

Review of International Co-operation



FEATURING
CO-OPERATIVE HOUSING

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Review of International Co-operation

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Editor: Mary Treacy

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Co-ops Can Help Solve the Problems of Rural and Urban Areas



Apart from the discomfort of these shanty towns there is an ever present threat to health when water supplies and sanitation are lacking.



Walls in modern buildings are light and act as drumheads so that noise from the upper floors reverberates down to the lower floors. The noise tends to gradually destroy the family as a unit. In some blocks of flats there is a sort of selfish indifference between one story and another. The good town planner is the poet who harmonizes the lives of people and their families.

(WHO photo by T. Takahara)

Programme Perspective

Editorial

Dear Readers,

On 20th December 1982, the United Nations adopted a resolution proclaiming 1987 Year of Shelter for the Homeless. The UN was seriously concerned that despite governmental efforts to improve housing, the conditions for the majority of slum dwellers continued to deteriorate. Convinced that a special effort to address this issue would result in the strengthening of economic and social development worldwide, the UN urged international organizations and NGOs such as ICA to make special efforts to help achieve the goals of the IYSH: i.e. "to help improve the shelter and neighbourhoods of some of the poor and disadvantaged by 1987, particularly in the developing countries, according to national priorities and to demonstrate, by the year 2000, ways and means of improving the shelter and neighbourhoods of the poor and disadvantaged".

The co-operative housing movement has been working towards these objectives and this publication gives a brief overview of some of the many co-operative projects underway worldwide.

We did hope to have articles from all five continents, however, at the time of going to press some of the articles expected had not arrived. Conspicuous by their absence are Africa and Australia. We will endeavour to include a section on housing co-operatives in these two continents in the final issue of 1987. The articles in this issue are from both developed and developing countries, from East and West Europe, from Asia, and the Americas.

Homelessness is not just a problem of developing countries. An article is being prepared by Mr. D. Petrequin on the new poor in France. It too will be printed in a later issue of the Review. The proliferation of vast blocks of flats to meet the urbanization explosion has given rise to a great deal of controversy. The World Health Organization organized seminars and research to find out if this type of housing is responsible for the increase of mental ill health in cities over the past decades. To ensure the best possible quality of life, satisfactory housing should preferably be set in pleasant surroundings with facilities for recreation and social intercourse. The co-operative solution to housing problems is people-oriented as the following articles clearly indicate.

Many of the co-operative programmes outlined in this Review are exemplary, providing shelter to the very poor members of society, a section of society that many housing programmes do not reach.

Articles from Thailand and Jamaica emphasize the importance of the sixth co-operative principle, restated in Hamburg in 1984, "Co-operation between Co-operatives". Here Credit Unions offer low interest loans to members to set up housing co-operatives. In addition to articles on housing we also have an interview with Mr. William Pascoe Watkins, whom I had the honour of meeting last December, and an article on the Coady Institute for our new regular item on co-operative education and, of course, our regular book reviews.

Many thanks are extended to all the contributors to this issue of the Review.

With Co-operative Greetings

Mary Treacy, Editor

The next issue of the Review will feature articles on Co-operation in Hungary, where the next Central Committee meeting will take place, and articles on Women's Participation in Co-operatives.

Deadline for the next issue: 31st May, 1987

Introduction

by Chairman & Secretary of
ICA Housing Committee

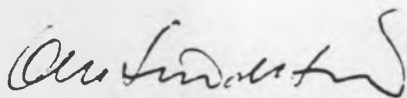
The United Nations General Assembly declared 1987 as the International Year of Shelter for the Homeless (IYSH). The International Co-operative Alliance represents and safeguards the interests of all kinds of co-operative activities, including those of housing co-operatives. Therefore, as its contribution to the IYSH, the Alliance has decided to overview the role which building and maintenance housing co-ops are playing and analyse what they should be doing to alleviate housing misery and provide access to shelter for the millions of under-privileged people worldwide.

It is widely recognized that adequate shelter is a basic human right, yet a growing number of people have no chance of obtaining this right for themselves. This is true mainly in developing countries where the urbanization process and the population explosion combine to cause a critical housing shortage. People in these countries are forced to live in slums, deprived of the most basic hygienic installations, leading to epidemics and to increased criminality.

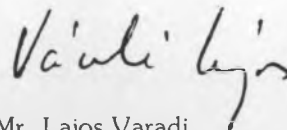
On the other hand, highly industrialized countries are also facing the problems of homelessness due to growing unemployment and, in some cases, manipulation of real estate prices. These people are called the "new poor" — a phenomenon which was discussed at the last meeting of ICA's Housing Committee in Basel.

In Europe co-operatives have been providing shelter for their members through self-help since the end of the last century. Europe was the cradle of the co-operative idea and up till recently housing co-ops have mainly been established in this continent, but housing co-operatives can now be found in Asia (India, Sri Lanka, Malaysia, etc.) and Africa (Egypt, Kenya, Tanzania, etc.) and in the Americas and Australia.

Due to the extremely high costs of construction it is often difficult for housing co-operatives to provide for all the needs of their members and often national authorities help co-ops through facilitating land purchasing and providing loans with favourable interest rates. This governmental assistance is imperative if the co-operative movement is to grow and really make a considerable contribution to alleviating the shortage of shelter in the world.



Mr. Olle Lindström
Chairman, Housing Committee



Mr. Lajos Varadi
Secretary, Housing Committee

**ICA Housing Committee Appeal
International Year of Shelter for the Homeless**

**Co-operative Solidarity with the People in
Developing Countries**

“HOUSING IS A HUMAN RIGHT”

In most developed countries emergency housing needs and housing misery have been overcome to a great extent.

Housing Co-operatives have contributed enormously to overcoming the housing crisis in these countries, thus also contributing substantially to social improvements.

The Housing Committee engages itself to assist people without shelter throughout the world.

Therefore, we appeal to all co-operative housing organizations, their members and, moreover, to all those concerned with the emergency housing need in the Third World to:

**Assist all People Suffering from the Lack of
Adequate Housing**

Those who long for the achievement of social peace in the world know that one of the prerequisites for peace is the provision of basic needs including shelter! This applies especially to the people in the Third World.

Co-operative housing organizations must face this reality and ensure their contribution by providing dwellings, settlements and basic conditions for human existence. Co-operative solidarity, evident in existing housing projects in the Third World, should be an added incentive for all of us to continue this work.

The Year of Shelter for the Homeless (1987), proclaimed by the UN, presents a particular obligation for housing co-operatives all over the world.

Please, help us by providing information, donations and co-operation!

Let's not forget:

SHELTER IS A HUMAN RIGHT!

The Housing Situation is Critical in Latin America



(Photo ILO)

The simplest and most practical way of trying to cope with the problem is to increase productivity in the construction industry. But, if there is a need for many new houses, steps must also be taken to keep the existing ones from complete dilapidation.

The International Year of Shelter – and Co-operative Housing

by Wallace J. Campbell*

At the beginning of 1987, the United Nations Secretary General, Javier Perez de Cuellar, inaugurated the International Year of Shelter for the Homeless (IYSH) saying that “an estimated one in five of the inhabitants of our world lack decent shelter and several million of our fellow human beings lack shelter of any kind. The problem of shelter,” the Secretary General said, “if unresolved, poses a threat both immediate and long-term to the welfare of peoples and the development prospects of the international community as a whole.”

Since co-operatives and particularly, the co-operative housing organizations around the world, are deeply involved in the creation of decent, affordable and expandable housing, this is an occasion when we should take a hard look at the next 13 years in co-operative housing.

The International Year of Shelter for the Homeless should be looked upon as just the beginning of a new age of better housing for people of low incomes around the world.

The housing committee of the International Co-operative Alliance will present a major report on the work of

co-operatives in the field of shelter in the less developed areas of the world at the Central Committee meeting in Budapest in October. Perhaps it is appropriate now to take a look at what is being done.

Instead of a long look at the history of co-operative housing, which, by the way, is less than 100 years old, it is probably better to take a look at what is being done on the front lines in the battle for better housing world-wide at the present moment.

Perhaps the most far-reaching and most revolutionary of the new developments in the housing and shelter field is a six-nation programme now underway in Central America.

In late 1985, the U.S. Agency for International Development (USAID) made a grant of \$10 million to the Co-operative Housing Foundation (CHF) in Washington, D.C. for a programme of home improvement, low cost housing and shelter in six Central American countries.

Most unique about the grant was that it was made directly to a private co-operative foundation and not to the governments of the countries involved.

Great emphasis is being placed now in USAID on the use of the “private sector,” including co-operatives, in the field of development in the less developed areas of the world.

* Wallace J. Campbell is the ICA representative to the UN Headquarters in New York. He was formerly President of CARE, an American co-operative relief organization, and Executive Member of the Co-operative Housing Federation.

By making the grant directly to CHF, USAID indicated that it wanted the funds made available on a revolving basis to the people in those countries in great need of adequate shelter. Conditions involved lending at market rates with a revolving loan basis and with participation, as fully as possible, by co-operatives and other organizations and local resources to supplement the \$10 million grant.

According to the plan for home improvement and new housing construction for low income families, the Foundation works with the local indigenous organizations, largely co-operative credit unions, in making loans ranging from \$50 to \$700 for home improvements in areas where the need is greatest and where there is responsibility on the part of the people and the organizations to see that the loans are repaid promptly and with dignity.

Already, \$4.5 million of these loans have been made and the first repayments are coming in.

On the matching plan, the Foundation estimates, that with this \$10 million grant, supplementary funds will come from credit unions, from individuals and from other organizations, bringing a total of \$19 million for use in the lending programme. Already this programme is working. In a recent conference, the country directors reported that there had not been any significant shortage in repayments or delays in repayments of the loans that have been made to low income families.

Shelter is the heart of a family's economic and social life and a loan made for improvement of that home is something cherished greatly by the whole family who participate in the construction and repayment programme.

It was my privilege to see personally some of the new construction in Guatemala in September 1986 and in Tegucigalpa, Honduras in January of

this current year. In both instances, I was greatly impressed.

The loans for new constructions are made to organizations with experience in co-operative housing in those countries. In Honduras, for example, FEHCOVILL was established some 20 years ago by the Co-operative Housing Foundation. It has been directed and operated by local people almost from the start. The first engineer and director of FEHCOVILL carried its programme forward successfully, and recently was elected President of the Republic of Honduras.

FEHCOVILL is carrying forward a programme of new housing construction on a self-help basis for low income families with spectacular results.

In Guatemala, a representative of the World Council of Credit Unions and I visited, the town of Esquintla to see a co-operative project which was built in the days when I was President of the Co-operative Housing Foundation.

That project looks better than it did when it was constructed because the people keep it painted, have improved their living area and streets, bought television sets and automobiles and live as good "low income", but regularly salaried people can afford to do. It is the same people, but with home ownership in a co-operative they are not "low income" any more!

Next door to the Co-operative Housing project was another project which had been initiated by the government shortly after the completion of El Modelo. That project had stopped in process because of problems with the government and the government housing agency which sponsored the project.

Under the new programme, the Co-operative Housing Foundation made loans to the individual members of the new co-op who had not been able to complete their housing. The day we visited, a hundred men were busy working on the completion of their homes

with materials provided under the loan programme from CHF and the local credit union federation.

In January in Honduras, the executive committee of the Co-operative Housing Foundation met with President Jose Ascona, the former president of FEHCOVILL, now the new president of the Republic of Honduras. Our meeting was in the cabinet room of the presidential palace in Tegucigalpa. We spent an hour with the President and then were escorted into the rose garden for pictures. The next day he inaugurated a conference bringing together representatives of CHF, local co-operatives, local credit union organizations in each of six countries in Central America and directors of USAID and private volun-

tary organizations working with CHF. President Ascona brought with him to the conference the majority of the members of his federal cabinet to give them a feeling of how this programme was progressing.

As the International Co-operative Alliance Housing Committee takes a look at the International Year of Shelter for the Homeless, we need to examine more areas than Central America, even though the six-country programme is large enough to have a world impact.

There are many other programmes being developed worldwide for implementation over the next 13 years. These are the years for which the International Year of Shelter is a prelude.



Street scene in South America ... houses are makeshift shelters built from any materials that come to hand. Millions of people throughout the world have inadequate housing. (Photo ILO)

Strengthening Self-Help in Bolivia: A Successful Co-operative Housing Project

by Dr. Claus Jürgen Hachmann*

In Bolivia decent housing can only be afforded by a few privileged people. According to official statistics, 84 % of all dwelling units are in such bad condition that they are not fit for human habitation. And shelter is a human right, which is mentioned in the UN charter.

The Socio-Economic Situation in Bolivia

The catastrophic economic situation of the country and its astronomic inflation rate have induced the collapse and the permanent crises of both the private and public housing sectors. Moreover, the high birth-rate in Bolivia causes a steady increase in the housing shortage.

The drastic financial situation of most Latin American countries and the burden of external debts, which can not be paid by countries like Bolivia is well known.

As the public authorities are not taking adequate measures to improve the situation and are not expected to do so in the near future, new steps have to be taken to overcome the problem. Housing is not just "providing a roof over the head", but providing a place which can offer a decent life for the many families

whose social situation is getting worse every year. Officially, the housing shortage in the cities, where nearly 50 % of the 6 million inhabitants are living, is 200,000 units, but this is an optimistic evaluation, which does not take into account population growth or rural-urban shifts. The population of Bolivia is severely burdened by unemployment, underemployment, inflation and political as well as social pressure.

As in other Latin-American countries, co-operatives and self-help solutions are urgently needed.

The Co-operative "El Alto"

The co-operative "El Alto" was founded as a co-operative savings bank in 1966. Today it boasts 3,500 members, 500 of whom have been selected for the housing programme. These are the poorest families and those which have been the most affected by the socio-economic problems of the country.

DESWOS, the German Development Assistance Association for Social Housing of the Non-Profit Housing sector in Western-Germany is supporting the newly-formed housing co-operative.

DESWOS strives to provide shelter in Third World countries by assisting non-governmental organizations and promoting the self help of families. DESWOS also provides training and job creation programmes to strengthen self-sufficiency and enable the families to start a new life.

* Dr. Claus Jürgen Hachmann is the official in charge of Training and International Relations of the German All Union of Commonwealth Housing Associations.



Credit co-operative "El Alto", housing programme for 500 families "Villa Cooperativa".



A completed housing project (36 m², cost: US\$ 2,300)



A happy family in front of their future home

The criteria for the selection of the families in "El Alto" was a monthly income of less than US\$ 50. —; the official minimum wage is US\$ 60. —. This shows the orientation of the programme to the really poor sections of society. In Latin America, as in most developing countries, this is not a common approach, but more the exception in housing programmes.

Organization of Self-help

As the houses were to be constructed through self-help, the major problem was financing the purchase of construction materials. When local banks refused their support, the co-operative "El Alto" contacted DESWOS.

With the financial and organizational help of DESWOS, the co-operative was able to erect the first houses with bricks manufactured by the members. The training they received in producing building materials also created additional employment and generated income for the families.

This form of self-help led to an enormous cost reduction. Groups of 5 families construct their own homes which are given to them after completion. The houses are only 34 m², but can be enlarged very easily. In the meantime the families are not burdened by too heavy financial obligations, but are in a good position to repay the credits to a revolving fund, which can be used for further projects. This is a very important way of multiplying the effects of external financial help. The site is large enough to allow residents to start small-scale agricultural production, such as chicken-rearing or fruit and vegetables plots, etc.

In January 1987 — as an initial action to the United Nations International Year of Shelter for the Homeless — the first 45 houses were finished and given to families, who for the first time in their lives could live in a decent manner.

Far more than words, concrete action shows that co-operative solidarity is one of the most important principles for the poor people in developing countries.

Housing Dreams come True in Jamaica

by Pat Jones*

Affordable Housing is Within Reach

The credit union movement in Jamaica has historically been successful in responding to the needs of members. About 13% of the population belongs to a credit union, while membership has grown at a rate of 12.8% since 1978. For many members, especially those with low or moderate incomes, hopes for affordable shelter are realized through the mortgage and home improvement loans of the Jamaica Co-operative Credit Union League (JCCUL).

Economic realities, though, have tempered these hopes. Building construction costs, for instance, have increased more than 400% between the years 1970 and 1980. Members have also had to contend with continued inflation and devaluation of the currency, as well as a corresponding decrease in real income.

Before the League's programme, housing loans were largely provided through traditional financial channels, which have served mostly the middle- and upper-income groups. Barriers to lending to low-income groups are similar to those in other developing countries around the globe — a lack of acceptable collateral and sporadic or insufficient income.

By December 1980, the housing stock of Jamaica numbered about

480,000 units. With an estimated population of more than two million, this resulted in an average occupancy of 4.45 per house. The Jamaican Government is trying to achieve an average of four inhabitants per house by the year 2000, which means an average annual growth rate of 12,400 units.

Jamaica League's Mortgage Programme

Members of JCCUL voted to offer a housing lending programme for low-income households at their annual general meeting in May, 1977. Participating credit unions agreed to deposit a minimum of five percent of their monthly net increase in share capital to the mortgage fund. About 50% of Jamaica's credit unions now participate. Annual interest payable on the deposits was seven percent and eight percent on term accounts. The maximum time to repay is 20 years.

A member must have at least US\$20 saved in his credit union to qualify for the programme. Then, the prospective borrower makes an application for the mortgage loan at his or her credit union. The application requires detailed information concerning employment, income, loans owed, insurance premiums, assets and monthly expenses. The credit union then forwards the application to the League's mortgage department.

* Pat Jones is Communications Officer of the Jamaica Co-operative Credit Union League.

The mortgage department contacts the applicant directly to arrange for an interview, and to request additional documentation that may be required. After the interview, the applicant's file is forwarded to the JCCUL Loan Committee, which meets once or twice a month. Approved and rejected borrowers are informed verbally, with a form letter following. Sometimes a loan is not approved because of a curable deficiency; when that deficiency is corrected, the loan can be approved.

To compensate for inflation, the maximum amount granted on any one mortgage was recently increased from US\$4,000 to US\$5,000, or 90% of the value of the purchase price, whichever is greater. In 1977, US\$4,000 purchased a tidy two-bedroom house in a suburban neighbourhood. In 1986, that same house costs US\$20,000.

Interest Rates

Commercial mortgage interest rates have risen as well. At the beginning of the programme in 1977, market rates were hovering around 12%, in 1986 they climbed to 16%. Credit unions under the programme are now charging 11%.

Not surprisingly, the favourable interest rates attracted many more applicants than available money. As of May 1983 some 1,194 applications had been received with 488 approved, 628 rejected, and 78 pending, according to a 1984 United Nations study on housing. From 1977-1982, the building societies in Jamaica made 13,883 mortgage loans for a total value of US\$110 million. Over the same time period, JCCUL made 417 loans totalling US\$2.2 million.

To date, credit union lending has not reached the volume of the building societies, JCCUL loans average US\$5,800, while the building societies average US\$8,742. The credit union's relatively

low rates of interest, though, have the advantage of making them more affordable to low-income groups than building societies or other private sector loans. And, the system of credit union lending provides an institutional framework for the operation of the mortgage fund.

Home Improvement Programme

In addition to providing mortgage lending, JCCUL also offers a home improvement programme for members. The Jamaica Mortgage Bank provided US\$1.3 million in 1978 for this programme, with funds guaranteed by the United States Agency for International Development (USAID).

In the beginning of the programme, funds were limited to those earning less than US\$1,000 annually, which was considered the median income of credit union members. That limit was eventually increased to US\$2,800. The League borrowed at eight percent, loaned to credit unions at 11%, who in turn loaned to members at 13%. All lending rates were computed on the traditional credit union simple interest basis.

In 1985, the League was able to procure an additional sum of US\$1 million from the Jamaica Mortgage Bank under a USAID guaranteed programme. The interest charged on these funds was 15%. These funds were also matched by the National Housing Trust, a government organization which accumulates a pool for building houses from all wage earners by salary deduction. These funds were made available at six percent. By combining both funds, the League was able to lend directly to credit union members at 13%, calculated on the monthly reduced balance. Each applicant must agree to remain a member of the credit union for the duration of the loan.

Housing Survey

The League's research department completed a survey to determine the housing needs of members, and to provide direction to JCCUL's housing programme. One of the key findings indicates that there is an unmet need for the members between 20 and 35 years of age. Without neglecting older members, the League will place emphasis on providing affordable housing for this age group.

Providing inexpensive housing alternatives was another need uncovered by the survey. JCCUL is considering the possibility of "core" or "shell" units. Under this type of arrangement, the contractor would construct a "shell" house, which the owner would complete over a period of time. This is not

new to Jamaica; in some instances credit unions are already involved with such projects in collaboration with the government's ministry of construction.

Other possibilities include shared ownership between the credit union and member; financing at lower cost from low-interest yielding funds put into a special pool by prospective applicants. Consideration is also being given to granting mortgages over longer periods of time, making provisions for an increase in payments as merit and inflation lead to higher salaries.

The result of these possibilities and the continuing service provided by the housing programme is that Jamaican credit unions are making the dream of home ownership a reality for low-income members.

Reprinted from the Credit Union World Reporter

Interview

with William Yaeger

William Yaeger has had a fascinating career as a financial and housing consultant. He worked with the World Council and Jamaica Co-operative Credit Union League to develop guidelines for mortgage lending and portfolio management and was assistant professor at the University of Texas, U.S.A.

He has also been director, founder and first chief executive officer of the Catholic Credit Union of Galveston-Houston, Texas. The Catholic Credit Union had 1800 members and US\$1.8 million in deposits after its first year of operation.

Now stationed with the U.S. Agency for International Development in Kingston, Jamaica, Bill Yaeger talked recently about his work with the Jamaica League's housing programme.

Why should credit unions get involved in housing loans?

The answer is very simple — because credit unions have the obligation to do so. The movement was founded to improve the social and economic conditions of its members and to assist them to better manage their economic affairs.

In many countries, particularly developing ones, most public and private institutions have drastically reduced their home lending activities. Often, the only hope of obtaining housing for low-income people is through a credit union. Traditional mortgage lenders are reluctant to lend to people who are self-employed and lack regular paychecks.

All people have housing needs, and credit unions are in a unique situation to help. Credit unions also have the capacity to earn a modest spread on what they pay for funds and what they lend. This means income to pay for operations and a source of funds to pay dividends.

Should credit unions approach housing loans differently than other types of lending?

Yes, they should. When you are dealing with someone's home, you are touching the very core of their being. Members are going to be anxious and concerned. There are few things more important than your home.

All staff members should be aware of this and treat the member accordingly — a house is not just a material possession, it is part of a person's being. Members should be kept current on all aspects of the mortgage loan. Let the member know if there are delays.

Then in your view, housing serves a variety of purposes?

That's correct. Recent studies have indicated that people who live in better housing have better health and are more productive. Housing can serve as a warehouse or shop for a small business, as well as being a marketable asset.

Housing contributes to productivity and income, both when it is being constructed and after. One thing I've found is that owning one's home is very important to Jamaicans. A home represents a sense of dignity.

What did you observe during your tenure as consultant to the Jamaica League's housing program?

I reviewed the lending procedures as well as the program and suggested that the League develop a department of housing and hire a manager to run it, which they later did.

One of the gravest problems was the people's lack of funds to pay for housing. Rapid inflation, deterioration in earning power and subsequent loss of real income has put housing out of reach for many Jamaicans. How can you provide housing to people who can't afford a new house?

Another problem was that there is infinite demand in relation to funds. The League could make ten times as many housing loans as they are now making.

What are the advantages of the Jamaican League's approach to housing loans?

The movement had two choices, either have individual credit unions making housing loans or have the League do it in Kingston. Of course, the League decided to process the loans. This has the advantage of centralizing the mortgage lending resources in one place. Mortgage lending takes a substantial number of trained personnel, so the League has built up this expertise.

The current credit union rate for a mortgage loan is 13% annual percentage, while conventional loans are around 18%. Obviously, this makes for a very attractive mortgage loan.

Is trained personnel one of the key ingredients to a successful mortgage lending program?

Often a major impediment to mounting a successful housing lending operation is the lack of personnel trained in mortgage and construction lending. Mortgage lending is contractual by nature and requires knowledge of the legal procedures to register clear titles and secure a loan or real property with a property mortgage.

To start a housing finance operation usually requires the creation of an administrative and managerial unit responsible solely for the origination and servicing of housing loans.

Then, is a credit union or league effectively locked out of housing loans if they lack the necessary personnel and funds?

No, not at all. It is a mistake to focus merely on new homes. The majority of members will not be able to afford new homes. Home improvement lending, which the Jamaica League is also offering, is a good way to start a housing program.

Home improvement loans are targeted to the greatest need of members, and this type of lending is natural for credit unions since they are accustomed to consumer loans. Home improvement loans can take two forms. First, for minor repairs. The stock of available housing deteriorates very rapidly due to the failure of homeowners to properly maintain their homes. Over a period of

5-10 years, a house which should have lasted 20-30 years may become inhabitable. The result for the country and individual can mean a dramatic loss.

Secondly, major home improvement can be funded by the credit union. This could involve adding a bathroom or building a new room. People of modest incomes often save in the form of building materials. In time, they might buy cement blocks or a sack of cement, and when they have sufficient materials, they will do the work.

What advice would you offer for a credit union or league housing lending program?

Define how ambitious a program the credit unions wants to have. Be ambitious, but modest in expectations. Start off with a program that can be managed. I would suggest that it is best to start with a home improvement lending program.

Avoid over-promotion. Let your members know what's going on. Housing loans are complicated with a lot of red tape. Inform members of the progress and problems. Member education is vital, frequently people have unrealistic expectations of the type of home they can afford.

It is important for members to get a start. It is difficult to go from renting to buying a three-bedroom house with limited income. It might be necessary to start with a one-bedroom house. A modest start provides a base to build on.

Reprinted from the Credit Union World Reporter

A Victorian Housing Co-op in California (USA)

by D. Klugman*

To understand Oak Centre Homes, a housing co-op of 89 Victorian units, in Oakland, California, one has to back-track over one century, to the era of Queen Victoria.

When, in the 1870s, the railway finally spanned the American continent, from the Atlantic to the Pacific, the line had to stop at Oakland, a city on the mainland side of San Francisco Bay and passengers had to board ferry boats to their final destination, San Francisco, on the other side of the Pacific.

Thus the city of oaks grew with the rail terminal, at a time when the railroads provided a major source of job opportunities for the black community. A sort of black aristocracy developed around the terminal area, known as West Oakland. They erected Victorian-style houses, which gave the area a style all its own. Over the years, the houses deteriorated, a gigantic bridge replaced the ferries, freeways uprooted the neighbourhood and neglect, relocation and demoralization set in. Indeed, a century later, in the 1970s, the idea was to raze the run-down homes — then reason prevailed and Oak Center Homes saw the day.

* David Klugman has been writing about co-operative subjects for the past twenty years. He has been a contributor to the *Review of International Co-operation* since 1978.

The author thanks Naomi Tonshall, Steve McElroy, Donnette Motley, Valeria Larieau, Janice Starks, Debra Caldwell, Doreatha Ford and Gail Pleasant for their time and help in preparing this article.



I interviewed the co-op's board members, seven ladies of all ages, in the cosy meeting room of the co-op's office building, Oak Center, complete with fireplace, leather chairs and kitchen (by way of contrast, their first meetings had to be held in a school across the street).

This is what they said: "The co-op is a rehabilitation project spread over ten city blocks. Our 41 houses, amounting to 89 units, are scattered throughout the area. One can usually recognize our houses by their better appearance. The first residents moved in in 1978. In May 1983, the project was converted from rentals into a co-op. We find that people with a sense of ownership take better care of their home than when they merely rent and let the landlord worry. In a co-op they themselves are the landlord, so they report damage promptly.



Why the House Crossed the Road ... Houses in the USA can be transported in one piece.



Restored Victorian Home

The co-op restored the buildings, many of which had been moved to their present location, to their original beauty, especially inside. Two of the buildings have been singled out as National Historic Landmarks, a rare distinction.

The co-op's manager is a resident, so is one of the three maintenance crew. Each co-op member has one vote, each family owns one share.

There are five committees dealing with:

- Buildings & Grounds (checks on upkeep, inside and outside)
- Social Club (parties & dances)
- Finances
- A monthly newsletter
- Member selection

The co-op is of the limited equity type, which means that it will permanently be within reach of low-income families. Subsidized at first by the city's

Economic Development Office, the co-op now benefits from a federal law which, under its Section 8, covers about 70% of the rental cost for low-income families. Low-income is the key to membership in the co-op. While most members are black, there is no exclusivity and currently there is one white and one Asian family. Moving-in costs are between \$450 and \$700 and, if the applicant is approved and does not have that amount, loans are available to help.

The houses range from one to five bedrooms, as follows: 11 one bedroom units — 38 two bedroom units — 33 three bedroom units — 6 four bedroom units — 1 five bedroom unit. Were it not

for the Section 8 assistance, costs would run from \$700 to \$1,000 per month. Should a member become unemployed, the charges are reduced.

The board of directors serves for three years, with an election held every year and staggered terms. An outside firm acts as consultant to the co-op.

Oakland is a city of 350,000, of whom about 60% are black; the balance is divided among whites, hispanics (mostly Mexicans) and Asians. There is a certain amount of neighbourhood pride and Oak Center Homes feels it is making a positive contribution to civic progress.



A Board Meeting in Progress

A Housing Co-op With Room for Everybody (Norway)

by Grethe Irvoll*

Nothing is impossible

- A children's home in an ordinary block of flats.
- Handicapped people integrated in several Co-operative Housing Societies.
- Mentally handicapped in their own Co-op flats.
- Mental patients returned to their own homes.
- Nursing home for handicapped patients on the ground floor of a high block of flats.
- Training flat for mentally handicapped youths.
- Flats for the elderly with a home help agency, doctor, dentist, physiotherapist, all in the same block...

A model for a future integrated housing policy or realistic aims? A lot of people would consider the goals outlined above an impossible dream. Stravanger Co-operative Housing and Building Association (SCHBA) proves the opposite:

Nothing is impossible. The question of persevering and trying new and unconventional solutions applies here. Not all the projects undertaken function equally well, but on the whole the co-op is happy with its achievements. The association will not accept that a project will not work without having tried it and,

in most cases, this attitude has paid off, despite opposition from people who thought they knew better.

Together with the Federation of Norwegian Co-operative Housing and Building Association, SCHBA celebrates its 40-year jubilee this year. The Association is a medium sized Co-operative Housing and Building Association with 31 employees, and during these 40 years they have built about 7,000 dwellings. The Co-operative Housing Societies (CHS) are spread over the whole town, from the smallest consisting of eight dwellings to the largest with 523. In principle, SCHBA's policy is to keep societies small in order to maintain a feeling of fellowship amongst the members.

Integration Includes all Groups

SCHBA policy concerning integration includes all groups of people; young, elderly, handicapped and refugees. The municipality of Stavanger has taken in many refugees, especially boat people from Vietnam and families from Eritrea. In collaboration with SCHBA they have obtained dwellings in different societies, taking care to house 2-3 families in the same area because experience has shown that different cultures have completely different ways of socializing and it is also more practical as regards interpretation services, etc.

* Grethe Irvoll is the former editor of BO magazine

A Good Start in Life

In one four-story block of flats there is a children's home, housing nine children, situated on the first floor at one end of the block, with an internal staircase leading to the ground floor where the matron lives. It was merely necessary to rearrange some flats and make an opening for the staircase up to the first floor.

Children from this background have managed better as adults in society than children from other children's homes, says Olufsen, the head of organization at SCHBA. He believes this is because the children learn the rules from a young age so, as independent adults, it is easier for them to comply. Several children from the home now live in ordinary housing co-ops.

A Traffic Free Estate

Seven co-operative housing societies have property on the Tjensvoll housing estate which was built on the basis of a competition for architects and comprises 2-5 rooms flats in low blocks, and small houses. One of the societies has three blocks of flats connected with each other by passages, so it is possible to walk from one block to the other without going outside. One of these contains pensioners flats, while the other two have residents of all categories. On the ground floor of the pensioners block there is a doctor's surgery, a dentist and a physiotherapist, who share a common waiting room and general office. The welfare centre also has premises here. Besides several shops, there is also a cafe and a community centre containing meeting rooms and several small rooms which the residents can use free of charge. There is also an aerobic studio, solarium and chiropodist. Most important is the caretaker's service centre, which employs a manager, 2 part-time workers and ten caretakers who undertake a variety of tasks. During our

visit, one of the residents phoned and asked for help regarding his sick pigeon. But usually it is the more ordinary jobs that are required.

A good deal of the Tjensvoll housing is planned for those in wheelchairs and the estate is a car-free zone. The only exception is a bus which runs every half an hour. Garages are underground with entrances outside the residential area.

Security for the Elderly

The manager, Richard Omdal, explains that although the caretakers are there to take care of practical jobs which the residents cannot manage themselves, they are also available if people just want to drop in for a chat and this is not the least important aspect of their work. The service centre has a telephone warning system connected to the pensioner's flat and operates a permanence when the service centre closes at 15.30. Richard says that most people feel secure when they know they can get help if necessary.

In addition, the welfare office provides nine home-helps who work on shifts from 8 a.m. to 10 p.m. The old people wear an alarm so they can easily summon aid if necessary.

Social Activities

The welfare office contributes 60,000 Norwegian crowns a year to help with social activities. A large meeting room with a kitchen is in constant use by various social clubs and committees. One group organized guitar lessons and the pupils later entertained residents with songs and music which went down very well. They have also been on local radio, and have entertained in many old people's homes.

The pensioners flats have only two rooms, so a special guest room is provided for visitors. When we visited, the room was occupied by an American.

Sharing with the Handicapped Considered an Advantage

In one of the societies there is a nursing home belonging to the Multiple Sclerosis Association (MSA). The designs for the 12-story block of flats which houses the home were completed and building started when the MSA and Stavanger Red Cross contacted SCHBA but the original plans were changed to make room for the nursing home. The flats were situated on sloping ground, which gave the possibility of direct connection from the rooms and terraces to outside areas; staircases and lifts were specially adapted and an annexe was built on containing a living room, a training kitchen and other facilities. At first the able-bodied residents protested against

this annexe, but now it is finished everyone is satisfied with the result.

Most of the patients are in wheelchairs. To integrate people who are handicapped in a usual block of flats has not met with any problems, on the contrary it has been a positive success. Children who live here get used to the fact that not all people are alike, and accept them as a matter of course.

There is a great demand for flats in these blocks from both singles and families with children, perhaps because living with the handicapped gives a feeling of security. Besides residents in the home, there are also several outpatients who live in flats in the same block. It is an attractive place to live with large open spaces, a view over the sports ground and, from the top story a view over the whole estate.



A new and exciting housing area, something between blocks of flats and small houses, built in terraces up a slope. Several mentally handicapped people have their own flats here.

The flats are very welcoming. All the residents have smartened up their front doors with pictures, flowers, ornaments and small mats and, on each floor, there is also a sofa and armchairs with a carpet and flowers which contribute to the atmosphere.

Anything Goes

To liven up the recreational areas which were completely flat, lawns and gardens have been made, playgrounds constructed and hills landscaped and the residents have also made a ski hill.

The motto of Tjensvoll is that the residents are allowed to do anything as long as it does not annoy the neighbours. Everybody in the CHS participates in decision-making, even the children who take care that cars do not drive around the estate and arrange the midsummer night's eve celebrations with the help of adults.

A Half-way House

SCHBA has helped to solve the housing problem for several psychiatric patients who have been discharged from hospital.

Accommodation is granted on condition that the municipality follows up each case. A flat on the ground floor of a block of flats is the contact point, while the patients live in flats in one of the



SCHBA can offer a variety of dwellings including small detached houses, terraced houses and blocks of flats. In Tastaforen, importance is attached to integrating different groups of people.

neighbouring CHS. This centre has fixed opening times where the patients, a total of 16, can chat with the four social workers over a cup of coffee and get help with their problems. The social workers also visit the patients at home if they haven't been seen for a few days and plan weekend activities such as organized walks.

The project started in 1984 and has had positive results although there have been some relapses. When this happens and patients need temporary hospitalization, their flat can stand empty and wait for them to come home again. This is very reassuring for them.

The Municipality's Prolonged Arm

Mentally handicapped youths have a training room in one of the CHS. A couple of pupils live here for several months with a teacher who trains them to master everyday situations. This has functioned well for many years.

The co-op has even sold flats to mentally handicapped people who live alone and work in protected industries. With a little help with practical things this has been successful. People's uneasiness concerning integration of different groups in a CHS is greatly exaggerated and experience has shown that there is little cause for anxiety.

To integrate different groups in ordinary CHS has been, and still is, an aim for SCHBA. They have succeeded in most cases. Initial scepticism has proved to be groundless, thanks to the CHS willingness to try new and unusual ways. Existing laws and rules have sometimes had to be changed to suit a project, but this has not stopped the plans.

The Municipality of Stavanger has always regarded the SCHBA as its prolonged arm when it comes to solving problems concerning housing. Therefore it has been possible to co-operate over problems and to solve them.

Housing Co-ops in Merseyside (UK)

by Tess Treacy*

Co-operative Development Services (CDS) is a community-based housing agency, controlled by its users, which develops and offers a range of options and services for the housing problems of its various client communities.

CDS started its operations in the Liverpool 8 district of Merseyside. This area, once the Royal Deer Park of Toxteth, gained notoriety when the Toxteth riots of 1981 received great attention from the world media.

Liverpool is situated on the Northwest coast of England and was once known as "The Gateway to America". Many thousands flocked to the city during the Victorian and Edwardian eras in search of work and living accommodation. Many of the immigrants were from Ireland, escaping the effects of the Potato famine of 1845-1846 and this influx resulted in ongoing overcrowding problems for the city. During the 30s, attempts made at slum clearance were hindered by widespread severe unemployment and the outbreak of war in 1939, during which the dockland area in particular was severely blitzed.

After the war, nobody was willing to invest money in homes due for demolition and landlords neglected repairs. Councils of this period were concentrating on building huge new estates on the periphery of the city and high rise flats nearer to the city centre.

The Shelter Neighbourhood Action Project (SNAP) first introduced co-ops to Liverpool in 1970, when Granby Co-op was promoted with the aid of Local Authority grants and mortgages — followed by Canning Co-op, specializing in the conservation of Toxteth's stately Georgian Squares and Avenues in 1972. These two co-ops set up Neighbourhood Housing Services as their architects in 1972.

Following the 1974 Housing Act, Liverpool adopted a housing-association based, area renewal strategy, which spurred the growth of a further eight local renewal co-ops, with Neighbourhood Housing Services offering a full range of development and management services as a "secondary co-op".

A London-based housing association was introduced in 1975 to provide additional resources for the growth of community-controlled rehabilitation in Liverpool 8. Tenant representatives from the area formed the core of Co-operative Development Services which started in April 1977 as a purely Liverpool-based association.

Also in 1977, 61 families from Weler Street formed the first co-op to build new houses close to their present homes, thus preserving family and neighbourhood ties. From the initial feasibility study, the estate of 10 courts took 5 years to complete. Designed and built by its occupiers, the project set an attractive example to the city's new building co-operative movement — and has been visited by several influential and famous people, including H.R.H. Prince Charles.

* Tess Treacy is a registered Mersey Guide and a regular after-dinner speaker on local history. Information supplied by CDS Liverpool.



HRH. The Prince of Wales sits down with Weller Street's Design Committee and Catherine Meredith of CDS

Between 1977-1985, CDS has improved 1050 houses for rent; helped eight housing co-ops to start building 320 new homes; has been involved with a further six co-ops to plan new estates, in addition to various projects such as educating and training programmes in housing management, thus stemming the tide of delay and dilapidation in eight years.

In 1981, the Greenleaf Housing Co-op was formed to cater for the housing needs of Liverpool's Chinese Community. Members are a mixture of Chinese-speaking, English and bi-lingual. Currently managing 14 flats in Liverpool 7 & 8, the co-op plans to build Merseyside's first specially designed new-building scheme for the Chinese Community in the next 2 years. This innovative approach to co-op housing won recognition in the Golden Jubilee Competition organized by the National Federation of Housing Associations in 1985.

The Liverpool Gingerbread Housing Co-op, formed in 1978, buys and improves older terraced houses close enough to enable members to have regular contact with each other in groups of 2 or 3 in any one area. Gingerbread is an organization of one-parent families. Liverpool Gingerbread now owns 22 properties. The Rusland Road Housing Co-op is a Women's Housing Co-op which started in September 1985; most of its members are also single parents.

The Princes Park Housing Co-op replaced a hostel for women's and children's aid which was located in two unsatisfactory adjoining houses, with a purpose-built 23-bedroom home for short-term occupation, often by victims of domestic violence.

There are also co-op schemes for the elderly, often providing an emergency warden service. It is recognized that many elderly do not wish to leave their present houses but would welcome the

11 Henlow Ave,
Southdene,
Kirkby,
Liverpool.
L32 9RN
051-548-9022


**RUSLAND ROAD
HOUSING CO-OP**
Ltd.,

Mrs. Treacy
105 Higher Bebington Road
L63 2 PL.
11th March 1987.

Dear Mrs. Treacy

Here as promised are a few details of our Co-operative.

The Co-op started in September 1985 with just a few Members, but C.D.S who are our Development Agents advised us to have at least 30, we now have 39 Members consisting mainly of single parent families, all our Members are women.

We were promised funding by the Housing Corporation, on that understanding, our Committee selected six Architects off a list of 12 that our Development Agents had prepared for us and interviewed them two at a time on three consecutive nights, two were chosen to give a talk to our full Membership from which one was selected, he is Carl Thompson and he now regularly comes to our weekly meetings.

We have two plots of land because we couldn't find a site big enough to hold us all, these are quite near each other so its not too bad.

Carl has done quite a few plans for us, but recently we had to cut our houses sizes down due to the limited funds from the Housing Corporation. We are at this moment waiting to hear from the Housing Corporation to see if have our Block 2 Allocation which will enable us to go ahead with our internal designs.

We have, through our own efforts, raised about £3500 from such things as fetes, dances, jumble sales etc., this money has paid for outline planning permission, Registration Fees and our latest being Auditors Fees due to us having our first Annual General Meeting at the end of this month.

With us all living in flats or maisonettes, its all like a dream come true, as most of our Members are unemployed its the ideal chance of building a home that we can help design ourselves, we will never get another chance like this one.

We have 39 General Members, 15 Committee Members were chosen ^{from} these. Dave Jepson is our Agent from C.D.S who helps us a lot.

I'M sorry we have no photographs to send you but please find enclosed a plan of our site layout, doesn't it look great, from blocks of flats to something like this, it certainly does seem like a dream.

If everything goes to plan, we should go on site either the end of this year or early next year.

Thankyou for showing an interest in us.

Yours sincerely

B.A. Tyndall

Reg No 25351R CHAIR: ~~Margaret O'Connell~~ SECRETARY: Barbara Tyndall TREASURER: Jean Corcoran
Linda Lonsdale

security of alarm systems and various schemes are currently being explored.

From 1980-1983, 14 co-ops received local authority allocations. Following a change of council in 1983, six of these were obliged to continue as municipal housing with promises to honour the tenants' selection of consultant and design proposals. In 1985 the County Council changed its allocation policy, refusing to allow some co-op members to occupy their newly completed

houses, and the word co-op was obliterated from signboards. The members however brought a successful court action and eventually moved in.

Other co-ops were not so lucky and what started out as co-operative housing has now been built as council estates. These, however, will stand out in terms of design, quality and durability as many of the design priorities and ideas have been retained by the present Council.



Huyton Community Co-op for the Elderly choose their bricks from the Brick Library



Members of Greenleaf Co-operative receiving their award from Barry Natton of the National Federation of Housing Associations

Tenant Management Co-ops in the United Kingdom

by Ruth Robinson *

Despite the aspirations of early co-operators who hoped to extend the scope of co-operation, already established in retailing, into the field of housing, very little has actually been achieved.

Although housing co-ops in general have not gained widespread application throughout Britain, a number of different types can be identified. Some are privately funded where co-op members collectively raise a mortgage from a finance institution, which is repaid along with any maintenance costs through the rent levied on the property. In some privately funded schemes the co-operators have some stake in the equity and therefore benefit from any increase in the property value. The larger co-op schemes have usually been publicly funded and can take a number of forms:

i. Short life co-ops, which have short term licences on local authority or housing association housing which is normally waiting demolition or improvement.

ii. Housing Association Grant (HAG) co-ops, utilize HAG finance to develop and own housing which is then let at registered fair-rents. These co-ops have also been referred to as "fair rent" or "par value" co-ops and are essentially housing associations that are organized along co-operative lines.

iii. Management co-ops, usually consist of a group of local authority or hous-

ing association tenants who form themselves into a registered co-operative body. Under an agreement with the relevant landlord they become the managing agents of the housing in which they live.

Largest TMC in Europe

The tenant management co-ops form the largest co-operative housing schemes in Britain. Indeed a 750 house estate in South Glasgow is about to become the largest tenant management co-operative in Europe. While co-ops in general are at the present time receiving more all round support from all the national political parties, tenant management co-ops are the most popular, especially with the government.

Tenant management co-ops began in Wapping in 1978 with a fight to keep a council estate for local people. Now they are the flavour of the month with a government committed to the breakup of public housing and with all opposition parties who see them as a way of giving local communities control over their immediate surroundings. However, despite this consensus over their appeal, tenant management co-ops face a number of problems both in the actual running of the estates they control and also within the housing field in general.

Stephen & Mathilda Co-op (Wapping, London) was the first tenant management co-op in England and Wales and since they signed their management agreement in 1978

* Ruth Robinson is Research Assistant at the Building and Social Housing Foundation.

around 40 others have been established, with the greatest concentrations in London, Liverpool and Glasgow. In all of them the property is retained by the local authority, while the tenants take on some or all of the management functions. Enabling legislation was passed in the 1975 Housing Rents and Subsidies Act and refined in later Acts.

