

**I. C. A. SEMINAR  
ON CO-OPERATIVE LEADERSHIP**

**I. C. A. EDUCATION CENTRE,  
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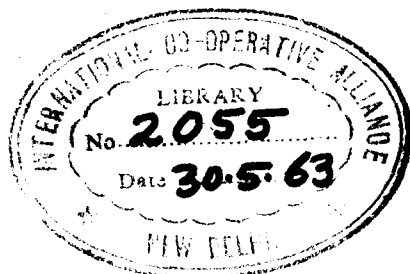
CO-OPERATIVE LEADERSHIP IN SOUTH-EAST ASIA

Vigyan Bhavan, New Delhi, 14th-27th November, 1960.

REPORT AND RECOMMENDATIONS

Part 1. Background and Basic Concepts.

Part 2. Recommendations.



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## FOREWORD

The Seminar on Co-operative Leadership organised by the International Co-operative Alliance, in collaboration with the All India Co-operative Union, at New Delhi in November 1960 was the outcome of wishes expressed at the Co-operative Conference for South-East Asia, convened by the Alliance at Kuala Lumpur in January 1958, and decisions taken by the I.C.A. Executive Committee after receiving the Delegation's report.

Over 40 representatives of Co-operative Organisations and Government officers from Ministries and Co-operative Departments in 10 countries attended the Seminar. Observers from FAO, ILO, UNESCO and other organisations national and international playing an active role in the promotion of Co-operation also took part.

At their final working session the members of the Seminar reviewed their Report and Recommendations in draft form and adopted them without dissent on any major question. After incorporating agreed amendments, together with editorial changes necessary for the sake of clarity and precision, the present text is commended for consideration to all interested in the promotion of Co-operation in South-East Asia.

## ICA SEMINAR: FINAL REPORT

### PART I. BACKGROUND AND BASIC CONCEPTS

#### 1. The Democratic Welfare State

The problems of Co-operative 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 thought of trusting to the haphazard and lopsided 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. Co-operation, 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.

2. 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 Co-operation 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 Co-operation may not always lend itself to this.

### 3. Co-operation and Economic Planning

The Co-operative 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. Co-operation creates order by educating people to recognise that it is indispensable to their welfare and that they themselves can realise it in institutions in which they practise self-discipline under leaders whom they themselves choose.

4. The Co-operative 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. Co-operation 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, Co-operation 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 Co-operative Movement becomes able to throw up capable leaders from among the ranks of its members by its own democratic processes. In whatever manner Co-operative 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 Co-operative sector. A good mutual understanding between Co-operative leaders and Government economic planners is therefore an inestimable advantage.

5. 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 co-operate 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 the proper training by persons of sincerity of purpose, courage and common-sense. It is therefore no more than ordinary prudence in any democratic organisation to safeguard its own continuance by seeking to maintain the numbers of competent leaders available.

6. 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.

7. Governments desirous of averting these calamities therefore employ such means as schemes of community development and Co-operation, 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 social 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 Co-operative 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 Co-operative organisations without real economic or democratic substance, incapable of the role of a dynamic Co-operative Movement. If the transition from external direction to self-government is not made or stops halfway, the object of securing the active participation of the people in a planned economy may not be achieved.
8. 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 Co-operation leads to self-help and enlightened self-help

round again to Co-operation, may be set up. No one would deny the need for external initiative, encouragement and direction. Under conditions prevailing in South-East Asia the Co-operative 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 Co-operation 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 competent, dedicated leadership. It is therefore rarely advisable that, when Co-operative 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.

9. In some countries Government may content itself with making generally known its policy of encouraging and assisting Co-operation 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 Co-operation should be made with discretion and very rarely without co-ordination 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 Co-operators. The co-ordination of the formation of real co-operative societies with looser or less systematic forms of mutual aid or with technical services, under a community development programme, is often desirable and successful.

10. Government aid to Co-operative 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 Co-operative 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 bye-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 Co-operative leaders. In any case the status of these Departments should be raised to a level equal to the potential importance of the Co-operative Sector in the economy, so as to attract personnel with first-class ability imbued with a social purpose. Moreover the staffing of the Department should provide an adequate number of experts capable of advising Co-operative organisations on their educational problems and possibly playing an active role in the Movement's educational work.

