stimulation of an active interest in the Cooperative Movement and encouragement of a growing desire to learn more and more about Cooperation in its various aspects,

- (b) provision of suitable opportunities and incentives for the exercise of leadership talent and responsibility,
- (c) institution of well-designed courses of training for leaders and prospective leaders,
- (d) teaching of Cooperation in schools and training of youth for future leadership, and
- (e) organization of women for greater participation in the movement, particularly in capacities suited to their status as mothers and housewives.

(a) *Stimulation of Interest*

This is intended to counteract the prevailing state of apathy and listlessness in some of the Cooperative Movements of the region. Good cooperative leadership cannot thrive in an atmosphere of indifference. The national and regional unions of societies should bestir themselves in this behalf and excite an active interest in the Movement and keep it alive by all means at their disposal.

Publications of various kinds adapted to the taste and needs of different classes of readers, are an essential tool for this purpose. Their contents should, roughly speaking, possess two kinds of appeal: (i) to the Movement in general and (ii) to specialized sectors of the Movement. Apart from books and in addition to the regular and periodical organs of the Movement, occasional publications on special or topical subjects should be brought out from time to time in the form of booklets and pamphlets. It goes without saying that all these publications should be got up as attractively as possible and that prudent planning as well as adequate technical skill should be applied to their production.

Adequately stocked libraries and reading rooms should be opened and maintained as ancillary services to the production of literature. The use of audio-visual aids to education should also be resorted to. On the popular side, wide publicity and propaganda for the Movement and its activities should be attempted by means of the daily press, the radio and the cinema.

(b) Opportunities for Leadership and Incentives

It is not often realized how large a scope there is for the exercise of leadership talent and responsibility in the organization and methods of the Cooperative Movement. The innumerable persons elected to serve on various boards and committees in Cooperative Societies, occupy positions of leadership in their respective domains and are expected to possess and display the requisite qualities of group leadership. Service in these bodies should be looked upon as a necessary and desirable training-ground for leadership. The secondary organizations should see to it that entry to these places is not confined to a favoured few but rotated among the many, and that their occupants are treated with honour and esteem. It should of course be ensured that the leadership thus fostered is democratic in character and does not develop autocratic tendencies.

(c) Leadership Training Courses

This is about the most effective measure for the development of sound leadership in the Movement and it is suggested that the secondary organizations place major emphasis on this method of training leaders and devote a substantial portion of their time, energy and funds to the purpose. The trainees to attend these courses and the subjects to be taught should be selected with care and discrimination. It is desirable to give thought to the inclusion of such subjects as elocution, parliamentary procedure and human relations in the curriculum.

Allied in nature to formal training courses and equally fruitful of beneficial results, are discussion groups and study circles. Correct techniques for conducting these should be studied and disseminated by the central organizations.

(d) School Cooperation and Training of Youth

Foresight requires that attention be also given to the training of future leaders of the Movement. The earlier this

training is given, the better are the results. Hence the need to inculcate Cooperative Principles and ideals in school children and introduce them to simple forms of practical cooperation even while they are in school. A logical development of this idea is the Cooperative Youth Movement. Very little pioneering work has been done in these fields by the Movements of the regions whose national unions and regional organizations can no longer afford to ignore these indispensable features of cooperative leadership training and development.

(e) Women's Participation in the Cooperative Movement

There is not much evidence of this in most Cooperative Movements of this region. We must realize that without sufficient participation of women in the activities of our Movements, they remain cold, incomplete and unfulfilled. It may be that our social outlook, traditions and customs have often stood in the way of this, but the times are changing fast and there is little good reason left now for not filling this lacuna. After all, why should not the rulers of our hearths and homes be encouraged and stimulated to share with us the responsibility of leadership in the Cooperatives whose functions bear so importantly on our domestic welfare and happiness?

ORGANIZATION AND MACHINERY FOR
LEADERSHIP DEVELOPMENT

It will be seen that the responsibilities and tasks outlined above are mainly of an educational nature. The standard form of organization for the secondary bodies to adopt for the purpose of performing these functions is, therefore, an education committee and an education department in the union or federation in question. The personnel of such a committee is best chosen from among the members of the board or committee of management of the union, with a sprinkling of co-opted members who have shown particular interest or activity in cooperative education. The committee's

job will be to draw up an educational programme on the basis of the needs disclosed and the resources available and to direct and oversee the implementation of this programme by the Education Department headed by an Education Officer.