City Development Threatens Co-ops

The property boom in London and in particular in the Docklands area of the city could result in the failure of the Stephen & Matilda Co-op. The 1930s council estate, where the tenants first took management into their own hands, now looks conspicuous against the extreme wealth of the St. Katherine Docks area, that has been developed in the last few years.

Members fear that their homes may be sold over their heads for redevelopment; their management agreement can be terminated by the DoE* or the local authority, Tower Hamlets, with minimal notice, and new powers in the Housing & Planning Act 1986 make evictions of tenants for redevelopment easier.

Equally threatening to the co-op is the right to buy. Sale of some of the properties could destroy the co-op because the complications to management and maintenance could make it unworkable. Loyalty to the co-op has so far restrained people from buying but evidence of the colossal profits to be made are obvious and may undermine this loyalty. However, John Patten the Housing Minister has promised to exclude members of tenant management co-ops from right to buy, though this has never been tested and is not enshrined in legislation.

* DoE = Department of the Environment.

The National Federation of Housing Co-operatives Management Co-ops Group has been lobbying for a right to manage with coercive powers over local authorities. In response to this a last minute clause was inserted in the Housing & Planning Act which required local authorities to consider management proposals from tenants and to spell out the reasons if they were refused. Further action was hinted at but no powers were granted that would force local authorities' hands.

Obstacles to Growth

However, there are many reasons apart from the problems of reconciling individual tenants rights — the right to buy and the right to transfer — with the rights of co-op's, that make it difficult for management co-ops to become a major strand in public housing.

Co-ops are in the first instance, essentially a grouping of friends. In this respect the tenant members who draw up the co-op's waiting list may be more inclined to include people they know, who are reliable, rather than people who are in housing need.

There are also problems with participation with tenant management co-ops. There will always be some people who do not wish to participate in the running of the co-op. Levels of participation are particularly low where local authorities have decided to create management co-ops on priority estates and much higher where the impetus for the creation of the co-ops has been drawn from the tenants themselves.

In addition co-ops have often appeared to be just as bureaucratic as local authorities. In particular, decision-making has been a long drawn out process where committee members have been reluctant to make decisions. Continuity of committees can also be problematic because members require a

high level of training before they become efficient.

Co-ops are not a cheap option and in no way solve the problem of scarce resources. There is evidence from one London borough, Islington, that while the local authority have average costs of £9 per property per week, co-ops in the borough cost £11 per week. This situation is by no means confined to London. In Rochdale at Cloverhill Co-op, which covers 240 properties, the cost of management has also increased. However, co-op members would argue that this extra expenditure has resulted in environmental improvements being undertaken on the estate and indeed that savings have been made in other areas. The Rochdale co-op gets twice as many repairs done at half of what it used to cost the council; arrears fell by 39% from £59,000 in 1982 to £23,000 in March 1985 and the number of voids fell temporarily to 3 in 1984 from a high of 25 in 1981 though they increased again to around 20 in 1985.

In addition to lower arrears, fewer empty properties, and repairs being carried out more quickly, there are other attractions involved in the setting up of management co-ops. Management co-ops are eligible for central government grants for the maintenance of properties and, under the present political climate, these grants are easier to obtain. This efficient maintenance service has resulted in a high level of tenant satisfaction. In a report carried out by Simon Underwood, Steve Ross & Charlie Legg entitled "Who lives in housing co-ops" 87% of all management co-op members were either satisfied or very satisfied with the level of maintenance on their properties. This level of tenant satisfaction often leads to other improvements taking place on what were essentially difficult-to-let estates. The creation of a better social environment within a more caring community has been a feature on estates following the transfer of control

from municipal authorities to the tenants.

Management co-ops are slow and painstaking to establish, calling for great dedication from future members. Most have drawn heavily on outside help. London co-ops had the backing of a specialist team at the GLC* and in Rochdale the DoEs Priority Estate Project has taken on the same role.

The drawing up of the management agreement is a long affair. Delays over employment policies and the availability of resources lead to its constant review. The completion of the management agreement does not necessarily mean an end to all the difficulties associated with the setting up of a co-op. Some items remain as potential problems; tenants on the estate who are not members of the co-op but come under their management; emergency night repair system; "burn out" of committee members and budgetary control, to name but a few.

Positive Signs for the Future

There has been a slow growth of management co-ops in Britain since their introduction in 1978. Their development has been hindered by a lack of political support, publicity, support agencies and primarily because of a lack of funding. However the general mood as present is one of enthusiasm. Tenant management co-ops will be developed because more government resources are being made available to the schemes, the government is actively encouraging and supporting their creation and, at a more local level, the local authorities now have a more mature relationship with the co-op movement and are willing to hand over control of certain estates.

* GLC = Greater London Council.

Whether tenant management co-ops will be seen as the saviour of the public housing stock by stopping the rot on difficult-to-let municipal estates remains to be seen. But where they have been introduced, usually on estates where there are high levels of unemployment,

poverty and vandalism, they have been effective in improving the estates. In the short term they will be more expensive than local authorities but the signs are that costs will decrease as more repairs are carried out.

Co-operative Housing in Portugal

by Wallace J. Campbell

With the change in government and government relations in Portugal in the early 1970s, a renewed effort in co-operative housing was launched in 1975 and 1976 with assistance from HSB, the central co-operative housing organization with headquarters in Stockholm, Sweden. HSB offered to share its programme, policies and technical assistance with Portugal for a renewal of the important co-operative housing programme in that country.

During the first five years of that programme — 1976 through 1980 — the work of HSB was primarily with the government development agency. It started with a training programme on popular movements, including the development of co-operatives of all types.

The Ministry of Housing, which included a foundation for habitation, started a co-operative programme in its planning and development department

and the National Bureau of Housing. The programme led to pilot projects near Lisbon and the creation of a housing management manual for Portugal, and exchange courses in Sweden at HSB.

Starting in 1980 and running through 1985, HSB has been co-operating with FENACHE, the federation of housing co-operatives in Portugal. This included cross visits from Sweden to Portugal, and from Portugal to Sweden. FENACHE have also been exchanging ideas with housing co-operatives in Spain, France and Italy.

In Portugal today there are approximately 200 housing co-operatives, of which 100 are members of FENACHE. FENACHE now has 19,000 co-operative apartments and has about 5,000 additional apartments under construction.

The federation has more than 25,000 members, and estimates that there is a

total of about 50,000 members of co-operative housing projects in the country as a whole.

In the northern part of the country where union support of co-operative housing is important, new techniques of management have been introduced with computer technology.

In 1985, FENACHE invited representatives of co-operative housing organizations from fourteen countries, includ-

ing the United States, to talk over programmes of co-operative housing finance. Delegates visited several co-operative housing projects in the Lisbon area and were greatly impressed with the new designs and the beautiful maintenance programmes undertaken by the resident owners.

FENACHE is a member of the ICA Housing Committee.

STOP PRESS

Dr. Claus Hachmann just returned from Portugal and telexed these impressions to ICA ...

Impressions of Portugal

In Portugal the housing misery is obvious with many people suffering from the situation. The origin of housing co-operatives is connected with the housing crisis and the evaluation of co-operative ideals.

More than 19,000 dwelling units have now been built or the finishing touches are being given. Prices and rents are much lower than in the private sector. FENACHE, the co-operative housing movement, took the ICA housing appeal made at the Central Committee Meeting in Basel last October seriously. A nation-wide campaign has been started to improve the housing situation of the poor.

Following the appeal the first 25 houses will be built for the homeless. Others will follow.

The social work of FENACHE is intensive and impressive. Children's care centres, sports facilities and communication rooms are well organized and in perfect condition.

International solidarity could do much to improve the financial situation of the Portuguese movement of housing co-operatives. The Swedish co-operative organization, HSB, has already given important assistance.

All co-operatives should help to enable as many families as possible to live in a human way, because housing is a human right.

Claus Hachmann

Tenant Housing Co-ops in Lombardy (Italy)

The co-operative movement in Italy is six million members strong, with housing co-ops claiming a particularly healthy percentage of these. Most of Italy's housing co-ops are for people wishing to buy property, but Lombardy, the area around Milan (birthplace of ICA member, Lega Nazionale delle Cooperative in 1886) is also particularly rich in tenant housing co-ops.

There are now 479* housing co-ops in the area, providing homes for sale and rented accommodation for 46,000 families, while the number of members has risen to 142,000.

A Visit to Cooperativa Edificatrice Niguarda

The first housing co-op was set up in 1894 in a working class area on the Northern outskirts of the city. The pioneer co-op is based in Niguarda, a district well known for its large hospital. The first block had 49 rooms, a library, recreational club and later a consumer co-op. The co-op now manages 1670 apartments. Security is tight, as elsewhere in the city. When we arrived to view one block, the guard on duty told us we must call in at the office for permission to photograph. We took the opportunity to chat with the Director, Pierino Monzani. He explained that it is not necessary to live in co-operative

* Of the 479 housing co-ops in Lombardy, 122 only sell homes, 89 deal exclusively with rented accommodation and 267 both rent and sell apartments.

housing to become a member. Many members own their own homes but prefer to invest money in the co-operative than elsewhere. The co-op acts as a bank, offering preferential interest rates, and the area's housing co-ops are very wealthy. At the moment the co-op has 3071 members managing its 1670 apartments.

This particular co-op is very popular and has a long waiting list. It takes about five years to get an apartment, but the co-op makes provision for special need cases. Mr. Monzani explained that most applicants are the children of co-op members, who apply several years before they need their own independent accommodation. With their application, members must deposit 1,000,000 Lira and pay a year's rent in advance. An average apartment costs between 20% and 25% of a factory worker's salary but, as these are fixed rents, the percentage drops as salaries increase over the years. The older people who have occupied their homes for years are now only paying about 5% of their income in rent.

Member Participation

In each block, representatives have been elected to meet with the co-ops administrators each month and to review the co-op's budget before it is presented to all members at the Annual General Meeting. These local committees also organize children's parties and special interest clubs, such as postcard and stamp collection groups, in each

locality. The co-op also organizes a wide range of social activities, publishing a quarterly news bulletin and organizing lectures and discussion groups to keep members informed on contemporary issues. The co-op runs a tourist agency offering members tours and activities at special group rates. In addition, the co-op collaborates with local Communist and Socialist parties in organizing activities such as gymnastic courses for old people, dances and cinema discussion groups for youth.

Village Atmosphere

The apartment blocks are usually extremely attractive. Many of the blocks

are older renovated buildings, but nowadays many new blocks are also built along traditional design, around a central courtyard with a common balcony on each floor. Not only is this form of construction more attractive than the usual nondescript designs found elsewhere, but also the provision for increased interaction among inhabitants enforces security and promotes a community spirit. The courtyards are often equipped with areas where children can play together in safety, away from traffic. There is usually always someone to keep an eye on youngsters and mutual assistance on this level reinforces a feeling of belonging.



The first building constructed by Co-operative Niguarda in 1894, after restoration.

The Aurora Co-op in Cinsello Barlsanna

A drive around the neighbouring suburb of Cinsello Balsanna gives a good indication of the strength of the co-operative housing movement in this area — nearly all construction in this locality appears to be co-operative, with blocks belonging to member societies of Italy's three national federations — the LEGA (Lega Nazionale delle Cooperative e Mutue) AGCI (Associazione General Cooperative Italiane), and CCI (Le Confedrazione Cooperative Italiane).

The Co-operative Edificatrice Aurora was founded in 1926. It now has 1600 members and manages 707 apartments, 31 shops, 2 bars and 3 clinics. The secretariat, of four salaried employees, operates out of pleasant computerized offices, with a room for the President, a large meeting room for the 13 member committee which is elected every three years, and an office where a voluntary social-worker meets

with members several times a week to help sort out any problems. It is easier to get an apartment here, with no deposit required, and it only takes eight months to reach the top of the waiting list. Prices range from 300,000 a year for an old apartment to 600,000 a month for a new one. Here also rents are fixed so they actually decrease over the years in relation to salaries.

Social Activities

The co-op's dynamic young director, Simoni Antonio, explained that several different co-ops were donating money to set up a special service co-op to provide services for the old and handicapped, which should be operational later this year. Aurora co-op organizes activities for members, including theatre and cinema groups, art and photo exhibitions, and so on. Several of the blocks are provided with a large social room equipped with a bar selling drinks, snacks such as crisps and nuts, and sweets for the children at reduced



Co-op Casa di Cremona — An abandoned building is now residential apartments.

prices. Members can book these rooms to throw parties or organize dances. A small kitchen is usually available and residents often hold pizza parties, etc.; a juke box or record player is provided for music. Use of the room is free, but members usually make a small donation to a special fund which is used to provide and maintain facilities. On certain days this room is open to all residents, who take it in turn to work behind the bar on a voluntary basis. When we visited the co-op, Mr. & Mrs. Manfredi opened the bar especially for us and invited us to see their spotless, modern apartment which was as tidy and tastefully decorated as a show house.

Always Room for Improvement

Although the movement is a strong and powerful one, our charming hostess, Maura Brioski from ALCAB, the Lombardy Association of Housing Co-operatives, believes there is room for improvement. At the moment none of the co-ops are providing accommodation which is within the reach of the really poor sections of society.

Within the housing association a group is working to provide more mutual help among members. They have been encouraging members, especially the women, to do more in this area and recently undertook a survey among the women, to see what activities they were already involved in and identify future projects.

"The co-op is not as active socially as it once was" says Maura, "perhaps because times have changed and people have more money. They spend many hours watching television in their own homes, whereas before they were more involved in group activities. The older members no longer have the energy to do a lot of organizing and the younger ones are not so interested in participating in community efforts for which they are not paid." On the other hand, their survey has clearly indicated that the women were very interested in organizing social activities but did not know how to go about it. Maura said the co-ops should educate the women and encourage them to become more involved in community projects.

Maura and her colleagues are very committed to their jobs in the association, often giving up several evenings a week to attend local committee meetings or to talk over problems with members, in addition to putting in a full week in the office. With dedicated co-operators like these, and a healthy financial situation, the movement in Lombardy certainly has a solid basis for further development.

To touch briefly on buying property through a co-op in the area: Low interest State loans of 50% of total cost are available to people whose income is below a certain rate. Buyers must pay the remaining 50% between the beginning and the end of construction, which takes about 18 months. These State loans for buying housing are only granted once in a lifetime.

MTT

A Special Kind of Housing Co-op* (Hungary)

*Special Kind of Housing Co-op**

History of Housing Co-ops in Hungary

The housing situation in Budapest became critical in the post liberation period when thousands of rural people flocked to the cities which had been severely blitzed during the Second World War.

Although housing was declared a major political objective, by the beginning of the 1950s, only a limited number of small, badly equipped flats had been built. In State apartments the rents were ridiculously low (from 2-6 percent of the average income) which meant no proper fund could accumulate from the rents for building additional flats and maintaining existing accommodation. Private development was hindered by numerous shortages.

During the 1950s & 60s a dramatic change was brought about and the role of co-operatives increased compared to State housing, both in the construction of new homes and in the maintenance of existing housing stock.

During the first 15-year plan, between 1961-1975, one million new flats were constructed. The second plan, which started in 1976 has as its main objective the renovation of approximately 100,000 old appartments.

* Adapted from an article by Attila Ujj, President of the BLSZ, which was published in Hungarian Co-operation in 1986. An architect by profession, Mr Ujj has twenty years experience in the co-operative movement.

A Co-operative for the Handicapped

The 1980 Congress of the International Co-operative Alliance called for an effort to be made to help integrate the handicapped into society.

In answer to this resolution a decision was taken to set up a co-operative to provide flats which would meet the needs of people suffering from locomotive disorders.

Although the co-op was targeted towards those who were capable of working and earning at least the average national wage, considerable additional resources were necessary.

The construction site was donated by the Municipal Council free-of-charge. At the same time the council took measures so that the contractor's work would be tax-free. The Public Buildings Design Enterprise designed the complex without charge. Three organizations: the Association of Sufferers of Locomotive Disorders, the Youth League of Budapest Second District and the Budapest Federation of Housing Co-





Co-operators at working on data processing equipment



operatives (BLSZ) organized the work.

In addition the Municipal District Heating Works installed the heating free-of-charge and agreed to look after its maintenance without charge. In order to provide residents with on-the-spot employment, the Agricultural Farming Co-operative "Rozmaring" installed data-processing equipment in the complex as its donation to the co-operative. A physiotherapist is also available on the estate.

The first 40 families moved into the estate in 1983 and a further 14 flats were constructed the following year. Although there have been some settling-in problems, and co-operative education is necessary to encourage residents to participate more fully in the running of their co-operative, we have faith in the future of this special co-operative and hope it will act as a pilot project for the establishment of similar schemes elsewhere in the country.



Residents can take care of most of the household chores themselves



Polish Housing Co-operatives for the Under-privileged

By Ryszard Jajszczyk *

The Polish housing co-operatives have a broad scope of activities. By the end of 1986 they were managing 2.4 million apartments and each year they construct an additional 100 thousand units. In Poland, more than 1.8 million families are waiting for co-operative apartments. There is a critical housing shortage in the country and the main objective of all the organizations concerned with housing, including the housing co-operatives, is to eliminate this problem.

The most acute difficulties are experienced by two groups, namely young couples and the disabled (senior citizens and invalids) and the housing co-operatives have initiated activities through which their particular housing problems can be solved.

Below are exposed two such projects developed in the port of Gdynia in northern Poland:

Gdynia Youth Housing Co-operative

This co-operative was founded in 1982 on the initiative of Youth organizations of Gdynia's biggest industrial enterprises.

The co-operative is financed by state bank loans on the same terms as generally available for housing co-ops in Poland. The building site (approximately 50 hectares) was donated to the co-operative by the municipal authori-

ties on a 99-year lease. The land is situated on the far outskirts of Gdynia and initially had no communal facilities or technical and social infrastructure. The design consists mainly of one-family houses, supplemented by multifamily blocks of flats, 3 to 4 stories high. After the project is completed it will house about 10,000 persons.

The majority of Polish housing co-operatives commission state building companies but the Youth Housing Co-op's members do most of the construction themselves; the co-op set up four workshops: prefabrication of concrete elements, a timber plant, a building group and a transport group.

Each member of the co-operative is obliged to work at the building site at least 4,000 hours over a 3-year period. This is a great burden for the members and their families who have to sacrifice weekends, public holidays and their annual leave; occasionally even requesting unpaid leave. However the young people are ready to make sacrifices to possess their own independent apartment.

The co-operative develops semi-independent projects, consisting of 30 to 40 housing units i.e. one family houses and/or flats in multi-family blocks. For each project a work gang is formed with 8 to 10 specialists, provided by the co-operative, and members in a number equal to the number of housing units in the project. The co-operative gives special training in bricklaying, plumbing, etc. The gang does all the

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Co-op Housing for Youth at Gdynia

construction, internal installations, and part of the technical infrastructure on the building site.

The flats are allocated by drawing lots, after the basic work has been finished and the members have fulfilled their obligation to work for 4,000 hours, after which the finishing touches are carried out on an individual basis.

From 1982-85 the co-operative began the construction of 858 one-family houses and 30 apartments. In 1986 a further 346 one-family homes were commissioned. The co-operative has gained much support from the local community, as it allows young people to obtain a home in a shorter time and at less cost than could normally be expected.

The co-operative collaborates closely

with the municipal authorities and the industrial enterprises where the members work. Members are admitted to the co-operative upon the recommendation of the enterprise, which assists the co-operative in acquiring building equipment and purchasing materials. An enterprise can only recommend an employee who is married with at least one child and who has no apartment. The municipal authorities finance the technical infrastructure of the land and build schools, medical centres and commercial centres.

One of the most positive results has been the solidarity between co-op members which developed during the mutual construction of homes and is maintained and cultivated by yearly festivals and cultural and sports events.

“Za Falochronem” (“Beyond the Wave-Breaker”)

This co-operative was founded in Gdynia in 1967 on the initiative of local medical circles. The idea was to create decent living conditions for the sick and disabled, and at the same time to provide permanent medical and social care.

A complex was commissioned in 1947, comprising housing, common social areas and a medical centre. The complex contains 270 small 1-room apartments (with an ante-room, bathroom and toilet). A social centre of 2,200 m² offers catering facilities, a laundry, rooms for resident doctors and nurses and a day room for social activities. The medical centre, which covers 4,200 m², is connected by a covered walk with the housing units. It serves, not only the co-operative's members, but also other tenants in the neighbourhood.

The apartments and social centre were financed by bank loans and members' downpayments according to rules applicable to all other tenant co-operatives in Poland. The bank loan will be repaid through the members' rents. The medical centre is financed from municipal resources. The apartments are managed by the co-operative and all the costs are covered from the rents.

The social and medical centres are managed by the public health service and the co-operators pay for their services in the same way as patients of state welfare housing; if the income of a given person is not adequate to cover the appropriate payment, the difference or the whole cost is paid by the municipality.

Membership of the co-operative is based on the opinion of a special medical commission and after a social survey. Most members are over 60 years (the majority are over 80). There are also some relatively younger members, but as a rule they are very crippled. Many are bed-bound or their movements are restricted to their own apartments. Most of the members are on welfare. About 2,000 persons are on the waiting list: to meet the growing demand, the co-operative is constructing a second building for 228 tenants and prepares to start two further buildings for 372 tenants.

The above two examples are not unique in the Polish housing co-operative movement. There are many similar projects which bear witness to the vitality of co-operatives and the potential of the people-initiated approach to housing.



Za Falochronem Co-op in Gdynia provides social and medical care for the sick and disabled





In Asia millions live in overcrowded, dilapidated slum dwellings with no running water or sanitary facilities. All too often urban renewal schemes miss the point that the poor can only afford to live in such conditions. The following article tells how slum dwellers in Thailand organized themselves to improve their situation with the help of Credit Unions. (Photos ILO)

The Face of a Slum Changes (Thailand)

by Zilla Phoatirongsacharn *

Thai Dwellers Organize

Lang Ban Manangkasila is a slum community in the heart of Bangkok, Thailand. Slum dwellers are not always squatters and at Lang Ban Manangkasila many of the families have lived on plots leased from the landowner, the Treasury Department, for three generations.

In 1979, the Department awarded a private development company the right to construct a shopping complex in the area and eviction notices were soon issued to the residents. Many of the original 492 families were sent packing; they thought resistance futile.

Against these odds, a group of 192 families held on to try and claim their right to stay on the land. Some of them had lived in the community all their lives and moving meant loss, not only of their homes but also of their means of livelihood. Most of the families were vendors at the nearby central market.

The possibility of eviction made it necessary for the people to get organized. As a first step, they established a mutual protection scheme against arson, the classic way in which such slum land struggles are "resolved". The families took turns watching out for fires, particularly at night, and they found the necessary materials to equip a small fire-fighting centre.

Credit Unions to the Rescue

It was around this time that some mem-

bers of the community approached the Credit Union League of Thailand (CULT) to learn about credit unions and how they might help residents improve their economic lot. A five-member family had an average monthly income of about US\$52 then. Many were finding it difficult to make ends meet.

Credit union seminars for the residents were conducted under the auspices of CULT, and by June 1981, 25 residents were ready to start their own credit union. The Lang Ban Manangkasila Credit Union Co-operative was registered by the Co-operative Registrar in January 1982.

Meanwhile, the people continued with their efforts to gain permission to stay on the land. They staged a peaceful demonstration in front of the Prime Minister's house, resulting in an instruction to the Ministry of Finance to resolve the issue in a satisfactory manner. Earlier land struggles in the city had taught public and private landowners alike that force was not the way to deal with poor slum people, who often managed to get the media and public sympathy on their side.

Representatives of the Ministry of Finance, the Treasury Department, the development company, and the community met to discuss the housing needs of the people. After over two years of such off-and-on negotiations, a land sharing agreement was signed in March 1982 between the Department, the company, and the community, allocating about two-thirds of a hectare on the back of the site for the people to build their houses on.

* Zilla Phoatirongsacharn is the Editor of Asia-con News.

The Struggle Continues

Unfortunately, the struggle was not over, banks were not willing to give them housing loans. Commercial banks do not consider slum dwellers credit-worthy, and bank interest rates are beyond the people's ability to repay. Realizing the people's need, the Thailand League sought the help of CEBEMO, a development support organization in the Netherlands, and was granted a US\$260,870 loan that has now been channelled through the Lang Ban Manangkasila Credit Union to enable the resident families to build their homes.

The loan is payable within seven years, after a grace period of a year-and-a-half. Total construction costs will exceed this amount, but the people are doing their share, contributing to a construction fund through monthly instalments. By December 1985, the fund had accumulated a total of US\$127,129, demonstrating the people's earnest efforts to succeed.

For this is indeed their community project. Necessity along with leadership

and organizational abilities, a fortunate by-product of credit union involvement, have given the people sufficient confidence to see their way through difficult times. The people participated in all aspects of planning: negotiations for land sharing, site planning, house design, allocation of houses and negotiations for new long-term land lease arrangements with the landowner.

Staff members of the national housing authority and other volunteer organizations helped in technical matters, but all management work, including the administration of the people's savings and house construction, is being done by the community through the credit union and a construction committee.

The committee has hired and is now supervising the private contractor that is building the houses. To make them more affordable, the basic two-story units will be given the finishing touches by the family owners themselves, working at their own pace and using materials within their individual budgets.



Lang Ban Manangkasila Now

The Value of Co-operation

This experience has taught the people the value of organization and co-operation. They have now set their sights beyond their housing needs to the other equally important community concerns. A youth group has been formed to harness the energies of the young towards constructive community action. To see that their environment does not return to the conditions they previously had to endure — the high incidence of acute diarrhoea, typhoid and hepatitis — a committee has been set up to monitor public health.

Of primary importance, though, is the people's economic well-being. All improvements in housing, health and other social conditions cannot be sustained without a corresponding improvement in their economic lives. This is a truth the people are realizing through their credit union.

Organization has allowed them to overcome the problem of middlemen. The people now enjoy the advantage of buying vegetables, fruit and other goods directly from producers. Before, the people used to be dependent on money lenders; now they have access to fair loans. Many knew only debts before, now they are savers. The aggregate savings of the 271 members have reached an impressive US\$19,773.

Indeed, the face of Lang Ban Manangkasila slum community has changed. From dilapidated, fire-prone shacks, the families are now owners of pleasant, concrete homes. They can look forward to better, healthier lives. Not all problems have been resolved and others will present themselves as the community develops but, with its members committed to the credit union way of life, to mutual help and co-operation, they are on the right track.

Reprinted from the Credit Union World Reporter

The Emergence of Housing Co-ops in Shanghai (China)

By Jonathon Fon*



Despite strict rules limiting births to one child per family, China's population continues to grow and her cities face the problems of inadequate housing and homelessness. (Photo ILO)

In China there are 10,000,000 urban families living in substandard conditions: cramped quarters, no running water, no kitchen or lavatory. In addition, 330,000 families in China's cities are homeless**.

* Jonathon Fon is a staff member of China's Co-operative Economy — the twice weekly Shanghai periodical.

** Statistics from the National Investigation of Urban Housing Conditions, November 1986.

Shanghai is a coastal metropolis and port in Eastern China situated in the South East of Kiangsu Province on the Whangpoo river near the Yangtze estuary.

The population density in the city averages about 215 persons per acre, about double that of Mexico City and $1 \frac{1}{3}$ times that of Hong Kong. Among the 6.1 million city dwellers living in Shanghai, 26% occupy a living space of less than five square metres and 33%

have a family of three generations living in a single room. Housing only accounts for 13% of Shanghai Municipality's construction budget.

The Shanghai Toy Company, which has a monopoly of all toys manufactured in the city, employs 14,000 people. Among these employees, 2,800 have less than four square metres of living space at their disposal. About 1,400 employees living in less than three square metres are classified as problem households, out of which 280 families occupy less than two square metres and are termed special problem households.

In May 1986, a proposal by Professor C. M. Chen, Advisor to the Chinese Industry Co-operative Association, to establish an urban housing co-operative in Shanghai, was approved by the Trade Union of the Shanghai Toy Company. It was decided to set up a co-operative along the same model as various housing co-operatives worldwide: with the housing capital consisting in equal proportions of tenants shares, state-aid and low-interest bank loans.

Employees who can make the necessary down-payment of 7,000 RMB are given preferential treatment. Poorer families are either allowed to make an initial deposit of $\frac{1}{3}$ of the total cost and make up the rest in installments, or, in some cases, are subsidized by the factory or trade union.

On the proposal of the trade union, an official housing fund was established to promote the co-operative. Although the Municipal department is in favour of the co-op, no legal measures have been taken as yet to grant preferential rights for co-operative housing.

One municipal official imposed a ruling that bank loans should cover 70% of the building costs, payable over a 10-15 year period, with tenants meeting the remaining 30%. The co-operative, however, has requested a RMB 3 mil-

lion interest-free loan, payable over 30 years, plus a 1.5 million RMB municipal grant to cover the cost of the land and infrastructure: sewage, electricity, etc.

The co-op is also seeking tax reductions on the grounds that it is a non-profit service-oriented organization.

The XinXin Housing Co-operative, organized by the employees of the Shanghai Toy Company has recently submitted its rules and standing orders to the appropriate municipal department. The co-op is a legally registered entity dealing with building construction and dwelling allocation, housing insurance and savings. Membership is open to Shanghai Toy Company employees and employees of subsidiary companies such as primary manufacturers and technical schools.

The co-op is organized along democratic lines, with an annual general meeting, management committee and Executive body elected for a two-year term of office.

Each share costs RMB 1,000 and each individual share should be backed by two shares from the factory which is the group member; the total value of three shares covering the basic construction costs of each housing unit. The freehold is registered under the name of the majority share-holder i.e. the group member, which is responsible for paying up the shares within two years. When the tenant can afford to pay for all three shares, obviously the freehold is made out in his name, but any transfer or sale of property has to be approved by the co-op. The group member is forbidden to exchange, damage or make alterations to property or to keep flats vacant.

The XinXin Housing Co-op is an up-and-coming new venture in Shanghai. XinXin in Chinese means "that which enlightens people of all ranks on the means of solving economic and social problems through co-operation"

Kent Ko-op's Batikent Project (Turkey)

by Dr Erol Sayin *

Historical Overview

The Turkish Republic was established in 1923 following the fall of the Ottoman Empire after the first world war. It adopted a western style of government and encouraged industrialization. Initially, a liberal economic policy was pursued, relying on private sector investments, but the world economic crisis in 1930 led Turkey to change to a protectionist policy relying on public sector investments. The first 5-year industrialization plan encouraged investments in locations outside Istanbul. The construction of a comprehensive railway network was especially important for the development of city planning in Turkey.

Urban Planning in Turkey

A law was passed in 1925 authorizing the City of Ankara to expropriate 400 hectares of land at tax value to build a modern housing complex complete with workshops and recreation centres, embassies, ministries and a Parliament. The Real Estate and Credit Bank was established in 1926 to finance housing credit and, in 1933, the Bank of Municipalities was established to finance infrastructure and other public services. In 1945 the latter was replaced by the Bank of Provinces which financed technical city planning, organized by the Directorate of Urban Development which was established in 1928.

* Dr. Erol Sayin is Secretary of Research and Evaluation at Kent-Ko-op (Union of Housing Cooperatives in Batikent)

A number of foreign planners were employed in city planning in the 1933-1955 period. In the 1950s, the new government actively encouraged domestic and foreign enterprises and promoted investment in infrastructure and highway construction, transforming the country from a closed and protectionist economic pattern to an open and capitalist economy.

The country had neither the financial resources nor adequate city structures to cope with the era of rapid population growth and rural-urban migration. The housing shortage reached enormous proportions and so did rents. Thus squatter housing constructed illegally on public or even private land, with material used in rural housing, was the migrants' only hope for housing in a limited, expensive and restricted real estate market. A dual housing market structure was created, which still continues today.

In 1957, the Ministry of Reconstruction and Resettlement was established to undertake town planning and housing development for low income groups.

Housing policies changed direction as the older pressure groups began to exploit the new market, labour resources and voting potential of the group. Rather than destroy squatter housing, relocation was sometimes proposed where conflict with upper and upper-middle income groups was avoided.

especially tense. Shortly before each national election campaign, large concessions were made to squatter housing areas. The government distributed deeds and quickly laid water and sewage pipes and supplied electricity. Efforts to construct apartments for new migrants demonstrated that the government and city authorities could not finance this solution and also that migrants preferred more flexible forms of housing, similar to village houses which they could build gradually.

After the establishment of the State Planning Organization (SPO) in 1961, there was a shift from the physical type of regional planning towards the development type. The two government organizations concerned, namely the SPO and the Regional Planning Department of the Ministry of Reconstruction and Resettlement, differed in their approach to the problem.

Efforts to continue with the process of rapid growth in the 1970s, despite the oil shock, led to growing balance of payments difficulties and galloping inflation. After several attempts at stabilization during the second half of 1977, a major stabilization program was put into force in January 1980 enforcing strict monetary policies.

In June 1979, the New Settlement Project was announced by the government and 4,000 hectares of land were expropriated in order to provide publicly serviced land to meet the housing needs of middle and low income groups in Turkey's three largest cities, Istanbul, Ankara and Izmir.

In addition, in July 1981 the Mass Housing Law, which allocated 5% of the budget to finance mass housing in cities with more than 30,000 inhabitants, was enacted. In 1984 this law was completely revised and its new form seems promising. Lack of co-ordination among planning organizations and decision-making authorities at urban, regional and national levels, made

implementation of the first law difficult. With the new law an autonomous housing administration and a fund with adequate and clearly-defined revenues was created.

From the second half of the 1960s, Turkey's rate and heterogeneity of development increased, and with them the complexity and dynamism of urban environment. Two thirds of city dwellers in metropolitan areas live in squatter housing today. Many of them can no longer be called new migrants.

What is Kent-Koop?

Kent-Koop is a union of housing co-operatives founded to alleviate the housing shortage in Ankara in harmony with zoning, environment and contemporary urbanization conditions. Kent-Koop was established in October 1979, with representatives from 13 co-operatives under the leadership of the Municipality of Ankara. Trade unions, professional societies and civil servant organizations also participated in its establishment. Kent-Koop is a non-profit organization; its basic function is to meet the housing needs of the members of its associate co-operatives. Kent-Koop believes that social, cultural and economical considerations must also be taken into account when meeting housing needs. Therefore, besides developing housing supply, the associate members work together to increase solidarity, lower costs, and increase income. Cultural activities are also organized to educate members to be model citizens who consider the home as one with its social and physical environment.

Thus, Kent-Koop presents a new model for housing co-operatives, which may be considered as an urban co-operative model, contrary to the ordinary co-operative model in Turkey, which is simply concerned with the construction of houses on credits provided by the State.

Kent-Koop functions through its board which is elected by its associate co-operatives. At their General Assemblies, each co-op elects three delegates for the General Assembly of Kent-Koop, in addition to their own Board of Directors and Auditing Board. The General Assembly of Kent-Koop in turn elects an 11 member Board of Directors, which is the second highest organ of decision after the General Assembly, and a 3 member Auditing Board. The Board of Directors elects from among its members a president, a secretary-general and a treasurer.

Kent-Koop started with 13 co-operatives and 113 associate members and, by the end of 1985, had 103 associate co-operatives with 28,000 members. The average number of members per co-operative is 260.

The Batikent Project

The Batikent Project is under construction on 1034 hectares on the west corridor of the city on the advice of

Ankara's Master Plan Bureau, which also specifies standards for the infrastructure and amenities. Half of this area is allocated for housing with the remainder reserved for social and technical facilities.

A Protocol was signed on December 15th, 1980 between Kent-Koop and the Municipality of Ankara, allocating the responsibilities thus: the Municipality of Ankara is responsible for infrastructure which will be financed by Kent-Koop which will also undertake the housing construction and allocation. The Municipality is also responsible for the construction of commercial areas, while amenities are the responsibility of the Ministries concerned. The plans include 40 nurseries, 20 primary schools, 4 high schools, 3 vocational schools, 4 maternity centres, 4 medical centres, and a hospital of 650 beds. It is also planned that green areas will be provided on the basis of about 20 square metres per person. The housing density differs in various parts of Batikent: in the centre, there are approximately 600 persons



A view of homes and recreational facilities in Batikent

per hectare. Outside the centre there are 425 per hectare, dropping to 350 towards the periphery of the town.

To finance the Batikent Project, Kent-Koop borrowed US\$ 86.9 million from the European Council Resettlement Fund. Up to now 40 billion Turkish Lira have been spent from foreign and domestic credit sources and individual members' savings.

Kent-Koop prepared the architectural and engineering designs for 28,000 dwelling units, of which 27,000 are still under construction. Infrastructure and environmental designs have also been completed. 10,000 additional housing units are expected to be completed and handed over to members this year.

The technical staff of Kent-Koop supervise the construction on behalf of the associate co-operatives.

Computers are used in preparation of engineering designs, in metering, cost-estimation and accountancy, administrative and financial procedures and

analyses, and in recording members' payments.

Since its debut, Kent-Koop has been concerned with energy conservation and has studied a variety of methods for heating the Batikent complex. A preliminary feasibility study on heating the complex through one single heating centre was made by a British public establishment, the "Coal Processing Consultants", in collaboration with Kent-Koop.

Kent-Koop has also undertaken 18 new settlement projects on behalf of various municipalities in Anatolia i.e. a total of 140,000 dwelling units on 30 million square metres. It hopes eventually to function internationally through its consulting company Kentkur.

Social Activities

Kent-Koop also gives special emphasis to social and cultural activities. Each year Kent-Koop organizes an international afforestation and children's fes-



High-rise blocks (5-10 storeys in Batikent)

tival in Batikent, in co-operation with the Turkish Radio and TV, to improve friendship and brotherhood in the Batikent area. As a consequence, the area, called the April 23rd Forest of Friendship, becomes wider and greener every year as more saplings are planted. Kent-Koop has already opened a Cultural and Educational Centre and a Library.

Educational activities, including teaching programmes for Kent-Koop managers are organized in association with various public establishments. In addition, computer courses for the staff and training programs for architects, engineers and superintendents are organized each year. In order to equip masters and foremen with the most up-to-date know-how, a course has been organized jointly by Kent-Koop and the Ministry of Education, covering such topics as plastering, masonry, iron-work, constructional framework and sanitary installations.

Kent-Koop publishing activities are also expanding rapidly with 77 publications being published each year. Bulletins on various subjects are published periodically and the monthly Batikent newspaper reached its 38th issue with a circulation of approximately 40,000. Miscellaneous contests, exhibitions, concerts and sporting tournaments are also worthy of mention.

Investments

Kent-Koop owns four companies: the first, Kentas Inc., has constructed 3,500 dwelling units and markets construction materials; the second, Eskent Inc., is constructing 2,000 dwelling units; the third, Kentkur Inc., supplies architectural and engineering services and will

further develop the Batikent model within the country; and the fourth, Kentbeton Inc., produces ready-mix concrete and concrete elements.

Preparations are proceeding to establish two more companies, one to deal with foodstuffs, and the other with heating fuel supply and the management and maintenance of heating plants.

International Relations

Kent-Koop is a member of the following international organizations:

- International Co-operative Alliance (ICA)
- ICA International Housing Co-operatives Committee
- International New Towns Association (INTA)
- Habitat International Council (HIC)
- World Society for Ekistics

In 1986 Kent-Koop was awarded one of the United Kingdom's Building and Social Housing Foundation (IYSH) Awards.

Co-operative Housing Seminar

The Kent-Koop model has been successful in Turkey and we believe that it could also be applied in other developing countries. In order to publicize the Kent-Koop model internationally and transfer technical know-how to other countries, Kent-Koop will organize a seminar in Ankara, jointly with ICA, on the occasion of the International Year of Shelter for the Homeless, 1987. We expect that between 1987-2000 the Kent-Koop model will be known and considered appropriate by many developing countries.



Mr. William Pascoe Watkins on his 90th birthday.

Interview

with Mr. W. P. Watkins

I was travelling to the UK to spend Christmas with my family and I decided to take the opportunity to visit several co-operative institutions, including the Co-operative Union, the Plunkett Foundation and Britain's first co-operative store in Toad Lane, Rochdale. I also wrote to William Pascoe Watkins¹, Director of the ICA from 1951 to 1963, to find out if he would be willing to receive me.

Mr. Watkins said he'd be delighted, so on 17th December I took a bus from Oxford to Long Compton — a small village south of Stratford-upon-Avon, where Mr. Watkins now resides. I was a little apprehensive of meeting someone with so many years experience in the movement that he is known by some as the "Co-op Guru", and with so many years experience generally. But I needn't have worried — Mr. Watkins put me at my ease immediately. He was at the bus stop to meet me despite his 93 years and the chill winter wind, as he didn't want me to miss the stop.

Very soon we were in his cosy living room in front of a crackling fire. Mr. Watkins sat me in a big armchair and pulled up a side table for me to put my things on, which he said was the way he liked to work. He had already prepared a jug of freshly percolated coffee. We were soon chatting like old friends.

Mr. Watkins, you come from a co-operative family don't you?

My father was the first co-operative teacher the Plymouth society ever had. He trained as a shipwright but eventually became a writer in the Naval Store Office. He gave himself a liberal education through University Extension taking whatever courses either Oxford or Cambridge offered in Plymouth.

It was during this time that he became interested in the co-operative society. In 1891 the Co-op News published a course of lessons every month with a lecture, directions for added reading and a set essay and questions. Participants sent their answers to Manchester where they were checked by E. V. Neale, then Secretary of the Co-operative Union².

My father taught co-operation and industrial history at the society for about 12-15 years before he went on the

board. There were three levels offered — preliminary, elementary and advanced and, after the death of Thomas Blandford³ in 1899, the Union instituted a travelling scholarship for the best students in the advanced grade of co-operation each year. One of my father's brothers won one to study the co-operative movement in Ireland. You see, the whole family was in this business really. For the children, the Co-operative union instituted a system simulating a little competition between the societies, and the best paper of each of the local examinations was sent to Manchester for further review and then a list was issued in order of merit.

When did you first become involved in the Co-operative Movement?

I joined the co-op as a boy at the age of sixteen, which was the lowest age the law will allow. The Plymouth co-op soci-

ety, very largely due to my own father's initiative, was a very good society for educational work in the 1890s and the early 1900s and, when I was about 11 or 12, I went to one of the children's classes that the society held in different parts of the city where my aunt, my father's sister, was a teacher.

Well, by the time I was 17 I'd done the advanced in Co-operation and the elementary in industrial and social history. That was the bias of my studies because in grammar school I only got the usual subjects. After I graduated from grammar school I trained to be a teacher.

Does the co-op movement offer as many educational opportunities nowadays as it did in the past?

The Co-operative College has made an enormous difference in this respect and not all for the good. There was in my study time, and even in the 1920s, a fair amount of local education work going on, both for employees and for plain members. But you see, that didn't pick up again after the 2nd World War. And then the money became scarce because the societies ceased to be profitable, which is a deplorable thing.

Why do you think the societies are no longer profitable?

Because they were not quick enough to move with the times. The exasperating thing about it was that when self-service was introduced into the retail trade there were astute co-operative managers who saw the meaning of it and who moved . . . but the majority of them didn't. That would have opened up to them the other revolutionary things which self-service brought with it — but they were left hopelessly in the rear.

Do you think that this might have been because the move-

ment was not paying enough attention to education?

It was fundamentally because the right kind of education was generally lacking and in some ways it always has been. There are several different kinds of education needed in the co-operative movement. First there is the education for membership. An altogether completely different kind of study is necessary for people who are to be efficient elected officers. Beyond that there are a whole series again of employed people who want education. A certain co-operative element needs to exist with every type of education with the special skills that go along with the job. But its never been grouped in anything like its proper aptitude by any co-operative organization in the world. The Swedes have done a lot, the Swiss and the Austrians too, but the bigger movements have never stood up to it.

Mr. Watkin's niece Jean, a nurse by profession, arrived to prepare tea and cake. Mr. Watkins explained how she had persuaded him and his late wife to move to Long Compton some years back so that she could keep an eye on them, and said she regularly popped in to see how he was getting on. Jean stayed on till the end of my visit so she could see me safely onto the bus back to Oxford.

While we drank our tea I admired the garden, which Mr. Watkins keeps up himself, although a gardener comes in occasionally to do the heavy work.

Where did you learn to speak all your languages?

I only speak French and German really, but I can read co-operative literature in several languages which is something I acquired at the Alliance, because the journals of all the Alliance's affiliated organizations came across my desk and I was not content to let them pass over without yielding up something.

Was the Review your first job at the Alliance?

In the beginning I had the school because the Alliance at that time took over the annual school.

Could you explain a bit more about this school?

It was organized first of all at the time of the Basel Congress in 1921 — the first Congress after the First World War. Fred Hall⁴, who was my principal in Manchester started the International School for the Co-op Union and was its Principal for several years. It was essentially a British School located in Basel. But from the time onward it was open to co-operators from any other nationality to come and join in. Henry May⁵ realized that the Alliance was not in a financial position to do anything of that sort at the time — currencies were going up and down and so on — but he got the Union to agree that when the Alliance could take it over it should. Then from

1929, which was when I went to the ICA, Henry May took over the organization, although Hall was still retained as Principal of it and I was added as an Assistant. Finally, in 1932 the ICA took over the school completely and I was responsible for it.

How did you organize the syllabus?

The syllabus always included one or two lectures on the Alliance, usually delivered by Henry May himself (the highest authority). There would also be several lectures on the Co-operative Movement(s) of the host country delivered by one or more of its principal leaders. The rest of the syllabus would depend on what subjects were topical at the time and the lecturer who was free to accept an invitation. In the days of consecutive translation every lecture had to be stencilled in English, French and German and every speech or question and



The Co-operative School was hosted by the The Consumer Union of Lorraine, France in 1937. Mr. Watkins is seated fourth from left in the front row.

answer had to be translated twice — a slow, tedious process. Imagine our relief when the Alliance could afford simultaneous interpretation.