11. Educational Bases of Co-operative Economic Expansion

Most successful Co-operative 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 Co-operative structure, and the aim of Co-operative 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, Co-operative 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 Co-operative marketing and credit network needs as a counterpart, a vast development of Co-operative 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.

12. State and Co-operative Education

There is a direct relation between the effectiveness of Co-operative Organisation 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 Co-operative 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 Co-operative 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 Co-operative Movement should 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 Consumer's Co-operative Societies should present themselves as a means to a permanently better household economy rather than 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. Co-operative principles are the common bond which unites Co-operators everywhere, whatever form of Co-operation 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 unlearnt before real progress can be made. Without a knowledge of the true principles, leadership may easily be little better than the blind leading the blind.

### 13. Conditions of Co-operative Independence

If there is amongst many Co-operators in South-East Asia a feeling that in Co-operative development Government is prone to do too much and leave too little for the Co-operative Organisations 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 Co-operative Organisations must become to a greater degree self-sustaining in regard to finance. Where public money is employed in large amounts to expand Co-operative 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 Co-operative enterprise will be safe and productive is the second condition of emancipation from Government control. That is, that the management and administration of those enterprises are placed in the hands of Co-operators 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.

## PART 2. RECOMMENDATIONS

### 14. Education and Training at all Levels

In the light of the foregoing it would seem possible to lay down as a guiding principle that Co-operative education and training should be organised in appropriate forms at all levels and in every branch of the Movement's activity. An obligation rests on Co-operative organisations engaged in industry and commerce, no less than on those Co-operatives formed for non-commercial purposes, to provide education for the members, officers, and employees of all grades. It is the function of the Co-operative 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 Co-operative unit can and should have its educational plan and programme corresponding to its aims and circumstances.

### 15. 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 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 members' daily lives 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 utilised to the full to arouse interest and create understanding of what they mean. Co-operative education must be associated with enjoyment and carried out in an atmosphere of comradeship.

16. 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.

17. Role of Secondary Organisations

Very few primary societies have the resources for initiating or carrying on work of this kind. It must therefore be organised on an area basis by secondary organisations. These again cannot be left to their own devices and resources, at any rate not until they have gained considerable experience. The highly technical work mentioned in para 14 above 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 Co-operative Union, but it should become the repository of all the available knowledge and technical skill relevant to member education.

18. Co-operative 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 organised by the central body in which continued education is combined with training. The very fact that Co-operators 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.

19. Conditions of Educational Efficiency

Co-operative 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.

20. 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 Co-operative 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.

21. Since the object in view is to raise to the highest pitch the Co-operative and business performance of the Movement, Co-operative education can never be advantageously divorced

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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 Co-operative 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.

22. On the other hand, opportunities to travel for the purpose of enlarging and enriching Co-operators' 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.

23. Finance

Good education is not cheap. Co-operative 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 Co-operative 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 organisations 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 Co-operative loyalty and cohesion which education creates. Direct financial assistance to Co-operative education is one of the best means by which Government can promote the progress of the Movement.

24. Use of the Public Education System.

When the State pursues an enlightened education policy Co-operative Movements can and should economise 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 Co-operation as a subject of study in primary and secondary schools. The extension of School Co-operative 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 Co-operative education. This practice can at best only supplement the direct education of Co-operators by Co-operators, but it has its value, especially when the Movement is building up its own corps of educators.

25. Young People and Women Co-operators

Co-operative 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 Co-operators to succeed the present, for its greatest achievements still lie in the future. Whether young people be grouped in a special organisation 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 organisation apply to women. In any case, the Co-operative 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.

26. International and Intra-regional Assistance

In the development of their educational systems generally and, particularly in the training of leaders, the National Co-operative Movements should keep constantly in mind the possibility of assistance from the United Nations, its special agencies and other organisations which have an interest in the promotion of Co-operation.

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 co-ordination between the Governmental and Non-Governmental organisations. As an example, the establishment of the ICA Education Centre 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 the Co-operative literature 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 organisations consulted one another at

an early stage of their planning. The present gaps in the knowledge required to solve problems of Co-operative development would be more rapidly filled if the International organisations combined to sponsor research, experiments and pilot projects.

The National Co-operative Unions should make themselves well-acquainted with the facilities which the International Governmental Organisations 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 Co-operative Movements of the region.

27. The Need for Research into Leadership Problems.

In conclusion it may be emphasized that in the field of education much still remains to be learned, 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 Co-operative 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 Movements of South and South-East Asia.