The importance of setting up such essential machinery and making it function continuously and efficiently cannot be over-emphasized. It is a basic operation for the secondary organizations, particularly the non-business unions, and constitutes one of the chief purposes for which they have been brought into existence.

Cooperative training schools and institutes offering courses of instruction at differing levels — elementary, intermediate and advanced — should be an integral part of the educational structure, with the Education Department of the union as the responsible authority for their establishment and management.

A small section in the Education Department devoted to research into problems of cooperative leadership can provide more reliable and complete data for planning and helping to secure better and surer results.

FINANCIAL ARRANGEMENTS

Funds will naturally be needed to carry through all these measures. Financial requirements should be worked out on the basis of approved plans and placed by the union at the disposal of the Education Committee which bears the major responsibility for the leadership training and development programme.

Where regional or district schemes need and are deserving of assistance from the centre, the national union or federation should make suitable grants or contributions. Contributions may similarly be expected from the secondary organizations on the business side, especially where they themselves are not actively engaged in educational work on their own.

COORDINATION AND INTEGRATION

Cooperation is known to be most prosperous where a happy balance can be struck between the central authority of the national or regional organizations and the local autonomy of the primary units. This harmony must be achieved only through an honest process of democratic discussion and decision. Skilful coordination and integration are needed to give a smooth passage to the clashing wills and conflicting desires involved in this process.

The higher organizations in the structure should at all times be available for guidance, consultation and assistance to the lower bodies.

S. K. Dey

Decentralised Cooperative Economy—Our Policy and Problems

WHEN WE became independent, the major task before the country was the raising of the abominably low standards of living of the people by a rapid economic and social development. There are various approaches. One view, very powerfully expressed by some, is that a free enterprise economy would be the best method. They argue that industrialists and traders who undertake to produce goods and to provide services should be given a free play. Most of the Western countries have developed in this way, but in the process, the myth of free economy and perfect competition, wherein the search for private gain results in maximum social good, has been exploded. The development of monopolies, the exploitation of labour, and many other socially undesirable effects of free private enterprise led the State to intervene in the interests of the weaker sections of the community. Organizations of workers like the labour unions were developed to protect their interests and the workers also started experimenting with alternative methods of arranging social and productive systems. The birth of the socialist system of economy and the Cooperative Movement took place under the shadow of exploitative capitalism.

An unregulated private sector leads to a racket in the economy. Also enterprise and capital in the private sector would not enter into fields where profits are low or where risk capital required is of a gigantic character and where profits may not be available for pretty long periods. In lesser developed countries the Government therefore has necessarily to enter into the fields of industrial production and undertake enterprises which are of a massive size and are basic to the economy of the country. In India, the public sector is growing at an enormous pace. However, there are also risks in the unlimited expansion of the public

sector. We know from our experience of the world of today that an unadulterated public sector tends in time to grow into a tyranny. In an underdeveloped country, we would need both the private and the public sectors. Our experience of both these sectors has led us to the thesis that there should be a growing and dominant Cooperative sector which would act as a balancing force between the private sector on the one hand and the public sector on the other. The Cooperative Organization is a democratic form of organization. It provides for individual freedom and initiative of its members who have equal rights irrespective of their wealth and who undertake productive and business enterprises through their collective efforts. It does not aim at making profits but at providing goods and services to the members at as low cost as possible consistent with the long-term development of the organization. For certain groups of people like farmers, artisans and consumers, whose resources individually are not large, Cooperative Organization is eminently suited for the purpose of providing themselves with the goods and services they require. In India, we have various types of Cooperatives such as Agricultural Credit Societies, Marketing Societies, Processing Societies like the Cooperative Sugar Factories, Industrial Cooperatives etc. The Government of India believes that the Cooperative Movement in view of its social objectives is an indispensable democratic method for social and economic development and it has declared that the building up of the Cooperative sector shall be one of the objectives of national policy.