Before you came to the Alliance you taught at the Co-operative College (UK). How did you plan your teaching of International Co-operation at the College?

I taught national Co-operation before international Co-operation. I took Great Britain for granted and started with France, then Belgium, Germany and Switzerland, then Scandinavia (first of all Denmark then Sweden and Norway and Finland) and so spread out eventually into America. You have to understand the national movements before the international organization can be comprehended. After I'd dealt with the national sections, I had an intermediate course which dealt with a particular type of co-operation: consumer, agricultural, credit unions and so on. Then I moved on to the international co-operatives, the Alliance itself. I often thought it was a mistake to destroy the old ragged exercise books I kept that course in.

Yes it was — we could have used them to start a series of courses at the ICA.

Yes, particularly with the Alliance, you have to know the background again and again to understand a particular problem and how it arises and that is why you have to know about the national movements individually. It became evident as soon as I got the Director's Chair at the ICA, because the people in the national movements, especially the European movements, appreciated that somebody knew what their background was and could discuss it with them. And of course I was continually bringing my knowledge up to date because of the nature of my work at the Alliance. The publications and journals and reviews and books all would

arrive on my desk sooner or later so I was building my knowledge all the time.

What made you decide to publish your recent book "Co-op Principles"

The first thing I did when I retired from the office was to write the first draft in the summer of 1964. The ideas had existed more or less in that order in my mind since the 1920s. I had a friend at that time called Mercer. I first got to know him when he came to the Plymouth Society in 1915 to act as an educational organizer and we later worked together at the Co-operative College. He and I often held long conversations during which I came to know his ideas on the co-op movement. I remember one day he started enumerating the co-op principles and gave me an idea of what a principle was, as distinct from rules, conventions, customs or practices. And that I held to.

And then the Alliance at its first Vienna Congress of 1930 got around to passing a resolution on an inquiry into the Rochdale Principles which Henry May very largely carried out on his own, although a committee nominally took charge of the job. And the same thing happened in 1963 in Bournemouth, where A. P. Klimov⁶ was responsible for proposing that there should be an enquiry into the co-operative principles. I hoped to get my own text out before the Commission. But I hadn't any luck initially and then it was too late.

So I put it away and got interested in other things. I got an field job in Greece to start an agricultural school. Then the Germans asked me to write a book which Dr. Hasselman⁷ translated beautifully into German for me, and before I'd finished with that the Alliance requested me to write the history of the first 75 years which had to be out before its anniversary in 1970. I finally brought the draft here, along with a lot of other rubbish.

Then one day I had a visit from Peter Clark⁸ who, after seeing the draft, offered to help me revise it and bring it up to date. After we finished it we showed it to Roy Garatt⁹ and it was eventually published by the Co-op Union.

People often tell me that, as far back as they remember, ICA has had financial problems. Do you think that's a fair observation?

It never has had enough finance — never. The bigger, wealthier organizations ought to be made to shell out more than they do. I know they would regard it as extremely painful, but there is no other source of cash. I remember the Lausanne Congress in 1960 — which was the first time that we made a deliberate attempt to make some of those organizations pay something commensurate with their resources. You see they were getting away with 100 pounds a year some of them. And some of the insurance societies, for example, were obliged to jump from £100 to £1500 by an amendment of the rules.

What in your opinion is the fundamental difference between a co-operative and other types of organization?

The fundamental difference is that a profit-seeking, profit-making organization organizes its customers for what it can get out of them — and that's quite natural. But that is not the motive of a co-operative, which serves the public in ways the public wants. They may not make so much profit — but it is a different motive. The co-operative problem is to reconcile that particular motive with balancing the budget. But without the motive the co-operative movement is no better than any other.

Mr. Watkins, you still follow the work of the Co-operative Movement and the ICA very closely, don't you?

Yes, I recently went to the AGITCOOP¹⁰ meeting at Stanford Hall. They asked me to come along and talk about my book. I'm really glad they did because there really were some excellent people there — out of Africa and Asia notably. The Alliance has really got to nurse AGITCOOP because there is the making of an education department in the proper sense of it.

The International Co-operative Alliance has always been concerned with co-operative education — especially member education in developing countries. Could you advise how ICA's work in this area could be strengthened?

The whole scale of co-operative education and training needs to be enlarged — they ought to educate more members, to provide more facilities for member-education — to think in terms of thousands where they now think only in terms of tens. It's an educational revolution of that sort which is really needed in the movement at the present time if it is to make use of its strength. If it's to remain a sleepy giant, well then it won't get where it ought to get.

Notes

¹ William Pascoe Watkins was born in 1893 into a staunchly co-operative family. His father was the President of the Plymouth Co-operative Society and in 1910 was President of the British Co-operative Congress. In 1929 Mr. Watkins joined the Secretariat of the International Co-operative Alliance where he served till 1940. In 1951 he came back to the Alliance as Director until he retired in 1963.

² Edward Vansittart Neale, a barrister, who became General Secretary of the Co-operative Union, was one of the founders of the International Co-operative Alliance. He was elected Chairman of the Planning Committee for ICA's first Congress scheduled for London in 1895, but died in 1893 and was succeeded by Henry W. Wolff, one of his close friends.

³ Thomas Blandford was Secretary of the Co-operative Productive Federation

⁴ Fred Hall was the first Principal of the Co-operative College and organizer of the International Co-operative Summer Schools.

⁵ Henry May was Parliamentary Secretary of the Co-operative Union and became General Secretary of the International Co-operative Alliance in 1913 till 1939.

⁶ A. P. Klimov, a delegate from Centrosoyuz (USSR) who moved a Resolution at the 23rd Bournemouth Congress to constitute a Commis-

sion to reformulate ICA's rules and principles. He played a major role in constituting these principles which were adopted in Vienna in 1966.

⁷ Dr. Hasselmann worked for the publications department of the ICA in London during the Nazi regime. After the war he returned to Hamburg and served as Board Member of Zentralverband deutscher Konsumvereine (since 1973 BdK (Bund deutscher Konsumgenossenschaften). After his retirement he continued to write international articles for Der Verbraucher. He is the author of a history of the German Consumer Co-operative Movement.

⁸ Peter Clarke is Research Officer of the Co-operative Party (UK)

⁹ Roy Garratt is librarian at the Co-operative Union.

¹⁰ AGITCOOP is the Advisory Group for International Training of Co-operators

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Co-operative Education

The Coady International Institute: A Contemporary Program Perspective

by A. A. MacDonald *

Historical Origin of the Programme

The Coady International Institute was founded in 1959 by the Board of Governors of St. Francis Xavier University. Its express purpose was that of leadership formation for the social and economic growth of less developed countries. Its leadership programme was based on the principles, methods and experiences of the Antigonish Movement which had its origins in Eastern Nova Scotia, Canada during the early 1920s. This Movement arose out of a concern among priest-professors and diocesan clergy for the social and economic deprivation existing among the primary producers and industrial workers of the region. In a fledgling manner, the Movement began with specific educational activities by University leaders — agricultural extension services for local farmers (1914), clergy conferences on social and economic development (1918), and a peoples' school at the University for local leaders (1921) and rural and industrial conferences (1924). In 1928, a more systematic approach was adopted by the University with the establishment of an Extension Department which was assigned responsibility for promoting the social and economic welfare of the local people. During the

following two decades a dynamic programme of adult education and economic co-operation was developed within the Atlantic region of Canada. This programme had the general goal of a full and abundant life for all peoples. It assumed that human progress would be most effectively achieved through a change process which respected peoples' God-given intellectual, volitional and physical potential. Adult education methods and group action were seen as a guarantee of full participation by people in social change processes affecting their destiny. Reform of basic social institutions in keeping with the moral imperatives of social justice was considered as a necessary condition of human growth.

Programme outcomes in the Atlantic region included the organization of credit unions, co-operatives of various forms and cottage industries, the promotion of mass education and awareness through publications and mass-media, and leadership formation through courses for primary producers, industrial workers and community leaders.

Immediately following World War II, the emerging Third World nations began sending leaders to study the principles, methods and experiences of the Movement. During the 1945-59 period, more than 300 leaders came to

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Antigonish. It was this demand which led to the establishment of the Institute. It was named after Dr. M.M. Coady, the foremost leader in the Antigonish Movement.

Evolution of the Institute Programme

Over the 25 years since its founding, the Institute's leadership development programme evolved from a programme based primarily on the principles, methods and experiences of the Movement in Atlantic Canada to one based on a synthesis of principles, methods and experiences in development at the international level. This evolution can be roughly classified into three programme orientation phases. Each of these phases was subject more or less to the influence of emerging theory and practice in the development field. During the first ten years of the programme (1960-69), training was oriented to transferring the principles, methods and programme experiences of the Movement in Atlantic Canada to the Third World countries. A nine-month Diploma programme in Social Leadership plus shorter summer school courses placed special emphasis on the historical development of the Antigonish Movement with special reference to its social philosophy and to forms of co-operative enterprises. Integration of adult education methods with the organization of co-operative enterprise constituted the main development strategy. Underlying this development strategy, was the strong moral commitment to the achievement of a socially just society in which the human potential of the common people could be fully realized. At the time, this decentralized approach offered a distinct alternative to the strictly sectoral and industrial develop-

ment strategy which characterized most of the international development effort during the 1950s and the early 1960s.¹ Most probably, it was this emphasis on the building of human capacity through organization for economic welfare among the common people which attracted more than 1,100 Third World leaders to the Institute during its first decade. As a result of their training experiences, these leaders returned home as apostles of human development and economic self-reliance. Moreover, institutional replicas of the St. F.X. University Extension Department and of the Institute began to be organized by Third World countries. The earliest of these was the Division of Extra Mural Services of the University of Botswana, Lesotho and Swaziland.

With the beginning of the 1970s, the training orientation began to emphasize greater programme differentiation and specialization. The Diploma programme in Social Leadership was streamlined into a co-operative studies component and a development studies component. For co-operative studies, more attention was devoted to such technical aspects as accounting and management methods while for community studies the general community development approach was gradually replaced by such methodologically specific subjects as project management, social research and strategies of planned change. The short courses on credit unions and co-operatives became more specialized with respect to content and target constituency. In short, emphasis on development methods superseded development ideology as a priority. Moreover, much less attention was devoted to the past achievements of the Antigonish Movement in the Canadian context. The 1,100 graduates of this programme period could be characterized as agency administrators who returned to their Third World positions with the skills required to improve the planning,

administration and implementation of existing programmes. The number of Third World centres organized by these graduates increased significantly. Moreover, the programmes undertaken by these centres reflected increased differentiation and specialization. During this period, the Institute increased significantly its overseas training activities. Although these training activities reflected a continued commitment to the principle of people participation in the planning and administration of development projects, they reflected the increased emphasis on project specialization and the use of rational models for planning purposes. In effect, it appears that the programme orientation of the Institute responded to the trends in development thinking at the international level which characterized the early 1970s. These trends accentuated methods of integrated rural development² and rational problem-solving models.³

Towards the end of the 1970s, it became clear that programme specialization and logically constructed problem-solving models, while necessary for development planning, did not constitute a sufficient strategy of adequate social change. This realization was influenced by the following trends in development thinking. First, the emergence of liberation theology in Latin America highlighted the need for an ethical or theological interpretation of the development problem and its solution.⁴ Secondly, statements such as that made by the Declaration of Cocoyoc (1974)⁵ focused on the need to redefine the whole purpose of development with emphasis on the basic needs of human beings. Thirdly, the need for "structural transformation" at the international and national levels, as well as at the local level of societies, was clearly enunciated by the 1975 Report of the Dag Hammarskjold Foundation.⁶ This Report, as well, refined the concept of basic needs by indicating the need to

identify those groups that require immediate and priority action. Finally, the papal encyclicals of Pope Paul VI, especially, *Populorum Progressio*, provided a strong moral imperative during the 1970s supporting a "preferential option for the poor" and the transformation of society.⁷

The impact of these trends in development thinking on the programme orientation of the Institute contributed, in no small measure, to a continuous concern for a more integral conceptualization of development. To a large extent, this new programme orientation constitutes more of a change in emphasis than a rejection or adoption of certain development concepts. In some cases, these involve a return to the philosophical and normative roots of the Antigonish Movement. In other cases, it involves adopting more clarified definitions of development concepts. The more significant of these changes in programme presentation are now reviewed in the following sub-section.

Elements of the Contemporary Programme Orientation of the Institute

The programme orientation of the Institute at the beginning of the 1980s can be described under the following headings: (1) target constituency; (2) normative rationale; (3) concept of development; (4) development strategy; and (5) programme organization.

Target Constituency

Traditionally, the Antigonish Movement defined its target constituency as the "common man" which, for the most part, referred to the smaller farmer, fisherman and ordinary labourer of the



Participants in Coady-assisted workshop in Senegal on Developing Women's Credit Unions.

region. The Institute has maintained its fundamental orientation to the common people. Since the beginning of the 1980s, however, the practice has been to specify this target constituency more precisely as the relatively more disadvantaged groups or classes of people of less developed countries. Disadvantage is considered as a multidimensional phenomenon. It is reflected at the personal level among the poor, in physical deprivation, despair and lack of skills. At the collective or class level, it is reflected in lack of solidarity, organizational effectiveness and power to influence. Moreover, it includes structural discrimination and cultural constraints which characterize the societal systems in which the poor are located. Finally, such disadvantage is characterized by ecological deficiencies in terms of utilization of, or access to, adequate natural resources. In real-life situations, this orientation results in priority being given to such groups or categories as the landless and

the assetless rural workers, women as a social minority, unemployed youth, urban slum dwellers and tribal groups.

Normative Rationale

From its initiation, the Antigonish Movement was characterized by normative commitment to respecting people's God-given potential and ensuring a just society in which human rights would be respected and human potential realized. Two major papal encyclicals — *Rerum Novarum* (1891) and *Quadragesimo Anno* (1931) provided the Movement with a strong ethical legitimation for its programme of social and economic change oriented to the common people. The same type of legitimation came again from the Catholic Church in the 1960s and 1970s through such encyclicals as *Populorum Progressio* and *Evangelii Nuntiandi*. In these encyclicals, the Christian obligation for enabling man "to be more" through the transformation of society is patently clear. Moreover,

structural discrimination and exploitation has come to be regarded as "societal sin". The liberation theologians of Latin America were foremost in applying this Christian perspective to the analysis of social reality. Moreover, this religious awareness of social reality was not confined to the Catholic Church. Most Christian denominations as well as many non-Christian persuasions have become more conscious of the important role of ethical values in social and economic development. This increased awareness of ethical values has been incorporated into the Institute's programme during the 1980s.

Concept of Development

As previously noted, the Antigonish Movement took as its general development goal the achievement of a full and abundant life for the common people. This was spelled out in terms of growth in the physical, psychological, social, cultural and spiritual capacities of people. This concept of development has remained a consistent feature of the Institute's programme orientation. Nevertheless, given its more specific constituency orientation, development is defined as an integral phenomenon in which the following outcomes are considered essential: (1) personal growth among the disadvantaged in intellectual awareness, decision-making ability, occupational skills, self-confidence and identity, moral values and physical welfare; (2) collective growth among the poor as group or classes in terms of organizational effectiveness, groups solidarity, leadership, and power to influence their environs; (3) structural transformation of institutional systems for a more equitable allocation of opportunities and benefits to the disadvantaged; (4) positive change in the society's beliefs, values and norms providing a cultural blueprint legitimizing the

growth of human potential on an equitable basis among all groups or classes of people; and (5) ecological growth in terms of enhancement, improved utilization and availability of natural resources for the present and future benefit of all people.

Underlying this multidimensional definition is the basic assumption that effective and permanent development for the disadvantaged must reflect change or improvement at each of these levels of the social system. In this sense, effective development must be considered as an integral phenomenon.

Development Strategy

In the 1980s, adult education for problem-solving continues as an essential element of the Institute's development strategy. Today, however, it is variously referred to as consciousness-raising, conscientization or informal education. Group action also remains as an essential component of this development strategy; however, the forms of group action for which leaders are trained varies across a range of alternatives. Forms of social pressure, litigation, non-violent confrontation, situational manipulation and political mobilization receive consideration equal to that given to forms of economic co-operation, community development, participatory research and other collaborative approaches to social change. Generally, the nature of the problem is taken as the basis for choosing the change method. Where the problem is one of mobilizing people for the development of their own resources or unappropriated resources, collaborative forms of action are recommended. These include economic co-operation, community planning and the various forms of logically ordered planning modules. However, where the problem is one of maldistribution of resources,



Study and discussion are a major part of the lives of students at the Coady Institute.



The facilities of the Marie Michael library are well used by students.

including power, privilege and prestige, the forms of group action must include elements of pressure, compulsion or conflict.

Programme Organization

Presently, the Institute's programme consists of a Canada-based training component and an overseas-based training component. The Canada-based component, which is conducted during the June-December period annually, consists of a six-month diploma course in Social Development, a four-week certificate course in Programme Evaluation Methods, a three-week certificate course in Implementation of Development Policy and an annual ten-day consultation on a current development issue. For 1986 a total of 70 leaders from 23 Third World countries participated in these programmes.

The overseas component which is in effect during the January-May period consists of five programme activities mounted annually in Third World countries: (1) training workshops (5-15 days) on development principles and methods for staff of agencies engaged in development programmes; (2) participatory evaluation projects with agencies undertaking self-assessment of programme directions; (3) project consultancies with agencies requiring advice on project organization and management; (4) regional conferences of Institute graduates; and (5) special institutional linkages projects in which agencies are assisted in developing and implementing training modules, village and organization development projects. For 1986, a total of 32 overseas training activities were mounted in 19 countries with an estimated participation of 850 Third World development workers. The inter-

action between these two programme components results in a mutually strengthening effect. Moreover, the overseas programmes keep the Institute directly in touch with the emerging reality of Third World countries.

Concluding Note

Hopefully, the nature of these five dimensions of the Institute's contemporary programme orientation reflects a valid interpretation of the present-day development problem, as it exists in Third World countries as well as in other parts of the world. It should, as well, convey a commitment by the Institute to remain dynamically responsive to the requirements of its human constituency.

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⁷ See: Encyclical Letter of His Holiness Pope Paul VI, **On the Development of Peoples**, (Boston, Mass. NCWC News Service).



Book Reviews

By Their Own Hands: An Insider's Account of the Antigonish Movement

by Ida Delaney

Lancelot Press, Hantsports, N.S. 153 pp. \$6.95

This is a wonderful book: enjoyable, informative and inspirational. It's the story of the Antigonish Movement, an insider's account of the people and events that shaped the Movement, written in a clear, unpretentious style and told with wit and enthusiasm — attributes that apparently sustained the author and her co-workers during their difficult years as pioneer adult educators.

The story is told by a fieldworker who was with the Movement from its beginning in the early '30s. To her credit, she spends little time expounding the philosophy of the Movement or analysing its effectiveness. She simply tells her story about the ordinary people who were motivated to do extraordinary things and lets the readers draw their own conclusions.

It is also obvious that those early visionaries were not textbook philosophers or arm-chair socialists but were men and women of action who were an integral part of the whole process, sharing with their fellows the hardships and disappointments, as well as the consolations and rewards of their noble experiment. In fact, as the story unfolds, it becomes harder and harder to distinguish the leaders from the followers as

the farmers, fishermen and industrial workers began to take charge of their own destinies. This relationship is illustrated in the following excerpt about the development of a co-operative housing project.

Mary Arnold, a director and the treasurer of the Co-operative League of the United States, came to Antigonish to attend a rural and industrial conference sponsored by the St. F.X. Extension Department, was impressed by what she saw and heard, and returned later to work as a fieldworker with that Department. From New York City, she settled in Reserve, and with complete acceptance of the Cape Breton way of life — which was harsh, indeed — initiated an entirely new field of co-operative endeavour in the province. The people she worked with — members of the Toad Lane Study Club — had little formal education, no building skills, and no money. "Their only assets were their experience in group action in the study clubs and credit union, an understanding of co-operative principles, an overwhelming ambition to be the owners of their own homes, and the will and energy to do hard physical labour." As it turned out, these assets were sufficient, and in 1938 — the worst year of the

depression — the co-operative housing community of Tompkinsville was completed. It was the first co-operative housing community in the province.

Speaking of Mary Arnold brings to mind another interesting episode in the book — this one dealing specifically with the role of women in the Movement. Although its architects, M.M. Coady and Jimmy Tompkins, were men, it is clear that without the help of the opposite sex their blueprint for social change would never have left the drawing board. Women's input was crucial because they were the ones who ran the homes and handled the family finances. They bought the groceries from the co-op store and deposited the savings — as much as 25 cents a week — in the credit union. Without this support there would have been no co-ops or credit unions. In fact, their contribution to society as a whole was immeasurable. "The women of the Thirties were the heroines of a desperately hard age. That they managed to keep their homes reasonably secure against the evils of unemployment, low income, illness and inadequate medical care is to their everlasting credit. It was to these women that St. F.X. Extension Department directed its program on Women's Work." This program — headed by two indefatigable, enterprising women, both religious sisters of the order of St. Martha — involved the formation of clubs in which women studied subjects that were of special interest to them. By 1938 there were 350 of these clubs and they were the backbone of the Movement. In spite of this there was trouble brewing between the sexes.

As the Movement gained momentum, with co-operatives and credit unions springing up all over the place, the respective roles of men and women became more clearly defined, with men emerging as the primary decision-makers while women continued to play a supporting role. The managers of the

new institutions were all men, and the men alone sat on the board of directors. Eventually, there were stirrings of democracy as the women tried to claim their rightful place in the world of business, but with no success as the men continued to cling to their edge on power.

What is interesting about this episode is that the author relates that frustrating experience without any of the bitterness or paranoia characteristic of many of today's female authors when discussing such relationships. This author simply attributes it to "apathy and a slowness to accept change in the position of women in society" and regrets that the men were so short-sighted. Anyway, the women knew that they had the support of Coady and Tompkins in their fight for equality and that it was only men of lesser vision who opposed them.

Another interesting story about relationships is one that deals with the relationship between the co-op and labour movements (which hasn't always been too harmonious). It happened during the coal miners' strike of 1947. It was the first such strike in twenty years and everything was completely shut down. It was early spring and Cape Breton Co-operative Services had previously bargained with the coal company to buy stone dust, for its lime content, which was needed by the farmers for their land. But with everything shut down and pickets manning the highways, it looked like a hopeless situation for both the co-op and its customers, the farmers. An emergency meeting was called of co-op management and union representatives — many of the latter were also co-op directors and study club veterans — and as a result, it was unanimously decided to allow the shipment of stone dust. "Nothing else moved from the mines while the strike lasted."

The book, *By Their Own Hands*, is full of such inspirational stories and, as such, it should be read by all who regard

themselves as agents of social change — if for no other reason than to rediscover what's possible when men and women of goodwill work together for a common cause.

Peggy Maclsaac *

* Reproduced from the Coady International Institute Newsletter Vol 6, No. 1. Peggy Maclsaac has been the Secretary for the St. Francis Xavier University Extension Department for the past 27 years.

The Central Finance Facility: A Guide to Development and Operations

by Jim Jerving

Published by Kendall/Hunt Publishing Company, 2460 Kerper Boulevard, Dubuque, Iowa, U.S.A. 52001, 165 pages, US\$19.95 plus postage.

Although the practice of having a "credit union for credit unions" is relatively new, the idea was explored by the movement's early pioneers: Desjardins, Filene and Bergengren. They were aware that excess funds should not lie fallow. In order for credit unions to succeed in a competitive marketplace, excess funds had to be used productively. And, if possible, these funds should stay in the credit union system.

Moving funds from credit unions with a surplus over demand to credit unions where funds were not sufficient to meet member demand and investing the surplus was a logical extension of the philosophy of pooling funds. **The Central Finance Facility** also represents a pooling of resources — the combined knowledge and experience of the past 30 or so years that facilities have served the international credit union movement.

Customs and accounting systems differ from country to country, but credit unions around the world are remarkably alike. This financial management

manual was written in this spirit as a guide to developing and operating a central finance facility. The author notes that one "correct" model of how a facility operates does not exist. Rather, readers are offered the wealth of experience gained from the international movement.

The Credit Finance Facility is also a financial management manual for credit unions. The chapter headings run the gamut of the areas necessary for running both a credit union and a central finance facility: planning, capitalization, legislation and bylaws, policies, training and development, liquidity support, investments and pricing, risk management, creditworthiness and financial ratios, and loan procedures.

As the preface indicates, the book was written to serve as a resource book for people with all levels of financial knowledge. One credit union manager has already ordered copies of the book for new board members to familiarize them with the operational side of the organization.

Save Our Shop – The Fall and Rise of the Small Co-operative Store

by Johnston Birchall

Published by Holyoake Books, Holyoake House, Hanover Street, Manchester M60 0AS, United Kingdom. 110 pp. £9.95.

A controversial blueprint for the rescue of small "community stores" which could be threatened with closure on economic grounds is put forward in a report.

The report, prepared by Dr Johnston Birchall, a research fellow at the Institute of Community Studies, says the closure of thousands of small shops has left many areas at the mercy of monopolies or without any local store at all.

The author points to the recent development of convenience stores as a major phenomenon in retailing, providing the chance for a genuine revival of small-scale shops. He concludes: "The existence of so many diverse ways of saving the small shop must give hope to those who are concerned to save shops which are still in danger of being closed."

Dr Birchall's report, "Save Our Shop – The Fall and Rise of the Small Co-operative store," was commissioned by the Society for Co-operative Studies, who were anxious to examine various experiments currently taking place to rescue ailing small shops.

The book surveys in warts-and-all detail the small shop experiments which have been taking place, including the CWS's franchising solution, convenience store developments by some enterprising retail Co-operative societies, Worker-Co-op buy-outs, and community takeovers.

It also offers practical guidelines to retail Co-operative societies faced with the unpalatable task of closing loss-making units. "If there are methods of saving them, then we ought to know about and evaluate such methods, so as to build on the strengths while avoiding the weaknesses of past experiments," the author writes.

The author can well remember the days in his own small town when the corner shop reigned supreme, and when there were at least 20 grocers and three Co-op stores serving a population of no more than 12,000 people. He has seen all of them disappear — unable to compete against supermarkets and superstores in a retail revolution which he compares with that in manufacturing a century or so ago which took weavers from their cottages and into the mills.

The result of this revolution has been the loss of tens of thousands of small shops, and the effect of this loss on communities should not be underestimated. The closure of small, uneconomic units has spread across all sectors — independent, Co-operative and multiple alike — and even those Co-operative societies which have kept them going as a service to the old and the less fortunate in their areas are increasingly having to ask themselves whether they can continue to sustain this "social service".

Dr Birchall has found that adopting the convenience store formula can pay dividends for small shops. Stores converted by the CWS's Late Late Super-shop offshoot and by retail societies have sometimes more than doubled sales from the levels they were at when trading in a traditional way.

He urges Co-operative societies faced with small shop closures to offer them first to the CWS Late Late Supershop team and — if they do not want them — to try to develop the units themselves on convenience lines. He warns them, though, that running convenience stores is at least as demanding in professionalism as running superstores.

By contrast, the worker and community Co-ops he studied were only ticking over, and could be facing financial troubles — partly because they had not yet learned the lessons of convenience trading. Nevertheless, some of the community experiments were generating the kind of enthusiasm and commitment not seen since the age of the small-scale retail Co-operative society.

He suggests a formula for future growth would be to combine the economic drive of the CWS franchise with the social energy of the worker Co-op, and criticizes as "inexcusable" the attitude of local Co-op development agencies which have refused to collaborate in a venture like this without being paid a fee.

Roots of International Co-operation

This poster (actual size 80 × 110 cm) provides historical information on the Co-operative idea. It is intended as educational support for co-operative schools and colleges and all those who, in the course of their work, organize seminars or training courses on Co-operation.

Now available from ICA: Price 15 Swiss Francs per poster including package and postage (special rates for bulk orders).

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ROOTS OF INTERNATIONAL CO-OPERATION

1844 ROCHDALE: THE CRADLE OF CO-OPERATION



FOURTEEN OF THE ORIGINAL TWENTY
EIGHT ROCHDALE PIONEERS



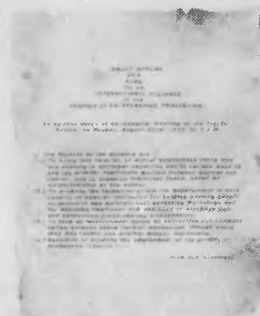
1892 THE INAUGURAL MEETING



Sydenham Crystal Palace - meeting place



CORRESPONDENCE BETWEEN E.V. NEALE AND E.G. GREENING
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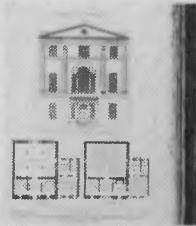
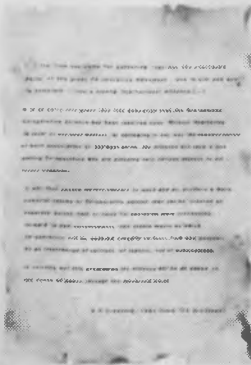
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News from the Library



New Acquisitions in the ICA Library

CENTRO DE ESTUDIOS COOPERATIVOS – Cooperativismo y Desarrollo Rural. La Experiencia Latinoamericana.

Ediciones de la Pontificia Universidad Catolica del Ecuador. Quito. 1985. 327 pp., tabs., graphs.

CRACOGNA D. – Estudios de Derecho Cooperativo.

Intercoop Editora Cooperativa, Buenos Aires. 1986. 283 pp., ISBN 950-0012-57-15

ENRIQUEZ Ch. – Structure and Functions of Cooperatives.

Coady International Institute. 1986. 236 pp. Antigonish

GERSDORF M., IGNATOWICZ J. – Prawo Spoldzielcze Komentarz.

Wydawnictwo Prawnicze i Wydawnictwo Spoldzielcze. Warszawa. 1985. 600 pp.

ISBN 83-219-0312-06

(Co-operative Law – Commentaries)

MACPHERSON I. – Building and Protecting the Co-operative Movement. Brief History of the Co-operative Union of Canada 1909-1984.

Co-operative Union of Canada. 254 pp., photos., app.

NESBITT G., TONKS A. (editors) – The National Directory of New Co-operatives and Community Businesses.

Co-operative Development Agency. Fourth Edition. Newcastle. 1986. 153 pp.

ISBN 0-906737-06-0

SAPELLI G., DEGL'INNOCENTI M. – Cooperative in Lombardia dal 1886.

Edizioni Unicopli. Milano. 1986. 335 pp., photos., tabs., graphs.

SOTO F. A. – La Alternativa del Cooperativismo Sanitario.

Gabinete de Estudios y Promocion del Cooperativismo Sanitario. Madrid. 1986. 313 pp.

ZANGERI R., GALASSO G., CASTRONOVO V. – Storia del Movimento Cooperativo in Italia 1886-1986.

Giulio Einaudi Editore. Torino. 1987. 893 pp., index

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Review of International Co-operation

Vol. 80 No. 2/ 1987

Editor: Mary Treacy

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Editorial

The first part of this issue of the Review is dedicated to co-operation in Hungary; our member organizations in Hungary have prepared six articles covering the main types of co-operation in their country.

We have specially featured Hungary because this year's Central Committee will meet in Budapest from 17-23 October.

Those of you who have already visited this magnificent city will no doubt be looking forward with anticipation to the October meeting; those who will be visiting Hungary for the first time have a real treat in store ...

Our hosts in Budapest have organized sightseeing tours to places of scenic and historical interest, plus social activities such as a typical Hungarian dinner with Gypsy music, Budapest by night, a fashion show and a visit to the opera, in addition to visits to local co-operatives. October is likely to be dry and relatively warm (around 22°) but it could also be cold or rainy so bring warm clothing and rainwear just in case.

The co-operative movement in Hungary is extremely active, with almost one third of adults working in co-ops. Co-ops produce 70 per cent of all agricultural produce and 18 per cent of all industrial produce. 15 percent of the population's savings is handled by co-ops and eight per cent of the population live in co-op flats.

The Hungarian co-operative movement's relationship with the Alliance dates back to 1895, when Hungarian co-operative leaders participated in setting up our organization. The Sixth Congress of ICA was held in Budapest in 1904. World War II made membership difficult and the Hungarian movements left the organization in 1948, to join again between 1966 and 1971.

Women's participation in co-operatives is the topic of a joint meeting between the agricultural committee and the women's committee, which will take place in Budapest on 20 October. The second part of this review is dedicated to women's participation.

In addition, we have an excellent article "Global Review of the Role of Co-operatives in Economic and Social Development" by Bruce Thordarson, Deputy Director of ICA and Director of Development.

Finally, our regular article on co-operative education, book reviews and the latest additions to ICA's library.

The next issue will be our annual report to the Central Committee which will be mailed to Central Committee members along with other conference documentation at the beginning of September.

With Co-operative Greetings

Mary Treacy
Editor

Agricultural Co-operatives in Hungary

by Istvan Szabo *

"We should keep our feet firmly on the ground, rather than cherish illusions concerning the economic and social possibilities of co-operatives"

In Hungary agricultural co-operatives are farming on an area of 6 million hectares and produce roughly 70 percent of all agricultural products. At present there are 1,270 agricultural co-operatives, 16 fisheries' and 62 specialized co-operatives, as well as 38 co-operative joint companies, representing in total 800,000 individual co-operators. The overall contribution of the agricultural co-operative sector to the national income amounts to 15-16 percent.

The political environment in Hungary has become increasingly pro-agriculture and pro-co-operative during the past years. The mistrust of co-operative ideology and the dogmatic judgment of the role of agriculture has disappeared from both official policy and public opinion.

In former decades, co-operatives influenced other types of socialist undertakings and the development of democracy in enterprises and the economy. But now we should keep our feet firmly on the ground rather than cherish illusions concerning the economic and social possibilities of co-operatives.

Another major influence on our environment is the foreign economy. Protectionist policies and agricultural subsidies in certain countries, the decreasing demand for our products and the increasing demand for higher quality in the west and east alike, all raise fearful barriers against our exports.

"We must increase our quality and competitiveness ... in anticipation of more favourable trends of development"

In order to break through these barriers we must increase our quality and competitiveness.

There are several policies which can be pursued. For example, the possibility of maintaining agriculture produce for export purposes, or of holding back agrarian production. For the time being the latter road should by no means be chosen. Rather than bow out from foreign markets, we should keep ourselves in top form in anticipation of more favourable trends of development.

The third influencing element, the inner economic environment, is basically friendly, although often demanding, pretentious and strict, sometimes whimsical and not always consistent. Although exempt from deliberate discrimination against agriculture and co-operatives, certain remnants of the earlier situation still exist in regulations, the institutional system and in our thinking and reflex actions. We still must strive to abolish such negative elements.

* Istvan Szabo is President of TOT National Council of Agricultural Co-operatives.



Left: Sugar-beet harvest on a co-operative farm, and below: A vast selection of produce from co-operative farms is available in local markets.



A vast selection of produce from co-operative farms is available in local markets

The most important objective factor of agricultural production is land. To achieve high productivity we should protect it thoughtfully, constantly increase its fertility, and seek for its more rational use. In areas with unfavourable conditions, special care and wider social collaboration is needed.

"It is necessary to prevent the thoughtless liquidation of certain branches and activities"

The production capacity should be better exploited. In farming management the requirement of quality, and effectiveness of production should be stressed. Although sources of deficit must disappear, it is necessary to prevent the thoughtless liquidation of certain branches and activities. The development of the food industry is very important. In this respect co-operation, together with other sectors of the national economy, can improve competitiveness and create more favourable interest conditions.

In the future, complementary activities (e.g. industrial, services, etc.) must also remain competitive. This is especially important in the case of co-operatives in adverse natural conditions. The level of these activities should be raised according to the profit they make, maintaining their flexibility. Market-research, a concise consideration of the material and personal possibilities, and more strict co-operative control are needed.

A large proportion of agricultural production is carried out on household plots and auxiliary farms which are becoming increasingly specialized and up-to-date, and the movement must concentrate on developing their production and reinforcing their units. Invariably these units must develop as an integrated part of the large-scale socialist farms. Collaboration with these small private farms should be extended to all

the activities of the co-operatives; taking into account the rational organization of work and production.

In order to maintain production levels, high quality and up-to-date materials and technology is obviously needed. Economic collaboration is also becoming increasingly important. In order to derive the greatest mutual benefit from commerce, the relationship between the co-operatives must be strengthened.

It is necessary to enlarge the economic means of Mutual Support Funds to improve the co-operatives' financial risk tolerance and avoid short term financial difficulties. It is also necessary to make participation in the co-operatives more attractive and reinforce the characteristics of property and interest, and to make membership more financially interesting.

**Providing employment:
one of co-operatives most
important tasks**

One of the most important tasks for the co-operative movement is to provide continuous employment for members by extending activities and integrating the work in household plots as a joint activity. It is necessary to concord manpower exploitation and the demands of social-politics.

The social assistance of co-operative members has to develop according to the principles of citizen equality. It is necessary to eliminate the differences existing in the social security system and to give higher consideration to dangerous tasks. Education and professional training must be developed and experts have to be available in all branches and sectors. The movement should also give more moral and financial support to folkloric groups and organize and support sports events. It is also in the co-operatives' interest that their members have all necessary services available

locally, and efforts should be made to modernize and revitalize villages.

I hope that this Autumn when the ICA Central Committee meets in Budapest, participants will have the chance to get acquainted with the experiences explained above. I would like to remind our readers that, according to the co-operative principles, the agricultural co-operative movement is eager to cherish and develop its existing relations with co-operative organizations in more than 40 countries and is willing to establish new contacts with other co-operative friends.



Right: Pigs being raised on a household plot and below: A large dairy farm — part of the Aszar "golden ear" agricultural co-operative



Consumer, Sales and Purchasing Co-operatives:

by Dr. Istvan Szlamenicky*

Servicing Hungarian Villages and Towns

In Hungary there are 10.6 million inhabitants living in an area of 93 thousand square kilometres. Half of the department stores in the country (i.e. 99) and more than half of all supermarkets (659) are operated by consumer co-operatives and, through Skala-Coop, they possess at present the most dynamically operating commercial integration — carrying on more than one third of all domestic trade. In addition consumer co-ops operate household farms and auxiliary farms and run small and medium size industries, thereby contributing significantly to the export market. Last year, for example the income coming into the country through co-ops' exports amounted to 600 million roubles and approximately US\$300 million.

Preserving Standards — a No. 1 Priority

The consumer co-operatives make an enormous contribution to the socio-economic well-being of Hungary. Today this means the production of more marketable products than previously; the creation of more efficient, more profitable business activities;

rational ratios of domestic consumption; continuation of the reform which began in 1968, but modernizing it if necessary; and the preservation of the country's international liability. Consumer co-operatives satisfy almost exclusively the trade and catering needs of almost 2,000 small settlements, villages, county seats and towns, including the capital.

Production, processing and sales have been co-ordinated, with the consumer co-operatives organizing both the supply of goods to small farms and their sales and utilization. Agricultural produce from the household farms are processed in the co-ops' food industry plants and marketed in their own shops. Vegetables, fruits, pork, poultry, eggs, goose liver, rabbit, smoked sausage, pastry, pickles as well as non-food items, such as concrete and wooden products, enrich the local markets, but also reach other regions of the country, and even foreign markets.

The co-ops also supply clothing and luxury items such as televisions, radios, washing machines, spin driers, refrigerators, sewing machines, etc., and provide after sales servicing for such household appliances. In addition, consumer co-ops also supply small machines, fertilizers, plant protecting chemicals and fodder for small scale agricultural production, and provide the villages with building materials and fuel.

In the past, the consumer, sales and purchasing co-operatives paid keen attention to the level of urban depart-

* Dr. Istvan Szlamenicky is Secretary General of the National Council of Consumer Co-operative Societies (Szövetség)

ment stores and catering units. They established general department stores and specialized shops selling industrial goods. The increased turnover resulting from a more rational, economical profile has strengthened the position of co-operatives and has had a positive effect on the way of life of the rural population. The same rationalization has been carried out by the well-known Hungarian co-operative department store, the Scala-Coop. These days more than 70 department stores belong to the group, which offers consumers a wide selection of articles by using the most up-to-date processing and wholesaling techniques. The selection available has been further increased through partnership with foreign companies.

Co-ops help slow down urbanization

Nowadays the variety of goods available in villages has widened and by ameliorating the supply system the co-op has been able to eliminate shortages. The co-op has also contributed greatly to the employment situation. All these

factors have encouraged the population to remain in the villages and slowed down urbanization.

The creation of health and cultural infrastructures in the small settlements has also played a determinative role. When the population is given the means to stay in their own communities it has a positive effect on society, as locals more willingly undertake public life and community tasks and participate in amateur artistic and sporting events etc. This vibrant social and cultural life is often lacking for people who have been forced to move into towns where they are often cut off from contact with their relatives.

It is no coincidence that in Hungary the government pays keen attention to the villages in relation to the whole society. The urbanization process that has taken place all over the world over the past two decades has caused tension in towns and decreased the agricultural production of many countries.

In order to further encourage the population to stay in their villages, the technical modernization of the co-operative trade network — shops, catering units, agricultural purchasing, fuel



Slowing down the urbanization process ... shops under construction as a means to encourage locals to stay in their villages

yards, etc. is very important. Within the frame of an overall programme, approximately 2,500 co-operative trade units have been reconstructed over the past three years, financed from the co-operative joint funds, member contributions and voluntary public work.

Economic and Social Reform

If living standards are to be raised and the performance capacity of the national economy increased, changes are necessary, both in the economy and in society. People must change their way of thinking.

The reform policy — which in Hungary has no other rational alternative — seems to get a new wind in the co-op movement these days, promoting more efficient and profitable business activities, increasing competitiveness on the foreign market, expanding inner reserves and widening democracy. Further reforms are expected to provide possibilities and better means for development.

Besides these national changes, it is indispensable that the consumer co-operatives should modernize their structures in order to exploit their full potential. In the entire economy the central economic management goes hand in hand with the independent management of business and other economic organs, and the co-operatives are themselves characterized by an organizational independence. These days the main motive of economic management is profit; as the market increases, so does the role of trade methods. At the same time, however, the balance between supply and demand is also enforced. The co-operative's democratic organs (delegates' meeting, supervisory committee etc.) play a considerable role in the decision making process,

so important for members. The consumer co-operatives must adapt themselves to the market competition in the interest of their members. The thrifty utilization of materials and energy; the further extension of new entrepreneurial forms, mainly in the trade network; integration, co-operation, and the wider application of partnerships in co-operatives and between co-operatives are all necessary. As more and more co-operatives participate in joint ventures, the need for foreign capital is increasing.

Member Participation

Co-operative managers are aware that the membership has to be increased and the relationship between the members and the co-operative improved. The democratic forums and self-government structures of co-operatives are the best means to interpret the demands of the customers.

The members, of course, not only express their requests to the co-operatives, they are also willing to contribute. Besides passing resolutions, submitting ideas and doing voluntary work in the co-op, they are willing to help with money - with share capital, donations for definite objectives, the so-called specialized shares, etc. Twelve percent of the total assets came directly from member contributions and members receive 9-11 percent interest on all capital used for development.

Co-op boards all over the country try to increase allowances and facilities available to members, such as dividends on purchases, and cultural and sporting facilities.

Hungarian co-operatives willingly utilize the experience gained in other countries. The Central Committee of the International Co-operative Alliance and its specialized committees in Budapest in October will provide ample opportunity for the exchange of ideas to this end.

Housing Co-operatives: Home of One Million Hungarian Citizens

by Dr. Sándor Kovács*

Hungarian housing co-operation has ancient traditions; its roots can be found in the social programmes of the governments in the period between the two World Wars. After the liberation three forms of housing were created: State, Co-operative and individual ownership. Co-operative housing received a fresh impetus at the beginning of the 60s, when many housing co-operatives were created. These have been playing an important socio-economic role in the country since the 70s.

"Helping solve the housing problems of workers, youngsters, young couples, and lower income groups."

These days housing co-ops in Hungary have over one million members with 264 thousand co-operative flats, built partly by the housing co-operatives, partly by State investment — i.e. the flats built by the State were sold on favourable credit conditions to co-op members.

Today more and more housing co-operatives are being formed in the largest villages. Housing co-operation is also important from a social and political

point of view; helping solve the housing problems of workers, youngsters, young couples, and lower income groups.

Co-operative housing is successful where the builders can count on help from at least one enterprise for transporting building materials, etc. Several big housing co-operatives have their own construction works and therefore building time can be considerably shortened. Often the housing co-operatives take over half-finished blocks which they finish according to their taste. Another condition for success is that workers should be able to rely on their employer for mortgages. Good co-operation from local councils is also a prerequisite for effective and quick building; more and more local councils are assigning land with public utilities already installed, for the building of housing estates. Savings banks and thrift and credit co-operatives also play an important role in granting credit. The active participation of housing co-op members is, of course, of primordial importance.

Home-warranty Co-ops

The housing co-operatives act as house-warranty co-operatives once construction is finished, and today such co-ops are responsible for the maintenance of about 172 thousand flats. As the majority of co-operative houses in Hungary were built 10-20 years ago

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there is plenty of renovating and modernizing needed. The maintenance co-ops also share local community tasks, such as the building and maintenance of cultural and health institutions.