There is another sphere, apart from the Cooperative Movement, in which we are attempting to develop a democratic apparatus from the village upwards and this is what we call it the Panchayati Raj. It is a decentralized system of government and administration. This presupposes that we must first establish the basic rights of the family and find out what the family can do for itself without affecting the interests of any other families. What tasks and services cannot be performed by a single family but can be done by a large enough number of families in the village should be done by their next higher democratic organization, viz. the

Village Panchayat. The Village Panchayat is a body of village elders who are elected by the adult citizens of the village, and who administer the civic affairs of the village as also serve as the agency of rural development. The next tier of administration is provided at the level of the Community Development Block comprising about 100 villages with a population of 60 to 70 thousand. The Presidents of the Village Panchayats, alternatively members elected by the electoral college of Panchayats are the members of the Block Panchayat Samiti. Also representatives of women, scheduled and depressed classes, cooperatives, and other special interests not represented in the Samiti are coopted. The Samiti is responsible for planning and administering all development programmes within the territorial jurisdiction of the Block. The next tier is the Zila Parishad at the District level having similar responsibilities and a similar representative composition. And then we have the directly elected State Legislatures and the National Parliament. Thus we are trying to build up a democratic network right from the village upto the national level through these decentralized units of administration together with the State Legislatures and the Parliament of India. Unless there is such decentralization and opportunities are afforded to people to shoulder responsibilities at various levels, it is unlikely that leadership would emerge. It is our aim and hope that such a network of democratic institutions from the village upwards will provide a natural method for the selection of leaders, will be the training ground for such leaders and will provide for a smooth flow of leadership from the village upto the national level. A federal structure for the Cooperative Movement has also a similar approach of building up democratically managed Cooperative institutions from the village upto the national level.

Efficient administration of these institutions demands that there should be honest and competent leadership. This, however, is a complex and difficult problem in view of the low level of education of our people, long colonial rule which sapped all our vitality and the pressing demands for a large number of leaders in the political, economic, civic

and other walks of life. As the Cooperative Movement diversifies its activities and enters into more difficult forms of economic activity such as marketing and processing, leadership of a higher order will be required.

Our countries had been under the colonial rule for a long time. There had been people who collaborated with these alien rulers and helped them to maintain their hold on the people and thus acquired positions of leadership in local institutions. It is these leaders who still dominate Cooperative and other local organizations. On the other hand leaders who were in the vanguard of the freedom struggle and who fought the battle of independence had to shoulder the responsibilities of administration as soon as independence was achieved. They got embroiled in the new war against poverty.

They did not therefore have time to exterminate the old parasitic leadership who were engaged in exploiting the people. The Cooperative sector therefore has difficulties in getting the right type of leadership. Occasionally some Cooperative institutions get good leaders but then there develops a warfare between the old satellite leadership and the new leadership and the entire gamut of forces of the satellite leadership attempt to overthrow the latter. How do we fight this battle with the satellite and feudalistic leadership which is raging in the underdeveloped countries? The only answer to the problem is education of the masses and education of the members so that they know what is good and what is bad.

The temptation is very great on the part of Government in under-developed countries to take the initiative of administering Cooperatives and of training and educating cooperative membership. This is not a desirable approach since the enthusiasm and initiative on the part of the Government apparatus destroys the very initiative which it is the objective of the Cooperative Movement to develop. People who have long been subject to colonial rule lose attitudes and habits of self-reliance. They look to the Government to do everything for them rather than doing themselves. It is thus very dangerous to leave Cooperative

education and training work to a Government organisation since that would increase the dependence of the Movement on the Government. These are the tasks which the Cooperative Movement must shoulder right from the beginning, if eventually it is to become a fully self-reliant and independent Movement.

We in India are trying to evolve a network of Cooperative training institutions and a comprehensive Cooperative education programme to train personnel in both Cooperative institutions and Cooperative Departments, and to educate the vast body of members. It is not an easy task to remould the minds of men of the older generation to a new code and philosophy of life. The adults, however efficient the system of education and training may be, return to their old habits and modes of thought. While the adults cannot be neglected, we must also place great emphasis on the education of the young people who will comprise the next generation. In India we are, therefore, trying to introduce Cooperation in the curricula of schools and universities, and to develop students' own Cooperative institutions.

It is only today for the first time in the history of man that all nations, developed as well as under-developed, are getting together to assist each other. An under-developed country naturally has to evolve its own pattern, a pattern which is suited to the soil, to her people, to the national traditions and culture. But foreign assistance can play a very important role, particularly in the cooperative sector, in the sphere of training and education. The problems we face in India, the aspirations we have here, and the solutions that we seek and evolve have wider implications and would be of interest for most of the countries of South-East Asia. It is a matter of great importance that the ICA has set up its Education Centre at New Delhi for organizing training of Cooperative workers in the South-East Asian Region, and organized a seminar on the subject of Cooperative Leadership.

Report and Recommendations

Background and Basic Concepts

The Democratic Welfare State

THE problems of cooperative leadership in South-East Asia form part of a much more extensive group of leadership problems forced on the attention of the nations of the region by their desire and their efforts to make the most rapid progress possible in their economic and social development. At the level of national government it is assumed that this progress can best be made through the adoption of plans and policies for which government must shoulder the chief responsibility for both formulation and implementation. In the twentieth century there is no faith in the haphazard and lop-sided progress such as was made under *laissez faire* in the nineteenth century. In the economic planning and development of South-East Asia, leadership is at present chiefly the concern of statesmen, politicians, public officials, technicians and directors of business enterprises. Cooperation, functioning within more or less planned economies, also has leadership problems, but these are somewhat different because of its character as a people's movement.

The accepted goal of economic and social progress is indicated by the term "Welfare State". If this is to be attained under democratic constitutions, the active participation of the people as a whole needs to be assured. Well-being is not something to be administered to the people but something to be attained and maintained by their own efforts. The concern of a democratic government is therefore to evoke those efforts from the people, to carry them along with it, to educate them to adopt its plans and policies as their own. It is because Cooperation is a means of evoking effort and educating those who take part in it, that it has attracted the attention of governments. Their desire is naturally to harness its energies to the

execution of their plans even though the nature of Cooperation may not always lend itself to this.

Cooperation and Economic Planning

The Cooperative Movement is itself a form of planned economy. It springs from the desire of both consumers and primary producers to substitute order in their own economic relations to the anarchy and disorder of, or the exploitation of, competitive monopolistic systems. Cooperation creates order by educating people to recognize that it is indispensable to their welfare and that they themselves can realize it in institutions in which they practise self-discipline under leaders whom they themselves choose.

The Cooperative Movement is thus an instrument through which the people can participate in planning. Its experience in establishing economic order, even in a limited sphere, is something government has very rarely at its command. Cooperation, therefore, has claims to be permitted to contribute to economic planning and to be taken into consultation by government. This contribution will be effective only when it represents an independent view of the problems at issue. In any case, Cooperation only yields the best of which it is capable when it develops freely according to its own principles and laws of growth. Independence, however, can only be achieved and maintained in so far as the Cooperative Movement is able to produce capable leaders from among the ranks of its members by its own democratic processes. In whatever manner Cooperative Movements may be initiated, they should evolve towards a constantly greater measure of autonomy within the legislative, economic and social framework. The whole community, the whole country, will benefit by having within it a vigorous, sturdy cooperative sector. A good mutual understanding between cooperative leaders and government economic planners is, therefore, an inestimable advantage.

Democracy and Leadership

Leadership is a democratic function which, according to circumstances, may be exercised by persons with no special

gifts or training for it. In a democracy it is not imposed from above or from outside. It depends on common consent or at least, majority support. The leader has to help the group, society or movement to reach wise decisions and cooperate in implementing them, rather than exert his own wish. He stands in a special relation to his fellows determined by his personal qualities, their respect for him and his sympathy for them and his power of response to their thoughts and aspirations. Even an imposed leader has to establish relations with his group as nearly resembling these as circumstances will permit. But there is much in leadership which does not demand outstanding talent. It can be learnt by experience or acquired through proper training by persons of sincerity of purpose, courage and common sense. It is, therefore, no more than ordinary prudence in any democratic organization to safeguard its own continuance by seeking to maintain the number of competent leaders available.