Holiday Co-ops

Holiday co-operatives are also becoming extremely popular in Hungary, primarily at new thermal spas and in the capital. A joint company called Coophotels has been created in Budapest to deal with their administration and accounting. There are now 19 holiday co-operatives in the country. Some holiday accommodation managed by the co-ops is not owned by the members. It belongs to individuals who use it themselves part of the year and then use the co-ops as a letting agency for the remaining months. Full utilization of the holiday resort units means profits for members of holiday co-operatives.

"Housing co-operatives are ideally suited to providing the assistance individuals need for building and maintenance of their own homes."

Private building has an increased importance in Hungary nowadays as more and more citizens are using their savings to buy their own accommodation.

Housing co-operatives are ideally suited to providing the assistance individuals need for building and maintenance of their own homes. In order to promote private building the operational conditions of housing co-operatives are expected to improve. It will soon be possible to obtain low interest loans. The housing co-operatives benefit from local council support in all aspects of building from the planning stage on. The co-operatives also get support from financial institutions and building and transport companies. The number of one-



Young mother on three-year maternity leave babysits for other members of a typical housing co-operative

family houses built by co-operation is increasing rapidly, with much of the construction using pre-fabricated elements.

The housing co-operatives collaborate extensively with the maintenance sections of consumers' co-operatives and selling and supply co-operatives. Savings co-operatives not only grant loans but also manage the administration of the co-op. In order to stimulate the citizens and members of housing co-operatives to buy their own homes it is important that the accommodation available is in good condition, well-built and good value for money. That is why in Hungary we work for a more binding legal guarantee for new-built houses and flats. This will be the task of the housing/building organizations.

Co-operative Fisheries in Hungary

by Dr. Lajos Sallai*

Hungary is a low lying country traversed by large rivers situated in the middle of the Carpathian Basin. Of its total area of 93,000 km², about 43,000 km², are flood areas which provide ideal fish breeding and feeding conditions. Fishing in these regions reached a very high level in the medieval ages, and has continued to evolve into an important economic activity. In addition, fish farming also played a particular role in the economic history of the country; fresh water fishing provided bare existence for a major part of the inhabitants during the frequent wars of the past. Fresh water fish farming, on the other hand, gave a boost to trade ties with Western Europe during times of peace.

"An altered hydrographical pattern"

In the nineteenth century river water control diminished the importance of conventional fishing. The river and water control was large scale, even by international standards; 2.5 million hectares of land was protected from water by embankments and dykes over a total length of 4,000 kms and 150,000 hectares of swamp and moorland were also drained. The rich fish population was thereby forced to live in the flood area of trained rivers which reduced areas suitable for spawning and growth of hatchlings and fry, greatly reducing the fish

population and consequently, the conventional fishing industry.

The political and spiritual influences of nineteenth century Europe, and the strengthened economic position of the country provided ideal conditions for the development of an altered hydrographical pattern adapted to a new form of fishing and fisheries. Fishermen living in scattered locations started to settle villages along rivers and lakes.

The implementation of water control was accompanied by stricter laws. The first law governing basic issues related to fish farming was established in 1889. It decreed that the right to fishing was the legal due of the riparian landowners. But the legal settlement of territorial issues and the regulations governing fishing failed to satisfy the requirements of a conceptually oriented development of fresh water fishing. The mutually independent utilization of small fishing areas was uneconomical and many of the fishermen decided to form associations to jointly organize trade, purchase tools and finance operations.

A new law was issued in 1925 compelling legally entitled fishermen to join associations. Between 1925 and 1930 more than 100 associations operated over 140,000 hectares of natural water area; the average area of the fish pond farms was then almost 10,000 hectares. The combined fish meat production of Hungary was around 7,500 tons, of which about a third was exported; in those days Hungary's per capita fish consumption was less than half a kilo per person per year.

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*Co-operative fishermen
setting up their nets*



The fishing industry developed dynamically after 1949. The new law on fishing distinguished between rights over fishing grounds and the right to riparian land by nationalizing the former under the management of the "fishery hire co-operatives", founded by earlier fishermen. These hire co-operatives conducted common production and marketing but had no joint property, land or pond farms, as their activities were confined to natural waters alone, their only property being the personal implements of the members who numbered about 1,400 at the time. The sectorial framework of fishery production was also established and state-managed fisheries and co-operative fisheries were separated. The larger pond farm areas were mostly nationalized, whereas the scattered minor pond farm units were merged into agricultural farm co-operatives.

Following the organizational pattern of agricultural co-operatives, the hire co-operatives became fishery co-operatives between 1952 and 1953, and later the currently existing fishery co-operative centres were established.

"A pioneering role in the Hungarian co-operative movement"

The fishery co-operatives founded a central organ for corporate interest in 1957; the "Central Administrative Management Committee for Fishery Co-operatives", in 1967 renamed the "Association of Fishery Co-operatives". This central representative body played a pioneering role in the Hungarian co-operative movement and served as a model in developing the regional representative bodies of agricultural co-operative farms. From the very outset, this association has been registered as a legal entity. Beyond representing the production-related corporate interests of co-operatives, its basic tasks are to co-

ordinate productive activities, standardize various innovative commercialization and marketing ideas, and introduce and spread scientific findings and new technologies. These tasks put the Association of Fishery Co-operatives into the rank of sectorial representation in charge of sectorial representation. It is the agricultural co-operative movement's only professional association.

The Association has 14 fisheries, 18 agricultural co-operatives with fishery enterprises, and 2 joint fishery companies farming over 4,555 hectares of pond farm and 2,432 hectares of backwater and reservoir, and extensively fishing 40,587 hectares of natural water. A 110-hectare central fry raising pond farm is also managed by the Federation.

As the representative body for the Hungarian co-operative fisheries, the Federation has been a participant in the work of the International Co-operative Alliance since 1971 and its delegate was Vice Chairman of ICA Fisheries' Committee for many years.

Through arranging training courses encompassing theoretical and practical knowledge and skills, the Association of Fishery Co-operatives plays an active part in the international programme of technical and continuation training and in promoting the exchange of economic and organizational experiences and proficiencies.

Its multifarious activity and unique situation make it possible for the Association to represent "mixed profile" farming co-operatives involved in conventional fishing, in addition to co-operatives concerned with fish farming alone.

"An increasing number of young professional workers apply for admission to such co-operatives"

Fish farming involves about 500 professional fishermen with a degree in

fishery management, using up-to-date implements and methods. Although conventional fishing is insignificant compared to fish farming production, its role in providing a permanent fish supply and in widening the choice on the increasingly exacting market is of paramount importance. In spite of fish farming being one of the agricultural domains requiring the greatest amount of physical work, an increasing number of young professional workers apply for admission to such co-operatives, partly because the living standard of professional co-operative fish farmers is as high as that of other sectors of agriculture. The pond fish production of co-operatives is very advanced as they have the most up-to-date breeding technologies and equipment at their disposal. Due to its flexibility, co-operative farming is usually pioneering the large-scale introduction of technical and scientific developments and innovations, resulting in an economic output far larger than the national co-operative average.

Auxiliary activities provide capital for expansion

Beyond fresh water fish farming, the fishery co-operatives took advantage of their legal possibilities to extend their field of activity to such areas as the manufacture of mother-of-pearl buttons, plastic utensils and various industrial articles. The revenues from these economical and profitable auxiliary activities have primarily been spent on purchasing land on which to establish fish ponds and fish farms. This expansion has, in turn, promoted the development of commercial and entertainment enterprises by fishery co-operatives.

Fishery co-operatives now own 24 fishermen's inns, 30 fish retailing shops and 15 fish frying units, with 80-90% of their production reaching consumers through this network. Marketing is greatly aided by the fact that the largest



Sorting the catch

fish processing plant in the country belongs to the "Viharsarok" Fishery Co-operative at Gyomaendröd.

"An important element in developing a healthy dietary pattern."

From a total production volume, six thousand tons are represented by pond farming, two and a half thousand by intensive fish farming and 1.1 tons by extensive fishing operations. Fishery co-operatives turn out 26.2% of the country's total fish production, operating over 21.8% of available pond and lake area and providing 25.3% of the total pond fish farming.

Fish breeding and production constitutes an integral part of overall large-scale farming. A basic task of this sector is to enhance the role of fish meat in the food economy in general, which is an important element in developing a healthier dietary pattern. Co-operative fisheries do their best to promote this trend through an increasingly efficient utilization of their production facilities.

Savings Co-operatives in Hungary

*Dr. Pal Szilvasan **

"The people realized that by supporting one another their problems could be solved more easily and rapidly."

It is no coincidence that in Hungary the first co-operative established in the middle of the last century was a savings and credit union. A few years after the events of the revolution of 1848-49 and the war of independence, economic consolidation began with the need for capital by the government and ordinary people alike. The people realized that by supporting one another their problems could be solved more easily and rapidly. The first savings co-op was established in Beszterce in 1864. The example of the people of Beszterce found followers all over the country and, during the latter part of the 19th century, the credit union movement played a considerable role in the solution of the problems of local communities.

In the years following the Second World War branches of the National Savings Bank operated mainly in towns far from the access of small settlements. Post offices and the deposit collecting offices found it difficult to meet the increasing demands of these rural communities. The first savings co-operative re-established after the war was at Dunaföldvár, 90 km south of Budapest,

31 years ago. These co-operatives gradually became the banks of the rural population.

"Company-like business activity, well applied system of incentives, progressive economic regulations and high-level administration."

Nowadays, the savings co-operatives — handling at present 14 % (about Ft 38 billion) of the population's deposit stock — are also present in the capital and other large towns, as well as in smaller settlements. Their multilateral financial services attract more and more members each year. These savings co-ops are able to compete with other Hungarian financial institutions, as they have proved capable of adapting to the economic environment and taking advantage of all possibilities that contribute to their efficient operation. Their company-like business activity, well applied system of incentives, progressive economic regulations and high-level administration contributes to their success story.

As more services have been made available an even larger number of individuals, housing co-operatives, small co-operatives, small companies and councils have opened accounts in the savings co-operatives. As their capital has increased, the savings banks have been able to participate in several economic undertakings such as real

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estate, the sales of bonds, various economic partnerships and other crediting activities, plus the establishment of an independent insurance institute.

The main activity of savings co-operatives is the collection of deposits and lending. The various forms of collecting deposits (interest bearing savings books, savings books bearing a premium, car savings books, letter of savings, remittance accounts, youth savings accounts etc.) are much favoured by the population and stimulate thrift. The money crediting activity of savings co-operatives is continually widening, thus meeting the demands of the co-operative members and the population.

Beyond the traditional purchasing and personal loans, the members first of all require agricultural production loans from the savings co-operatives as this is one of the conditions for the steadily developing small-scale production. Credit is necessary to purchase up-to-date small machines, fertilizers and plant protecting materials etc. The support of agricultural small-scale production is not incidental in Hungary: as one third of the total of agricultural production is produced on household plots. Savings co-operatives also do their best to meet the requirements of other members of the community: young people who are going to get married receive a purchasing loan with allowances, co-operative members might borrow money for building a house or for renovating their existing home in the form of a long-term credit; and small businesses are also supported.

"Almost 40 different services"

All told, the savings co-ops offer almost 40 different services ranging from the collection of insurance premiums, issuing of populations bonds, filing car purchases in advance

and handling bank accounts for housing co-operatives and small contractors, to currency exchange, the organization of tours, book selling etc.

Last year the Consumer Co-operative Congress outlined many tasks which savings co-operatives could undertake to aid the Hungarian economy. The congress maintained that for the sake of further development it is expedient that members step up their financial contributions so as to increase their share stock. In order to remain competitive savings co-operatives must introduce newer forms of deposit and more incentives. Young people should be educated to be thrifty through savings co-operative groups in elementary and secondary schools. The commercial banks operating since the 1st of January of this year are expected to contribute to the intensification of the Hungarian economy. Increased competition between financial institutes, increased efficiency of small enterprises, the strengthening of entrepreneurial characteristics, the preservation of competitiveness, and fuller realization of the functions of savings co-operatives, makes increased co-operation between savings co-operatives imperative. This can be achieved in two areas: within the frame of services, and co-ordination they can deal with issuing bonds, implementing foreign exchange deals, joint crediting and entrepreneurial campaigns, giving information and advice. Within the frame of financial services, collaboration might cover the collection of deposits, crediting and the participation in undertakings. All these activities could form the basis of a closer collaboration between savings co-operatives on a business basis and the establishment of a savings and credit bank operating in the form of a limited company.

Industrial Co-operatives in Hungary

by Lajos Kovacs *

Industrial co-operatives play an important role in Hungarian industry, performing production and servicing activities in harmony with the country's economic and political objectives. The small and medium size co-operative plants are becoming increasingly up-to-date. Meeting both the needs of the domestic market and boosting exports, they complement the large-scale state industry and help create full employment in the country. In numerous cases the industrial co-operatives are the country's exclusive producers of certain goods such as stylist furniture, camping articles, household utensils, tools, and handicrafts etc.

"Co-ops concentrate their activity in labour intensive areas"

The co-operatives concentrate their activities in areas which are characteristically more labour intensive than the average. They are flexible enough to apply themselves rapidly to market demands. They concentrate on integrating co-operatives into the structure of industry and raising their participation in the industrial division of labour.

A new colourful, characteristic of the Hungarian co-operative industry is the proliferation of small dynamic co-operatives. These small co-operatives, with less than a hundred employees, are

able to readily adapt to market conditions. Their operations are simplified by an accounting system which does not require a large staff of clerical workers.

The 2,400 industrial co-operatives in Hungary employ 260,000 persons, with approximately 1,400 small co-ops operating with very few workers.

More than two thirds of the co-operatives perform a commodity producing activity. Co-ops exist in almost all branches of the processing industry, chiefly in engineering and light industry, but also in the chemical industry and in mixed industry.

Seven percent of the production of the socialist sector is yielded by the co-operatives, while in certain branches their participation is considerably higher than the average. Thus their ratio in the national production in the handicraft and homecraft industries is 70 %; in the mixed profile industries it is above 50 %, and in the textile clothing industry more than 40 percent.

In 1986 the production value of industrial co-operatives operating in Hungary was above Ft 100 billion, with more than 25 % produced by "small co-operatives". A quarter of co-operative production is exported, mainly to other socialist countries.

Central to the seventh five-year plan recommended for co-operatives is the realization of technological development and the modernization of production methods. This programme coincides with the fundamental ideas of co-operatives and is implemented, to a large extent, through credits granted by

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The mini colour TV studio produced by Hiradastechnika, winner of the Grand Prix International Fair

the joint Development Fund handled by the National Council of Industrial Co-operatives (OKISZ). From 1987 such credits will be available to provide new technology in order to make co-ops more competitive.

The main trends and results of the technical development of the co-operative industry were reflected in the new inventions presented at the spring Budapest International Fair, where products from 97 industrial co-operatives were displayed. Worthy of mention from the exhibits from Hungary were a mini colour TV studio (Grand Prix International Fair winner), produced by Hiradastechnika — Telecommunications Technique Co-operative, the freezing tunnel of Hütötechnika — Refrigerating Technique Co-operative in Tata, and the communal waste material gathering machine made by the UNITECH Industrial Co-operative in Barcs. There were also many new developments in the field of biochemistry.

Engineering and Chemicals

The annual growth in the co-operative industry is most marked in engineering and chemicals. There is a particularly dynamic development in tool and telecommunications techniques, and future development will be based on these fields. Co-operatives joined other sectors of industry in revolutionizing the fabrication of electronic spare parts and the electronics industry generally. They are also to participate in a scheme to modernize industrial structures and to combine such industries as the production of spare parts for motorcars and the production of pharmaceuticals and insecticides.

The engineering and chemical industry co-operatives produce a wide range of products to meet domestic and external market demands, including energy saving appliances, personal computers, small agricultural machines and cosmetics. Their participation is considera-

ble as far as the national economy is concerned. Co-ops in the plastics industry carry on an important toy producing activity e.g. Rubik's magic cube and similar toys for export worldwide. Further examples are the Matraplast Industrial Co-operative which produces throw-away medical syringes and the laboratory glowing furnaces by the Orvosi Műszer Szövetkezet Medical Tools Co-operative using up-to-date ceramics-cotton heat insulation, the professional drawing machine of FOK-GYEM Co-operative and the micro-analyser of RADELKIS Co-operative, which measures the ion concentration of liquids.

Light Industry

Co-ops' activities in light industry are generally concentrated in producing trendy up-to-date fashions capable of competing on world markets. For example, the REKORD Clothing Industry Co-operative which mainly produces men's wear, sportswear and jeans, exports 45-50% of its production to the West (Federal Republic of Germany, Switzerland, Austria, Sweden, Denmark). The shoe industry co-operatives are also extremely productive as is the co-operative furniture industry.

The Building Trade

The building industry co-operatives account for 8-10% of the nation's building activity. Their activity includes building of houses, block of flats, schools and supermarkets, in addition to maintaining existing constructions.

Folk Art and Folk Industrial Art

Besides production objectives, co-ops should promote, maintain and cherish

folk art traditions. The folk embroideries of the various Hungarian regions, folk art ceramics, wood carvings and carpets are in high demand all over the world.

Service Co-ops

Industrial co-ops play a determinative role in meeting the servicing demands of the population, particularly in the field of hairdressing, cosmetics, textiles and footwear, car repairs, repair of household appliances, photo services, television and radio repair, watch-making, laundry, dry cleaning, etc.

Seventy-five percent of the products produced by industrial co-operatives are sold domestically. Co-operatives frequently undertake and willingly participate in the production of articles in short supply. The network of shops selling their own products is steadily increasing.

A lot of industrial co-operatives produce semi-finished goods for large scale enterprises. Ikarus buses and coaches, well known in many parts of the world, and Ganz-mávag motor trains are partly made in co-operative product units.

"Goods reach Europe, Asia, Africa and North America"

Industrial co-operatives have excellent international relations, with goods reaching all European countries, as well as Asia, Africa and North America.

The majority of the products reaching Western markets come from light industry co-operatives. Industrial co-operatives have established production agreements with approximately 120 Western-European firms, including Adidas, Triumph, Salamander, and the Pierre Cardin fashion house. This co-operation helps improve the technical



An assembly line at Hivadstechnika co-operative

and technological level of production and the quality of products.

Exports to non-COMECON countries are mainly organized by foreign trade companies: HUNGAROTEX, HUNGAROCOOP, ARTEX, TANNIMPEX, MODEX, TRANSELEKTRO and more recently by TRADE-COOP. TRADE-COOP is the Industrial Co-operative Trading House.

“Exporting to CMEA countries provides security”

Exporting to CMEA (Council for Mutual Economic Assistance (COMECON) countries is based on traditions of several decades and provides security for the Hungarian co-operative industry. Hungary provides the Socialist countries with fashionable, elegant clothing, up-to-date furniture, machines and tools and other industrial equipment, as well as meeting various kinds of servicing requirements. The Hungarian industrial co-operatives participate in

the production of engineering and tool industry products based on CMEA production specifications. The possibility of increasing the rouble export can be favourably influenced by improved relations with the co-operatives of socialist countries and by implementing initiatives to increase the selection of goods offered.

Industrial co-operatives have established wide-ranging, bilateral and multilateral relations with the co-operatives of other countries. Co-operatives play a significant role in the formation, development and promotion of industry by post-graduate training of specialists, exchange of technology and co-operative education.

Hungarian Industrial Co-operatives are represented at international level through such organizations as the International Co-operative Alliance and CICOPA. They also participate in numerous specialized agencies and committees of the United Nations, such as UNIDO, ILO etc.



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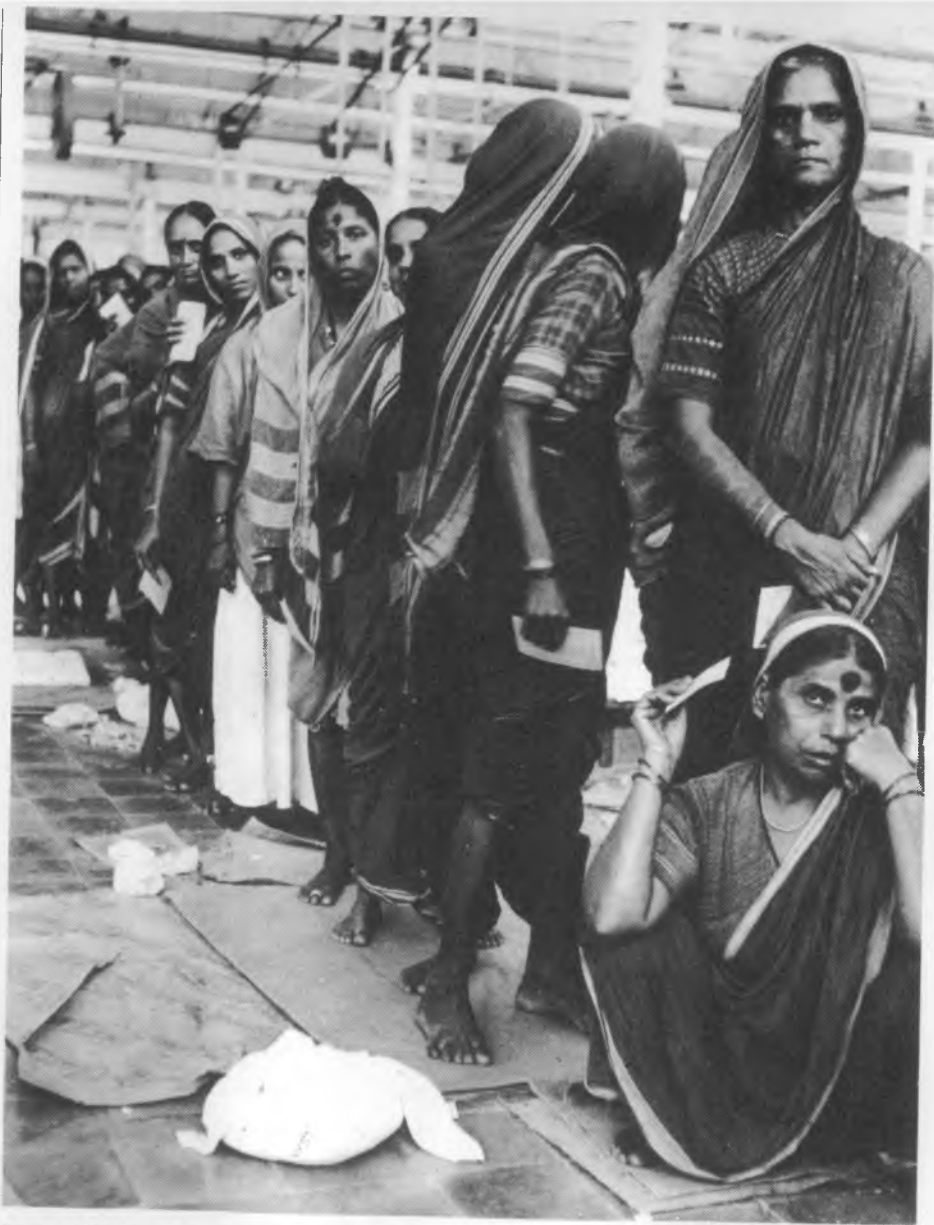


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Financial year 1986	Provisional figures as at December 31, 1986
Total assets	DM 59.9 billion
Customers' deposits	DM 28.4 billion
Loans to customers	DM 32.0 billion
Shareholders' funds	DM 2.1 billion
Consolidated Balance Sheet Figures.	

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Even in 'developed' countries women are often exploited as cheap labour. Here women from a developing country queue to collect their pay, which is likely to be considerably less than their male co-workers (photo ILO).

Women's Participation in Co-operatives

by Roy Laberge*

"A 16-17 hour workday"

Despite the considerable gains made by women over the years, they still do not hold a significant place in the co-operative movements of most countries.

This reality is clearly presented in the most recent report of the United Nations Secretary-General on "National Experience in Promoting the Co-operative Movement".

But the reasons for this reality are found not just in the co-operative movements themselves but also in the broad institutions of the societies and cultures in which co-operatives exist.

As the report notes: "Very often the same barriers that prevent women and other population groups from achieving full integration in society are responsible for blocking their full participation in co-operatives."

What are those barriers? A recent publication of the Secretariat of COPAC—the Committee for the Promotion of Aid to Co-operatives—names four: lack of time, legal restraints, traditional constraints, and lack of education and training.

On lack of time, the report, entitled "Women in Co-operatives", notes that most women, especially in developing countries, have a 16-to-17-hour workday, every day.

"The last to eat and the first to do without"

"A woman's average day will usually mean putting in a full day farming, or engaging in another production activity, probably using primitive tools and methods because that is all that is available to them," says Susan Dean, the author of the report.



In addition, Ms. Dean points out, women assume all the responsibility for child care and often care of livestock, food preparation and preservation, and housekeeping.

* Roy Laberge is Communications Consultant at the Co-operative Union of Canada.



"The situation often exists where a woman works alongside her husband on their land, or works it alone, yet is not a member of the co-operative (photo ILO)."

"Among other things, these jobs entail spending long hours collecting and carrying food and fodder, in addition to enough water for the family and livestock's daily needs, doing such work as grain grinding by traditional methods, and seeing to it that the family is fed and clothed as well as possible.

"This means that the women are usually the last to eat and the first to do without."

Moreover, according to Ms. Dean, "the situation in industrialized countries may not be so drastic, but it still exists. Women continue to play a triple role as wage earner, mother, and home-maker."

As for legal restraints, Ms. Dean says most countries have laws that discriminate against women with regard to wages, property, and personal rights. Often a woman cannot own property, yet co-operative legislation may stipulate that only the property owner or "head of household" can become a member.

"Inability to own property not only effectively blocks women from the benefits of membership in a co-operative but it also creates a serious obstacle to obtaining credit from a co-operative or elsewhere since women cannot secure a loan," Ms. Dean observes, adding: "These sorts of laws create a situation where a woman works alongside her husband on their land, or works it alone, yet is not a member of the co-operative".

'The attitude that a women's role should be that of wife and mother is prevalent in most parts of the world'

But the most formidable obstacle of all may be traditional roles and customs, religious practices, and deeply-rooted social attitudes regarding "women's place".

Her report, which the COPAC Secretariat published with the usual disclaimer that it reflects the views of the author and not necessarily those of COPAC, offers some examples:

"Orthodox Muslim women who must strictly observe "purdah" cannot be seen by men or strangers, their movements all but confined to the household. The Hindu caste system makes it difficult for women of different castes to mingle in a co-operative. In Latin cultures, heavily patriarchal society prevails, with the man being the decision maker and the woman expected to remain passive."

She says the attitude that a women's role should be that of wife and mother is prevalent in most parts of the world in varying degrees.

Another traditional constraint is an underlying assumption that women are inherently unsuited for, or incapable of, most things outside the sphere of home and family. According to Ms. Dean, this assumption is held as often by women as by men.



Lack of education is another grave problem for women in most developing countries ... This woman is being trained as a labour inspector. The need for professional training will increase as more women take up paid employment (photo ILO).

Lack of education is another grave problem for women in most developing countries, where, according to Ms. Dean, the illiteracy rate among women is significantly higher than among men. Fewer girls attend school, and they leave sooner than boys: "If a family cannot afford to send one or two of their children to school, the boys will go. Marriage, not education, is foreseen for girls, and the practice of marrying girls off at an early age effectively ends any schooling they might receive."

The report was based on extensive research and responses to a questionnaire. It found a consensus on primary goals that must be accomplished if women are to be integrated into the co-operative movement. They are:

- Increase education and training opportunities for women.
- Change discriminatory co-operative legislation and laws in general that hamper women's progress in economic life.
- Find means to decrease the workload of women.
- Begin or continue widespread propaganda and educational efforts on women's role in co-operatives and development.
- Increase women's access to credit.

"Considerable efforts to promote women's participation"

Bruce Thordarson, Associate Director and Director of Development for the International Co-operative Alliance, says considerable efforts are being made to promote increased participation in co-operatives by women despite the broad institutional constraints that now exist.

He points out that the United Nations Decade for Women has brought new attention to this problem and the UN Development Fund for Women has allocated \$5 million for co-operative development.

The International Labour Organization's co-operative programme has

begun to emphasize the establishment of pre-cooperatives for women in addition to its regular support for co-operative projects involving women.

The Food and Agricultural Organization has recently issued a publication entitled "Women in Agricultural Co-operatives" as part of its support for more involvement of women in rural development.

And the ICA, for its part, has projects to support greater involvement of women in its three regional offices, and has historically given special attention to the need for education and training for women in developing countries.

National co-operative movements and ministries are also paying greater attention to the problem.

In Sri Lanka, multi-purpose co-operative societies have been chosen as a way to educate women in the areas of nutrition, health, and family planning.

In Africa, women have been extensively involved in savings and credit co-operatives. It is estimated that at least 75 per cent of the 22,000 members of the Lesotho Co-operative Credit Union League are women, and women are involved in all aspects of the development and management of the credit union system.

"Perhaps because of cultural differences, efforts to involve women in co-operative activities in Latin America and the Middle East are not yet on the scale of those in Asia and Africa," Mr. Thordarson observes.

"Women's participation ... a mixed picture"

The UN Secretary-General's report describes women's participation in co-operatives and co-operative type organizations in developing countries as a mixed picture.

"Although the level of participation is generally low, the situation varies considerably from one developing region to another," the Secretary-General finds.

Women tend to be strongly represented in the consumer co-operative movement, but their numbers are far smaller in agricultural co-operatives.

The Secretary-General also notes that women's co-operatives are to be found in some countries where traditional values are strong among various seg-



"An underlying assumption that women are inherently unsuited for, or incapable of, most things outside the sphere of home and family is held as often by women as by men."

ments of the population. In Bangladesh, he reports, there is a strong women's co-operative movement, much of which is devoted to the production and marketing of handicrafts.

In the Syrian Arab Republic, the principle of open membership is generally adhered to except for certain societies that are limited to women, notably family services co-operatives.

"But by and large the common practice is to favour mixed co-operatives," he reports. Typical of the mixed co-operative is the Anand Dairy Co-operative in India where women work alongside men.

Ms. Dean's study finds that, by comparison, socialist countries have been highly successful in integrating women into their co-operative movements. She reports that socialist countries have come closest to having women's membership on co-operative boards reflect their participation in the membership at large—about 45 per cent in the U.S.S.R. and other socialist countries.

Women are extensively involved in consumer co-operatives in Western Europe and credit unions in North America, but no separate statistics on the extent of their participation are available.

Mr. Thordarson has placed the issue in clear focus. He maintains that until national policies place higher priority on serving the development needs of women (as well as of youth, disabled people, and old people) "it is unlikely that co-operatives will be able to make more than a limited contribution".

"The slow and arduous road ... to equality and respect"

And Ada Gillan, former President of Consumer Department and Member of the Executive Bureau, of Israel's

Na'amat Pioneer Women's movement and member of the Executive Committee of ICA Women's Committee has strong views on how those policies can be changed:

"No demonstrations or loud shouting will lead us to our goal. I believe in the slow and arduous long road of laying brick by brick, stone by stone, on this long trail of equality and respect." She maintains that this needs careful planning and choosing the most urgent priorities.

"We women are not alone—we live on this planet earth of the human family," she argues. "If we see that part of the species is dying of starvation, be it man, woman, or child, this is the utmost priority for us as women..."

A fair share of the cake

"When we see part of the human species deprived of food, shelter, and literacy, infested by disease, this struggle for the very essence of human dignity is of top priority, and even more important than how many women will or will not be Members of Parliament."

"In other words, in this our turbulent world, before we decide that the cake is unjustly divided between man and women, we must all primarily make an effort to bake a good, large cake and fight for our proper share of it."

Co-operatives can help bake that larger cake, and ensure that their members—producers, consumers, and workers of both sexes—receive their proper share of it, but only if both men and women share that task.

And if Ms. Gillan is correct, this means that both men and women must also share in the task of removing the broad institutional barriers to women's participation in any and all aspects of the co-operative movement.

Supplementing Women's Income in Indonesia

by *Els Klinkert**

The women's co-operative "ASOKA" is an encouraging example of how rural women can improve their conditions through their co-operative efforts.

It shows that women in rural Java are able to organize themselves to operate a co-operative society, and thereby improve their lives. In Indonesia, and especially in rural Java, women have to work very hard to fulfil their agricultural duties, besides their household chores. They play an important role in rice cultivation, food and crop processing, take care of the daily meals and look after the youngest and eldest members of the family. Although many of these tasks require money, the access of women to income is rather limited. Firstly, income generating activities which can be undertaken by women are restricted, and secondly, the competition for paid jobs and activities is high, due to dense population in this area. At the same time the price of many commodities are increasing and, therefore, it is becoming more and more difficult for women to feed their families properly and make ends meet.

The Establishing of "ASOKA"

"ASOKA" (Angesti Somah Kartoraharjo) which means "aiming for a

prosperous household" was established in Sleman, a district of the province of Yogyakarta in 1980. Yogyakarta is the educational and cultural centre of Java, with many educational institutions and universities. It is also one of the principal tourist spots, with Borobudur on one side and Prambanan on the other.

After following a course on co-operatives, women of the Margarejo district and members of the PKK (Pendidikan Ketrampilan Kewanitaan), an organization which promotes the development of skills among women, expressed the wish to establish a co-operative of their own. This course was conducted by the university of Gajah Mada in Yogyakarta, in co-operation with some governmental institutions. The course discussed co-operative principles and ideals and highlighted the benefits for women if they would organize a co-operative. The women enthusiastically began preparations for the co-operative. Their efforts were supported by some staff members of the University and of the Department of Co-operatives. After one year of preparations, the co-operative was established and activities and services to members were in operation.

Originally "ASOKA" started with 47 members and now has 345, with numbers still increasing. The aim of "ASOKA", like the meaning of "ASOKA", is to create happy households and to strengthen and develop the skills of its members. One important way

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to strengthen the membership is to increase their income and to create possibilities to further supplement the family income.

Business Operations

Realizing this the "ASOKA" leadership developed several income-generating activities for their members. At this moment five different income generating units are in operation. The most prominent activity is the sewing unit which employs four people. The services of three other women, who work from their own homes, are called upon if there is an overflow of work. The co-operative regularly gets orders from private individuals and dance groups for making costumes, etc. Clothes are also sold at markets, fairs and exhibitions. The co-op is widely known in the area and is often invited to participate in and help organize celebrations and activities in the area.

The four, full-time member-employees work in the co-operative building and their income varies with the amount of orders received each month.

Clothing production is not the only income generating activity; the women also run a shop in which they sell a variety of goods made by members, such as kitchen utensils, soap, sugar and handicrafts.

A few years ago the co-operative got the opportunity to get a noodle-making machine which is still helping to produce noodles which are sold by the women in their "warung" (a mobile food stall). The noodle-making unit is an important income generating activity.

Provision of credit to members is another activity which improves the economic position of the members. The co-operative plays a key role in the Kredit Candak Kulak (KCK) credit programme of the government. KCK provides small traders with short-term credit. The interest is 1% a month and

the maximum amount that can be borrowed is Rp.15.000. The staff of "ASOKA" allocates the available funds and looks after the member repayments. Most members use the loans to start a small business. For example, during the harvest time of salak, a tropical fruit, the women can get credit for buying sacks or paying transport which enables them to sell the salaks in the city. The money which can be borrowed is relatively small, but important for the members who, when they can get a loan elsewhere, have to pay a much higher interest rate.

The "ASOKA" co-operative also organizes and operates its own savings and credit project. If members regularly save Rp.200-300 every month till they can pay the initial amount of Rp.1,000, they can apply for a loan. The maximum amount which can be borrowed is Rp.50,000. The interest rate is 3% a month and the loan has to be repaid within a few months, but can be paid back in three instalments. Almost 75% of all members make use of these credit possibilities which give them a chance to improve their income or develop new ways of earning money. Some women borrowed money to start making handicrafts. For example, they bought the raw materials for making leather puppets, which they sold through the shop. The repayment rate is very high, according to the Chairman, with 97% of all borrowers repaying their loans.

The economic activities have increased a lot during the last few years, which can be shown by the volume of business and the profit made by "ASOKA". In 1985, "ASOKA" earned a profit of about Rp.900,000 with a volume of business of around Rp.23 million.

YEAR	VOLUME OF BUSINESS	PROFIT EARNED
1980	Rp. 550.990	Rp. 1.835
1981	Rp. 701.855	Rp. 36.660
1982	Rp. 17.406.050	Rp. 269.128
1983	Rp. 19.004.170	Rp. 669.836
1984	Rp. 24.696.452	Rp. 837.425
1985	Rp. 23.233.870	Rp. 900.487

Asoka Co-operative, volume of business and profit earned, 1980-1985

Note: 1 US\$ = Rp.1.637.

“ASOKA” has not only provided an alternative to the members of this area to supplement their family income but has also helped in preserving the traditional art, culture and heritage of Java by making traditional and ceremonial clothes and ornaments.

Participation of members

Once a year the staff of “ASOKA” organizes a RAT (Rapat Anggota Tahunan) a general members meeting, which has about an 80% attendance rate, indicating the high involvement of the women in their co-operative. During this meeting the members elect the Board, discuss the activities of the past year and future policy, and approve or disapprove the financial statements and budget.

Although elections are held every year, the composition of the Board is rather stable. The chairman has held her position for six years and several other board members have also held office for several years. The members are satisfied and have confidence in their leaders.

The education level of staff members is relatively high, the chairman herself having followed courses at university level. The literacy rate in the area as a whole is extremely high.

The education and social background of the members varies. According to the staff, members include poor as well as better off women, old and young, members with little schooling and well educated.

Education & Training of Members

During the general meeting the members also decide on the allocation of profit. The greatest part, about 45% of the profit is spent providing better services to the members. Another quarter is put aside as reserve capital for the co-operative. The co-operative regularly invites guest speakers to give lectures on relevant and interesting topics. Sometimes the staff, in co-operation with government officials and/or staff of the Gajah Mada University organize training programmes. Every year, members can

follow courses in cooking and batik and attend lectures on family planning, health, co-operative principles and agriculture. During the cooking courses, the women learn to process bananas and local fruit in various ways in order to supplement the family income.

The staff as well as the members have the possibility for training. The provincial co-operative training institute (BALATKOP) regularly conducts training on management of co-operatives and some of the board members and employees have attended professional courses. The board members also give guidance and training to others. Every year they coach students from secondary schools in book-keeping and sewing. Each year "ASOKA" opens its doors to students so they can gain some practical experience. The co-operative also trains young boys to mend cycles and fix electrical gadgets.

The Co-op Finally Obtains its own building

All these activities need space and last year "ASOKA" finally managed to obtain a brand new building.

After requests to DEKOPIN (Indonesian Co-operative Council) and the Department of Co-operatives they received the funds for building a new centre. Six million rupiah was spent on a building with one large room (6 X 12 metres) for the sewing unit, shop and administration unit. The room can be converted easily into a meeting room or a place to hold exhibitions and displays. Besides this multi-purpose room, they also have a huge terrace for open air activities and a small stockroom.

The new building is just alongside the highway to Barobudur and Solo which can be another factor to boost sales and achieve higher benefits for the co-operative.

"ASOKA" acts as an example

This encouraging example of the women's co-operative "ASOKA" has also drawn the attention of other women's groups in the region. At this moment, 3 other co-operatives have started. They use the same name and the staff is eager in developing income-generating activities for the members. Although they are not so flourishing as the first "ASOKA", they handle the KCK programme, organize their own savings and credit schemes and a group of members make handicrafts and sell them through the co-operative. Their biggest problem is the marketing of handicrafts; a lot of time is spent searching for new markets and buyers.

The number of members is increasing, because the women are gradually becoming aware of the various income-generating and training opportunities available.

"An encouraging example on how women can improve their position"

The women's co-operative "ASOKA" is an encouraging example on how women can improve their position through the establishment and operation of a co-operative. There are several reasons why this co-operative is so successful. Firstly, the wish to establish a co-operative was expressed by women who had already formed a group. Because of the already existing communication channels, it was not so difficult to develop another kind of organization. It was a transformation from an informal group to a formal and legal group.

Another factor which is highly responsible for the success of the co-operative is the dedication and skills of the leadership. The chairman is highly educated and the staff members are eager to follow courses to improve their managerial capabilities.

The members also form a decisive factor for success. Their numbers are increasing and involvement is high. The reason for this commitment is because "ASOKA" provides its members with such services as credit, employment and extension which they can not get elsewhere.

"ASOKA" has demonstrated amply that the sustained loyalty and interest of the members in their co-operative is closely related to steady income, con-

tinuous employment, honest dealings and an active marketing strategy.

The co-operative has already shown that it can act as an example for other women's groups in the region. Lets hope that other women's groups in other regions of Indonesia will follow the example of "ASOKA" which has proved that it is possible to improve the living conditions of women by forming a co-operative.



New methods can improve traditional arts and crafts. Here two women put the finishing touches to their work (photo ILO).

Women's Participation in Development: the case of Indian Dairy Co-operatives

by Dr. V. Kulandaiswamy*

Women as Partners in Development

The problem of integrating women in the development process has been engaging the attention of planners and policymakers all over the world, particularly in less developed countries. The gender bias in the division of labour, the ancillary role generally assigned to women due to the misconceived notion of their lower competence, the 'cycle of survival' which curtails the economic independence of women, and the 'invisibility barrier' which camouflages the contribution of women to economic development, are among the proximate socio-cultural factors responsible for the by-passing of women in the development process.

Economic participation and economic independence of women are the two vital factors to be reckoned with in any development programme. Most of the development projects have two inherent weaknesses: firstly, they focus the household as the basic unit of assistance, which tends to conceal the intra-household inequalities in development. Secondly, even in women

focussed programmes, there is little scope for participants' control over the environment. In such circumstances, the income generating projects can force women into a position of exploitation and dependency without any development taking place¹. Furthermore, the development induced inequalities render the poorest women doubly under-privileged, first as members of rural poor and then as women².

Women's Participation in Dairy Co-operatives

Livestock and dairy has been one of the sectors in India where female work-force participation has been high. Poor rural women perform a large part of the work relating to the maintenance of dairy cattle, milk production and processing. The implementation of the "Operation Flood" and the "Integrated Rural Development Programme" (IRDP) has accentuated this process. According to a recent study, dairy management utilises family labour to a very great extent and in 31.5 percent of the households, wives of the respondents were reported to be managing the herds³. In spite of the fact that in this sector major work is done by women, the institutions created, such as co-operatives, training centres and credit facilities, generally exclude them⁴. Empirical evidence shows that the income from dairying rarely reaches

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Indian women milking her animals

women directly. Men, as heads of households, market the milk and collect the income⁵. Women constitute a very minute percentage of the membership of co-operatives; and their participation in management is conspicuous by its absence. This has resulted in one of the glaring dilemmas of co-operative dairying: that it is carried on by women but controlled by men. In order to promote greater institutional participation of women, dairy co-operatives exclusively for women have been organised, as it was found that the women could not participate effectively in a mixed setting⁶. These exclusive women's co-operatives, created to encourage women's participation, could not alter the situation in any significant manner, owing to the deep-rooted gender politics in Indian villages. The cross-currents of socio-economic factors

which inhibit women's participation in Dairy co-operatives, are discussed below:

Female Behavioural Norms

The behavioural norm varies between men and women in the Indian social set-up. Women have been assigned a specific role in family and society and are not expected to participate in public affairs. Women tend to perform tasks within or nearer to households. Any role for women outside the home is considered unbecoming⁷. This is an obstacle in meaningful participation of women in dairy co-operatives and in performing the assigned organisational roles effectively.

Lack of Economic Independence

In Indian rural economy the ownership of productive assets, such as land and cattle, is generally in the hands of men. Perforce, the economic decision-making lies with men. Decisions pertaining to dairy co-operatives, such as obtaining loans, joining co-operatives and the purchasing of cattle, are not women's decisions. The fact that the banks are only willing to give loans to women in their husbands' name⁸, reveals their precarious economic condition. Women who are caught in the 'dependance trap' are, by and large, economic non-entities.

Illiteracy

Illiteracy is a bane on Indian society, more so in the rural society. The high incidence of illiteracy among women is of great concern to development planners. The female literacy rate was only 24.82 percent according to the 1981 census. This is a handicap for women in discharging their organisational functions effectively. The case studies of Women's Dairy Co-operatives highlighted that the illiterate female officers had to seek the assistance of male members for administration. Later this proved to be fatal.

Vested Interests

Vested interests manifest in different forms in womens' co-operatives. Women's societies are quite often controlled by economically and politically dominant men, who use the organization for their own ends. The women's dairy co-operatives have to face the back-lash and manipulation of vested interests such as private dairies and private milk traders. Sometimes a dairy co-operative is turned into a women's co-operative by the simple transfer of membership and officers from male to female

family members, and men continue to manipulate in several ways¹⁰.

Gender bias in Extension

In the present set-up women have lesser access to dairy extension, technology, information and credit, which inhibits their institutional and technological participation. Women are not easily contacted by extension workers, because the extension workers are men and their meetings are held in public places. Then there is always the problem of illiteracy; women have almost been completely ignored by existing producer training programmes, which makes it difficult for them to put scientific breeding and feeding techniques into practice.¹¹

Strategies for Promoting Women's Participation

Deliberate efforts are needed to motivate greater participation of women in dairy co-operatives. A few field tested and pragmatic strategies for integrating women into dairy co-operatives and to motivate them to participate in management are discussed below:

Intervention

In the absence of potential for spontaneous development, interventions by external agencies such as Government, Co-operative Federations and other Non-Government voluntary agencies can play a catalyst role. Such outside supervision and control is particularly necessary in the early stages if the problems of vested interests are to be overcome. These voluntary agencies have a role in strengthening and empowering the women so that they can improve their own situation.¹²

Incentives

Women should have direct access to credit facilities. Providing enough loans

and subsidies to assetless women members and simplification of loan procedures to suit women will motivate women to increasingly participate in co-operatives. Case studies reveal that most of the poor women do not have buffaloes and several of them share their neighbours'. Therefore, the foremost task is to make them owners of animals.

Education

It is necessary to upgrade the calibre of rural women through extension services. It is also necessary to cover women in the extension activities, which must be made women-orientated. This can be realised by instituting women's training programmes, creating women development cells in the region's Co-operative Milk Unions and inducting women into the managerial and technical cadres and spearhead team.

Legislation

The equal rights of women to own property and land need to be clearly defined in the statutes. The legal system of co-operatives must also be made flexible. Provision must be made for assetless women to form pre-co-operatives, in which ownership of animals and milk production, will not be pre-conditions for registration. The by-laws of co-operatives should be amended to incorporate certain mandatory provisions like reserving a certain percentage of memberships, committee memberships and employment for women in respect of mixed societies and preventing entry of men in the co-operatives exclusively meant for women.

The case studies of Women's Co-operatives conducted in different parts of India bear ample testimony that women are capable of participating and running their own co-operative and understanding the economics of dairying and the management of dairy co-operatives, provided there is commit-

ment to the cause and untiring effort on the part of those who are involved in establishing and running them¹³. One of the imperatives of current dairy development policy is, therefore, to make it accountable for women. Needless to mention that all organisations seeking to promote dairy and animal husbandry must recognise the importance of women's roles in animal care and dairying and consequently centre their programmes around women.¹⁴

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Global Review of the Role of Co-operatives in Economic and Social Development

by Bruce Thordarson*

The task of undertaking a global review of co-operatives in economic and social development is a challenging one indeed. Books could be, and of course have been, written about this subject, and there are many levels at which such an analysis could be made. To do justice to such a broad topic within a relatively short article will inevitably mean that no aspect of the question is dealt with in the detail that it deserves, and I shall merely try to highlight what seem to be some of the most important aspects of co-operatives today.

I would like to approach this review from five different perspectives: statistical, geopolitical, theoretical, sectoral, and societal. Each tells part, although by no means all, of the co-operative story. There may well be other aspects that should be addressed as well, but it seems to me that these are five of the major areas in which co-operative activity can usefully be reviewed.

Statistical Review

No student or practitioner of co-operation can fail to be frustrated by the difficulty experienced by the movement

in collecting accurate and up-to-date statistics about its own progress. The International Co-operative Alliance, which has a statutory duty to collect such information about its own members, has not published such a detailed analysis since 1980, although one is in preparation and should be available before the 1988 Congress. But in this area, as in so many others, the ICA is obliged to rely upon its individual national members for assistance; they in turn, even in the most advanced countries, often have only partial or incomplete factual records. Problems arise in many areas: an individual may belong to more than one co-operative, and therefore may be double or triple counted in national statistics; some countries may have quite accurate figures on the well established co-operative sectors, but relatively little about the "new wave" or informal co-operative organisations which are becoming more common both in developed and developing countries; the weakness of basic statistical gathering systems in many developing countries poses other problems.

The most accurate global figures which exist are those which are collected on an annual basis by the ICA, and for the financial thrift and credit sector by the World Council of Credit Unions, an ICA member. Based only on those ICA members and the information that they

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provide, we can say that the ICA has within its membership some 500 million individuals within 740,000 societies in 72 countries. — 13 in Africa, 14 in the Americas, 17 in Asia, 26 in Europe, and 2 in Oceania. The true figures, especially when one includes countries and movements not affiliated with ICA, are obviously even larger. But whatever the real numbers, there can be no challenging the statement that co-operatives are a global movement. As Alex Laidlaw put it in his well-known report **Co-operatives in the Year 2,000**, “co-operatives are found in all countries, in every type of economy and culture, and wherever there is human settlement, in some of the most remote corners of the earth. There is something universal in the concept of co-operation that responds to human needs everywhere”.

From the perspective of economic sectors of activity, there is no doubt that three dominate the co-operative movement worldwide: agriculture, consumer, and financial. Using again only the ICA membership figures, 256,000 of the ICA affiliated societies in 1985, or 34.6%, were agricultural co-operatives; 204,000 or 27.6% were financial thrift and credit co-operatives; and 69,000 or 9.4% were consumer co-operatives. The ranking by individual members is somewhat different, however, with the consumer sector leading the way with 129 million members or 26% of the total, followed by financial co-operatives with 127 million members or 25.5%, and agricultural co-operatives with 66 million members or 13%.

Individual membership statistics are also a useful gauge of the major co-operative countries. Taking the total number of co-operative members into account, the People's Republic of China heads the list with 132 million members,

followed by India with 67.6 million, the USSR 59.5 million, the USA 58.3 million, Japan 18.4 million, Romania 15 million, France 13.7 million, Poland 12 million, Canada 11.3 million, and the United Kingdom 10 million. These ten major co-operative countries are, of course, joined by many others, notably the Nordic countries, when per capita rather than absolute membership size is considered. One noteworthy feature of this analysis is the relatively small overall penetration that co-operatives are making in the majority of developing countries, China and India being the notable exceptions. While there are of course others with sizeable co-operative populations such as Nigeria on an absolute basis and the Caribbean country of Dominica on a per capita basis, the sad conclusion is that co-operatives have made relatively little overall impact in the majority of developing countries: a more positive way of looking at this fact is to appreciate the considerable potential which exists for future growth.

Although a detailed statistical analysis will not be possible until the new ICA figures are published next year, comparison of the 1985 summary statistics with those of the 1980 **Statistics of Affiliated Organisations** shows several interesting trends. In all three major sectors — agricultural, consumer, and financial — the actual number of societies is remaining stable or even decreasing; in some cases this reflects alarming difficulties, as with consumer co-operatives in many of the Western European countries, while in others it reflects the consolidation of smaller institutions that is taking place. The membership figures, however, show that the percentage of consumer co-operatives within the overall world co-operative population is decreasing steadily; the 1985 figure of 26% compares with 37% in 1977 and 44% in 1968. The

figure for agriculture and financial co-operatives is also declining, although much less rapidly. This trend, in addition to highlighting the significant difficulties faced by many consumer co-operatives during the last two decades, points out the significant rise of new forms of co-operative activity in recent years. In 1980 the three major sectors constituted some 90% of total co-operative membership; that had dropped to 65% by 1985, with housing, fisheries, and industrial co-operatives increasing in number as well as in percentage composition.

Geopolitical Review

An analysis of the co-operative movement would be incomplete if it did not take into consideration the very major differences in co-operative structure and activity within industrialised, socialist, and developing countries. While there are also significant differences inside each of these three groupings, co-operatives within each have many essentially similar traits.

In the vast majority of industrialised countries, co-operatives have taken their place as a significant or in some cases major component of the market economy. To give just a few examples, the dairy industry in Denmark, the grain industry in Canada, and rice marketing in Japan are all dominated by co-operatives; the co-operative banks of Europe and Japan are among the largest financial institutions in the world; consumer co-operatives are still dominant in the food retailing markets of many European countries; co-operatives in Spain and Italy have become major competitors to the private sector in many specialised areas of activity such as construction and manufacture of electrical appliances.

Western co-operatives portray themselves, in Georges Fauquet's analysis, as a distinct sector of the economy

which is separate from both the public and private sectors. This view, which has received little attention or acceptance outside co-operative circles, is designed on the one hand to protect co-operatives from the often heard accusation that they are "socialist" because of their belief in collective self-help, and on the other hand to emphasise, especially in the area of control structure and individual involvement, their differences from other businesses. In some countries, notably the United States, this distinction is regarded as of less importance and co-operatives consciously portray themselves as part of the private sector with more emphasis upon business efficiency and results than on the social side of their balance sheet.

Most of these co-operatives began as the inspiration of a relatively small group of pioneers who felt that the co-operative approach offered an alternative to manipulation or exploitation. With little outside support or guidance, and with the capital base provided mostly by the members themselves, the organisations grew through the pioneer stage of development into the large co-operative businesses that now exist. During this period of pioneer development, co-operatives had to imitate their private sector counterparts in many ways, and to be more competitive. Initially this competition took the form of new services or lower prices, although this advantage did not often last for long as their private sector competitors began introducing many of the same practices that had been pioneered by the co-operatives. For example, daily interest was first introduced to Canada by the credit union system and quickly copied by the major banks once its success had been proven; similarly, the low cost-high quality COOP label introduced by consumer co-operatives in Europe was followed by the introduction of low cost brand names by different market chains

in both Europe and North America. With the benefits of pricing and service rapidly disappearing in the face of expanded competition, co-operatives in most industrialised countries are grappling with the question of how best to differentiate themselves from their competitors. A similar but very much related problem is the declining level of member participation that has resulted as the co-operatives have reached a size that makes individual participation difficult.

Another feature of industrialised countries is the relatively limited involvement of government in co-operative activities. The absence of co-operative legislation in Denmark, although not typical, reflects the *laissez-faire* attitude of government toward co-operatives. The predominant pattern has been the enactment of legislation for regulatory control without involvement in either the operations or promotion of the co-operatives themselves. For the most part co-operatives in these countries have developed with relatively little direct support from government. Although co-operative units are found within some government departments, such as the agriculture ministries in the United States and Canada, this is the exception rather than the rule. Exemption from income tax, still common in developing countries, has largely disappeared in the industrialised countries, although the credit union movements of both Australia and the United States are still actively defending this exemption.

The pattern of co-operative development in the socialist countries of Eastern Europe is naturally quite different. The constitutions of these countries frequently define the status of public organisations, co-operatives included. The constitution of Poland, for example, says that, "The Polish People's Republic supports the development of various forms of the co-operative movement in town and countryside, and also

gives it all-round assistance in the fulfilment of its tasks, while ensuring co-operative property, as public property, special support and protection". Many of these countries have also enacted special legislation pertaining to co-operatives.

The role of co-operatives within the socialist economic system was clearly explained in the 1980 report to the ICA Congress on "**Co-operation of the Socialist Countries in the Year 2000**". It notes that the economic system of the socialist countries is based on socialist ownership of the means of production in the form of both state (public) and co-operative property. These two forms of property differ in the level of socialisation of the means of production, in specific ways of forming assets, and in methods of management. A major distinguishing feature from co-operatives in industrialised countries is the fact that co-operatives in socialist countries are expected to co-ordinate their economic activities through the single national economic plan which establishes the common goals that are shared by the co-operatives and the entire socialist society.

There is little doubt that co-operatives in the socialist countries continue to thrive in terms of both membership and volume of activity. In Bulgaria, co-operatives account for some 33 % of the country's turnover of retail goods, and 70 % of agricultural land under cultivation. In Hungary, co-operatives contribute about 20 % of the national income. In Poland co-operatives account for up to 60 % of retail trade turnover in the country and some 65 % of urban housing construction. In the Soviet Union, consumer co-operatives cater for half of the country's population and have a membership of 59 million and a 30 % share of retail turnover.

In the socialist countries co-operatives are much more involved in non-

economic activities than is the case in the industrialised countries. This is a result in large part of a different sharing of responsibilities between state and co-operatives than is found in the West, where many of these social activities are directly supported by government, and in developing countries, where they are frequently non-existent. Co-operatives in the socialist countries are expected to take an active part in the education of youth through a system of co-operative education, cultural, and sport establishments; and specific programmes to improve conditions for women including such measures as the establishment of pre-school children's institutions. They also contribute to the development of the education system; the consumer co-operatives of the USSR have their own educational system consisting of seven higher educational establishments, 127 technical schools, 160 vocational technical training schools, and over 2,000 other schools which provide training in 60 trades and professions.

As everywhere, co-operatives in the socialist countries place great emphasis upon their systems of internal democratic control. While the activities of the co-operative must operate within a framework established by the state, individual members take an active part in the affairs of their co-operatives through annual general meetings, and a formal delegate system. Opportunities for participation are also provided through the establishment of advisory and other bodies; the consumer co-operatives of the USSR have some 350,000 co-operative inspection commissions on which more than 1.4 million co-operative members are active.

It is not always appreciated by co-operators in the west that co-operatives in the socialist countries place great importance on the management of their own affairs and the taking of independent decisions. Commenting on the relationship between the state and co-

operatives in developing countries in a recent **Centrosoyus Review** article, Alexander Krashenninikov of the Centrosoyus International Affairs Department wrote: "The state often, without any plausible reason, interferes with the management of co-operatives, thereby infringing upon their interests and hampering their development. For this reason in relations between the state and co-operatives, it is very important to create conditions favourable for the development of co-operatives as autonomous and economically viable organisations having the right to take independent decisions".

The role of co-operatives in developing countries, as is well known, has evolved in a very different manner than in either the industrialised or socialist countries. One of the major differences is the greater degree of government involvement in the establishment and operation of co-operatives. Co-operatives figure in the constitutions of many if not most developing countries; the constitution of Peru, for example, says that "The state encourages a free development and independence of co-operatives". Specific and all-encompassing co-operative legislation exists in most countries; tasks such as promotion, training, and consulting often appear in co-operative law as "temporary" tasks that have to be transferred to co-operative organisations as soon as possible. Many developing countries also provide co-operatives with special benefits or exemptions; in Egypt co-operatives have the right to duty free imported equipment, a 5% discount on the payment for goods delivered by state-run companies, a 10% discount on electric power, and an exemption from local taxes. In essence, co-operatives are regarded in most developing countries as an instrument of development. Nigeria's fourth five year plan (1981/85) states that "The use of the co-operative system as an instrument of

social and economic development is the primary task of the government's policy with regard to co-operatives".

This attitude is as true in countries following a capitalist approach as in those committed to a socialist path of development. Co-operatives have been used for many tasks: to distribute rural credit, to market agricultural products, to provide services to disadvantaged groups, to take over uneconomic enterprises, to redistribute land, and to distribute essential commodities. As a result, the frequent lack of member participation in or commitment to the activity, a fundamental pre-condition for successful co-operative development, has resulted in numerous failures. As a consequence there has emerged a feeling, among development practitioners, that co-operatives have generally failed as instruments of economic and social development. However, as the UN's Murray Silberman noted in a 1986 paper, "Few of these failed organisations could have been counted as genuine co-operatives if measured against the principles of co-operation as set out by the International Co-operative Alliance. The application of these principles alone cannot ensure the success of co-operative ventures; disregarding these long established canons, however, is almost certain to lead to the failure of co-operative enterprises".

In developing countries around the world there are two co-operative sectors which predominate: agriculture and finance. Because of the rural nature of societies in Asia and Africa, co-operatives naturally predominate in the rural areas. In Latin America, by contrast, credit co-operatives are heavily concentrated in urban areas, while housing and service co-operatives are growing rapidly. In spite of the many accusations of failure that have been levelled against them, co-operatives in

developing countries have achieved many successes. The Anand pattern of co-operative development in India, started in the dairy sector and now being expanded into oilseeds, demonstrates the success which can be achieved through sound management, vertical intergration, and appropriate external assistance. In Nigeria co-operatives have been successful in stimulating the production of palm oil. In Nicaragua co-operatives have, according to the most recent report of the UN Secretary General on **National Experience in Promoting the Co-operative Movement**, initiated a number of activities relating to land, credit, and technical assistance that could not have got far without an adequate co-operative programme. In Guatemala the credit union system has made a major contribution to rural development through the provision of production credit programmes.

A distinguishing feature of the co-operative movement in developing countries is the large number and growth of informal or "pre-cooperatives". Some have emerged as a reaction against unsuccessful, government sponsored co-operatives, as in the case of Zambia and Zimbabwe; the Francophone countries of West Africa, by comparison, contain a wide range of informal, self-help groups which have evolved from traditional forms of self-help activity. Many of these pre-cooperatives have received active support from non-governmental organisations, as well as from the co-operative development programmes of FAO and ILO. In some, but not all, countries there is an expectation that they will become part of the "formal" co-operative system once the movement is at a higher level of development and the role of government has been accordingly reduced.

Theoretical Review

At this point it may be useful to pause for a brief look at the purpose and accomplishments of co-operative organisations, with special reference to their activities in developing countries.

As has been pointed out by many studies, co-operatives provide benefits to the country itself as well as to individual members of the co-operative. With respect to the impact on the country, co-operatives play an important role by mobilising resources internally, by providing economies of scale, by providing services to populations not served by other programmes, and by building permanence through creating an institutional framework through which other resources and programmes may subsequently be channeled. Most importantly perhaps, co-operatives have the potential to build human resources. The importance of popular participation in development has been increasingly recognised during recent years by development organisations, and now forms an important part of the programmes of the United Nations and its specialised agencies. The importance of peoples' organisations was highlighted in 1979 at the World Conference on Agrarian Reform and Rural Development, whose final report stated, "Rural development strategies can realise their full potential only through the motivation, active involvement and organisation at the grass roots level of rural people, with special emphasis on the least-advantaged in conceptualising and designing policies and programmes, and in creating administrative, social and economic institutions including co-operative and other voluntary forms of organisation for planning, implementing, and evaluating them". The role of co-operatives in providing this form of involvement, as well as in developing specific skills and knowledge, is apparent and explains why, in spite of all their

problems, co-operatives remain a popular development tool.

The benefits accruing to members through participation in co-operatives include the following: the introduction of competition into non-competitive markets, increased returns, lower cost of goods, and, again, human growth and development. The approach to development favoured by co-operative leaders is, in essence, that of institution-building. The creation of successful institutions will in theory bring about the advantages already mentioned, although the hard reality is that the establishment of successful institutions of any kind in a developing country environment, much less institutions which rely so heavily on the involvement of a wide range of people, is far from easy. Co-operatives have, as a result, experienced problems in many areas including bureaucratic or structural rigidities as they grow in size and complexity, dependency on donor funding, the relatively long time required to build self-sufficiency, economic difficulties inherent in the participation in any new business activity, and — either, or, and sometimes both — inadequate government supervision and excessive government interference.

Since co-operatives are often their own worse critics, or, at the other extreme excessively optimistic, it is often instructive to look at what other well informed people have to say about co-operative experience in developing countries. The U.K.-based organisation Oxfam, in its **Field Directors Handbook**, has identified several problems of co-operatives which, it says, experience shows often lead to the failure of co-operatives. These include failure to involve members adequately in decision making, the use of co-operatives for a purpose determined not by the members but by politicians or officials, lack of administrative skills, struc-

tural conflicts between the co-operative as an institution and the society into which it is introduced, poor or corrupt management, breakdown of democratic control, the taking over of the co-operative by narrow interest groups, direct attempts to destroy the co-operative, failure to become self-reliant, misappropriation of funds, appointment of managers from outside the local area, and excessive dependence on donor organisations. Most co-operative practitioners are well aware that neither the list of potential benefits nor the list of perceived problems should be regarded as the complete truth for the world-wide co-operative movement, much less for any national co-operative system. But both contain enough elements of truth, easily identifiable to some degree in most co-operatives around the world, that they must be given serious attention in any analysis of the role of co-operatives as instruments of development.

Sectoral Review

One of the most important aspects of co-operatives is the economic sector in which they operate. Indeed, a frequent problem experienced by co-operatives is that they, and their leaders, become so involved in their industry that they neglect the co-operative characteristics which distinguish them from other institutions.

A noteworthy feature of agricultural co-operatives in developing countries, as opposed to industrialised and, especially, socialist countries, is that they have been involved primarily in the marketing of food and relatively little in its production. Although many attempts have been made to organise farmers into producer co-operatives, this form of collective cultivation has seldom proved successful. As Murray Silberman points out in his excellent paper on agricultural co-operatives, a recent experience in Ethiopia, whose government attempted

to free landless peasants from exploitation by landowners through the establishment of agricultural producer co-operatives, has suffered from many problems associated with this type of co-operative organisation, notably an absence of genuine participation by its members and poor management.

It is in the area of agricultural service and, especially, marketing co-operatives where the greatest impact has been made in developing countries. Particularly in Africa and Asia, the procurement of inputs, provision of credit and marketing of produce have been regarded as important elements of agricultural development which can be well performed by co-operatives. The extensive involvement of co-operatives in this area is a natural reflection of the importance of food strategies in almost all developing countries.

Co-operatives for the joint use of agricultural equipment have been active in Nigeria, Ghana, Cameroon, and Togo. The role of co-operatives in marketing the main cash crops in Kenya is well known. In Egypt co-operatives were used as a service instrument to redistribute land through the agrarian reform law of 1952.

Closely linked with the growth of national economies and the growth of the capacity of co-operative organisations has been their expanded role in agricultural food processing. India and Brazil are examples of countries where this form of co-operative activity is widespread and successful. This vertical integration is characteristic of some of the more successful co-operatives around the world, the most notable of which is the Anand pattern of dairy and oilseed co-operatives in India, which is predicated upon a close link between production, processing, and marketing so that the producer will share in the benefits resulting from all three stages.

A frequent debate in co-operative development circles has to do with the

relative merits of multi-purpose as opposed to single-purpose co-operatives. Both have proven their value. However, since multi-purpose co-operatives have the capacity to solve more of a country's development needs, they have often been the approach supported by governments, as was the case during the re-organisation of the co-operative movement in Zambia during the 1970s. This development has also brought many problems, especially the difficulty in obtaining sufficiently qualified management to deal with these many areas of activity.

Rural co-operatives were first introduced in India in order to provide credit to the rural areas, and it is this role that many multi-purpose co-operatives continue to play. During the last twenty or thirty years, however, the important role of savings in development has been increasingly recognised, and has led to the development of more single-sector co-operatives in the area of savings and credit. It is increasingly recognised in development circles that a satisfactory growth rate can be obtained only through the mobilisation of domestic resources, and that the capacity of poor people to save has often been underestimated. Above all, many of the problems of government-operated credit programmes have resulted from the separation of the savings and credit functions.

According to the World Council of Credit Unions, there are now more than 37,000 thrift and credit co-operatives with 46 million members around the world. While the largest movements are in the United States, Canada, and Australia, considerable penetration has been made during recent years in Africa, Asia, the Caribbean, and Latin America where well-established, three-tier support systems now exist. The Africa Confederation of Co-operative Savings and Credit Associations

(ACCOSCA), with 24 national member countries, is one of the few truly Pan-African organisations. The Asian Confederation of Credit Unions, with 11 member countries, represents thrift and credit organisations which are penetrating poor urban areas of Asia as well as the rural sectors. The Caribbean Confederation of Credit Unions, the product of a unique joint project between the World Council of Credit Unions and the Co-operative Union of Canada, represents 17 rapidly growing national movements. The Latin American Confederation of Credit Unions (COLAC) is the largest of the developing country confederations and provides financial as well as technical services to its 16 national members.

A distinguishing feature of the thrift and credit co-operatives has been their relative success in avoiding direct control by, or dependancy upon, government. In Indonesia, for example, the credit union movement received specific exemption during the 1970s from inclusion in the multi-purpose co-operative system being established throughout the country. In India the urban-based thrift and credit co-operatives have since the earlier part of the 20th century been allowed to develop with little direct involvement by government. A similar pattern can be seen in Cameroon, where membership in the societies affiliated to the Cameroon Co-operative Credit Union League grew by more than 900% between 1979 and 1984. However, in areas where credit unions have been allowed freedom to develop separately, they often come into competition with thrift or credit programmes provided through multi-purpose co-operatives and supported by local governments.

It is not surprising, in view of the largely rural nature of most developing countries, that consumer co-operatives are less widespread than in the industrial

and socialist countries, where they account for a major share of the food market. Efforts to transplant the Rochdale-type consumer pattern in developing countries have frequently met with failure. In many countries, such as India, the role of retail co-operatives has been largely to act as the distributor of essential commodities at government-controlled prices. Less frequently they have performed their role of providing effective competition to ensure fairer consumer prices, although exceptions do exist as in Nigeria, where a 1984 study found that a substantial body of public opinion rated co-operative societies higher than private firms in terms of providing food products and essential services at lower prices. All too often, however, lower prices in consumer co-operatives have been the result of subsidised credit or other government support; when this support was withdrawn or lost, co-operatives suffered severe reverses, as was the case in Malaysia in the early 1960s. Subsequently, through support provided by the co-operative financial system in Malaysia and a conscious decision to emphasise modern, supermarket-type operations in urban areas, the consumer movement in the country has been able to re-establish itself on a sound footing.

As the process of urbanisation increases in developing countries, and as the problems of urbanisation become more acute, the role of urban co-operatives is growing. In addition to the consumer and thrift and credit co-operatives, housing, insurance, and industrial co-operatives are providing significant services and are receiving increasing external support. The growth of national co-operative insurance organisations has received strong support through twinning arrangements with co-operatives in developed countries sponsored by the Insurance

Development Bureau of the International Co-operative Insurance Federation. A relatively strong movement has developed in Kenya, and efforts are now being made to strengthen insurance co-operatives in Southern Africa through a project of the International Co-operative Alliance. In Malaysia insurance is also part of the strong urban co-operative sector.

Just as persistent unemployment has led to the growth of industrial or worker co-operatives in the industrialised countries, similar developments are taking place in the third world. The most recent report of the U.N. Secretary General notes that experience in Tanzania and elsewhere has shown that the required investment to secure employment for a single worker in a co-operative is lower than in a regular enterprise, and that in Nicaragua small scale production co-operatives now account for 30% of all industrial employment even though they operate at a low technological level. The role of handicraft co-operatives is well known in most developing countries, although frequently their inability to find markets for their products has limited their impact. As has already been the experience of developed countries, however, urban based co-operatives of this type have great difficulty in making headway without some degree of assistance from government, at least during the difficult start-up period when extensive capital or management training may be required.

Housing co-operatives have made only a limited impact in developing countries and have not approached the success they have experienced elsewhere, especially in socialist countries. Perhaps because this sector has received less external assistance or because housing has not been regarded as a top priority in development terms, housing co-operatives have not played

a large role in urban development. Their impact has been greater in Latin America than in Africa or Asia, no doubt as a result of the far higher urbanisation of Latin America. As urbanisation poses increasing problems for many developing countries, co-operative housing is obviously a sector with great growth potential.

Many different forms of co-operative housing have been established in response to local needs. These include limited objective co-operatives, organised to perform specific services on behalf of their members such as acquiring land or upgrading existing settlements; mutual ownership co-operatives, in which the co-operative holds the legal title to the property and each member's shares are equal to the value of his dwelling and share of the common property; multiple mortgage properties, where members have legal title to their own units with only common property or facilities owned by the co-operative; and limited equity co-operatives, under which members do not receive any capital gains on their investment. As all the forms of co-operative housing development usually require the initiative and help of a support organisation, co-operative movements, non-governmental organisations, and governments are increasingly turning toward the establishment of technical service organisations to provide the necessary technical, training, and financial services.

Housing, like production credit, is an area where financial and non-financial co-operatives have been able to collaborate successfully, often through use of a revolving fund provided by a donor organisation. The Co-operative Housing Foundation of the U.S. is currently providing \$10 million for on-lending through the credit union systems in Guatemala, Belize, Honduras, El Salvador and Panama in order to

strengthen the co-operative housing systems in Central America.

Societal Group Review

The ability of co-operatives to provide services to specific societal groups, especially the disadvantaged, is still the subject of debate within the co-operative movement. While co-operatives in the socialist countries almost invariably provide a number of social services for their members, especially women, children, and the elderly, co-operators in the western industrialised countries are divided between those who believe that co-operatives are essentially private business organisations with an overriding and almost exclusive economic orientation, and those who believe that co-operatives, while operating successfully in the marketplace, must also be sensitive to their social responsibilities. The concept of an annual social audit, whereby the social activities of the co-operative are planned and accounted for at year end to its members in the same way as its economic performance, is gaining increasing support in parts of Europe and North America.

This issue is made all the more difficult because of the extreme economic and social disparities found in most developing countries. A particularly active debate centres around the role of co-operatives in providing services to the poorest of the poor, who have become a special target group for many governmental and non-governmental development agencies.

The conclusion of most researchers who have studied this question is that co-operatives in most developing countries do not involve or serve the large majority of the poorest of the poor when these are defined as landless labourers and other especially disadvantaged groups. This is hardly surprising since the establishment of a successful co-operative presupposes a certain amount

of individual initiative and knowledge that is often lacking among these disadvantaged groups. As well, co-operatives are not usually large enough to make changes by themselves in the economic and political systems which contribute to underdevelopment. One of the few exceptions to the generally limited scope of co-operative activity in this area is the system of dairy and oilseed co-operatives in India sponsored by the National Dairy Development Board. In this case the NDDDB has been sufficiently strong to insist upon the necessary preconditions for success; for example, it refuses to undertake projects in states which have not amended their co-operative legislation to enable the NDDDB-initiated co-operatives to operate properly, and it has established co-operatives only when the full participation of women and scheduled castes has been guaranteed.

But to say that co-operatives have not usually brought about major social change is not to say that they have failed to meet the interests of the poor. Small-scale farmers with one or two hectares of land have benefited in many countries from agricultural service or marketing programmes. Credit unions have been established to serve the needs of low income groups in both rural and urban areas; in Indonesia, for example, credit unions have been formed with a common bond of hawkers, and in Thailand credit unions have enabled slum dwellers to build decent houses.

The most recent report of the UN Secretary General on **National Experience in Promoting the Co-operative Movement** provides a good overview of the problems co-operatives have experienced in providing services directly to such groups as women*, youth, the disabled, and the elderly.

The greater involvement of young people poses challenges to co-

operatives around the world. A report prepared for the ICA Central Committee Meeting in 1983 showed that only a minority of co-operatives had special sections or programmes to promote the involvement of young people. Poland is a major exception to this trend in view of its many student, housing, sport and other co-operatives financed by the co-operative system to the benefit of youth. The 1985 International Youth Year served to focus attention on this issue within co-operative circles and led to the organising of a conference in Warsaw by the ICA and the Supreme Co-operative Council of Poland to examine ways of promoting the co-operative idea among youth, particularly in developing countries. Pakistan is one example of a country whose government is supporting co-operatives to assist young people establish their own businesses. Similar youth unemployment problems have prompted the establishment of co-operative development organisations in the United Kingdom, often with extensive government support, in order to foster the establishment of worker-owned co-operatives.

Information on the role of co-operatives in helping to meet the needs of disabled persons was greatly increased in 1985 with the publication of a joint study by COPAC and the UN Centre for Social Development and Humanitarian Affairs (CSDHA) within the framework of the UN Decade of Disabled Persons. It indicated that co-operatives for disabled persons are to be found in many developing countries in Africa, Asia, the Middle East, and Latin America. Such co-operatives are few and far between in most industrialised

In shortening this report for publishing in the review I have taken out references to women's participation as this is widely quoted in Roy Laberge's piece on Women's Participation in Co-operatives on page 25. Ed.

countries, although more common in Eastern Europe. The most extensive "invalids' co-operatives" are to be found in Poland, where the employment of disabled persons qualifies these co-operatives for state assistance in the form of tax deductions and favourable terms for borrowing. These co-operatives have apparently been successful in providing productive employment combined with vocational and social rehabilitation. Housing co-operatives in both socialist and industrialised countries are frequently also involved in efforts to assist the disabled through membership quotas or special construction techniques designed to serve their special housing needs.

A final minority group, and one whose composition of the population is rising rapidly, is the aging. This is perhaps more of a problem in the industrialised and socialist countries, whose populations include an increasingly large number of elderly persons, than in the developing world, where the median age is still relatively low and where family ties and traditions are stronger. As in the case of the disabled, a joint COPAC/CSDHA study is to be undertaken in order to provide more information about this relatively unexplored area of co-operative activity and potential.

Conclusion

It is clear that the universality of co-operatives, which is demonstrated by a review of statistical information, has not resulted in a high degree of uniformity in their structures, activities, or accomplishments. A review of countries, sectors, and societal groups is likely to leave the impression that there are very few elements of commonality within the worldwide co-operative movement.

And yet, from another perspective, their similarities are apparent. Democratic control and member participa-

tion, while not by themselves an assurance of success, can be found wherever there are successful co-operatives. In spite of all the problems they have encountered, governments, development organisations, and common people continue to place faith in the co-operative formula. And, especially relevant is the undeniable fact that co-operatives everywhere are very much affected by government policies and the economic and political systems in which they operate. To quote one last time from the Secretary General's latest report: "The best managed co-operative cannot expect to remain financially viable if the government keeps the price of its products artificially low in favour of certain groups in society while not controlling costs. Co-operatives cannot be expected to progress far in integrating women, disabled persons and youth in their midst if the laws of the country show little concern for the advancement of these population groups. ...A co-operative cannot be an island in society, unaffected by the larger economic, social and political trends that shape the lives of ordinary citizens."

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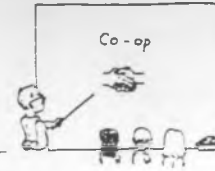
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Co-operative Education



Co-operative Schools – A High Quality, Humble Alternative

by Prof. John H. Wolf*

Co-operative education is relatively unknown, and the number of schools that practice it, few, and this accounts for the fact that there is scant information on the subject. Consequently, whoever dares to define or describe it runs the risk of sailing on uncharted waters, for co-operative education has only begun to be important and to make an impact on educational philosophy and practice since the 1960s, even though its origins go back further in time.

It certainly represents a positive response to the demands made upon children by the modern, material world, which day by day becomes more impersonal and 'massified', and in which humanitarian considerations are more and more relegated to positions of secondary importance. As countries 'develop' they often pay the price in human terms, by the loss of personal identity and spiritual values, by the disintegration of the family and by the destruction of community and solidarity among people. Large school systems become bogged down in bureaucracy, political processes and changes, suffer from overcrowding, difficult teaching situations, hostility and violence, and finally fail to prepare children to live with themselves and others, and for 'life after school'.

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The "Team" and the "Project"

Two of the principle elements of the co-operative school are the team and the project¹, both of which are extremely difficult to define, in so many words, because they resist a unique, exclusive or easy description.

The team initially is a group of people, not necessarily teachers who, as friends, are concerned about the lack of success of school systems in overcoming such problems as school failure and dropouts, which are just the visible signs of internal disorders. This team is concerned about the lack of a moral, ethical and civic dimension of education, its joylessness, the absence of initiative and creativity, independence and autonomy and, last of all, social consciousness. These values were traditionally fostered at home, but were subsequently foisted upon the schools, which in the long run found themselves unable to cope.

The team proceeds to establish itself legally and searches for suitable facilities with funds of its own and/or community support. The team members work closely together, define their common goal, or course to follow in a spirit of understanding that is marked by what could be called a 'basis for dialogue'. The spirit is both positive and optimistic and is even more important than the goal, aim or project, which can take a variety of forms.

From the beginning, the quality of the leaders is of decisive importance, for it gives the tone to future development. Experience shows however, that over a period of time many people are not disposed to work in a team, and leave voluntarily, perhaps because the co-operative method involves more work and greater responsibility to one's colleagues, students and community than would be required in another type of school, because of the degree of dedication and conviction required, because of fear of change in thinking and working habits and because the work is carried out in front of colleagues, parents, students and community in a spirit of openness².

"The project is whatever the team elaborates among its members"

The project is whatever the team elaborates among its members. It may not be expressed in written form other than the synthesized version of the officially published Statutes. In any case it is up to the combined efforts of the team, parents, students and community to constantly and continuously define, re-define and refine it and put it into practice. A project projects itself into the future and, as such, is an ideal more than a reality³. The project has not been pre-established to the extent that it is fixed and static.

Training

The co-operative school, by definition, is part of a community that is continuously contacted, involved and stimulated, and from which future co-operators are recruited. The parents of the students turn naturally to the school for matters related to education, but also include other matters of common interest such as culture, physical and mental health, literacy and employ-

ment. In the case of the co-operative school, the total involvement in the community is through the children. Where people in and out of the school are working in such an important area, and in such close collaboration, the need for high ethical and moral standards can not be overstated, for each and everyone concerned becomes an ambassador and spokesman of the co-operative effort. Solitariness becomes solidarity.

Two remaining aspects of co-operation in general must be mentioned. While co-operatives do not have religious affiliations, while 'belief must be separated from governance'⁴, a spirit of ecumenism (meaning originally a house) can only enrich the team and its efforts. As far as politics is concerned, only party politics are banned from co-operatives. All men have a political dimension, as Aristotle has demonstrated, which calls on them to be concerned about their fellow man. In sum, it is only the dogmatic aspect of religion and politics which is detrimental to the working of a team.

It should be pointed out that votes taken in a school co-operative are always unanimous. As strange as it may seem, a common characteristic of the team is its 'native intolerance'⁵, in the good sense of the expression. Decisions are worked out as one voice, through discussions, proposals, counter-proposals and agreements. The team is 'dynamic' in the sense that it is always moulding and forming its project. 'The essential idea is not that the team should be, but that it should become'⁶. Its movement, therefore, is one of liberation (movement from within, out), and not oppression (movement from without, in), which allows people to be at peace with themselves, and with others.

School co-operation has benefited from the efforts previously made by at

least several great thinkers. From Piaget it took the idea that moral development is a process that takes place within one, and which leads to autonomy⁷. Piaget also understood co-operation to be a voluntary movement which arises out of an internal need to co-operate, and which is based on mutual respect among equals. 'For one to discover himself, as an individual, there must be continuous co-operation, the product of opposition, discussions and mutual control. It is necessary for us to know our own nature, with its limitations, with its possibilities, to be able to come out of ourselves, and to collaborate with others⁸.

At least two of the basic tenets of co-operative education come from John Dewey. The first is that the school should be based, and intimately related to a community, and extending the idea even further, that the school itself should be a 'miniature community'. Another is that of 'learned by doing'⁹, or, as it has been put elsewhere, 'the interplay of thinking and doing'¹⁰. The distinction between imitating and doing is also at the heart of Dewey's thinking, in his efforts to break out of the restrictions and narrowness of previous education models, and to promote discovery, initiative and relevance. The teacher should become a 'guide and co-worker', with the 'growth of the child in all aspects of its being' as his final goal¹¹.

The co-operative school is dominated by a happy atmosphere, and by success rather than failure. The teachers, all of whom have formal and informal contact with students of all ages and classes, meet frequently to exchange ideas on progress and problems, and to chart their integrated and co-ordinated actions. Children of one class help those of another; older children help younger ones; they clean their own classrooms; settle their differences between themselves, seated quietly together without

teachers; they create and perform plays and practice role-playing, with teachers and on their own; they plant, harvest, measure, price and sell garden produce; they take attendance. The school joins and participates in community cultural events and festivals in local schools. Parents give occasional classes, read out loud, raise funds, participate in outings, provide transportation services and equipment, attend school meetings. Of course there are problems, but the co-operative succeeds in overcoming them.

The school is structured in such a way that it provides a smooth flowing 'progression of progress', culminating in the preparing of the student for an almost effortless transition, either to the next stage of education or to the world of employment. The fruits of co-operative education take their time to mature and to become visible, and they continue to grow and manifest themselves in the student's capacity to reason and resolve problems, in his self-confidence and sociability, in his respect for others, in his self-consciousness and social consciousness, and finally in his happiness in studying, progressing and of being of use to himself and to others.

The co-operative sector seems to be experiencing certain difficulties in defining its direction, ideology and space, as evidenced by recent writings¹². The experience of the co-operative school may be of some use to the movement as a whole in helping to shape its future development.

First of all it must be said that a school, as well as a business, must be economically viable, and provide for the betterment of its members. A school employs personnel and prepares others for employment, but its main 'betterment' is social and spiritual, and not 'profits' as such. The co-operative movement would do well to define more carefully the concept of 'betterment'.

The concepts of team and project also might well be emulated in other branches of co-operation, for it is only a sound house that possesses the qualities needed to meet and overcome the problems of the modern world. The spiritual element that joins people together harmoniously is as necessary as the material one that permits the co-operative business to advance.

In co-operative education it has been shown that schools not surpassing 5-10 classrooms and 6-10 teachers possess the optimum conditions for close team work. Perhaps the lesson to be learned is that co-operatives should limit themselves to modest dimensions, producing quality rather than quantity, and not infringe upon the interests of big capital: a high quality, humble alternative for those who desire it and can benefit from it.

— FOOTNOTES —

¹ For the description of these terms I am deeply indebted to the seminar work on co-operative education: (ed) Raymond Toraille, *L'équipe éducative*, Les Editions ESF, Paris, 1981.

² Toraille, p.17.

³ Toraille, p.16,43.

⁴ Antonio Sergio, *Confissoes de um cooperativista*, Lisboa, Ed. Inqueri XX Lda, 1948, p.18.

⁵ Toraille, p.17.

⁶ Constance Kamii, *A Teoria de Piaget e a Educaçao Pre-Escolar*. Lisboa Inst. Piaget, s.d., p.35.

⁷ Kamii, p.35-37.

⁸ George Dennison, *The Lives of children*, New York, Randon House, 1969, p.93.

⁹ *Encyclopaedia Britannica*, Chicago, 1974, p.681.

¹⁰ *Encyclopaedia*, p.681

¹¹ *Encyclopaedia*, p.681

¹² 'Review' (ICA), vol. 79, number 2, 1986, pp.11-16.

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cont/d from page 52

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Book Reviews

The Enigma of Membership

by Kaj Ilmonen

A5, 226 pages. Published by the Co-operative Institute Stockholm, 1986

Just at the right time an edited translation of Kaj Ilmonen's book (Finnish title "Jäsenet ja jäsenet Liike") was published by the Co-operative Institute, Stockholm. The book presents a sociological study of membership in a Finnish Consumer Co-operative. Although it deals with Finnish membership development, it will be of particular value to everyone in the Consumer Co-operative world.

The author goes back to the birth of Consumer-Co-operation and, in eleven chapters, deals with the historical development of Consumer Co-operatives in Finland: The split in the Finnish movement, the birth of the 'E' movement, the shaping of membership relations, the manifold problems till 1938, and the war and the movement. Finally, the years after the war and the reorganization.

When reading the book, which is really fascinating, you not only realize that the contents are the living history of the 'E' movement, but how many of the problems encountered are also well known in many Consumer Co-operatives all over the world, especially in Western Europe.

Dr. Ilmonen shows how the structure of membership has changed. Furthermore, that the Co-operative movement

has been, and still is, a broad popular movement with deep roots in our society.

It is interesting that the author finds evidence in the historical development of co-operatives which supports the rather pessimistic and fatalistic iron law of oligarchy of Robert Michels who says: "The active participation of members and democratic influence is gradually, but inevitably superseded by the oligarchy power of managers". However, Dr. Ilmonen also points out the deficiencies of this view, both as a general theory and a description of those developments which have occurred in co-operatives. He graphically shows that the dynamics of an organization, like a consumers co-operative, cannot be explained from the inside, but only within its overall social context.

The question which certainly interests most consumer co-operative sympathizers today is related to this perspective. Some believe that consumer co-operation, at least in the developed Western European countries, is fading into history along with other working class movements that emerged from the industrial revolution. This is an important question, but not one to which a historical study can give a ready answer.

Undoubtedly, the working class in the old sense has disintegrated or soon will disintegrate. The new working class is broader based but culturally diffused. Consumer co-operatives of the type described in this study were an essential part of the traditional working class culture. The burning question throughout Europe today is: Will they disappear? The answer depends on whether the modernizing process within consumer co-operation is in harmony with the

wishes and demands of customers and members. There is a strong and pressing desire in all Western European societies to increase democratic control and management in social institutions.

As Dr. Ilmonen writes: "It is against this background of values that the co-operatives will find their place in the future — not the past". He shows us how urgent the need is for revitalization. A challenge for all of us.

Dr. Anton E. Rauter

DEAR BABS — The collected correspondence of Betty Robinson, born-again Co-operator

With 14 original illustrations by Bill Tidy

Publication: 26 May 1987, Price: £4.95 (by post £5.60)

Available from: Holyoake Books, Holyoake House, Hanover St, Manchester M60 0AS, U.K.

In this hilarious series of letters to her friend Babs, Betty Robinson, born-again Co-operator, describes her progress through the Co-operative Movement's corridors of power.

From lowly beginnings as a member of the Board of the Downmarket Co-operative society, where she becomes a director almost by accident, Betty's action packed career takes her right up to the Presidency of the Upmarket Co-op Society and membership of most of the Movement's principle bodies.

On the way, she crosses swords with Old Joking, the tyrannical boss of the Downmarket Co-op... wheels and deals a merger with Upmarket... gives birth at the Co-op's annual 'parliament'... and rescues her Society from disaster in the hands of the Reform Group.

Although all the incidents and characters in this book are fictitious, the anonymous author, in the best traditions of satirical humour, pushes reality to the limit and only occasionally beyond!

Does Aid Work?

by Robert Cassen and Associates

Published by Clarendon Press, Oxford. U.K. 381 pages.

Does aid work? The answer to this million dollar question is yes, but. Robert Cassen and an experienced team of consultants completed their evaluation in 12 months, undertaking seven country studies covering Bangladesh, Colombia, India, Kenya, Malawi, Mali and South Korea. In addition they reviewed an extensive list of project documents and evaluation reports, and studied the programmes of multilateral and bilateral development agencies. The study was commissioned by the Task Force on Concessional Flows set up by the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund.

The Task Force represented twenty governments and was funded by the donor members of the group, with the World Bank acting as the Task Force's secretariat. It might be thought that a report of this nature would perhaps be biased and reflect (protect) the interests of the donor and development agencies and tend to go out of its way to ensure that the results show aid programmes in their most favourable light. This is not the case as it was agreed at the outset that the study would be prepared by independent consultants, who would have no obligation to modify it in the light of the views of Task force members or other agencies. As a result the study makes interesting reading and is critical of many aspects of aid, but the treatment is analytical and constructive and written with a simplicity of style, which lends itself to easy understanding of the complex issues under consideration.

The basic finding of the study is that "The majority of aid is successful in terms of its own objectives". Over a wide range of countries and sectors, aid has made positive and valuable contributions. The report also refutes some of the common criticisms of aid — that it cannot reach the poor, or that it conflicts with the development of the private sector. Useful chapters are devoted to such subjects as, aid and poverty; policy dialogue; performance and evaluation; technical co-operation; the systemic effects of aid and the role of co-ordination; aid and market forces.