The circumstances of many countries now beginning their Industrial Revolution make leadership extraordinarily difficult to discover or evoke. The natural or traditional leaders of the typical village community are more concerned with preserving existing institutions than changing them. The people themselves are listless, conservative, resigned; if they can conceive of change, they are totally unable by their own efforts to bring it about. They, therefore, fall an easy prey to any "ism" which paints a rosy picture of a better world attainable by trusting someone who will effect the transformation on their behalf. Yet sooner or later, irresistible economic forces will impose changes upon them; their traditional order will crumble and they will be uprooted and driven willy-nilly from the ancient into the contemporary world, suffering untold misery and demoralization in the process.

External Stimulus and Guidance

Governments desirous of averting these calamities therefore employ such means as schemes of Community Development

and Cooperation, to arouse the spirit of self-help and mutual aid and give it opportunities of practical expression. Government efforts are supplemented here and there by special reformers, religious leaders, philanthropists. They all encounter the same obstacles in finding and developing leaders among the people whom they wish to help. Progress in the pioneer stage is usually slow, hardly perceptible. In their anxiety to show results for the money and energy expended, these agencies may carry assistance to the point where self-help and mutual aid vanish entirely and people who should be helping themselves and their neighbours become receivers of doles, subsidies, and loans they are unable to repay. What Cooperative Institutions they succeed in establishing may, therefore, be unable to stand on their own feet or make their own way, with no prospects of achieving eventual democratic independence. The result may well be Cooperative Organizations without real economic or democratic substance, incapable of the role of a dynamic Cooperative Movement. If the transition from external direction to self-government is not made or stops half-way, the object of securing the active participation of the people in a planned economy may not be achieved.

The problem of inducing a dynamic instead of a static mentality in the typical village community is crucial. Upon it rests the possibility of setting the agricultural masses upon the path of progress. Where agencies external to the village have succeeded in establishing the right contact, the villagers often go ahead with their own chosen and trusted guides. A chain reaction, in which Cooperation leads to self-help and enlightened self-help to Cooperation, may be set up. No one will deny the need for external initiative, encouragement and direction. Under conditions prevailing in South-East Asia the Cooperative Movement could not conceivably have advanced so far as it has done without external promotion and direction. But, henceforward, much more will be demanded of Cooperation than it has achieved in the past. More often than not the movement needs to increase, not so much its size as its strength in terms of a loyal, understanding membership and its component

dedicated leadership. It is, therefore, rarely advisable that, when cooperative expansion is desired, strength and right direction should be sacrificed to speed or that targets should be attained at the expense of good educational preparation amongst the members.

In some countries government may content itself with making generally known its policy of encouraging and assisting Cooperation but leave villagers to approach it through their own leaders. But over a great part of the region there is still need for much organized external stimulus and guidance. The officers who impart these necessary elements should from the beginning try to pick out and encourage interested individuals who show promise of leadership qualities in order to place upon them and the members as much responsibility and power of decision as they can carry. At the other end of the formation process the officers' job is not properly done unless and until a society is capable of running its affairs without them, but they should not prolong their guardianship after this point has been attained. At the same time, the introduction of Cooperation should be made with discretion and very rarely without coordination with some other action aimed at raising the general level of village life. Most of the action has to take the form of an increase in productive power, e.g. through an improvement in the technique of cultivation or handling stock, so that a surplus of income over needs is available. People living in the lowest depths of poverty usually have to be lifted out of the morass by some other agency before they can become effective cooperators. The coordination of the formation of real Cooperative Societies with looser or less systematic forms of mutual aid or with technical services, under a Community Development Programme, is often desirable and successful.

Government aid to cooperative development in the region has sometimes been less effective than could be desired because it has been regarded too much as an administrative matter not of major importance. It is, therefore, satisfactory to note that a number of ministries or departments have declared independence for the Movement to be their ultimate

objective. The functions of the cooperative department are often too legalistically conceived and its head and personnel chosen for their legal knowledge or purely administrative experience. If their functions were simply checking by-laws, audit and compiling statistics, these might be adequate qualifications, but if their mission is to advise and aid an expanding self-reliant, voluntary Movement, then they must be selected from those with university training in economics and the social sciences, or from the business world, or, better still, from the ranks of experienced cooperative leaders. In any case the status of these departments should be raised to a level equal to the potential importance of the cooperative sector in the economy, so as to attract personnel with first class ability imbued with a social purpose. Moreover, the staffing of the departments should provide an adequate number of experts capable of advising Cooperative Organizations on their educational problems and possibly playing an active role in the Movement's educational work.