The study reveals a general experience that aid inputs in Africa have been less effective than in Asia. It concludes that the things which make development as well as aid-giving difficult, are simply more pervasive in Africa. The main set of phenomena responsible for aid failure lies in the policy environment within which aid operates. Taking all developing countries together there appears to be little relationship between aid and growth, however individual study of one or two low income countries indicates a positive relationship.

The findings on aid and poverty give rise to considerable concern. The report concludes that poverty is not decreasing in the Third World. Today the proportion of people in poverty is stagnating, possibly rising in some countries and the numbers of people in poverty are certainly rising. It draws attention to Malawi and Kenya where the authors state that there is no evidence about what is happening to poverty or indeed of donors

pursuing consistent policies related to the relief of poverty. In other countries like Colombia and India, consumption patterns have risen and aid has led to successful growth and employment.

Much is written about the importance of policy dialogue. The conclusion is that the effectiveness of aid and the success of policy dialogue are intimately related. There is a growing concern that in sub-Saharan Africa certain kinds of policy inadequacy had hindered development in the past, but there is a notable absence of a full consensus about how to move from this unsatisfactory state of affairs to a better one.

Readers searching for comment and evaluation on the role of co-operatives will be disappointed as there appears to

be little discussion on institutions. Nevertheless many of the findings about the effectiveness of agricultural and rural development aid programmes will be of interest to co-operative development agencies and to national co-operative organisations. The insights into the working of the development agencies is also educative and the report makes recommendations for improving co-ordination, particularly in order that they may learn from each others mistakes. The report covers almost 400 pages and the subdivision of its chapters and the format chosen allow the reader to selectively read those areas of special interest, and co-operators actively involved in development aid will find much of interest.

Colin E. McKone

Communautés - Archives de Sciences Sociales de la Coopération et du Développement (ASSCOD)

Published, in French, by the Bureau of Co-operative and Community Affairs, 170 pages, 4x per year, F.Fr. 154 per subscription (F.Fr. 185.— outside France) including postage from B.E.C.C., 7, Avenue Franco-Russe, 75007 Paris, France.

The January/March 1987 issue of ASSCOD contains fifteen studies on women and social economy written by women researchers. Eleven papers cover a wide range of countries and subjects in Africa, two are focused on Asian countries (Afghanistan and India), one features Latin America and one is devoted to women's participation in French industrial co-operatives.

1. The women-merchants at Cape Verde in Senegal constitute the subject of A. Lambert's study. She had chosen a limited geographic area and scrutinized ten cases of women who

hold two economic activities — a legal job, mainly in the public services, and an illegal, commercial one.

2. C. Vidal examines the time work schedule of women from the 'Wolof' tribe (Senegal) in two comparative studies: in the first she measures the time spent doing household chores, and in the second she measures the total time devoted to both housework and agriculture.

3. In her study, O. Reveyrand analyses the functions and objectives of three main categories of women's associations in Casamance, Senegal: girls, mothers and the elderly.

4. H. Pere has been a field worker in the Lobi region (Burkina Faso) for the past twenty years. She reports on rural education for girls, where new methods have been developed and appropriate structures established.

5. A. Dabire recounts her experiences as a young 'Dagara' girl, describing the successive periods of apprenticeship for womanhood. Her retrospective analysis makes this study particularly interesting.

6. F. Baulier presents seven women's associations in Burkina Faso. The author decided to give the floor to the women themselves who tell us their successes and failures.

7. The next contribution analyses the role of women in the development of health care centres in the rural areas of Mali. M. Marty emphasizes that primary health care education eases the social progress of women.

8. Women's health is the object of H. Balique's inquiry in South Mali. Twelve villages have been examined from the point of view of delivery care and midwives' training. The author concludes that some aspects of the health programme have failed due to lack of money and follow-up.

9. M.-H. Kacou studies employment opportunities for women in Abidjan markets, a source of survival for women and theirs families.

10. Bangui, the capital of the Central African Republic was the theatre of investigation on women's commercial activities. D. Tinturier, tries to show the symbiosis between the urban and rural way of life, which finds its expression in women's businesses.

11. An Afghan village is the object of a thesis written by M. and A. Poulton in 1979. The extract published in ASSCOD concerns women's societies. The author clearly and concisely presents the social life "intra muros" and evaluates the degree of involvement of women in the village activities.

12. For ten years the Moroccan government increased its efforts to activate women's involvement in the national economy. N. Guerhoune's paper examines the participation of women in co-operatives and women's only co-operatives. Accompanying statistical data give a good overview.

13. Women's integration appears easier in coops and consumer co-ops than in agricultural co-ops and industrial co-ops. M. Hersent and I. Mahiou present a study case on women's participation in French industrial co-ops.

14. M.-O. Waty's paper relates the 'Sangham' experience in India. These village committees play an important role in the regional development. Their major success is a greater involvement of rural women in the decision-making processes at village level.

15. The last contribution is devoted to the women's projects in Latin America. The women's movement has developed differently in different countries of the region, so they decided to form an international structure for exchange of information on adult education and women's problems. The report includes information on Bolivian "mothers' clubs" — informal self-help groups of rural women supported by the International Labour Office and United Nations Development Programme.

Aline Pawlowska

The Plunkett Year Book of Agricultural Co-operation 1986

A5 Published March, 1987. ix + 312 pages, isbn 0 85042 076 8.
Price L-8.90 incl. postage and packing from The Plunkett Foundation for Co-operative Studies, 31 St. Giles, Oxford OX1 3LF, United Kingdom

The 1986 edition of the Year Book of Agricultural Co-operation, a flag-ship publication for co-operative studies, has recently been released. It combines a diverse collection of carefully selected case studies with thoughtful articles on themes of current importance. The book will appeal to academics, agricultural strategists, research and development workers, and everyone interested in the increasingly popular and important study of co-operation, in both the industrialised and developing countries.

The 1986 Year Book reflects the diversity, adaptability and considerable advances made by co-operative organisations around the world, each article bringing out the need for the principle that co-operative enterprise should provide economic and social benefit for its members. However, the expectations and realisation of benefits vary tremendously between different groups of members and between different countries, depending to some extent on social, economic, political and cultural considerations, though success seems to be guaranteed when the membership is committed and is served by determined professional management.

This year the articles touch on many issues concerning co-operatives. Like all other organisations, they cannot ignore the realities of a changing economic and competitive environment. The success-

ful management of change in Moshav settlements in Israel, the unique merger between farmers' co-operatives and farmers' unions in Sweden, and the appropriateness of workers' co-operatives in developing countries are subjects for the first three articles, each reflecting the changing nature of co-operatives. The article on credit co-operatives in Sri Lanka describes the origin, growth, decline and resurgence of credit co-operatives in that country. The need for the banking system to change to a co-operative approach for the development of rural areas prepounded for Nigeria. Two countries which have a history of governmental commitment to the development of co-operatives receive particular attention — namely Tanzania and India. The events leading to the current changes in approach, and the reaction to these changes are reviewed in three separate articles dealing with Tanzania; and rural co-operatives are the subject of two on India. After forty years of co-operation, changes are now being suggested to bring new life to the co-operatives in Grenada.

A series of papers shows the current recognition of the importance of the availability of base finance — not in the form of donations or aid, but as credit, for which the borrower, however limited in means, is himself responsible. One

article argues that the popular belief that the poor are risky borrowers is unfair and misguided: indeed experience from Sri Lanka suggests that the opposite is in fact true. The economic benefit becomes double-edged as the economic improvement provides the stepping stone from self-help to independence. The reality of getting credit to those who most need it is explored in papers which examine the various methods of making it available and the institutions which supply it.

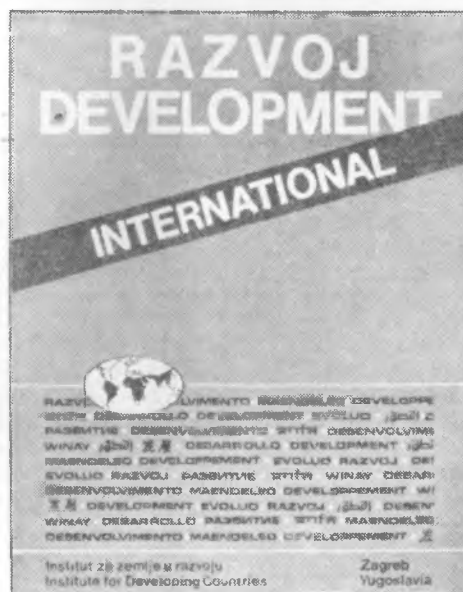
With reassuring examples from India and Grenada, the Year Book emphasises the considerable advances in agricultural co-operation, but most particularly where growth does not outstrip the ability of members to control their own co-operative and where the real needs of farmers are truly understood and implemented.

With this, the 58th edition, the publishers hope that the knowledge and understanding of co-operation will be broadened and the development of co-operative enterprises progressed.

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Zagreb, Yugoslavia

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Report of the XIth International Congress of Cooperative Science, Munster 1985
Arbeitsgemeinschaft Genossenschaftswissenschaftlicher Institute (AGI), Tübingen : Mohr 1985, 256 pp.
ISBN 3-16-344966-2

COMMITTEE for the PROMOTION of AID to COOPERATIVES (COPAC) – Cooperative Information Note. Mozambique no 47.

COPAC Secretariat, Rome, January 1987, 46 pp.

COMMITTEE for the PROMOTION of AID to COOPERATIVES (COPAC) – COPAC Bibliography. Cooperatives in Nepal.

COPAC Secretariat, Rome, February 1987

COMMITTEE for the PROMOTION of AID to COOPERATIVES (COPAC) – COPAC Bibliography. Cooperatives in Liberia.

COPAC Secretariat, Rome, February 1987

COOPERATIVES TO-DAY. Selected Essays from Various Fields of Co-operative Activities. A Tribute to prof. dr. V. Laakkonen

International Co-operative Alliance, Geneva, 1986, 541 pp. graphs., tabs.,

CHARTERINA A. M. and al. – Anuario de Estudios Cooperativos. Lankidetzazko Ikaskuntzen Urtekaria

Instituto de Estudios Cooperativos Lankidetzazko Institutoa, Universidad de Deusto Deustuko Unibersitatea, Bilbao, 1987, 274 pp., tabs., ISBN 84-7485-063-0

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Singapore National Co-operative Federation Ltd., Singapore 1987, 150 pp., graphs., tabs., ISBN 9971-84-704-3

DRIMER A. de, DRIMER B. – Las Cooperativas Escolares

Ediciones Intercoop Argentina, Cuadernos de Cultura Cooperativa no 75, tercera edicion revisada y actualizada

274 pp., bibl., ISBN 950-9012-27-0

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Coady International Institute, Saint Francois Xavier University, Antigonish, N.S. 1986, 124 pp.,

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Stockholm Universitet, Stockholm, 1984, 261 pp., graphs., tabs.,

ISBN 91-7146-424-7

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*of the International Co-operative Alliance
for the 1987 Central Committee Meeting, Budapest, Hungary.*

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Vol. 80 No. 3/1987

Editor M. Treacy

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172 member organizations from 69 countries

organizations/ countries	
Africa	- 19/ 16
Americas	- 18/ 8
Asia	- 48/ 18

organizations/ countries	
Europe	- 86/ 26
Oceania	- 1/ 1
International	- 9

AFRICA

	Individuals
Botswana	36,221
Côte d'Ivoire	213,405
Egypt	3,850,000
Gambia	106,000
Ghana	680,002
Ivory Coast	213,405
Kenya	1,991,248
Lesotho	42,233
Mauritius	40,000
Morocco	21,793
Nigeria	1,633,217
Senegal	838,000
Sierra Leone	35,000
Somalia	53,950
Tanzania	640,463
Uganda	980,076
Zambia	107,977

ASIA

	Individuals
Bangladesh	6,500,000
Côte d'Ivoire	213,405
China	132,000,000
India	67,634,409
Indonesia	8,492,197
Iraq	1,200,000
Israel	1,540,274
Japan	18,409,631
Jordan	38,094
Korea D.P.R.	1,575,000
Korea Rep.	2,132,153
Kuwait	140,094
Malaysia	1,732,620
Pakistan	2,960,448
Philippines	735,851
Singapore	63,377
Sri Lanka	3,946,786
Thailand	1,779,545
Yemen Arab R.	12,450

EUROPE

	Individuals
Austria	3,027,328
Côte d'Ivoire	213,405
Belgium	2,725,967
Bulgaria	2,933,855
Cyprus	287,533
Czechoslovakia	4,754,263
Denmark	1,530,820
Finland	2,060,730
France	13,652,284
German D.R.	4,389,847
Germany F.R.	7,013,331
Greece	814,864
Hungary	4,692,910
Iceland	45,968
Italy	5,215,381
Netherlands	1,000
Norway	1,218,600
Poland	12,011,558
Portugal	3,000,000
Romania	14,976,698
Spain	2,672,205
Sweden	4,593,498
Switzerland	1,210,424
Turkey	5,521,516
U.K.	10,011,813
U.S.S.R.	60,300,000
Yugoslavia	1,506,000

NORTH AMERICA

Canada	11,282,247
Mexico	210,000
U.S.A.	58,344,538

CENTRAL & SOUTH AMERICA

Argentina	6,048,642
Chile	450,000
Jamaica	250,000
Puerto Rico	562,436
Uruguay	398,500

OCEANIA

Australia	4,022,098
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INTERNATIONAL ORGANIZATIONS

Arab Co-operative Federation (ACF)
 Confederación de Cooperativas del Caribe y Centro America (CCC-CA)
 Sociedad Interamericana de Desarrollo y Financiamiento Cooperativo (SIDEFCOOP)
 International Co-operative Bank (INGEBA)
 International Co-operative Petroleum Association (ICPA)
 Nordisk Andelsforbund (NAF)
 Organización de las Cooperativas de America (OCA)
 Université Coopérative Internationale (UCI)
 World Council of Credit Unions (WOCCU)



DIRECTOR'S REPORT

You will find in this 1987 report of the International Co-operative Alliance much to encourage you, both about co-operatives around the world and about the work and conditions of the Alliance, which is co-operatives' international organization.

This report was prepared in August, in time for it to be used as a key document at the annual Central Committee meeting in October, 1987, in Budapest. The report deals primarily with what has happened among co-operatives and to ICA since the October, 1986, Central Committee meeting.



For ICA, the story told herein is one of a successful transition. Until this year, the 1980s had been troubled for the Alliance. During this decade, the headquarters was moved. There has been a complete change in staff—for example, five different people have served as director. A new development strategy has been adopted and its implementation is underway. Total subscriptions from members have grown, but so have the costs of operating and of reducing and changing ICA's structure.

We have worked our way through the problems, from which ICA emerged during 1986. The 1987 record, as revealed by financial results, is gratifying:

ICA FINANCIAL SUMMARY				
(1985 Audit to 1988 Preliminary Budget)				
	1985	1986	1987	1988
	— — — audits	— — —	estimate	budget
INCOME				
From subscriptions	1,791	1,878	1,690	1,660
From other sources	202	124	242	260
TOTAL	1,993	2,002	1,932	1,920
EXPENSES				
At headquarters	2,503	2,403	1,910	1,920
— incl. development				
To Regional Offices	441	293	(from Dev. Fund)	
TOTAL	2,944	2,696	1,910	1,920
OPERATIONAL SURPLUS/(DEFICIT)	(951)	(694)	22	—

You can sense the growing momentum of ICA by noticing the new, the renewed, or the newly energized activities and programmes that have begun since the 1986 Central Committee meeting. They include:

- New ICA communications media—notably a lively newsletter and a magazine with a more clearly focused editorial policy;
- New or expanded programmes by several of the ICA Specialized Organizations, which are the committees and working parties for various types of co-operative activities. The Housing Specialized Organization's featured participation in the Central Committee meeting in Budapest will illustrate this vitality;
- New features of the ICA development programme—new donors for projects, new directors at two Regional Offices, implementation of a new overall strategy, two new advisory bodies.
- Efforts of a new work party to study ICA's membership and subscription policies and practices. Its work will be reported at Budapest;
- IDECOP, a new service to promote and assist trade between and among co-operatives. It is underway and will be the subject of another report at Budapest;
- The new Rochdale Equitable Pioneer Society, in which ICA has been invited to work with co-operatives of the United Kingdom to establish a means both of honouring co-operative leaders around the world and of maintaining co-operatives' premier historic shrine;
- A new programme to develop an international data bank of information on co-operative laws, co-operative operations generally, co-operative development efforts;
- New and growing emphasis by the United Nations, with ICA's help and encouragement, to co-operatives—as witness (1) an ICA exhibit that was prominent at a recent world meeting of the International Labour Organization, (2) United Nations sponsorship of a seminar on relationships of governments and co-operatives, (3) mention of co-operatives in United Nations annual reports and other documents.
- Two staff members from member-organizations who came to Geneva to give short-term, specific help to ICA headquarters projects or efforts under a new, member-secondment programme.

You will find more about most of these and other new initiatives as you read this report.

Membership

By August of 1987, the International Co-operative Alliance membership included 172 organizations from 69 countries. The best estimate was that those members included some 513,000,000 individual, primary-level members. The Alliance also includes nine organizations classified as international members. Estimates of their membership are not included in the 513,000,000 because we cannot be certain of the numbers of duplications between their and the national organization memberships.

Since the 1986 Central Committee meeting, ICA has welcomed new members from Asia, Europe, Africa and South America. Those new members are:

- Malaysia Co-operative Printing Press Society (Malaysia)
- Federación de Cooperativas Andaluzas (Spain)
- Confederación de Cooperativas de Catalunya (Spain)



Groupement National de la Coopération (France)
Fédération Nationale des Coopératives du Sénégal (Sénégal)
CONINAGRO (Argentina)
Arab Co-operative Federation (Iraq)

At its July 1986 meeting, the Executive Committee established a working party to consider changes in procedures, policies and rules that could:

- increase funds available to strengthen ICA's programmes;
- attract new, fully-participating members to the Alliance;
- make ICA's subscription process as effective as possible; and
- decrease the negative impact on ICA and its members of currency exchange problems.

After an abbreviated organization meeting in October, 1986, during the Central Committee meeting, the working party met in February and June. It will meet again in October, 1987, in Budapest, where its work is expected to culminate with a report and recommendations to be presented to ICA Executive and Central Committees.

Communications

ICA now has two regular publications: ICA NEWS and the REVIEW of International Co-operation. Four issues of each were scheduled in 1987.

The NEWS provides a digest of news about the world's co-operatives. The REVIEW examines co-operative subjects in more depth. It is intended to become a source of the best, most important, and most recent writing about co-operatives and co-operation. Some issues of the REVIEW focus on a single subject. A recent issue on housing co-operatives, inspired by the United Nations' "Year of Shelter for the Homeless," is an example.

The REVIEW is published in Spanish by INTERCOOP Editora Cooperativa Limitada (Argentina). In addition, several member journals translate and publish articles or résumés from the REVIEW on a regular basis. Certain member organizations also regularly translate and publish the ICA News or include items therefrom in their own publications.

The Alliance also publishes regularly a directory of the names and addresses of co-operatives and individuals who are members of and engaged in activities of ICA. And it provides information for the co-operative and general press, either by issuing news releases or by responding to requests for information.

During 1986 and 1987, ICA published two posters. The 1986 poster featured a dove on a "co-operative rainbow" background. It grew from the United Nations' observation of a "Year of Peace." The 1987 poster "Roots of Co-operation," gives historical information on co-operatives and is intended to provide support for school, college and seminar education programmes about co-operatives.

Work began during 1987 to establish an ICA data bank containing information on co-operative legislation around the world, on co-operative organizations and their work around the globe, and on co-operative development activities in the developing world—both individual projects and the world-wide scope of co-operative development efforts.

ICA and the United Nations, Its Agencies, Other Organizations

The International Co-operative Alliance, which has the highest consultative status granted to a Non-Governmental Organization by the United Nations, carries on an active programme of monitoring and taking part in U.N. activities. That programme has become more varied and more active in recent years, especially since ICA headquarters were moved in 1982 to Geneva, with that city's collection of UN facilities. But ICA activity with the UN is by no means limited to Geneva.

During the period between the 1986 and 1987 Central Committee meetings of the ICA, ten individuals have been accredited to represent the Alliance in contacts with various United Nations organizations.

Two of those individuals—Mr. J. Pelichet, full-time in Geneva, and Mr. W. Campbell, part-time in New York and Washington—are members of ICA's staff. The others, all affiliated with ICA members, deal with individual agencies or at specific sites. They include:

- | | |
|------------------------|-----------------------|
| • Ms. F. Baulier | UNICEF and UNESCO |
| • Mr. C.-J. Hachmann | ECE |
| • Mr. I. Hanson | HABITAT |
| • Dr. A. E. Rauter and | |
| • Mr. S. Schlifke | UN agencies in Vienna |
| • Mr. W. Sielanko | UNIDO |
| • Mr. L. Visani | FAO |
| • Mr. E.A. Wohlner | UNCTAD |

The United Nations has increased its emphasis on co-operatives. That is reflected in programme plans as well as in references in official speeches and reports. During the International Labour Organization's annual general meeting in June, 1987, an exhibition was mounted in the main hall of the ILO building in Geneva to introduce the ILO delegates to ICA's history, including its ties with the ILO's work with co-operatives.

Proposals for a strategy to make the Alliance's relations with the United Nations more effective will be presented at the Budapest Central Committee meeting.

IDECOP – International Data Exchange Centre on Co-operative Products and Equipment

IDECOP's purpose is illustrated by its title. The idea for it was first introduced in February, 1985. A preliminary meeting to determine member organizations' interest was held during the 1986 Central Committee meeting.

Interest was evident. In March, the ICA Executive Committee authorized that IDECOP proceed. The programme became operational in July, 1987.

A month later, when this annual report was prepared, the system was growing increasingly busy.

A meeting of current and potential IDECOP members is scheduled for Budapest in October, just before ICA Executive and Central Committee meetings.



ICA STAFF



*The Director and Staff of ICA Head Office, Geneva.
Not present: Josiane Trovatelli and Jacques Pelichet.*

HEAD OFFICE – GENEVA

Robert L. Beasley	Director
Bruce Thordarson	Associate Director/ Director of Development
Marie-Claude Baan	CEMAS Secretary
Jane Challen	Development Secretary
Marie-José Companis	Word Processing Operator
Vivianne Dubini	Bookkeeper
Finola Marras	Administration Manager
Sam Mshiu	Education and Development Officer/Head of CEMAS
Viacheslav Ouglev	Membership Manager
Aline Pawlowska	Documentalist
Jacques Pelichet	Counsel/U.N. Relations/IDECOP Manager
Claes Thorselius	Development Officer/Finance Manager
Mary Treacy	Communications Director
Josiane Trovatelli	Receptionist/Publications Clerk
Lajos Varadi	Specialized Organizations Manager

Short-term secondees

Roy Laberge	from Co-operative Union of Canada for 2 weeks
Julie Howarth	from Co-op Union (U.K.) for 9 weeks

WASHINGTON/NEW YORK

Wallace J. Campbell	U.N./International Organization Relations Officer
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REGIONAL OFFICE – ABIDJAN

Babacar N'Diaye	Regional Director
Thérèse N'zi Aka	Bilingual Secretary
Ginam A. Johnson	Women's Programme Officer
Ada Souleymane Kibora	Research and Programme Officer
Anna France Loum	Bilingual Secretary
Essoh N'Cho	Driver
Fassiamo Soumahoro	Office Assistant
Tayib A. Thomas	Education Programme Officer

REGIONAL OFFICE – NEW DELHI

R.B. Rajaguru	Regional Director (till 1 July, 1987)
G. K. Sharma	Regional Director (from 1 July, 1987)
Ulf Bergström	Co-op Trade Advisor – Kuala Lumpur (till 1 September, 1987)
Sten Dahl	Co-operative Development Advisor
A.H. Ganesan	Steno-Typist
Bruce Gunn	Co-op Trade Advisor – Kuala Lumpur (from 1 July, 1987)
U. Herath	Education Programme Officer (from 1 August, 1987)
Prem Kumar	PA to Regional Director
M.V. Madane	Programme Coordinator
R. Mathimugan	Special Advisor for Co-operative Development and Training (from 1 July, 1987)
B.D. Pandey	Librarian and Documentation Officer
J. M. Rana	Regional Development Officer
K. Sethumadhavan	Personal Secretary
P.C. Singal	Accounts Officer
Jagdish Singh	Driver
Ram Singh	Sweeper/cook
Prem Singh Rana	Office Assistant

REGIONAL OFFICE – MOSHI

Charles H. Gashumba	Regional Director
Folke Dubell	Regional Development Co-ordinator (from 1 July, 1987)
Raymond Urio	Documentation and Publicity Officer (from 1 May, 1987)
Bernard Kadasia	Agricultural, Marketing and Price Monitoring Officer (from 1 Feb, 1987)
Gunnar Knutsson	Regional Development Co-ordinator (till 1 July 1987)
Joseph Laizer	Clerk
Patric Makikumbo	Finance and Administration Officer
Johanes Mwakatobe	Driver
Bernard Ndosi	Typist
Salima Ngao	Messenger
Adam Shafi	Education Programme Officer



ICA DEVELOPMENT PROGRAMME



*Bruce Thordarson
Associate Director/
Director of Development*

Restructuring Completed

The 1986 Central Committee Meeting in Basel approved new priorities, structures, and financing for ICA's Development Programme. All are now in place.

In its role as a co-ordinator and catalyst for co-operative development, ICA is concentrating its activities in four major areas: creating a favourable environment for co-operatives to develop as autonomous, independent organizations; strengthening national apex organizations; increasing the quantity and quality of development resources made available to co-operatives; and implementing special programmes in the key areas of human resource development, the role of women, and inter-cooperative trade.

During the year a new reporting and monitoring system was established to ensure that ICA management and donor organizations receive accurate quarterly reports. New regional directors were appointed in the New Delhi and Moshi offices, and new technical advisers were hired in all three regional offices on a contract basis as projects were begun with new funding partners. The staff reductions which began in 1985 in order to increase the efficiency of the regional offices were completed; there are now 30 staff members in the three regional offices, a reduction of 48 per cent since restructuring began in 1985.

Under the new funding formula approved by the Central Committee, strict limits have been placed on contributions made by ICA to the Development Programme. Detailed annual planning sessions are held in each regional office to ensure that the work plan and budget are developed in a realistic way. Contributions by local co-operative movements to the activities of the regional offices are increasing rapidly, however some time will still be required before external contributions are no longer necessary.

Activities

1. Asia

The ICA Regional Office in New Delhi serves 17 countries and 41 member organizations. Mr. G. K. Sharma, former Managing Director of the National Agricultural Co-operative Marketing Federation of India, was appointed Regional Director effective 1 July 1987. During the year progress was made in finalizing the sale of Bonow House and in relocating the office.

The office's Development Co-ordination Unit continued to play a central role in leading or co-ordinating activities in the fields of perspective planning, project planning, consultancy, feasibility studies, and monitoring. The Swedish Co-operative Centre continues to provide funding support for the work of the DCU, as well as for the office's education, COOP-TRADE, and consumer development projects.

The first year of the regional office's agricultural training project, supported by the government of Japan, was successfully completed and the project will be repeated next year. New activities supported by the Japanese government in the field of fisheries training, and by the Japanese Consumers' Co-operative Union, are planned for next year.

During the year the Co-operative Union of Canada became a major partner of ICA's Development Programme in Asia, with the provision of funding support to (1) fisheries projects in India and Thailand which had been identified by ICA, and through (2) the opening of a Regional Office in Kuala Lumpur in conjunction with the ICA's own COOP-TRADE office there.



*R. B. Rajaguru
Regional Director for Asia
till 1 July 1987*



*G. K. Sharma
Regional Director for Asia
from 1 July 1987*

Mr. R. Mathimugan, Chairman of the ICA Regional Council, resigned during the year in order to work full time for the ICA Secretariat, promoting ICA interests in Asia. The active regional sub-committees on agriculture, consumers, fisheries, and trade and industry were joined by a new sub-committee on financial co-operatives.

2. East, Central and Southern Africa



Charles H. Gashumba
Regional Director for East,
Central & Southern Africa

The ICA Regional Office in Moshi, Tanzania, serves ten member countries and extends services to four others. Mr. Charles H. Gashumba was appointed Regional Director effective 1 January, 1987. During the year the office moved to new, much-improved premises, and was accorded diplomatic status by the Government of Tanzania.

The year was highlighted by the Second Ministerial Conference, in Lusaka in June. It was designed to follow up progress made in implementing the goals of the region's Co-operative Development Decade (1985-95). The meeting, attended by senior representatives of governments, co-operatives, and development organizations, reaffirmed the determination of governments in the region to assist co-operatives to develop as autonomous, independent organizations.

Prior to the Ministerial Conference national workshops were held in Lesotho and Tanzania, as part of a joint ICA/FAO/ILO activity designed to assist the formation of national co-operative development programmes. Plans were made to extend the inter-agency mission approach to Uganda and Somalia.

New staff were hired during the year to carry out three SCC supported projects: agricultural price monitoring, education, and planning/research/consultancy. Discussions were held with the Co-operative Union of Canada and the Co-operative Centre Denmark regarding possible collaboration. Both FAO and ILO made financial and technical contributions to national planning workshops organized under the auspices of the Regional Office.

3. West Africa



Barbacar N'Diaye
Regional Director
for West Africa

The ICA Office in Abidjan provides services to co-operative movements in nine French-speaking, five English-speaking, and two Portuguese-speaking countries. In March 1987 the first meeting of the ICA Executive Committee ever held in West Africa took place in Banjul at the invitation of the Gambia Co-operative Union.

A new four-year development plan for the office was discussed at a planning seminar held in conjunction with the Regional Council Meeting. It concluded that, while the office's emphasis should continue to be on education and research, both activities should become more project oriented in the future along the lines of the office's new project for women's co-operatives in the region financed by the Canadian Société de Développement International Desjardins (SDID).

Discussions were held with SDID regarding their support for the office's research project, funded by the Conseil Canadien de la Coopération, which has ended its first phase of activity. The Royal Norwegian Society for Rural Development continues to provide important support to the office's educational activities.



4. Latin America

Plans have been finalized for the establishment of an ICA Office in Costa Rica, in collaboration with the Confederation of Co-operatives of the Caribbean and Central America, the Swedish Co-operative Centre, and SDID. In keeping with the policy approved by the Central Committee in Basel, the new ICA Office will be small, flexible, and designed to explore the needs and potential for co-operative development in the region. It will start on a two-year trial basis.

ICA also pursued its discussions during the year with the co-operative movement in Argentina regarding the possible establishment of a similar ICA Office in Buenos Aires.

5. North Africa

Representatives of ICA, Italian and Egyptian co-operative organizations participated in a planning mission in Cairo in February designed to identify the potential for an integrated agricultural co-operative project that would be funded by the Government of Italy and executed by the Italian co-operative organizations in collaboration with ICA. The mission reached positive conclusions which are currently being discussed.

6. Geneva

In keeping with the strategy approved by ICA's Central Committee in 1986, the ICA Development Section is organizing two new consultative committees which will meet on an annual basis, beginning with the 1987 Central Committee Meeting in Budapest. A new Donors' Council will include representatives of development organizations working on a regular basis with the ICA; the Development Forum will be a common meeting ground for all organizations and individuals interested in co-operative development.

In March ICA assumed the Chairmanship of the Committee for the Promotion of Aid to Co-operatives (COPAC) for a two-year period. COPAC continues to serve as a useful information vehicle regarding co-operative development, and as an important meeting ground for governmental and non-governmental organizations.

ICA and COPAC finalized during the year a publication on the Relationship Between The State and Co-operatives in Developing Countries. The study benefited from a major seminar on Co-operatives and Government organized in May by the U.N. Centre for Social Development and Humanitarian Affairs in collaboration with Centrosoyus (USSR).

The Co-operative Education Materials Advisory Service (CEMAS) continued its work during the year to produce materials and review methods for co-operative education in developing countries. Close contacts were maintained with the ILO's Management Training Programme for Co-operatives (MATCOM) and with the ICA's Advisory Group for the International Training of Co-operators (AGITCOOP), for which the Head of CEMAS now provides secretariat services.

Finally, a joint Swedish-Norwegian evaluation of the ICA development programme, to be completed in September 1987, is expected to provide useful guidelines for future ICA policies and activities.



*The Director and Staff of the
Regional Office for West Africa.*



*The Director and Staff of the
Regional Office for Asia.*



*The Director and Staff of the
Regional Office for East, Central
and Southern Africa.*



REPORTS OF THE SPECIALIZED ORGANIZATIONS

The vitality and variety of co-operatives are reflected in the work of the Specialized Organizations (committees and working parties) of the International Co-operative Alliance.

During and since ICA's 1986 Central Committee meeting, 13 committees and working parties have been at work. In this report, there is room only for some of the highlights of their work. Even with that limitation, you will find here a rich record of actions past and of plans for an increasingly busy future. It is a record that speaks well and optimistically about co-operation's place in the world.

CONSUMER COMMITTEE



Chairman: Mr. D. L. Wilkinson (UK)
Secretary: Mr. L. Varadi (ICA, Geneva)

At its 1986 meeting, the ICA Central Committee adopted a resolution, proposed by the Consumer and Women's Committees, that ICA join the UNICEF Immunization Campaign. Also at Basel, Consumer Committee members discussed the complex processes of member participation in decision making and of management of consumer co-op societies.

As a result of closer co-operation with the International Organization of Consumers' Unions (IOCU), the Committee recommended that member organizations celebrate World Consumer Rights Day on March 15 each year. This year's Consumer Day theme was "Food in the Consumer Interest". It focused on food security, food standards and food safety. The Committee feels that consumer co-operatives should offer products which take into account the environment, ecology and health.

During the Budapest meeting the Committee will discuss revisions of its programme.

AGRICULTURAL COMMITTEE



Women's participation in agricultural co-operatives is one of the concerns of the agricultural committee. It will be the subject of a joint meeting with the Women's Committee scheduled to take place in Budapest on 20th October, 1987.

(Photo ILO)

Chairman: Mr. J. Hallqvist (Denmark)
Secretary: Mr. L. Varadi (ICA, Geneva)

“Agricultural Pricing Policy and the Role of Farmers’ Co-operatives” was the theme of the committee’s plenary meeting in October 1986. Taking part were representatives of the International Federation of Agricultural Producers (IFAP), with whom the Committee has established excellent working relations. Participants felt that there was a growing gap between production costs and consumer prices. The promotion of trade among farmers’ co-operatives was stressed and the establishment of an international data bank to that end was considered desirable. Other members felt the Agricultural Committee should promote greater liberalization in agricultural trade.

Member organization representatives thought that the work programme after the Stockholm Congress should include agricultural development, co-operative development, trade and other elements.

Mr. Jean-Baptiste Doumeng, Vice Chairman of the Agricultural Committee and Chairman of BECA — the Committee’s Economic Bureau, died on 5 April 1987. The Committee also lost two of its three Vice Chairmen who took up other positions: Mr. Ivan Pramov, Bulgaria, was appointed Bulgarian Ambassador to Poland, and Mr. G. K. Sharma was appointed ICA Regional Director for South-East Asia. The Executive Committee met in mid-June to discuss these changes.

RESEARCH WORKING PARTY

Chairman: Mr. G.V.J. Pratt (U.K.)
Secretary: Mr. L. Varadi (ICA, Geneva)

The Working Party decided in 1986 to concentrate more on general questions of co-operative research and take an active part in research activities introduced by Specialized Organizations.

The Working Party was to meet again in August, 1987, in Copenhagen, Denmark. Its main theme was to be the “Basic Co-operative Values”, which is also a major agenda item of the next ICA Congress to be held in Stockholm, Sweden, in July 1988.

FISHERIES COMMITTEE



(Photo ILO)

Chairman:	Mr. J. Saito (Japan)
Secretary:	Mr. G. Suzuki (Japan) till April 1987 Mr. T. Fujisawa (Japan) from April 1987
Assistant Secretary:	Mr. K. Nakagawa (Japan) till April 1987 Mr. M. Sato (Japan) from April 1987

During meetings of the Fisheries Committee and its executive committee in October, 1986, committee rules were extensively revised. The ICA Fisheries Sub-Committee for South-East Asia met in Kuala Lumpur, Malaysia in March 1987; 17 delegates participated.

In March, 1987, Mr. J. Saito and Mr. K. Nakagawa, Chairman and Secretary of the Committee, visited ICA headquarters in Geneva to discuss arrangements for the proposed Official Development Aid (ODA) budget from the Japanese government. They also travelled to Paris to meet with the president of the Confédération de la Coopération, de la Mutualité et du Crédit Maritime to discuss co-operation between his organization and the ICA Fisheries Committee.

Education and Training

The 8th seminar on fisheries co-operatives for South-East Asian countries was organized by the National Federation of Fisheries Co-operatives (Zengyoren) from 28 August to 9 September. Participants also took part in a field study tour in the Kagawa prefecture of Japan. Altogether 108 participants from 11 countries have benefited from these seminars, since they began in 1979.

Secretariat

In April, 1987 Zengyoren established a secretariat for the Fisheries Committee within its Guidance Department. Mr. Giichi Suzuki, Guidance Department Manager, was appointed Secretary, and Mr. Masaaki Sato, Assistant Chief of Guidance Department, Assistant Secretary.

Official Development Aid

In December 1986 the Japanese government indicated its intention to provide an annual grant of approximately US\$130,120 to the ICA Fisheries Committee starting in 1987. The ODA budget will be used for seminars on fisheries co-operatives in the Committee's member-countries. In 1987 the ODA budget will cover seminars in Malaysia and Sri Lanka. For the time being the ODA grants will be limited to the holding of seminars, in accordance with an agreement made with the Japanese government.

HOUSING COMMITTEE



Housing Co-operatives can help to provide shelter for some of the world's homeless.

*Reprinted from the
Unesco Courier, January 1987.*

Chairman: Mr. O. Lindstroem (Sweden)
Secretary: Mr. L. Varadi (ICA, Geneva)

The United Nations General Assembly declared 1987 as the International Year of Shelter for the Homeless (IYSH) and the Housing Committee responded by promoting the co-operative way of providing housing. As a prelude to its activities, the Committee adopted in Basel an appeal entitled "Housing is a Human Right". It was sent to all ICA member organizations and to many UN bodies and other international organizations.

At its plenary meeting in Basel the committee discussed "Housing and the New Poor". This is becoming an acute problem due to growing unemployment in industrialized countries. This subject will be analysed at future meetings.

The Committee decided to update and reprint the Co-operative Housing Manual which gives advice to institutions, co-operatives and local authorities on setting up and running housing co-operatives. The manual, published in English, French and Spanish, will be ready before the Central Committee meeting in Budapest. The committee also agreed to help with a special housing issue of the REVIEW of International Co-operation and to collaborate with the Working Party on Co-operative Press in publicizing co-operative solutions to problems of shelter for the homeless.

ICA member, Kent-Koop (Turkey) organized a Seminar on "Housing and Urban Management through Co-operatives" in Ankara, in September 1987, in co-operation with the Committee. Gesamtverband Gemeinnutziger Wohnungsunternehmen e.V. (FRG) organized an exhibition on its technical assistance to developing countries and produced a video film on a project in India.



ICIF (Insurance)

Chairman: Mr. J. Fisher (USA)
Secretary: Mr. T. Webb (UK)

The International Co-operative Insurance Federation (ICIF) held an intermediate conference in Quebec, Canada, from 1 to 3 October, 1986. More than 120 delegates from 45 member societies in 29 countries attended. (The Federation has 60 individual or group members in 37 countries).

The first session was a plenary discussion on the role of a co-operative insurer in its national insurance market and ways in which co-operative insurers can try to influence what happens in their markets. The second session was a seminar which examined how member societies' co-operative character affects activities such as product design, sales and marketing campaigns. The seminar also looked at how the non-insurance services they provide can reinforce members' image as co-operatives.

A special plenary conference held in Quebec approved the introduction of a limitation on membership fees and the adoption of criteria for admission to membership of the Federation.

In May 1987, the Executive Committee met in England at the invitation of the Co-operative Insurance Society Ltd. which hosts the ICIF secretariat. The invitation was issued to honour the retirement of Arthur Duval from CIS. His successor at the CIS, Alan Sneddon, was appointed Secretary and Treasurer of the Federation.

International Co-operative Reinsurance Bureau (ICTB)

The annual general meeting of the Bureau was held in Vienna in April 1987. The number of ICIF member societies participating in the Bureau has increased to 42 from 27 countries and the volume of business continues to grow: the estimate of reinsurance premiums exchanged in 1987 exceeds 39 million pounds sterling on a total of 965 contracts.

The ICRB has agreed to contribute towards the costs of printing and mailing a correspondence course for member societies in Latin America.

Insurance Development Bureau (IDB)

As part of the ICA Congress in 1988 in Stockholm, the ICIF will celebrate the 25th anniversary of the formation of IDB. The celebration will incorporate a review of the past 25 years' work. This could lead to organizational changes to improve IDB's effectiveness. There is a desire within IDB for a more disciplined and professional approach. The Executive Committee has approved outline proposals designed to achieve this. It has also agreed that the name of the Bureau be changed to "Co-operative Insurance Development Bureau" in order to identify its purpose more clearly.

Regional Associations

Three of the Federation's regional associations — the Association of European Co-operative Insurers, the North American Association, and the Asia and Oceania Association — held half-day conferences in Quebec in association with the ICIF conference.

In March, 1987, the Asia and Oceania Association held a two-day seminar in Sydney, Australia. A conference of the North American Association was planned for August.

INTERCOOP (Trade)



(Photo ILO)

Chairman: Mr. H. Thuli (Switzerland)
Secretary: Mr. L. Blomqvist (Denmark)

On 31 December, 1986, INTERCOOP had 21 consumer co-operative members. It promotes the following:

- Joint purchase of food and non-food in world markets;
- Exchange of products from members' factories;
- Exchange of experience in retailing and distribution.

In most member countries the economic situation improved in 1986 and INTERCOOP operations improved as a result.

The non-food sector (mainly joint buying activities) continued to offer member organizations lower buying prices, better delivery terms, etc. It has been possible to improve the efficiency of joint buying. The most successful collaboration within buying groups has been for clocks, garden implements, footwear, tools, toys and electrical appliances.

INTERCOOP Far East Ltd., the Hong Kong based joint buying office, has been in operation for seven years. The office had a good year in 1986, when order bookings increased by 27%. The office handles purchases of textiles from most Far East countries, and hardware from Hong Kong and China, with Taiwan as a test market.

In connection with its Far East activities, INTERCOOP established a joint transportation system in 1981 to reduce cargo transport costs from that part of the world. After three consecutive years of decreasing rates, shipping lines began requesting rate increases in 1986. The INTERCOOP transport group, however, has succeeded in postponing the increases and keeping rates more or less level.

The volume of co-operatives' own food and non-food brand items grew in 1986, with increases especially for wine, fresh fruit and vegetables, confectionery, pasta, bread and cheese.

The exchange of experience and information within various groups (both permanent and ad hoc) continued, with most organizations actively involved.

Managers of INTERCOOP are G. Güttler, Copenhagen, and H. Johansen, Hong Kong.



WOMEN'S COMMITTEE



The Women's Committee promotes the interests of women in every aspect of co-operative activity from small grassroots level co-ops in developing countries to active participation in policy making at international level.

(Photo ILO)

Chairman: Ms. N. Willis (U.K.)
Secretary: Ms. M. Russel (U.K.)

The Women's Committee's executive committee met in Basel in 1986 and in Warsaw in 1987. Special attention has been given to preparations for the Women's Committee's joint meeting with the Agricultural Committee in Budapest.

A Women's Conference is planned for before the 1988 Congress. Possible themes will be: "Travel and Communication Possibilities for Women", "Consumer Questions" or "The Participation of Women in Co-ops".

Ms. Ulla Jonsdotter, who had represented Sweden for many years, who was the committee's chairman and vice-Chairman, and who served on the ICA Executive Committee, left the Women's Committee during the year.

Secretarial work is being carried out by Ms. Muriel Russel in a voluntary capacity.

UNICEF Immunization Campaign

This campaign is ongoing. In 1986, co-operatives of Japan and the Soviet Union had already announced significant contributions. They have been joined by Bulgarian and Czechoslovakian co-operatives and by the United Kingdom Women's Guild. Movements from Hungary, Poland, Finland and Sweden are also actively involved.

World Congress of Women – Moscow 1987

Ms. Nora Willis, Chairman of the Committee, attended this congress. She was present at a reception given by Mikhail Gorbachev.

Collaboration with other International Organizations

At the invitation of the Horace Plunkett Foundation to assist in a training workshop in Egypt on women in agricultural co-operatives, the committee nominated Ms. Rita Rhodes of the Co-operative Training Unit, University of Ulster, to serve as a resource person in September, 1987. Ms. Rhodes also will act in a similar capacity in a seminar arranged by MATCOM (Materials and Techniques for Co-operative Management Training) in Malaysia in August, 1987. The Committee intends to hold a seminar jointly with the World Council of Credit Unions.

BANKING COMMITTEE

Chairman: Mr. D. Grethe (FRG)
Secretary: Mr. U. Baechtold (Switzerland)

The ICA Banking Executive Committee recently updated its rules. It hopes to increase finances to assure future efficiency and independence. It will pursue creation of regional committees to facilitate the exchange of experiences and collaboration among co-operative banks.

Two Regional Sub-Committees have already been established in Africa and in Asia. The Committee has initiated a trainee exchange programme for young workers from co-op banks to widen professional and language skills and to foster international friendships, which they believe will facilitate co-operation between co-operative banks of different countries.

The Banking Committee's membership numbers 141. And several potential members are awaiting decisions on their applications.