Educational Bases of Cooperative Economic Expansion

Most successful cooperative enterprise tends to outgrow the social consciousness of the members by becoming too vast and complex for them to understand without special mental effort. Where care is not taken to maintain local personal contact among the members, they may disinterest themselves in their society which will then tend to die from the roots. This is an additional reason why the local group of neighbours must be recognized as the primary cell of the cooperative structure, and the aim of cooperative education is to build healthy tissues through the multiplication of such cells. The importance of this consideration increases in a situation where centralization of management is dictated by economic efficiency or competitive conditions and still more where, in consequence of planning policy, cooperative structures are thrown up like modern steel-frame buildings, in which the internal structure is built into the skeleton afterwards. A rapid expansion of the cooperative marketing

and credit network needs as a counterpart, a vast development of cooperative education and requires for its realization a system of secondary organizations which can only be constructed with the expenditure of an enormous amount of energy and money. Notwithstanding the impressive efforts which are being made, the lag between economic and educational expansion is unfortunately still tending to increase in some parts of the region.

State and Cooperative Education

There is a direct relation between the effectiveness of Cooperative Organization in any country and the level of its education, and especially of its adult education. The external factor of greatest importance for higher standards of cooperative leadership is the development of the public educational system. Free or inexpensive education within the reach of all, not merely children and young persons, but also adults of any age, would liberate enormous social forces, not least a curiosity about the world outside the village which would eventually do much to soften the rigidity of the social stratification which so gravely hinders association for common ends among its inhabitants.

This does not by any means exempt the Cooperative Movement from the primary responsibility for educating young and old in its own principles and practice. There is much force in Professor Gadgil's plea that the Cooperative Movement may concentrate its educational efforts on teaching its members and the wider public its fundamental principles, rather than attempt to attract or hold them by any casual or temporary advantages it may offer. Thus the consumers' cooperative societies should present themselves as a means to a permanently better household economy rather than as a means of restraining a short-term rise in prices. Or, the marketing societies should teach their members to value them for the power and protection they give in the market, rather than for variable price advantages. Cooperative principles are the common bond which unites cooperators everywhere, whatever form of Cooperation they may espouse

or whatever functions they may discharge. Where this task of teaching principles has been neglected or badly carried out, much will have to be unlearned before real progress can be made. Without the knowledge of the true principles, leadership may easily be little better than the blind leading the blind.

Conditions of Cooperative Independence

If there is amongst many cooperators in South-East Asia a feeling that in cooperative development government is prone to do too much and leave too little for the Cooperative Organizations to do for themselves, the possibility of restoring the balance and of ultimately dispensing with government direction or participation in management requires two important conditions to be fulfilled. The first is that the Cooperative Organizations must become to a greater degree self-sustaining in regard to finance. Where public money is employed in large amounts to expand cooperative enterprise, the claim of government to make sure that the money is wisely and well invested can scarcely be resisted. That problem does not lie within the scope of this report. One of the best guarantees, however, that public money invested in cooperative enterprise will be safe and productive is the second condition of emancipation from government control. That is, the management and administration of those enterprises are placed in the hands of cooperators who are technically equal to their functions and at the same time possess in a high degree qualities of leadership, commanding the loyalty of the Movement because they have graduated from the ranks of its members and respond to their real needs and highest aspirations. The question then arises: how can the Movement retain in its service leaders whose outstanding ability opens to them possibilities of careers in other fields? This question is not to be answered in terms of emoluments only but in terms of trust and recognition and widening opportunities to render still greater service.

Recommendations

Education and Training at all Levels

In the light of the foregoing it would seem possible to lay down as a guiding principle that cooperative education and training should be organized in appropriate forms at all levels and in every branch of the Movement's activity. An obligation rests on Cooperative Organizations engaged in industry and commerce, no less than on those Cooperatives formed for non-commercial purposes, to provide education for the members, officers, and employees of all grades. It is the function of the cooperative unions, which are the special guardians of the Movement's principles, to support the educational work of their affiliates and, by supplementing the resources available to them, make it as effective as possible. In this way even the smallest cooperative unit can and should have its educational plan and programme corresponding to its aims and circumstances.

Priority of Primary Societies

Priority should be given in planning educational activity to the needs of the members of primary societies. The training which prepares for leadership should be accessible, even if it is not attractive, to everyone, man or woman.

This local education can be effective only if it is carefully adapted to the general educational standards prevailing among the members. Its aim must be to provoke them to think and express their thoughts. It must stir their imaginations, as well as add to their knowledge, by pictures and other visual means, simple poetry and song, stories and the presentation of problems in personal and concrete terms related to the daily lives of the members and their social and material environment. The preparation of the right

subject matter in the right form is, therefore, a highly-skilled operation which can only be carried out in intimate collaboration with experienced field workers. Even so, it must allow for adaptation to special local needs and attitudes according to the judgement of those field workers nearest to the members. The regular working of the society's business and democratic mechanisms should be utilized to the full to arouse interest and create understanding of what they mean. Cooperative education must be associated with enjoyment and carried out in an atmosphere of comradeship.

Those members who rapidly pass beyond this elementary stage should be kept interested by being given opportunities of training as leaders of educational work in its various forms. They need in particular to acquire the art of leading discussions to fruitful conclusions. This implies conscious training in centres near their homes for short periods of intensive activity. In order to maintain interest, new problems and information must be introduced from time to time and its presentation should be the occasion for consultation with these leaders and for making experiments in method.

Role of Secondary Organizations

Very few primary societies have the resources for initiating or carrying on work of this kind. It must, therefore, be organized on an area basis by secondary organizations. These again cannot be left to their own devices and resources, at any rate not until they have gained considerable experience. The foregoing highly technical work must, therefore, be largely undertaken by a central body from which all concerned obtain guidance, suggestions and material. The central body may be an autonomous institute or a department of a cooperative union, but it should become the repository of all the available knowledge and technical skill relevant to education of members.

Cooperative education, as it develops, cannot remain wholly general. It must begin to specialize according to the differing needs of office-bearers and eventually of employees.

Courses should be organized by the central body in which continued education is combined with training. The very fact that cooperators from different societies are brought together is itself an educational influence conducive to a wider view of the Movement and improvement of methods through comparisons.

Conditions of Educational Efficiency

Cooperative education is accordingly to be conceived, not as a series of isolated actions, but as a system the parts of which fit together in an integrated fashion. It can be conceived and planned as a system, even if only one small part of it can be realized at a time. It must also be conceived as a never-ending process because if the Movement is truly dynamic, it cannot maintain its progress without constantly re-educating all who take part in it in order that they can constantly cope with new situations.

Institutionally, an effective education system requires, at every level, funds earmarked and one officer or a committee made definitely responsible for carrying out education programmes. Education merits equal status with economic operations. It has an equal claim to all that it needs for its efficiency. It should not be expected to work with makeshift premises or equipment from the time that the primary society or cooperative union can afford to provide proper tools for its job. Societies must learn to take as much pride in a classroom or conference room as in an office or shop properly designed and furnished for its purpose.

Since the object in view is to raise to the highest pitch the cooperative and business performance of the Movement, cooperative education can never be advantageously divorced from practice. Training courses should be based on practical projects but not prolonged to the point where the trainee loses touch with his regular work. It is important that the training programme should be integrated with his work and prospects of promotion. Decentralization is, therefore, an important consideration and the example of Ceylon, where the Central Cooperative School at Polgolla is

supplemented by a number of district education and training centres within easy reach of the societies, is worthy of careful consideration.

On the other hand, opportunities to travel for the purpose of enlarging and enriching cooperators' knowledge of their Movement are a necessary part of education and the best corrective of parochialism. Travel can be raised above the level of mere tourism by careful planning which relates the Movements or enterprises visited to students' previous studies or experience. These opportunities should be granted in particular to possible candidates for national leadership.