IUCAT (Tourism)

Chairman: Mr. Ivan Barrington (Denmark)
Secretary: Mr. J.-P. Champeaux (France)

The International Union of Co-operative and Associated Tourism (IUCAT) was created at Basel in October, 1986. Its Executive Committee met in Evian, France, on 30 April, 1987, and at the same time its specialized committee of travel agents (IFPTO) held a general assembly and workshop.

Acting on a report by Mr. Marik (Vice President, Czechoslovakia), the Executive proposed to change the rules of the organization in order to admit into membership non-cooperative organizations interested in the development of tourism.

The executive also examined its relations with the International Office of Social Tourism. IUCAT's plenary meeting in Budapest will include a series of conferences on the problems facing social tourism. These conferences will be open to the members of ICA Central Committee.

This year, the IUCAT has been preoccupied with the problems of financing the international holiday villages in France, Portugal, Greece and Czechoslovakia through Eurovillages and Tourincoop. The President of the ICA convened a meeting of the Secretaries of the ICIF and the Banking Committee with IUCAT officers to help make banks and insurance co-ops aware of opportunities for co-operation in tourism.

The European Committee of Co-ordination of Social Tourism (CECOTOS), created at the same time as the International Bureau of Social Tourism, and whose President is also J.-P. Champeaux, is studying policies of Social Tourism in the European Community under a contract from the Commission of the European Communities. It participated in a public study of tourism organized by the European parliament.

CECOTOS participates regularly in work of the Co-ordination Committee of European Co-operative Associations.



CICOPA

Chairman: Mr. Y. Regis (France)
Secretary: Mr. L. Varadi (ICA, Geneva)

At the plenary meeting in Basel in October 1986, CICOPA (ICA's Specialized Organization on Workers' Productive and Artisanal Co-operative Societies) made several organizational changes. Mr. Bruno Catalano, Italy, resigned as chairman and Mr. Yves Regis, France, was elected in his place. The number of Vice-chairmen was increased by one to two; the new Vice-Chairman is Dr. Di Martino, Confederazione Nazionale delle Cooperative Italiane (Italy).

The work programme for 1987-88 focuses on:

- 1) The promotion of economic activities among member organizations,
- 2) A study of the future of democratic enterprises,
- 3) Broadening and developing of CICOPA.

A meeting was held in the headquarters of the EEC in Brussels with CECOP (The European Community's Committee on workers' co-ops) and a follow-up meeting was held in Milan, Italy.

Member organizations decided to hold a Third World Conference of Industrial Co-operatives in February 1988, in Paris, France, with the following three main topics:

- Democratic Forms of Industrial Enterprises,
- Youth and Co-operation (The future of workers' co-ops),
- Co-operatives and Technical Development.

WORKING PARTY ON CO-OPERATIVE PRESS

Chairman: Mr. J. Araújo Barbosa (Portugal)
Secretary: Ms. M. Treacy (ICA, Geneva)

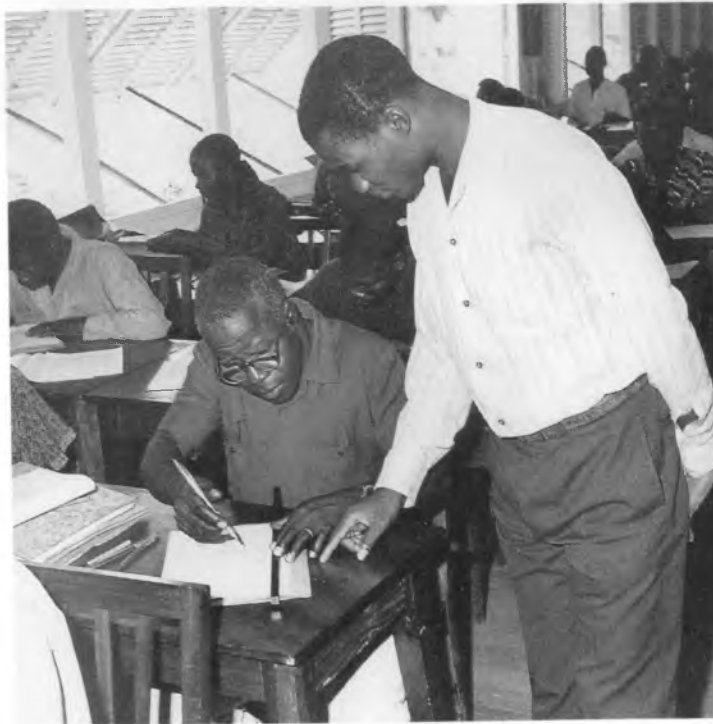
At the Basel meeting of the WPoCP a subscription fee of SFR. 300.— per year was adopted to cover costs. The working party also decided to recompile and republish the Directory of Co-operative Press. The Committee for Promotion of Aid to Co-operatives (COPAC) has agreed to do the work.

The Executive of the Working Party, which met in Braga, Portugal in May, 1987, decided to launch a campaign soliciting articles, background information and photos for ICA's publications and information bank. Mailing stickers reminding people to share their information with the Secretariat will be printed by Co-op Novos Pioneeros and distributed to co-op journalists.

The working party plans to organize a seminar for co-operative journalists and information officers in Africa, possibly in collaboration with the ICA Regional Office for East, Central and Southern Africa and the CEMAS (Co-operative Education Materials Advisory Service) project.

The working party agreed to work with the housing committee to help disseminate ICA's message on what housing co-ops are doing as ICA's contribution to the UN Year of Shelter for the Homeless.

AGITCOOP (Training)



(Photo ILO)

Chairman: Ms. F. Baulier (France)
Secretary: Mr. S. Mshiu (ICA, Geneva)

The Advisory Group for International Training of Co-operators continued to focus attention on international co-operative education and training, maintaining contacts with co-operative education leaders in both developing and industrialized countries, and with specialized groups and institutions engaged in international co-operative education and development.

The main feature of the work during the period under review was preparation for Executive Committee, Plenary, and Education Conference meetings to be held concurrently with the ICA Congress in Stockholm.

At an AGITCOOP Executive Committee annual meeting in Turin, Italy, in July 1987, special guests from Italy, Spain, COPAC, and ILO-MATCOM made presentations on the activities of their institutions.

The Executive Committee also addressed the topic of "Pedagogic Approaches to Co-operative Values". The leading paper on "The Art of Teaching the Co-operative Principles" was introduced by Mr. Walter Briganti (Italy). The paper and reactions to it will lead to a document to be submitted to the ICA as AGITCOOP's contribution to the 1988 Congress debate on Co-operative Values.

Among the major proposals made by the Executive Committee was revision of AGITCOOP rules to reflect more appropriately its composition, objectives and its future work programme. This included also change of the name for the Group to International Co-operative Training and Education Committee (INCOTEC). These changes are subject to approval by AGITCOOP's membership and ICA authorities.



ICA FINANCIAL REPORT

For Year Ended 31 December, 1986

(All amounts are in Swiss Francs)

SUMMARIZED BALANCE SHEET

	1986	1985
Assets		
Total current assets	2,970,169	3,043,322
Net furniture and equipment	77,408	108,229
Total other assets	35,186	38,721
	<u>3,082,763</u>	<u>3,190,272</u>
Liabilities, Funds and Reserves		
Total liabilities	2,120,838	1,604,758
Total funds and reserves	961,925	1,585,514
	<u>3,082,763</u>	<u>3,190,272</u>

SUMMARIZED STATEMENT OF ACTIVITY

	1986	1985
Total revenue	2,002,105	1,993,194
Headquarters' expense	(2,403,291)	(2,502,920)
	<u>(401,186)</u>	<u>(509,726)</u>
Total net support to the regional offices	<u>(293,751)</u>	<u>(441,649)</u>
Deficit on ordinary activities	<u>(694,937)</u>	<u>(951,375)</u>

SUMMARIZED STATEMENT OF FUNDS AND RESERVES

	Reserve Funds	Other Funds	Other Reserves	Total Funds & Reserves
Balance at the beginning of the year	750,000	508,861	326,653	1,585,514
Prior year adjustment			50,000	50,000
Interest received		15,200		15,200
Contributions		40,174		40,174
Deficit after extra-ordinary expenses			(896,022)	(896,022)
Expenses		(34,026)		(34,026)
Transfer		(73,799)	73,799	
Subventions received re extraordinary expenses			201,085	201,085
Balance at the end of the year	<u>750,000</u>	<u>456,410</u>	<u>(244,485)</u>	<u>961,925</u>

The complete audited financial statements are distributed separately.

Copies are available upon request

International Co-operative Alliance Officers:

President: Lars Marcus (Sweden)

Vice Presidents: Yvon Daneau (Canada), Mikhail Trunov (USSR)

Director: Robert L. Beasley (USA)

Associate Director: Bruce Thordarson (Canada)

Opinions expressed in this publication are not necessarily those of the leadership and management of the ICA.

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Manuscripts should be typed double-spaced original copies, not photocopies. They should be typed on only one side of each sheet of paper and there should be a margin of at least three centimetres on the left and right.

*Front cover: 15, route des Morillons, Grand Saconnex, Geneva,
location of the ICA Secretariat*

Review of International Co-operation

Vol. 80 No. 4/1987

Editor: Mary Treacy

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Highlights From the Central Committee

Budapest, October 1987

Financial Report

by Robert Kohler

Chairman of the Audit and Control Committee



Director Beasley addressing the Central Committee

Mr. Kohler said that the Audit and Control Committee had gone over the documentation relating to ICA's financial activities in 1986 and for the first three quarters of 1987 and had submitted a written report to the President and the Director from which he would mention a few important points:

The financial situation for 1987 had improved considerably compared with 1986, prospects looked good and it was hoped to achieve a balanced budget, even possibly a surplus. The Audit and Control Committee was extremely gratified to note this state of affairs.

He acknowledged that many people had accepted a considerable burden to achieve this surprisingly good result but, in spite of good results and promising

prospects, ICA was still far from its goal. Increased reserves and liquidities were needed if the Director was to be able to manage without any major financial hardship.

He said one question remained open: — whether the Executive Committee would actually support the savings carried out by the Director, and the Audit and Control Committee recommended that more stringent criteria should be applied to expenditure items.

The Director had already brought up the question of exchange rates. Certain members had difficulties in coping with the Swiss franc problem. Exchange fluctuations were resulting in less income for the Secretariat. Members felt there was a great need to take rapid action in this regard.

The need for planning in the Alliance had been recognized for several years, said Mr. Kohler, making it possible to make estimations on expenditures and income from the member federations in terms of subscription fees over a four-year period. He asked the Director to be more specific before the Central Committee as regards planning in the Executive and the ICA Secretariat.

They were approaching the next Congress and the Audit and Control Committee felt that further strengthening and stabilization was called for so that by July 1988 they could point out that ICA once again had recovered its financial balance. They believed that a financially strong Alliance would enjoy greater prestige.

Mr. Kohler thanked the Director and his staff in the Secretariat for their sincere commitment to making savings and increasing services and hoped that this would continue in the future. He requested that any savings measures should not take the form of lesser services, but of genuine rationalization, with services remaining constant or even increasing.

He thanked his colleagues in his Committee and the Secretary for their collaboration.

Financial Report

*by Robert L. Beasley
Director of ICA*

The Director thanked the Committee saying that they were a group of friendly critics, a source of ideas and friendly pressure on the Secretariat to continue its efforts to improve the financial situation of ICA.

He said that 1987 would be a good year with a surplus approaching 40,000 francs.

He reported on the financial position of the ICA since the Washington Meeting in 1985 and commented on the measures taken to provide for the 1988 budget. He said that 1987 income had declined by S.Fr. 188,000 and they estimated that the decline would continue steadily over the next 2-3 years. ICA continued to exert stringent expense control and was very much aware of the exchange rate issue, but that they were in the process of planning to offset this problem.

The Auditors Report for 1986 and the financial reports by Robert Kohler and Director Beasley were accepted.



Many decisions are taken in special working groups — ICA's specialized organizations & working parties.

Membership and Subscriptions Working Party

Fines to be Imposed on Late Dues Payers

At the Central Committee meeting in Budapest a report was submitted by the Membership and Subscriptions Working Party, whose task was to examine changes in procedures, policies and Rules that could increase ICA's income, attract additional actively participating members, as well as decrease the negative impact of currency problems on ICA and its members.

The report reviewed the history of ICA subscription structures, the work and results of the Ad Hoc Committee on Finance, 1976-1978, and of the Finance and Budgets Sub-Committee, 1978-1980, and analysed the current subscription situation. It was noted that the main results of the work of these Committees were the adoption of the principle of subscriptions in proportion to each organization's economic importance, and the devising of appropriate subscription formulae. The report proposed, therefore, that the present subscription formulae should not be changed except for the housing category which needed simplifying. It stressed that calculation of subscriptions must be made on the assumption that the ICA should have a stable budget.

The report recommended that the ICA Secretariat should give a higher priority to the collection of subscriptions and the application of the formulae, and that the Rules provisions pertaining to the rights and obligations of members should be rigorously applied. It also recommended that an amendment to the Rules be made to introduce a scale of fines to be paid by member organizations whose subscriptions were not paid by the prescribed date.

Another amendment to the Rules was proposed in the report, aimed at widening the scope of organizations eligible for ICA membership and at increasing membership in the ICA of co-operative organizations whose activities were non-economic, such as educational, research and other institutions at national and regional level.

In order to widen ICA membership certain steps were recommended, including inviting observers to ICA meetings, sending special missions to member movements where there was a possibility of attracting new members, propagating ICA activities through UN agencies, governments, etc., together with a more active approach by the Offices of the Alliance.

A number of suggestions were also made in terms of other potential sources of income for the ICA, e.g. stepping up efforts to obtain funds from governments and other agencies for development projects, or arranging for member organizations to pay the costs of ICA activities in their countries. A number of areas were suggested where member organizations might give practical aid, thus helping ICA stabilize its budget.

The report pointed out that the recommended measures could improve ICA's financial situation and foster more active participation by member organizations in ICA's programmes and its efforts to promote and propagate co-operative values.

Secretariat Report

The Director **Robert L. Beasley** reported the finances were in good order, with the likelihood of a modest surplus. Traditional programmes had become stronger. There were fewer staff, but the staff had gained in experience and skill. They would help him present the report, greeting delegates in their mother tongue, before continuing in one of ICA's official languages. This, he hoped, would help members to identify faces with voices on the telephone at headquarters as well as adding significant detail.

Mr. Beasley said that more than 513 million members now belonged to ICA's more than 170 member organizations at local grass-roots level. Subscription payments to ICA had dropped, due in some cases to a slumping turnover, and in others to the growing strength of the Swiss franc. As dues must be assessed in national currency and then converted at the current exchange rate for francs, members might be paying more in their own currencies but ICA would be receiving less in Swiss francs. He called on Viacheslav Ouglev to speak about ICA's growing membership:

Slava Ouglev said he had been seconded to the ICA by Centrosoyuz, USSR in May 1987. He was dealing mainly with membership, collecting subscriptions, processing information received and providing information on request. His aim was to achieve more productive co-operation between the Secretariat and ICA members and he urged member organizations to provide information about important trends on a regular basis, thus helping ICA to plan programmes. Late payment of subscriptions and failure to submit supporting documentation was causing concern. The Secretariat planned to improve its own co-operation with member organizations. More than 50 co-operative organizations from 30 countries had expressed interest in joining ICA and formal applications from co-operative organizations in Portugal, Spain, India, Egypt and Latin America were being processed. Organizations in Turkey, Kenya, Chile and Morocco had recently been admitted. It was intended to continue active contacts with would-be member organizations.

Director Beasley said ICA now published two journals, both recently re-designed. "ICA News" offered accounts portraying the great diversity and energy of global co-operatives, and the "Review of Co-operative" Information which ICA hoped would become known as the best and most recent source of co-operative information. The person responsible for preparing both these journals was Mary Treacy, a British national:

Mary Treacy said she had worked for ICA since 1983 and had been responsible for Communications since 1986. She hoped members liked the new philosophy and look of ICA publications, and that they would continue to assist her department with the necessary feedback. In addition to the two ICA journals, she was responsible for the preparation of other documents published by the ICA, issuing press releases, providing secretarial services to the Working Party on Co-operative Press,

writing messages to member organizations on behalf of the Director and President, as well as preparing documentation for and writing reports of the Central Committee & Congress meetings. She thanked members for their support and encouragement and hoped that member organizations would continue to keep ICA well informed with news from their countries which could then be passed on to other co-operatives and interested parties throughout the world.

Introducing Lajos Varadi, Head of ICA's relations with Specialized Organizations, Director Beasley said there were 10 Specialized Organizations and three Working Parties, and each had a slightly different relationship with ICA. The intention was to encourage and promote them; to provide Secretariat services where necessary and to help all to achieve the same level of success:

Lajos Varadi said four Specialized Organizations (Consumer, Agricultural, Housing and CICOPA) and the three Working Parties (Research, Co-op Press and AGITCOOP) were given secretarial service from Geneva. Technical advice (e.g. interpretation services, advice on Rules etc.) was also given. A new article, regulating the work of these organizations, had been introduced into ICA's Rules at the last Congress in Hamburg (1984). Previously, most of these Committees had been financed by member organizations or ICA's budget, but now subscriptions had been introduced and many of them had become self-supporting.

Work studies and programmes had been prepared and co-operation between different Committees had been promoted. The resolution on child immunization, initiated by ICA Women's and Consumer Committees had been an example of such co-operation.

Introducing Jacques Pelichet, IDECOP Manager, Director Beasley said the project was the most recent of ICA's services, designed to promote the exchange of information and business between co-operatives. It had grown mainly from efforts to help developing co-operatives, but members from all levels of development had shown interest in and joined IDECOP:

Jacques Pelichet informed delegates that the IDECOP project had begun on July 1, 1987, after two years of extensive investigation into the trading and marketing service needs of members. It had been necessary to overcome two major problems: There had been an internal, political problem as to whether ICA should embark on commercial activities, but the Executive Committee had given the go-ahead for a test period of two years with the condition that the project become self-supporting within this time. It had also been necessary to devise a worldwide communication system suited to IDECOP's needs. Over 50 member organizations had indicated an interest in the IDECOP project. Interestingly, there was more support from developed countries and well organized members than from the developing world. An introductory seminar about IDECOP and its international trade had been organized at the Central Committee meeting to advertise the project. Interested members were urged to get in contact. Mr. Pelichet stressed their support was essential if IDECOP were to become successful and benefit co-operatives worldwide.

The Director said ICA's increasing co-operation with U.N. was illustrated in many ways, particularly in the U.N. theme "Shelter for the Homeless". He requested Wally Campbell, who repre-

sented ICA at the birth of the U.N. in San Francisco after World War II and who represented ICA at U.N. Headquarters and agency offices in New York and Washington, to speak about ICA's work with the U.N.

Wallace J. Campbell spoke on behalf of the volunteers who represent ICA at the different specialized organizations of the U.N. and indicated that a complete report on these activities would be ready in time for the Stockholm Congress. Its highlights would be: the participation of co-operatives in the International Year of Shelter for the Homeless; the report of the Secretary-General of the United Nations on the "National Experience on the Promotion of the Co-operative Movement"; ICA co-operation with the U.N. Development Programme; and ICA's work with the World Bank. Mr. Campbell pointed out that the ICA, with its over 500 million members, was the largest NGO affiliated with the United Nations. He said that the U.N. Secretary-General would likely address the 1988 Stockholm Congress and stressed the importance of ICA's role in worldwide development.

Mr. Beasley said the annual Central Committee meetings attracted the most interest amongst members. Approximately 500 participants registered each year. Much of the burden for preparation of this meeting, which was held at a different site with a whole new set of conditions each year, fell on ICA's support staff. Supervising the support staff was Finola Marras from Ireland:

After a greeting in Gaelic, **Finola Marras** told members that her job was to co-ordinate priorities on ICA's work-plan with department heads and the seven members of the support group. Last year, following a questionnaire circulated at the Central Committee Meet-

ing, changes and improvements had been made. She asked members to fill in a similar questionnaire. She introduced two of the support group: First **Vivianne Dubini**, a Swiss national, who told members that she had been employed in various capacities at ICA Headquarters since December 1982. At present she is in accountancy. Next **Mary José Companis**, responsible for the mailing lists and directory at Head Office, greeted members in Spanish.

The Director said that, after a request by the Chairman that member co-ops should allow specially talented people from their organizations to be co-opted to ICA headquarters, they had had Roy Laberge of Canada, Communications Consultant from the Co-operative Union of Canada and Julie Howarth, Secretary to the Chief Executive Officer of the Co-operative Union (U.K.):

Julie Howarth spoke on behalf of the two; she had spent 8 weeks in the ICA Secretariat assisting with preparations for the Central Committee meetings. This had given her insight into the many wide-ranging activities of the organization. **Roy Laberge** had spent two weeks with ICA Geneva in July, during which time he worked for the communications department. Julie thanked everybody concerned for their hospitality on behalf of both secondees.

Bruce Thordarson, Associate Director of ICA and Director of Development next spoke about the recently made changes in the Development Programme:

Two years previously, there had been three donor organizations working with ICA; now there were 10 and the budget of ICA's Development programme had doubled from 3 to 6 million Swiss francs.



Signing of funding agreement with Société de Développement International Desjardins (SDID) Canada — From left to right, front row: Bruce Thordarson, Director of Development and ICA Associate Director, Michel Doray, Chief Executive Officer of SDID, back row: Jean-Marc Lampron, Project Director & Yvon Daneau, ICA Vice President.

Costs had been brought under control. The number of staff in Regional Offices had been reduced from 58 to 33, many of whom were new people hired to carry out new projects. There were 3 Regional Offices, and project offices for specific purposes in Malaysia, Zambia, and beginning in January 1988, in Costa Rica, giving ICA an important presence in Latin America.

The Swedish and Norwegian Governments had agreed to pay for an evaluation of these changes. Completed in September 1985, it found that, up to 1983, the development activities had been most unsatisfactory, with the exception of the regional office of West Africa. The restructuring and changes had caused delays in project activities in New Delhi and Moshi, but these should be largely overcome and the administrative standard was expected to reach a

satisfactory level within the next half year throughout the organization. The evaluation team had recommended that the Development Programme should receive active support from donors because of the unique possibilities to foster dialogue and development by a well managed programme.

Mr. Thordarson said the development programme section in Geneva included four other people. The Administration of the programme was in the hands of Claes Thorselius from Sweden, Sam Mshiu was the Education Officer and Jane Challen and Marie-Claude Sonzini-Baan provided secretarial service:

Claes Thorselius said his official designation was twofold — Financial Programme Officer with the Development Section and Financial Manager of

the Secretariat. The Development projects carried out by the ICA shared one overall workplan and budget, established jointly between Head Office and the implementing Regional Office. Donor partners were encouraged to be concerned from the earliest stages of planning. The ICA's overall workplan and budget was based on funds from three organizations in Canada, two in Japan, one in Norway and one from Sweden. Two international organizations, FAO and ILO, and the Insurance Development Bureau also contributed. Support was also received from France and Germany, from the ICA itself and from local contributors and governments in those countries where activities were being undertaken. To overcome administrative difficulties, it is now ICA policy that all funds for projects go via Head Office, except for local contributions. A standard format had also been devised for use at Head Office and in the Regional Offices for reporting and planning and would become fully operational from 1st January 1988. The production of accounts and reports from the Regional and Project Offices would be computerized during 1988. It was hoped that this would minimize work and speed up the transfer of information to Head Office and donor partners.

Education Officer, **Sam Mshiu** from Tanzania, spoke next. After greeting members in Swahili, Mr. Mshiu said he was responsible for the Co-operative Education Materials Advisory Service (CEMAS). He said the Development Programme would continue to place great emphasis on education and training, but assess whether the current programmes -including CEMAS- were the most appropriate ones for ICA's new development strategy, and in light of the different educational needs in the regions. Helpful advice and suggestions had been received at the first meeting of the new ICA Development Forum. ICA

currently had Education Officers in all three of its regional offices and this matter would be receiving considerable attention from Regional Offices and councils during the next few months.

Jane Challen from Great Britain then greeted delegates on behalf of those members of staff who had remained in Geneva.

Bruce Thordarson said implementation of ICA's Development Programme took place through Regional Offices, and the three Regional Directors were present. He introduced Mr. Babacar N'Diaye from Senegal, Director of the West African office since its opening in 1981; Mr. Charles Gashumba, Director of the Office in East, Central and Southern Africa; and the newest Regional Director, Mr. G.K. Sharma, appointed in July 87, for Asia:

Babacar N'Diaye said the Office in Abidjan (Ivory Coast), which had been opened in 1981, was sponsored by the Co-operative movements of Belgium, Canada, France, Great Britain, Norway and Switzerland and all the subscribers to the Development Fund of ICA.

West Africa presented for ICA a twofold challenge — a language barrier and lack of vibrant national structures. The Office has three programmes in operation covering English, French and Portuguese speaking countries.

1. The Education Programme, sponsored by the Royal Norwegian Society for Rural Development and financed through NORAD, which aimed to set up and consolidate autonomous co-operatives capable of improving the socio-economic conditions of co-operative members and to contribute significantly in realizing national objectives.

2. The 3-year Research Programme, financed by Canada, into new strategies and action for the Development of West African Co-ops.

3. The Support Programme for Small Co-operative Projects for Women, designed to reinforce the role of women in the African Co-op movement, through education in co-operative organization management and investment in small co-operative projects. A co-ordinator for the project funded by SDID-Canada had been hired in October 1986 and Mr. N'Diaye appealed to members of the Central Committee to maintain the support fund for small co-operatives for women.

After a greeting in Swahili **Charles Gashumba** spoke about the Regional Co-operative Development Decade which had begun after the first Ministerial Conference in May 84 at Gaborone, Botswana. A second Conference had been held in Lusaka, Zambia in June 87 to appraise progress, and set fresh targets for the period 87-90. A third would take place in Nairobi, Kenya in 1990. The Conferences fostered better understanding between governments and co-operative movements and he thanked all organizations concerned in assisting to implement the Decade Programme. Regional Committees had been set up in each of the member countries and Regional Techni-

cal Committees had been formed for insurance, banking, training, education and publicity. Two comprehensive country studies in Lesotho and Tanzania had been carried out by an ICA/FAO/ILO inter-agency mission, followed by national workshops.

Mr. Sharma said that restructuring which had started in 85 had been completed and the Regional Office was getting a good response from donors within and outside the region. The Japanese Government was to finance a 5 year project which included financial aid to the Regional Office. The COOPTRADE project, financed by SCC, had been extended for another 5 years and assistance had also been received from the Canadian Co-operative Association. Thanks were extended to the Japanese Government and co-operative movement represented by SCC and CCA. An office had been set up in Australia, operating from July 1987, with the aim of getting more response from the Pacific region. Mr. Sharma concluded by pointing out that, with the new structure in the Regional Office, they were better equipped to serve the members of a region which accounted for 50% of ICA membership.

Put Your Solidarity into Action Pleads Belgian Member

Commenting on the Secretariat Report, Mr. **Roger Ramaekers**, Secretary General of FEBECOOP and member of the Audit and Control Committee, congratulated the Director for having presented the report in such an innovative way. The ICA team was a very young, dynamic and international one, and the Director had shown that managing the Alliance was not something for one man, but something for a whole

team, and he wished to thank Mr. Beasley for this lesson in solidarity.

The Alliance had left the administrative and financial turmoil that it was going through and could now plan for the future. They should keep in mind what had been learnt from the Laidlaw and Daneau reports when preparing for the Year 2000. They had to re-define the tasks of the Alliance; to say exactly

what it could not be. Promoting the creation of new co-operatives presupposed, he stressed, the use of financial and human resources which the Alliance did not necessarily have. More rigour, greater financial independence and a lot of wisdom was already being applied to certain projects by having them funded by specific resources without actually having to draw upon the resources of the Alliance itself. But, he emphasized, ICA's resources were still precarious and were, in any case, insufficient for an international organization worthy of the name.

Mr. Ramaekers said the Alliance should become a centre of reliable information where the representatives of the co-operative movement could come to draw strength for their roles as militant co-operators and, therefore, he supported the plan to improve the data bank. He also welcomed the creation of IDECOP. The Alliance should become, he stated, "a place for a permanent exchange of experience based upon data which is constantly updated".

He commended the new look of ICA publications which he observed had "become remarkable in terms of form and also in terms of substance".

The Alliance should also become, he said, "an observation tower on the developments in the co-operative movement. It should be attentive to structural problems as they exist now, linked to various developments in the market".

In addition, he stressed, the Alliance should become a body that takes initiatives and promotes international solutions to serious problems that the national, isolated movements were not able to face up to alone. Movements in different co-operative sectors were

going through a serious crisis — the consumers in France, housing in the Federal Republic of Germany, and also banking and insurance in the United States — but the Alliance was absent when it came to producing solutions.

The Alliance should promote contacts — it shouldn't actually manage and run things but should favorise initiatives in this direction.

The world was being divided into large economic zones. In Europe the movement was being built up without the Alliance. For example, in Brussels there were nine international co-operative secretariats with a budget four times as large as that of the Alliance. Was this normal or natural? he asked.

The Alliance was also absent when it came to the growth of the multi-nationals. Was it normal for multinational co-operatives to be so rare? It was worrying, he stressed, that they were absent on so many fronts. The credibility of the International Co-operative Movement was at stake and it was not just a question of proclaiming their co-operative solidarity every 4 years at a Congress. They had to put this solidarity into action, into the economic intersectorial co-operative activities, and he hoped that the Alliance would give more and more of an impetus to such initiatives. Because, if not, it would remain an ivory tower and would become a heavy burden upon the development of the movement towards the year 2000. The founding fathers of the Alliance had emphasized the international nature of the Co-operative Movement. They had had this vision and he hoped that in Stockholm and in the future their successors would endeavour to implement those ideas.

President Warns Against Losing Co-op Identity

Solutions to today's problems could weaken the link between ideas and practices, ICA President **Lars Marcus** cautioned delegates in his presentation on co-operative values during the organization's annual Central Committee Meeting in Budapest last October.

The basic function of the Congress scheduled in Stockholm for July 1988 was to discuss subjects connected with the future policy of the co-operative movement and the ICA he said.

In Basel in 1986 the Central Committee had decided that Basic Values of Co-operatives would be an item on the agenda of the 1988 Stockholm Congress and the Executive Committee had asked him to produce a report that could be circulated to members with congress documentation for advance consideration.

President Marcus said that, over the years, national and global conditions of economic life had been changing rapidly and had resulted in deep structural changes taking place in the co-operative movements of many countries. In their efforts to regain their earlier strength there were indications that co-operatives might turn to solutions that would gradually change their co-operative character and increase the gap between society and its members.

Co-operative history was, to a large extent, also the history of the formulation and defence of the movement's identity. He stressed that generation after generation had turned to the origins, i.e. the rules of action which 28 weavers once gave for co-operation between consumers. He continued:

"Throughout the years a large number of intellectually and not seldom literary brilliant contributions have been made to interpret and develop co-operative principles, all of them practical but

all of them also built on an ideology to create freedom for the oppressed — consumers, farmers, tenants, savers, fishermen, insurance policy holders, workers, tourists and others.

Not only co-operators but many others had taken part in forming a co-operative ideology — great builders of nations, outstanding philosophers, religious leaders and, of course, also some of the best-known names in economic science. Documents from practically every one of ICA's 28 Congresses bore witness to this and to the fact that ICA and the co-operative principles were built on a foundation of basic values.

Mr. Marcus said that no real change had actually been made in the Rochdale formula or — in a shorter perspective — in the principles identifying the ICA membership since 1895. Yet they have been accepted and used, not only in conflicting political systems, but also under extremely different economic conditions.

However, although they knew what made a co-op and whom it concerned, there were no guidelines explaining how a co-op should operate in a socio-economic power field where changes were legion and the prime objective was to give members optimal service at all times.

This was their challenge and it was also a crucial for those who had not yet been faced with the problems which were troubling several movements.

Co-operative ideas had always played a major part in the movement. It was the co-operative idea that created their enterprises, never the other way round. It was the idea that gave strength and light to their pioneers and encouraged their grandparents and parents to become co-operators. Together with others they had striven to free

themselves from exploiters, to protect themselves and their families and to create a safer and better world.

Their dream of freedom, justice, equality and safety still kept its grip and it was hard to grasp that from a humble beginning, they now had a membership of over 500 million co-operators.

Their major task, said President Marcus, was economic. In a hostile surrounding, problems found pragmatic solutions, but the success and size of some operations often allowed the figures to hide the ideas. Some people felt that member participation was no longer important, and that members did not understand the business and merely created problems.

It was true that co-operatives often lacked competent leadership and that young movements could claim both inexperience and innocence, but there has also been a lot of betrayal of the idea.

It was important to be loyal to their heritage while adapting practices to existing conditions. It was complicated and risky but, above all, necessary.

The Congress Report on "Basic Values of Co-operatives" should be a contribution to a better understanding of their common future, but also the future of their individual organizations.

Mr. Marcus said he had presented the different elements of the report to the Executive and would outline them later in his presentation. A more elaborate outline would be available at the beginning of November and would be discussed at the Presidium. A final draft would be mailed to the Executive for dis-

cussion at their February meeting and the published report mailed to members with Congress documentation. He said the main problem he envisaged in preparing the report would be his own restrictions, being a Swedish co-operator in the consumer movement. However, the Basic Values had not really changed during more than one and a half centuries and might not differ so very much from movement to movement.

The report would begin with background information and discussion on the basic values as interpreted from the co-operative principles. This would be followed by an analysis of socio-economic changes taking place in the world and a discussion on present and foreseen problems of ICA members. It would conclude with some proposals to the Executive Committee, which had to decide if a resolution should be submitted to the Central Committee and the Congress.

Mr. Marcus concluded by saying that reading ICA documents had taught him that the link between ideas and practice had become weaker over the years.

The world of co-operative ideas was a world of eloquence and, at its worst, of many words and lofty speeches. The world of co-operative business was a world where problems were tackled one by one, in a rather short-sighted, competitive environment.

He was part of both worlds and he hoped that the Congress Report would have an impact. This was, in one simple word, necessary. The prospects for the future were grim.

We Have Stabilized, Affirms ICA Director

The ICA moved into a period of stability, stated ICA Director **Robert L. Beasley**, reporting on the work plan for the period 1988-1992. The years between the Congresses at Hamburg and Stockholm could be termed as a period of consolidation and stabilization for the Alliance he affirmed. The organization had consolidated. They had stabilized. They had reached the time to plan and to move ahead.

He said that just as President Marcus was seeking members' ideas about Co-operatives' Basic Values, he was asking for their ideas about what ICA should plan to do between the Congresses of 1988 and 1992.

At the Secretariat, they had ideas and opinions about what members needed and about what ICA could do between 1988 and 1992. They had thought and talked of:

- New types of ICA meetings — smaller, in various places around the world, focused on just one or two issues or matters of special importance to co-operatives, with representatives of the various meetings coming together at the Central

Committee to synthesize and coordinate the meetings' results and conclusions.

- Growth of publications and information programmes.

- Continuing emphasis on ICA's relationships with Specialized Organizations, with stress on what ICA could do to support them and help them work together.

- New approaches to co-operative development efforts.

- Renewal of co-operative research and education programmes that once were the bulwarks of the ICA.

It was a list of ideas longer than ICA's capacity to perform, but they needed members' input the Director stressed.

"As we prepare work plans and budget proposals for the '88-'92 period, we want and need all the ideas that we can get. We need your input for a renewal of the International Co-operative Alliance that guards ICA's and co-operatives' traditions at the same time as it helps ICA and co-operatives cope with the new conditions they face. We count on hearing from you. We need your ideas as well as our own".

Set Priorities, Stipulates ICA's Vice President

At the Central Committee in Budapest, Mr. **Yvon Daneau**, one of ICA's two Vice Presidents, spoke of an urgent need for the organization to set priorities. He said the operational activities of the Alliance had improved over the last few months, in particular where the ICA's regional offices were concerned. However, the financial situation was still precarious, he cautioned.

Putting forward ideas concerning the necessity for the Alliance to determine priority fields for intervention over the next two years, he said a lot was asked of the Alliance and the best way to avoid spreading its forces too thinly was to set priorities upon which the secretariat had to work. Priorities could only be established if the Alliance's work was structured in the mid-term and the choice of

priorities should be made according to needs, demands and also the budgetary resources available. He also stressed that the work programme should be drawn up at the same time as the budget to ensure that there was full agreement between the objectives set, the priorities and the financial resources available.

Secondly, Mr. Daneau said that efforts must be continued to improve the operational activities, but that greater importance must urgently be given to work which was of a longer term scope and impact for the respective organizations.

He then raised some points concerning the future development of co-operative organizations. There was evidence of a broad change in the financial environment of a number of countries and this was such that it was likely to affect co-operative associations, either positively or negatively, but the impact

of such changes must at least be foreseen.

He invited the Alliance to rapidly engage in important research in order to identify the principal factors in the environment which were already affecting co-operative organizations or which were likely to affect them. Also he felt co-operative associations should share their experiences concerning changes in adapting to the new conditions and inform each other of the problems and solutions that have to be applied and therefore help each other.

When the results of the research into the different factors which affect co-operatives at an international level are known the ICA should disseminate all the information and ensure that there is a full follow-up to all of the work accomplished.

He suggested that research along these lines could be a basis for a work programme into 1989.

British Co-op Union Announces Formation of New Rochdale Society

Announcing the formation of the new society at ICA's Central Committee Meeting last October, **Lloyd Wilkinson**, Chief Executive Officer for the Co-operative Union (UK), said that everyone present was undoubtedly aware that 143 years previously, 28 men in Rochdale, England, the Rochdale Pioneers decided to form the Rochdale Equitable Pioneers Co-operative Society Ltd. However, many probably were unaware that the society ceased to exist as a separate entity approximately ten years previously, because of mergers in the United Kingdom. What had been the Rochdale Co-operative Society, first became part of a neighbouring society, which in turn became part of a larger society, and the co-operative retailing

activities in Rochdale were nowadays undertaken by the Norwest Co-operative Society.

The idea of forming a new Rochdale Equitable Pioneers Co-operative Society was something that has been discussed within the Co-operative Union for some time. Mr. Wilkinson paid tribute to the Librarian at the Union, Mr. Roy Garret who was a real enthusiast for Toad Lane and who had pressed that the Union should maintain in perpetuity the name Rochdale Equitable Pioneers Society. Then some months previously, ICA President, Lars Marcus had had discussions with him on the idea of a system honouring co-operators internationally. As often happens, certain things had come together and they had

worked on the idea of a new Rochdale Equitable Pioneers Society. He had the honour of informing them that the Board of the Co-operative Union in Manchester, along with the Board of the Norwest Society, had agreed early in 1987 that they would together seek to register the new Rochdale Society. The Society would be formed by the Co-op Union and Norwest because of the legislation in the United Kingdom that the Society must be founded by either two existing co-operatives or seven individuals. Mr. Wilkinson then read out a text announcing the new society:

Rochdale Equitable Pioneers Society Ltd

The British Co-operative Union is pleased to be able to announce to the international community the formation of the new ROCHDALE EQUITABLE PIONEERS SOCIETY LTD.

Application has been made, with the valued support of the NORWEST retail co-operative which operates in the Rochdale area, to the Registrar and it is confidently expected that the new society will be registered shortly.

Its objectives will be:

- to perpetuate the name of the ROCHDALE EQUITABLE PIONEERS SOCIETY
- to contribute to the support and promotion of the TOAD LANE MUSEUM at Rochdale
- to spread knowledge of the history and achievements of the Pioneers worldwide
- to provide a means of giving international recognition to distinguished co-operators who have significantly contributed to the development of co-operation.
- The two founding members will be the Co-operative Union and the Norwest Co-operative Society but the rules will provide for individual members who will be expected to subscribe one £10

non-withdrawable share, and an annual subscription to cover the costs of preparation and distribution of a newsletter and other literature about the Society.

The registered office of the new society will be that of the original society — 31 Toad Lane, Rochdale, where the Museum is located. However, as the Co-operative Union will provide the society's administration, all communications should be directed to Holyoake House in Manchester.

The rules will provide for members' meetings, the opportunity to vote, and the appointment of a Board of Administration on which the International Co-operative Alliance will be represented.

It is intended to initiate a number of innovations to propagate the co-operative ideals and principles as formulated by the ROCHDALE PIONEERS in order to keep their name and that of Toad Lane alive.

An important feature of the new society will be a proposal to elect HONORARY PRESIDENTS and VICE-PRESIDENTS and to award the ROCHDALE PIONEERS GOLD MEDAL.

The rules will provide for the election of up to 25 Honorary Presidents which will be on the recommendation of the International Co-operative Alliance. They will hold office throughout their lifetime and will be awarded the ROCHDALE PIONEERS GOLD MEDAL.

Additionally, any national movement affiliated to the Alliance will, by decision of its Congress or national governing body, be able to nominate persons for the office of honorary Vice Presidents. Nominations will be made through the ICA but no national movement may nominate more than 10 persons to serve at any one time.

Honorary PRESIDENTS and VICE-PRESIDENTS will serve throughout their lifetime, and their name will be prominently displayed at the society's registered office.

Soon after the society has been registered and the necessary administrative functions established, an announcement will be made by the ICA to enable individual co-operators to apply for membership, and for national movements to consider any proposals they may wish to submit for the office of Vice President.

It is hoped that the first office holders

will be announced at the Stockholm Congress. Prior to that, the Board of Administration will be established to formulate the society's activities designed to further its objectives.

Further information may be obtained early in 1988 from the Chief Executive and General Secretary of the Co-operative Union at its headquarters in Manchester.

Soviet Consumer Co-ops Move into New Areas

Mr. **A. Krashennikov**, Chief of Centrosoyus International Department, representing Mr. Trunov, ICA Vice-President, spoke about new tendencies in co-operative development of the USSR, in light of restructuring processes in the country. He noted that the Soviet consumers co-operatives had considerable potential and had had many achievements. However, they faced serious problems, such as recession of economic activity, decrease in growth of turnover and membership, weakening of the democratic basis of co-operatives and a decrease in member participation. This was a result of policies laying too much emphasis on amalgamation and the concentration of co-operative business; in addition to bureaucratic methods of management, contradictory to basic co-operative principles. He stressed that co-operators supported the new policy of the Soviet government aimed at the acceleration of socio-economic development, and actively engaged themselves in the restructuring process.

The speaker pointed out that one of the basic priorities was to further develop and strengthen democracy in the co-operative movement. Steps had been taken to decentralize some large

amalgamated enterprises and to introduce the principle of elections for all hired executive officers in co-operative enterprises and various structural divisions. The accountability of hired personnel to elected authorities was being established in all co-operatives, and other measures aimed at strengthening co-operative democracy had been adopted. Special consideration had been given to social issues with the aim of creating the necessary conditions for the higher productivity of labour and better modes of life and leisure facilities for co-operators.

He outlined the most important objectives: a considerable improvement of trade and of services rendered by co-operatives to the population, and the accelerated development of existing and additional co-operative industries. A decision had recently been taken to start creating a wide network of trade-purchasing-processing enterprises in local communities.

Although rural-oriented till recently, consumer co-operatives had started to set up in big cities. In Moscow, for example, over 100 new stores and purchasing enterprises had been opened. It was expected that by the year 1990 the retail turnover in big cities will have doubled.

Ingrid Munro Speaks out on Homelessness

Ms. **Ingrid Munro**, Director of the UN Year of Shelter for the Homeless, thanked the co-operative movement for taking up the important issue of homelessness during 1987. She stressed the widespread nature of the problem, stating that over a quarter of the world's population is without a home and that the number of people involved is set to double before the year 2000. She emphasized the size of the problem, equating the number of people involved to the total populations of North America, Europe, USSR, Japan, Australia, New Zealand and all the industrialized countries. These people were either totally homeless or existing in appalling conditions.

Ms. Munro then discussed the different categories of homeless people — the urban poor living in slums, squatter areas and streets, citing as an example the Colombian case, and the landless rural poor who represent, on average, a third of the rural population. Ms. Munro stressed concern that these groups did not "have a voice" and made a plea that "you will help them get a co-operative voice and help them in their endeavours, because we have to act now". Ms. Munro also expressed concern at their lack of legal rights and their tendency to be exploited both by members of the internal hierarchy of poor and "those outside the group that you can call poor". The poor quality and geographical position of the dwellings also worried her. People facing eviction tended to choose undesirable areas to build their shacks and these could be subject to natural catastrophes. These shacks were often dirty and lacked sanitation and clean water.

Ms. Munro cited the example of families of 10 people living in seven square metres, the children sleeping on a dirt floor which in rainy seasons became

damp, presenting the threat of pneumonia. She estimated that almost 10 million people died every year due to bad housing conditions and that most of them were women and children, there being a predominance of women and children in squatter areas. Where illnesses were not fatal, they still presented an enormous problem since an ill wage-earner would leave a family without financial support.

Ms. Munro pointed out that living costs were very high for people living without legal rights and consequently exploited by land developers. She stated that the poor... "pay more than the rich per square metre and that's because they have no legal rights".

Ms. Munro then explained a further problem facing many of the poor. The nature of their jobs made their homes the base for their work, but the poor quality of these shacks often left them open to theft and to the elements, resulting in loss of income. She emphasized that "better housing, improved conditions for the poor and legal rights for them to be live where they were, was the fundamental means for the poor to overcome their poverty".

Although she recognized that Governments had been trying to solve this problem, establishing Ministries of Housing and making use of the World Bank and other agencies, Ms. Munro stated that the problem has grown dramatically, mainly because many of the solutions had been "too fancy" and had not reached those they were intended to help. However, most developing countries were beginning to see their poor not as a liability but as an asset in terms of man-power and human qualities.