Finance

Good education is not cheap. Cooperative Movements must realize that the choice before them is either to invest money in education or to lose it in inefficient enterprises and societies which fail. Probably the easiest way of financing cooperative education is the time-honoured method of allocating a definite percentage of net profits or surplus to this purpose. It has the disadvantage, however, of producing a variable income and, at a time when profits are low and educational activity should be redoubled, may reduce the available funds. One alternative is a fixed per capita allocation. The cost of technical training should be borne as a business expense by the organizations which benefit from it. The Movement's economic enterprises, however, should also contribute to its educational funds, if only in return for the benefits they obtain from the cooperative, and loyalty and cohesion which education creates. Direct financial assistance to cooperative education is one of the best means by which government can promote the progress of the Movement.

Use of the Public Education System

When the State pursues an enlightened education policy Cooperative Movements can and should economize their own educational resources by sending students to such

institutions as universities, technical colleges and colleges of adult education, and by urging the inclusion of Cooperation as a subject of study in primary and secondary schools. The extension of school cooperative societies should be encouraged. Universities can often be induced to extend their extra-mural teaching in directions such as economic and social studies, directly advantageous to cooperative education. This practice can at best only supplement the direct education of cooperators by cooperators, but it has its value, especially when the Movement is building up its own corps of educators.

Young People and Women Cooperators

Cooperative Movements should take special pains to make their educational activities attractive to young people of both sexes. It is a benefit to the community when the idealism and energy of youth are harnessed to constructive social causes. In any event, the Movement must raise a new generation of cooperators to succeed the present, for its greatest achievements still lie in the future. Whether young people be grouped in a special organization or not is not a matter for dogmatic statement. The main consideration is that they should become eager to join in the Movement's work alongside their elders.

Similar considerations regarding organization apply to women. In any case, the Cooperative Movement should welcome, on the basis of its own democratic principles, the opening of a wide choice of occupations to women and secure their interest and support, not simply because it eases their work as housewives and mothers but because it offers opportunities of congenial and rewarding service to the community.

International and Intra-regional Assistance

In the development of their educational systems generally and, particularly in the training of leaders, the National Cooperative Movements should keep constantly in mind the

possibility of assistance from the United Nations, its special agencies and other organizations which have an interest in the promotion of Cooperation.

Such assistance can be given through national governments in a variety of forms: expert advice, travelling fellowships and grants in aid of travel, training courses, seminars, publications, etc. Its effectiveness can be enhanced, however, by closer coordination between the governmental and non-governmental organizations. As an example, the establishment of the ICA Regional Office and the Education Centre for South-East Asia will offer possibilities of orienting fellowship-holders and others before they go abroad for study, as well as briefing experts from distant countries coming into the region on a mission. The provision of suitable teaching and study material, the increase of literature on Cooperation available through translation of classics and contemporary works into the vernacular languages, the supply of audio-visual aids in greater abundance and variety, would be accelerated if the organizations consulted one another at an early stage of their planning. The present gaps in the knowledge required to solve problems of cooperative development will be more rapidly filled if the International Organizations combine to sponsor research, experiments and pilot projects.

The national cooperative unions should make themselves well-acquainted with the facilities which the International Governmental Organizations place at their disposal and they should press their home governments to avail themselves of the opportunities offered. It is hoped that, as the work of the Regional Office and Education Centre develops, these institutions will find increasingly effective ways of education and of fostering leadership between the Cooperative Movements of the Region.

The Need for Research into Leadership Problems

In conclusion it may be emphasized that in the field of education much still remains to be learnt, many experiments to be made, much experience to be sifted and

compared. Just because comparison is an essential part of the process by which better methods of learning, teaching and organization can be distinguished from the merely good, such comparisons can probably be usefully undertaken and assisted by institutions like the ICA Education Centre, working, if desirable, on the sociological side with the UNESCO Research Centre, and the FAO Research Branch. The problems of leadership training and education demand for their solutions continued research in various directions, for most of the Cooperative Organisations of the region are only at the beginning of their development, and may look forward to a period of expansion and consolidation which will tax all the ability at their command. The Seminar at New Delhi can thus be rightly regarded as the beginning of a major long-term operation which will be continued by the Education Centre in collaboration with the Cooperative Movements of South and South-East Asia.

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