Next to the governments, Ms. Munro stressed that co-operatives were the most important entities in solving the problem. She emphasized the impor-

tance of group support, giving the example of mothers combining in poor communities, and being, she believed, the strongest force among the poor because of their fierce protective feelings for their children.

Ms. Munro stated that "more than half of the developing countries have changed their policies in the last three years or are in the process of doing so" and were supporting the people's efforts. She stressed the importance of the co-operative movement becoming involved, both in housing construction and in helping the poor obtain legal rights over the land. She saw a major role for the co-operative movement in developing land on the basis of co-operative ownership. Secondly, she asked that the co-operative movement should be involved in finance: banking for the poor, establishing co-operative banks, savings and loan associations and credit unions.

The third area where she saw co-operation as vital was in the organization of man-power in the construction industry. She also considered essential the production of affordable and durable building materials and saw this as "another area where we desperately need co-operatives". This, she stressed, was also an excellent way of creating jobs for the poor. She considered that co-operative efforts were important in providing the poor with the necessary income to stay in improved housing.

She understood that she was addressing representatives of large co-operative movements, but considered that the small groups she has been discussing needed an umbrella organization in order to grow strong and to avoid exploitation. It was up to the governments to "focus on land, finance and the legislation that gave the people legal rights" but she considered that the co-operative movement could both support people's efforts and influence their governments "to understand the impor-

tant role of housing for the poor and the important role of co-operatives in reaching that".

Ms. Munro concluded with a special plea to the ICA membership that, in the International Year of Shelter for the Homeless, they should resolve to do everything possible to support and stimulate the co-operative efforts of the poor. Also, that they should form a special programme "which has one aim — housing for the homeless for the rest of the century".

Later in the debates, Ms. Munro presented Mr. Szlamenicky, Secretary General of the National Council of Consumers' Co-operatives, with eleven medals from the Hungarian Government and Habitat, which she asked him to give to those working in the field of housing who most merited the award, stipulating that recipients had to be willing to dedicate the rest of the century to working for the homeless.

The Housing Committee presented a report containing an introduction from Olle Lindstroem, Chairman of the Housing Committee; a Resolution on Shelter for the Homeless (see page 24) and articles from the continents of Africa and Asia. These were "Working for the Homeless Poor in Latin America — The Role of NGOs" by Alberto Jimenez Cadena, S.J., Director General Of Servivienda, Bogota, Colombia; "Working for the Homeless Poor in Udaymarayanpur" by Mr. S.R. Karar, General Secretary of Sonatala Milan Sangha, Howrah, India; "The Role of Credit Unions in Housing Finance to Meet Shelter Needs in Africa" by Francis R.H. Lavally, General Manager, Sierra Leone Teachers Union Savings and Credit Co-operative Society Limited. Copies of the report were circulated to Central Committee members with the meeting documentation. Extra copies are available from the Secretariat at S.Fr. 5. — per copy.

ILO Reaffirms Commitment to Co-operation

Mr. **Bertin Bolin**, Deputy Director-General of the International Labour Office, was among the guests invited to attend ICA's Central Committee in Budapest, October 1987.

Commenting on collaboration between the two organizations, he said ICA and ILO had been working together closely, and in harmony, for several decades and ILO welcomed the opportunity to be present to reaffirm ILO's commitment to the close working relationship that their two organizations had jointly established. He transmitted the wishes of Mr. Francis Blanchard, Director-General of the ILO, for a successful outcome to the meeting and said he and his two colleagues, Mr. von Muralt, Director of our Sectoral Activities Department, and Mr. Hel-Bongo, Chief of the Co-operatives Branch, looked forward to learning more about ICA's progress and plans, exchanging views on matters of common concern, and informing ICA about ILO's own progress and plans in the co-operatives field.

In 1920 Albert Thomas, ILO's first Director, had established a special section in the ILO dealing with co-operative matters and appointed Georges Fauquet, a member of the ICA Central Committee from 1921 onwards, as Head of that section. Albert Thomas attended several ICA congresses and was a strong supporter of the representation of co-operators at the International Labour Conference through their own organizations. ICA enjoys full consultative status within the ILO and can participate in its various policy forming organs.

Collaboration in 1987 had led, inter alia, to the mounting of an exhibition in the main hall of ILO (during the International Labour Conference in June) to introduce ICA history and work to the

delegates. At project and field levels many activities were jointly executed, in particular the close collaboration between ILO's MATCOM (Materials and Techniques for Co-operative Management Training) and ICA's CEMAS (Co-operative Education Materials and Advisory Service) Programmes, which now held their project progress review meetings together; and ILO's participation in the ICA organized and led Inter-Agency Missions to Lesotho and Tanzania and in the Second Ministerial Co-operative Conference in Lusaka in June 1987. Mr. Bolin emphasized several points about which his organization felt concern:

- concern about ensuring that the ultimate beneficiaries of technical assistance programmes were the poorest in their communities, that they became beneficiaries as directly as possible, and that they actually did receive the benefits intended for them;
- concern about the role co-operatives should play in developing countries in ensuring equitable returns to producers supplying critical markets — for food, beverages, clothing, footwear, shelter, a market where exploitation was not only rife but has become traditional and traditionally accepted;
- concern about the role of governments vis-à-vis co-operatives, particularly the means by which governments could support and strengthen co-operatives and ensure their political and economic independence, their economic viability, their democratic functioning and their social and welfare contribution.

He said ILO's approach to co-operative development was "people oriented", focusing on the need to ensure that co-operatives in developing countries contributed directly and significantly to improving conditions for members of society. To a large extent

ILO's activities in the field were initiated at the request of member governments. They were, therefore, not unmindful of the role of governments vis-à-vis co-operatives, but believed this should be exercised within the provisions of ILO's Recommendation 127 concerning the Role of Co-operatives in the Economic and Social Development of Developing Countries from 1966 — a sort of Magna Carta for co-operative development — and in particular within a favourable policy and legislative climate conducive to effective co-operative development.

Mr. Bolin said he had been glad to note the special theme for this meeting was "Co-operatives and the International Year of Shelter for the Homeless." ILO was also giving particular attention to intensifying the activities of co-operatives in the provision of shelter. In March 1987 it had organized a Tripartite Round Table on Workers' Housing and one of the papers presented was on the role of co-operatives in the provision of workers' housing.

ILO was also active in the field of co-operative education and training; the provision of information to co-operative organizations, co-operative departments and other interested institutions and individuals, as well as the technical advisory services in the area of legislation.

One of the two technical items on the agenda of the ILO's African Regional Conference in December 1988 would be "Co-operatives in Africa". It was a sign of the importance attached to the role of co-operation by governments, workers and employers in African countries.

Finally, Mr. Bolin said he was delighted by ICA's initiative in encouraging the submission of a resolution to the 1988 ILO General Assembly on the role of co-operatives in economic and social development. By working together ICA and ILO could better achieve their common goals — namely to strengthen the solidarity and common work between all people.



Many agreements are also reached behind the scenes during informal or social meetings

Recommendations on Women in Co-operatives

**by the ICA Women's Committee and the
ICA Agricultural Committee**

Presented to the Central Committee in Budapest, October 1987

The reasons for presenting these recommendations to the Central Committee are, that the committees strongly believe, that existing agricultural co-operatives, as well as other forms of co-operatives, will greatly benefit from an increased participation by women.

The direct benefits are:

- opportunities to expand co-operative activities
- enlarging the capital base through share contributions
- a better opportunity to reduce the dependency of private traders/money lenders

The indirect:

- the obtaining of consumers knowledge
- the opportunity to improve member relations activities
- good possibilities of influencing the next generation

Recommendations:

1. A positive recognition that in any agricultural community both sexes have equal importance and, if a co-operative exists which benefits the family, both partners should have rights within the organization and for some purposes dual membership may be the answer. (Where a male farmer works away, he can disenfranchise himself in the co-operative's affairs if his wife, who is working on the farm, cannot vote or voice an opinion in his absence.)
2. Rules or bylaws should be examined to identify any obstacles to membership which can be changed by the co-operative's members' action at their own meetings.
3. Where legal impediments have been imposed by the requirement of Government Acts, e.g. right of both partners to simultaneous membership, marriage, property ownership or accession through family death, ways and means should be examined to petition the removal or amendment of the obstructive clauses.
4. Traditional practice and custom is not always tied to religion but is often restricting. This can be tackled by public discussion if only men and women can be persuaded to initiate it.
An approach for support to the civic and religious leaders needs courage but will probably cut the time factor in the long run.

5. Many women are farmers on their own, either by choice or widowhood. These need encouragement, help and particularly their rightful place in the running of any co-op they need to join.
6. Training is vital. All co-operative movements should ensure that women are offered the same facilities offered to men if that is their need. This means both the theory and the practice and the resources to achieve advancement where women want to enter the professional ranks in agriculture.
7. Illiteracy often affects women in the developing countries more than men and therefore account must be taken of this situation, and provision made for women to overcome this barrier.
8. Co-operatives cannot be expected to solve all the problems of family and domestic life so often faced by women. Nevertheless, by co-operative action, societies can take a lead in promoting public responsibility to provide services to eliminate or relieve some of the time-consuming duties which both affect the women's health and prevent them from participation in the life of the family and the community.
9. The ICA should make a special study of the Housewives' Centres which can be found in many villages in some East European countries; they are supported by co-operatives. These centres often provide both domestic and field training besides encouraging the use of leisure time by promoting arts, crafts, sports, dancing, music and other cultural community activities. By such means, the simple action of co-operation becomes an everyday occurrence. An extra bonus is the effect on the youth and children of the area.
10. Easy access to credit, loans and supply-facilities is essential.
11. Incentives appropriate to the local situation should be introduced for new women members.
Procedures such as application forms, checking of references etc. should be kept as simple as possible so as not to intimidate women.
Membership fees should not be so high as to be an obstacle to joining.
12. Assistance, advice and flexibility for registration of women's co-operatives should be applied by registrars and relevant government departments.
13. Agricultural and other extension services specifically geared to the needs of the women in rural areas should be established.

We welcome the discussions which we know are already taking place in a number of countries and we strongly advise that these discussions should lead to concrete plans and we recommend that similar discussions are initiated in all countries.

Resolution on Shelter for the Homeless

The International Co-operative Alliance

WORRIED	about increasing homelessness in the world,
RECOGNIZING	the importance of decent shelter as a prerequisite for a life of dignity and, therefore, considering shelter as an indispensable human right,
BEING OF	the opinion that shelter comprises, not only a dwelling, but also facilities for developing a human social life,
UNDERSTANDING	the interdependence of shelter and security, food and health, and the necessity of collaboration between various branches of co-operatives,
RECOGNIZING	the role that a co-operative approach can play in mobilizing human resources for individual and common benefit,
CONSIDERING	co-operation of free and independent individuals in economic societies an efficient vehicle, not only for improving the housing situation, but also for furthering a democratic fostering of the users,
NOTES	with satisfaction that the United Nations has declared 1987 as the International Year of Shelter for the Homeless
CALLS UPON ALL ITS MEMBERS	
	to support the housing co-operatives in their efforts to improve the housing situation, especially for low income groups in developing countries,
	to urge their governments to support the projects of co-operative organizations as part of their development assistance and, in their turn, to use the United Nations as a platform for the same endeavour,
AND REQUESTS	the United Nations and its bodies specialized in human settlements to increase their efforts to encourage the implementation of co-operative self help methods in their shelter programmes.

Resolution on Peace

The Central Committee of the International Co-operative Alliance (ICA)

REPRESENTING	500 million co-operators, worldwide, at its meeting in Budapest in October 1987;
REAFFIRMING	ICA's commitments "to work for the establishment of lasting peace and security", upheld in its previous peace resolutions;
NOTING	the complicated international situation, continuing arms race and ongoing regional conflicts;
FURTHER NOTING	the positive process of states' growing interest in meeting certain vital global challenges, such as avoidance of nuclear conflict, achievement of the conditions for sustained economic development, elimination of apartheid and other infringements of human rights;
UNDERLINES	the urgent need for resolving problems agitating humanity, above all in the direction of disarmament, consolidation of peace and international security;
SUPPORTS	UN efforts in enhancing international security, settling regional conflicts, ensuring human rights and socio-economic advancement of nations;
WELCOMES	Soviet-American commitment to sign an Agreement on the elimination of two types of nuclear missiles, considering it to be the first practical step on the way towards a nuclear free world, and creating an all-embracing system of international security;
CONSIDERS	that resources released as a result of curbing and reducing nuclear and other types of armaments must be channelled for development purposes, raising living standards of people, primarily in developing countries, this being, today, part and parcel of the process of ensuring social and economic stability and lasting peace;
REQUESTS	ICA member organizations to engage themselves actively in supporting such actions of goodwill;
DECLARES	its resolute support for action in defence of peace, the crucial condition for successful co-operative development.

A Letter From Budapest

by Iain Williamson *

Hungary's retail co-operatives have a problem which many of our own societies would welcome — a consumer boom that is bringing shoppers out in force to strip the normally well-filled shelves of high-price goods such as furniture and electrical appliances.

While the checkout queues lengthen and the tills keep on ringing, however, Hungary's Co-op leaders are only too aware that this boom will be short-lived, with a period of severe economic austerity just around the corner.

For the truth is that Hungary's economy is far from healthy. From January 1988, Hungarians will have the doubtful privilege of becoming the first East European citizens with personal income tax and value added tax (VAT) as the Government introduces a package of tough measures aimed at curbing their excessive consumerist zeal and reducing a massive overseas debt.

The manager of a Co-op department store I visited in a small town north of Budapest was full of apologies for the empty space which was once his furniture section. "Everyone is buying now before prices rise with the new taxes," he reflected. "This year our profits will be very high, but I don't know what will happen next year if living standards start to fall."

* Iain Williamson is information services manager of the Co-operative Union and was in Hungary recently to present a paper on computer technology to the International Co-operative Alliance Working Party on Co-operative Press.

These are the sort of economic problems you are supposed to encounter in the capitalist west, not the socialist east. But then, as you soon discover in Hungary, very few things are quite as you expect to find them.

A Troubled Past

The Hungarians have a tremendous feeling of national pride, which is just as well when you consider what they have put up with over the last few centuries. During that time most European countries have seen a few ups and downs. Hungary seems only to have seen a lot of downs — first with the Turks, then with the Hapsburgs, later still with Nazi Germany.

More recently there was what the history books call the "liberation" of 1945 and the "forces of socialist revolution driving out the bourgeoisie" in 1948. Later still of course came the uprising of 1956.

A Remarkable Number of Co-operators

In spite of the economic difficulties, the co-operative sector in Hungary is strong after a period of rapid expansion, accounting overall for something like 25 percent of the national economy.

Four-fifths of food production comes from co-operatives, and they have over 30 percent of the retail trade. For a small country, therefore, there are a remarkable number of Co-op members — roughly 4.5 million out of a total population of 10.5 million.



Right: Bulging carriers outside the Skala Metro department store in Budapest, and below: Co-op department store in Vac, north of Budapest, where the consumer boom has emptied the furniture department



Inevitably, the co-operative sector will be hit by austerity measures now in the pipeline, but there is a feeling that it is the State industries which will be hit the hardest, presumably because that is where the greatest inefficiency is currently to be found.

Everyone Can Afford Basic Foodstuffs

On a visit to an agricultural co-operative with fellow members of the ICA Press Working Party, Co-op officials we spoke to were anxious to stress the partnership relationship that exists between them and the State. "We are not told what to produce, and although the State intervenes on issues such as prices and taxes, we are quite free to use our surpluses in whatever way we choose," said our informant.

State intervention in agriculture, we were reminded, was practically no different from that found in the West, and I am sure that an agricultural bureaucrat from Brussels would find it impossible to disagree with that.

"It is crucial in Hungary that basic foodstuffs are sold at prices everyone can afford," added our informant, who went on to relate a little Hungarian saying: "Fifty years ago, Hungary had a population of nine million and was described as a country of three million beggars; today it is the country of three million fat people." Whatever the shortcomings which have brought about the current difficulties, that says a great deal for the economic achievements which have undoubtedly sprung from Hungary's socialist revolution.

The reason for keeping down the price of foodstuffs and other essential commodities, of course, is the low level of basic wages — which average about US \$185 a month. Comparisons in living standards with those in the west can be misleading, however, when you real-

ize that a ride on public transport might cost a tenth of what it does in Britain. The lady at the ticket office of the Budapest Metro created a terrible fuss when I proffered a 100 forint note, and it was only afterwards that I understood why. The charge was just two forints.

Hungarian Co-ops Support UNICEF

Even with the "official" rate of exchange, which is probably weighted unfairly against the visitor, it is remarkably difficult to spend a lot of money in Hungary. Although prices are obviously higher in Budapest than in the country areas, restaurants are excellent value and the taxis ludicrously cheap by our standards. The taxidrivers do make up for the low prices however with their manic style of driving, all the more noticeable in the ubiquitous Ladas which never were the safest of cars.

In the Skala Metro, a splendid modern department store on the edge of the centre of Budapest, the range of goods on display and the presentation of the merchandise compared most favourably with standards anywhere. The quality of fashion goods was generally high, and the staff appeared to be friendly, helpful and well motivated. At the checkout in the foodhall shoppers were given a beautifully designed UNICEF carrier bag that also included the Co-op's logo. Since so many Co-op's worldwide continue to sell carrier bags, much to the chagrin of customers, wouldn't it be a good idea if we adopted a charity and donated some of the proceeds from the sale of the bags to causes like UNICEF? That would be a really tangible way of advertising the Co-op and showing that we are people who care.

Canny Lines in Marketing

After visiting the agricultural co-operative in the small town of Fot, the Working Party on Co-operative Press were taken to see the district branch of a savings Co-op which we discovered had some canny lines in marketing. Handling advance payments for car purchases is one of the savings banks new services on offer, and since the bank sells insurance as well, it is able to offer the inducement of a "free" three-month period of insurance cover to win the business.

The bank is out to win young savers as well and recently set up a school co-operative group among elementary pupils who themselves organize and administer the deposits under the watchful eyes of a teacher and a pupil chairman.

The savings bank is canny, too, in its use of retail space. In the branch we visited, we were surprised to find the walls lined with shelves of books — all brand new and all for sale with the laudable objective of maximizing the return from every square foot of space.

Hungarian Movement's Founding Father

A stone's throw from the savings bank in Fot you will come to the imposing Roman Catholic church where the founding father of the Hungarian Movement, Count Alexander Karolyi, was laid to rest in the family crypt.



A delegation from the ICA visited the tomb of Count Alexander Karolyi to place flowers on the grave of Hungarian co-operative's founding father.

We were taken into the church to place flowers on his tomb, and back in Budapest we were shown a building with a plaque which commemorates the meeting there in 1904 of the Sixth Congress of the ICA. Count Karolyi attended that meeting along with other great co-operative luminaries of the time such as Charles Gide from France, George Jacob Holyoake and J.C. Gray from the U.K.

The little ceremony in the crypt and the plaque on the wall in Budapest say much for the Hungarians' pride in their Co-ops, past and present. Like co-operatives everywhere, theirs have had to fight hard to become established and even harder to survive. Difficult times lie ahead as Hungary sorts out its economic problems, but from the evidence of this short visit the co-operatives are strong enough to weather the storm.

New Executive Members

During the Central Committee Meeting, four new representatives were elected to the Executive Committee: Vijay Pal Singh, who was co-opted to the Executive Committee in Basel in October, 1986, was elected as a full member. Mr. Singh has held various positions within the Indian co-operative movement, with which he has been associated for over 20 years, and is a member of the ICA Regional Council for South-East Asia. A detailed biography of Mr. Singh can be found in the Review of International Co-operation Vol. 79 issue no. 4 1986.

Robert D. Scherer

Robert D. Scherer is President and Chief Executive Officer of the National Co-operative Business Association (NCBA), a national membership and trade association representing the national co-operative business community.

Before his appointment with NCBA in 1986, Mr. Scherer was Executive Vice President of Countrymark, Inc. Prior to this Mr. Scherer was CEO of Landmark, Inc., which merged with Ohio Farmers Grain & Supply Association in May, 1985, to form Countrymark, Inc. He came to Landmark in 1960 and held a number of positions including Product Manager of the feed division, Poultry and Egg Marketing Manager, Vice President of Foods and Senior Vice President for Administration. Prior to Landmark, Mr. Scherer was field representative for the Farm Bureau Co-operative Association and Scioto Country Farm Bureau at Portsmouth, Ohio.

Mr. Scherer has been associated with a number of board of directors which included Agri-General Inc., a food co-operative in Columbus, Ohio; Intertrade, Inc., the co-operative arm of Toepfer International in the Netherlands; and Universal Co-operative, Inc., of Minneapolis, Mn. He is a former



member of the board of directors of NCBA, Agricultural Co-operative Development International (ACDI) and the American Institute of Co-operation (AIC). He is a graduate of Ohio State University (OSU) and has been given the Distinguished Alumni Award from the school. He is also a member of the OSU President's Club and represents the College of Agriculture on the University Alumni Advisory Council.

Mr. Mitugu Horiuchi

Mr. Mitugu Horiuchi has been President of Ie-No-Hikari, the Association for Education and Publications on Agricultural Co-operatives, since 1985, when he was also elected to the Boards of Zenchu, the Central Union of Agricultural Co-operatives. In 1983 he was elected President of Nagano Prefectural Union of Agricultural Co-operatives, and at the same time became President of six other prefectural level federations of agricultural co-operatives. He has also served on the Board of National Press and Information Federation of Agricultural Co-operatives and the Board of Zen-Noh, the national Federation of Agricultural Co-operative Associations.

In 1971 Mr Horiuchi was elected the Chairman of the Board of AZUMI Agricultural Co-operative.

Mr. Horiuchi left school in 1954 to



pursue a career in co-operation. His first management position was Chief Executive Director of Minami-Hodaka Agricultural Co-operative (A local society in Nagano prefecture).

Knud Ollgaard

Knud Ollgaard, farmer, and new Danish member of ICA's Central Committee, is a very active member of the Danish co-operative movement and is highly esteemed far beyond co-operative and agricultural circles.

From 1975 to 1980 he was Chairman of the local farmers' union, and in 1979, was elected to Parliament by the Liberal Party. Knud Ollgaard took a great interest in matters of education, training and communication and was, therefore, elected to the board of direction of RADIO DENMARK and Chairman of the National Council of Education.

Also in 1979 he was elected Chairman of the National Co-operative Egg Society, DANEGG, after 10 years as Vice Chairman. DANEGG is one of the Danish Co-op societies which has gone through considerable structural changes. These changes made an adjustment of the organization and the



entire member democracy necessary. During this period Knud Ollgaard was strongly engaged in the problems of member communication and member information, and is now recognized as an authority on all matters concerning member democracy. As Chairman of DANEGG Knud Ollgaard became a member of the Federation of Danish Co-operatives and was immediately elected to the board of direction of the Federation.

Mr. Ollgaard's roots and deep engagement in the co-operative movement was of decisive importance when TV-SOUTH, the first large regional TV-station in Denmark, was established; today he is Chairman.

Mr. Ollgaard is Chairman of an agricultural college where future co-

operative members receive their professional training. Furthermore, he is a member of a government committee whose task it is to investigate the possibilities of establishing a large bioenergy plant with a view to solve environment and energy problems.

In spite of his many representative tasks, Knud Ollgaard takes a deep interest in current social and public matters, and is consequently much in demand both as lecturer, commentator and feature writer. His interests are not restricted to Danish problems and activities; over the years he has been an interested and active participant in several Nordic co-operative seminars and has participated in ICA Central Committees since he became a member of the Federation of Danish Co-operatives in 1979.

Soviet Consumer Co-ops Move into New Areas

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One of the new features of co-operative development in the USSR was the rapid formation of new industrial, public catering and service co-operatives. Over four thousand such co-operatives had been registered in recent months, with approximately one thousand of these under the auspices of Centrosoyus.

The foreign trade activities of Centrosoyus were being reoriented to participation in the international division of labour by the creation of joint ventures with foreign companies.

The speaker underlined the role of

governmental participation in rendering legal, material and financial assistance to co-operatives. He said a new co-operative law was being prepared, with the participation of Centrosoyus, which would strengthen the status of co-operatives as independent democratic organizations and determine more precisely the principles of their relations with governmental and other industries.

Mr. Krashennikov also emphasized the importance of widening friendly and business relations among co-operatives internationally.

News From The United Nations



United Nations Urges Further Support for Co-operative Development

United Nations, New York, N.Y. — When the United Nations General Assembly approved a report of the Secretary General of the U.N. on “National Experience in the Promotion of the Co-operative Movement” it provided an opportunity for national delegations to speak up on the development of co-operatives in their countries and to express their support of the recommendations of the Secretary General. Among those recommendations were to increase activities of national governments and of the specialized U.N. agencies in further development of the Co-operative Movement. The recommendations included the holding of regional seminars on the Co-operative Movement sponsored by the economic commissions for each of the regions of the world. The Secretary General also commended several of the U.N. specialized agencies for their work in the support and development of co-operatives, particularly in less developed countries. The International Labour Organization (ILO), the U.N. Food and Agriculture Organization (FAO), and several bilateral programmes were specifically commended in the Secretary General’s report.

Ten national delegations participated in the discussion in Committee III of the General Assembly, which preceded the enactment of a resolution supporting the Secretary General’s report and urging further action by national governments and specialized agencies.

The delegations participating in the debate were Chile, Ethiopia, Finland, the German Democratic Republic, Indonesia, Mongolia, Poland, Senegal, Sudan and the Ukrainian Soviet Socialist Republic.

Outstanding in the debate was a presentation made by the delegation of Finland on behalf of the Governments of Denmark, Finland, Iceland, Norway and Sweden.

Ms. **Christel Nyman**, a member of the Finnish delegation spoke on behalf of the five Nordic countries. She said “The co-operative movement has been an integral part of the economic and social structure in the Nordic countries ever since its introduction in our countries during the second half of the nineteenth century... Today the co-operatives in all the Nordic countries have become firmly established in many areas of economic life. “The co-operatives have initiated and increased popular participation, educated their members in the democratic process and raised the standard of living, for instance, by improving the opportunities of marketing goods and of improving choices and inexpensive supply for consumers.”

Ms. Nyman commended “the role of co-operatives in activating different groups of underprivileged people in society such as women, youth, disabled, elderly persons, unemployed and poor people.”

Speaking of policy the delegate said, "the Co-operative Movement is principally based on the voluntary work of individuals. The main responsibility of a government is to create the favourable framework for this activity...In the Nordic countries there has been a trend to minimize the government's role in the Co-operative Movement."

Speaking of the outreach of the Nordic countries, the Finnish delegate said that "The Nordic countries have made an effort to share and increase their experience by contributing to the development of the Co-operative Movement in approximately 40 countries since the early 1960s."

In this context, I also call the attention especially to the International Co-operative Alliance (ICA) in which producer and consumer co-operatives participate. A number of development assistance projects are administered by the Alliance."

Speaking on behalf of the Indonesian delegation to the United Nations, Mr. **Cyrus Taihitu** declared "The role of co-operatives in our national economy and development is indeed a fundamental one, and is so stipulated in our Constitution. Currently, a wide variety of groups ranging from women's organizations to farmers' groups have established co-operatives in such diverse fields as agriculture, animal husbandry, cottage industries, fisheries, and even rural electrification".

To supplement his statement and underline the position, he pointed out that co-operative membership rose from 13,652,000 in 1983 to a national membership of 16,402,000 in the year 1984. A continuing increase in membership brought this to 20,285,000 by the year 1985.

Speaking of the role of the Government, the Indonesian delegate said that in this area, "the role of the Government

is to offer guidance and instruction in management and administrative skills and to increase awareness among the people of the advantages of and need for co-operatives. The ultimate aim is to make the co-operative independent and self-sufficient with the members of the co-operative enjoying common benefits".

In conclusion he pointed out that "in strengthening the role of co-operatives, such activities have been extended to a great number of our population, thus enhancing the overall economic development of the country."

A somewhat different view was presented by the **representative of the Mongolian Peoples' Republic** to the United Nations. The delegate declared "my delegation finds the report on the Co-operative Movement offers a comprehensive and updated view of the activities and concerns of co-operators in both developing and developed countries. In this context we note the emphasis that co-operative organizations are becoming increasingly mindful of the need to integrate more women and other social groups so as to involve them more broadly in economic production and make them socially equal members of the society.

"Although every state has the right to determine the system it considers the best for attaining economic and social development, exchange of experience available in different countries can contribute to the formulation and implementation of their development strategies. Therefore, my delegation requests the Secretariat to proceed with making arrangements to hold the inter-regional seminars called for in the report."

Gerhard Richter, the representative of the German Democratic Republic said that 33 of the member states submitting reports had noted their "positive

experience in promoting co-operatives as an important element of their national development". In the GDR they believed this should prompt statesmen to pay particular attention to co-operatives in the context of the relationship between property and human rights.

He said co-operatives played a significant role in his country's development, accounting for 95 per cent of farming produce and 76 per cent of all animal products. No less important was the role played by co-operatives in safeguarding fundamental human rights, like the right to work, education, culture, leisure time and recreation.

The most far-reaching socio-economic transformations in the GDR had been achieved by the co-operative movement in strengthening the role of women in the countryside.

Finally Mr. Richter noted that there was sound evidence that "co-operatives are an invaluable institution for promoting social and economic development and achieving an equitable distribution of income." He said his delegation would welcome an intensification of the dialogue on the questions involved and was ready to play a constructive part in such dialogue.

All of the spokesmen who participated in the debate were, in general, enthusiastically in support of the report and its recommendations. The contrast of political background included lengthy statements from Poland and Chile. Also active participation came from the African countries of Ethiopia, Senegal, and the Sudan with an equally supportive statement from the Ukrainian Soviet Socialist Republic.

It perhaps was appropriate that the one critical note came from the spokesman for the Nordic countries. The delegate from Finland said "We hope that the fact that only 33 members States have replied to the the Secretary General's questionnaire does not reflect the lack of interest of the international

community in this issue. The work already done in this field within the U.N. system is valuable and promising and should, in the opinion of the Nordic delegations, be continued."

The International Co-operative Alliance, which is the largest economic organization with consultative status with the Economic and Social Council of the United Nations, submitted a statement to the chairman of the General Assembly and the Secretary General commending the Secretary General's report and making several recommendations.

These included a call for additional activities carried forward by such specialized agencies as the International Labour Organization, which has a substantial section of its organization devoted to the development of co-operatives. The ILO will consider at its annual meeting a resolution raising the status of the co-operative programme to a high priority for the field of development.

The Food and Agriculture Organization has been concerned with and active in support of agricultural co-operatives since its foundation 40 years ago.

The ICA urged the economic commissions for Latin America, Africa, Southeast Asia and elsewhere to convene specialized meetings on various aspects of the Co-operative Movement and promised the full support of the ICA and its members to such a workshop or seminar series. The ICA also recommended increased information on the economic aspects of the Co-operative Movement with the preparation of reports on the role of co-operatives in both economic and social development throughout the world.

Finally, the ICA has suggested to the United Nations that it call for the observance of "International Co-operative Year" in 1995, which will be the centennial of the founding of the ICA in 1895.

Co-operatives – 1987

by Robert L. Beasley*

These are difficult times for many co-operatives individually and for co-operatives generally. In some places and situations, the very concept of co-operation — at least as has been customarily understood — is being challenged.

At the same time, in other places and other conditions, co-operatives grow in size and importance. They provide vehicles for broadening and enriching people's lives. In fact, co-operatives are playing leading roles in some of the largest and most important social and economic developments of our time.

My job has taken me, in the last couple of years, over much of the world. ICA has members in some 70 countries and eight international organizations. I haven't visited all ICA's member countries by any means, but I have visited some — and have brought back vivid memories.

At dusk in a remote village in India, householders — quite often the wife or one of the older children — bring to a receiving station containers that hold the milk from the family's one, maybe two, cows or water buffaloes. They take away cash for yesterday's milk delivery or feed for the cow or buffalo. Milk from those receiving stations goes to a processing plant that is just about as modern as any in the world. The system, from receiving station through processing plant to distribution facilities,

was built and is operated by a co-operative that has brought cash to producers and pure milk to India's citizens. It is a co-operative with research and education programmes, with affiliates that provide health services to villages heretofore without them, with a reputation for efficiency, integrity and professional leadership.

In a small city in southern China, virtually every morning, the largest dining room in the new co-operative hotel is crowded with local people — many of them elderly retired people visiting and eating with their friends. They choose food from rolling serving tables being wheeled through the big, happily noisy room. The hotel is connected to a shopping centre and a complex of restaurants. Its design, its staff, its service are uniquely Chinese — and co-operative. The manager is a local man, elected to manage the hotel and now training himself to live up to that responsibility and opportunity.

On a January night when the temperature has dropped lower than 30 degrees below zero Centigrade, a new co-operative restaurant not far outside Moscow, USSR, is full of people, some there for a wedding reception but most there to enjoy the fine food and the fine entertainment provided by a modern music ensemble. All of the thriving restaurant's staff — including the musicians — are members of the co-operative.

I choose these three memories for several reasons. They are set in the three most populous nations of the world. In every case, co-operatives are

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providing opportunities and services in creative ways — in three distinctly different systems. And in all countries co-operatives figure prominently in plans for the future — a future the co-operatives enter confidently.

We could have used memories from other places:

Directors of Irish dairy co-operatives attend a seminar in a charming country inn to study ways to improve the performance of their board of directors and to ponder a proposal that they somehow combine the efforts of their many, mostly small dairy outputs. When Ireland looks for ways to improve its export performance, it looks to its co-operatives.

Hungarian consumer co-operatives hold a nation-wide congress only every few years. At the congress, co-operative and government leaders sit on the platform and hear a succession of local co-operative leaders talk about what they see as right and wrong with national co-operative and government programmes and practices in so far as they affect the speakers' co-operatives. I have never heard more candid, more balanced, sometimes more demanding talk at a co-operative meeting. The leaders listen carefully, take notes, and rise at the end of the meeting to agree or disagree and to indicate what they plan to do as a result of what they have heard.

On election day in the Gambia, the small English-speaking nation completely engulfed by French-speaking Senegal on the coast of West Africa, trucks are pulled from regular service to the co-operative to lumber around the country picking up ballot boxes. This is just one of the extra services of a co-operative that has become a national asset, not just of benefit to its members.

There are documents and reports, too, that give cause for encouragement. One was the report from the Secretary-General of the United Nations. It focuses on "National Experiences in

Promoting the Co-operative Movement." And it supports the idea of co-operatives as a means of helping the developing world do just that — develop.

Another was a recent report from a management consulting firm that works with retailing firms in Western Europe. It has done a survey of the continent's top 50 retail business. Of the top 20, six are co-operatives. A British co-op is second on the list. Others are from Switzerland (two), France, Finland and Sweden.

And still another encouraging document is any issue of BANK NOTES, the publication of the National Co-operative Bank of the United States. It is full of the innovative operations of its members — and of the bank itself, which is enlarging and sharpening the conventional U.S. vision of a co-operative.

My points are that co-operatives are vital elements in many places in the world today and that they are flexible instruments that can be adapted to serve their members in the future.

Having stated those points, however, it is important to note that problems and questions cast shadows over some co-operatives. Despite some European consumer co-operatives' prominence, others are struggling. Farmers' co-operatives share the stress their members are undergoing in the face of a global agricultural crisis.

Like most democratic institutions, co-operatives have always faced critics and complications. There have always been questions about them. In the last couple of decades new questions have shown up: when co-operatives grow to the size of some of today's giants, how and where does the individual member retain identity and a measure of control? Are co-operatives that flourished most notably during and in response to the industrial era with its mass markets and mass movements, still relevant and viable in the post-industrial era?

At a meeting next July in Stockholm,

ICA members will be addressing these and other questions as they study co-operatives' "basic values." They will be exploring what values the diverse members of ICA have in common. And they will be trying to identify the values that will be most important in the days ahead.

When I left Farmland Industries in 1984, after 27 years of working for it, I recognized that it had been a privilege to work for a cause as well as a paycheck. After three years with the International Co-operative Alliance, I feel even more

gratitude for that privilege. To my mind, co-operation in the generic sense is the essence of civilization. It provides a means of untangling the world's increasingly snarled economic system, and it serves as a practical model for achieving peace.

Very lofty sentiments, you are likely to respond. So be it. The best of co-operative enterprises — Farmland Industries, for example — have been born of a magic marriage of pragmatism and the loftiest idealism. That magic is still available.

Life in a Microcosm

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assistance, working capital advances, equipment purchases, design of the facility, and co-ordination with the District of Columbia on the necessary permits. It was an arduous process.

"One thinks of daycare as just a parent-child-teacher relationship," says Hanna, "but it is also a small business. And we found out that it's a rough world out there. The National Co-operative Bank was at our side through the entire process, from helping us to find the proper consultants, to providing financing for equipment and our bus. NCB's specialized expertise proved invaluable in our efforts."

Now under the day-to-day direction of Pearl Waxman, an experienced child-care professional, the Centre is up and running and has proved to be exactly what the parents hoped it would be. Waxman manages a staff of 16, several of whom are spouses of World Bank employees.

A Fun Place to be

The co-operative is bottom line oriented, with the objective of building reserves to reinforce its programmes. All "excess" funds are spent on children's programmes and the retention of quality staff rather than on distribution to non-involved stockholders. At the same time, the parents know that the more they put into the Centre that they themselves own, the more their children are going to benefit.

And of course, the Centre is a fun place to be. "Being here is a thoroughly enjoyable experience," concludes Waxman. "We have a lot of parents who say with a glimmer in their eye, that they would much rather be down with us than up in their offices."

Interview

with Mr. Regis, Chairman of CICOPA



Worker co-ops are worker owned and controlled businesses. The workers take part, not only in day-to-day tasks, but in decision-making and planning for the future. As the workers are owners, the usual adversarial relationship of labour versus management ceases to exist.

In Great Britain, worker co-ops have sprung up since the early 70s, and their number has grown from some 20 in 1975 to over 700 in 1983. Similar growth has taken place in other industrialized countries including Denmark, Sweden, the USA, Canada, Japan and Australia. Many such co-operatives have also been created in parts of Eastern Europe.

These co-ops have evolved over a long period. In some countries, notably Great Britain, France and Italy, the co-operatives originated in the labour struggles of the last century. In others, such as Yugoslavia and Spain they are comparatively young. Co-operatives in France, Italy, Denmark, the United States and Great Britain have been strongly influenced by the need to survive within the capitalist economy. In each of these countries co-ops have been formed by the unemployed and through action to rescue jobs threatened by company closures.

Workers co-operatives in Poland, Hungary, Czechoslovakia and Romania have developed many democratic and business practices familiar to Western countries. In Poland for example, policies encouraging the amalgamation of small ventures has brought about bigger co-operatives with a wider range of products, centralizing power within the movement but also strengthening the influence of the State over co-operative activity.

With the recent transformation of the world economy, more and more governments are looking to worker co-ops as a means of stemming the increasing unemployment figures and are investing money in co-operatives through their national apex federations or through co-operative development agencies.

ICA's international committee of workers co-ops is more generally known by its French acronym, CICOPA, an abbreviation of "Comité International des Coopératives de Production et Artisanales" which you'll agree is a bit of a mouthful.

CICOPA aims to foster the creation of national apex organizations of worker co-ops throughout the world to contribute to the development of those already existing and to promote the movement in developing countries.

In 1988 CICOPA is organizing its 3rd World Conference on Industrial Co-operatives. It will be held in Paris from February 23-26, under the patronage of the President of the Republic of France. The conference will consider three main

themes:

- 1) *What are the forms of industrial democracy in different countries of the world? What real place is occupied by the producer co-operative? What possible changes to the statutes and practices of these enterprises are necessary?*
- 2) *What is the future of worker co-ops vis-à-vis the technological and sociological changes in our world today?*
- 3) *How do young people of different countries react to this formula? Is there a real aspiration to participate in a democratic enterprise, and in what way?*

In Budapest, I managed to corner CICOPA's dynamic and busy President, Mr. Yves Regis, during a short coffee break at one of the Central Committee sessions, and this is the gist of my conversation with him:

Mr. Regis, what are the problems facing Workers Co-ops at the present time and what action is CICOPA taking to solve these problems?

In order to understand the problems better you need to be aware of the reality.

The movement in developed countries has expanded rapidly in recent years; the number of workers productive co-operatives has doubled.

There has been an explosion in the growth of workers co-ops in Spain, and also important development of the movement in Italy and in France where the number of co-ops has grown from 500 to 1500 in the past years. This development is mainly a direct result of the employment crisis in Europe and other industrialized countries.

The trend of unemployment has encouraged many workers to take over their failing enterprises. In France this growth was formerly in traditional crafts where little capital is needed, and in the construction and printing trades. More recently this growth is taking place in two areas:

- 1) The precision and service industries, such as communications, publicity, marketing etc. — for example 10 new workers co-ops are being established each month producing software.
- 2) Secondly the formation of small

rural co-ops as an answer to basic needs created through the urbanization of our countries during the last 25 years.

In developing countries the movement is growing quickly, especially in the area of small artisan and rural co-operatives, notably in India and China.

In Eastern European countries workers productive co-ops may be the only means of avoiding state monopolized industry and may be instrumental in achieving better democracy. It is fascinating to observe the growth of the movement in the USSR where production co-ops were previously outlawed. "Peretroiska" will perhaps go through co-operatives in industrial areas.

The problems which industrial co-ops are facing are the following:

The principle of limited interest can pose a problem in our increasingly capitalistic society. The question is: Are the younger generations really prepared to engage themselves to work in a co-operative manner?

Secondly, most of these co-ops are developing at grass roots level which often means that they are mainly run by unskilled labourers with little or no managerial skills. Two developments may occur: either the co-op fails due to bad management or else the few members with managerial skills will seize control and the co-op will then be no better than an ordinary capitalist enterprise. Professional training plus the rotation of

functions would be one solution to this problem. Democracy can be good or bad depending on how you apply it.

Mr. Regis, co-ops are often helping only the relatively strong sections of society. How are workers co-ops reaching out to help those people who have little access to co-ops?

Money is generally not the main problem — the main problem can be funding a market for the co-op's produce. In France a third of the budget of our confederation of co-operatives is invested in new co-operatives, but we will not help these co-ops if they are not prepared to take their own risks. For every franc they invest we are prepared to invest the same amount. This ensures that they also are committed to the success of the enterprise. This is a policy which could be implemented in developing countries. It is important that they are involved both financially and otherwise, rather than being the passive recipients of development aid.

What are the aims of the International Conference on the Future of Democratic Enterprise which you will organize in Paris in February, 1988? Plus what are your hopes for its outcome?

The aims are:

- 1) To stimulate exchange of experience between theoreticians and researchers in social and economic matters and practitioners, especially co-operators at grass roots level.
- 2) To promote mutual North-South exchange especially in training and trade and the transfer of technology.

I hope that it will result in a clearer picture and clearer thoughts. We must be open to what is going on outside our own national movements and if we realize that our problems are shared by others it will somehow make us all stronger.

I hope it will result in more management training — training is imperative if we are to keep abreast with the rapid changes in technology.

Mr. Regis, how do you see the future of CICOPA?

We must open CICOPA to Third World countries in Asia, Africa and South America. The decision to hold the Central Committee in New Delhi in 1989 was an enormous leap in the right direction. It involves a sacrifice for the European countries but it must not end there; our next meetings will be in developing countries.

I see the beginning of cultural, ideological, ethical, and also trade exchanges between workers co-operatives. The decision to open a commercial information bank in Brussels will promote trade between co-operatives. This is extremely important especially in the Third World as it is the only hope of protecting co-operatives against the multinationals.

How do you see the future of ICA?

ICA in the year 2000 will be made up of an equal number of consumer co-operatives on one side, and agricultural or workers co-ops on the other, and I hope that by then the situation will have evolved so that all the co-operative sectors will be proportionately represented on ICA's governing bodies.

For further information on the International Conference on Democratic Enterprise please contact the Secretary of CICOPA, Mr. Lajos Varadi, at the ICA Secretariat. The organizers will do all in their power to facilitate your stay in Paris. Their goal is that no material obstacle will prevent the participation of those involved in, or concerned by, co-operative democracy, for whom the conference is designed.

Members Vote End to First-ever Direct-charge Co-op

by Roy LaBerge*

The world's first direct-charge co-operative is closing its doors forever.

Last September a majority of members of the Shoppers Co-operative Inc. voted to dissolve the co-operative and wind up its affairs.

The co-operative decided not to renew its expiring lease but to hold a big three-day sale and leave its premises in West-end Ottawa by 31 October, 1987.

And as the Ottawa co-operative disappears from the scene, the direct-charge principles that it introduced continue to be adopted by co-operative movements around the world.

The co-operative had been in financial difficulty for some time because of declining membership — from a one-time peak of 800 to about 250.

At the co-operative's June 11 annual meeting a motion to dissolve the co-operative had been referred to the board of directors with instructions to study the feasibility of returning closer to the operating principles on which the store was founded.

But a meeting on 15 September last rejected a board recommendation that the weekly service fee be raised to \$4 from \$1.50, that the across-the-board markup be reduced to 15 percent from 23.5 percent, and that present members try to recruit 100 new members over the next five months.

The founders of the co-operative were very clear on how it was intended to function.

Capital costs were to be covered by members' shares, which could be paid for by instalments; operating costs were to be fully covered by a weekly service fee paid by each member household; and members were to buy their supplies from the co-operative at cost, with no markup.

The co-operative began operating on that basis. But through the years, later boards of directors were reluctant to raise the weekly service fee as operating costs increased and, instead, began adding an across-the-board markup on all purchases.

At the time founding members warned that this would change the nature of the store, making it dependent upon sales to cover costs, and lessening the members' commitment to their store — an essential feature of the direct-charge method.

Albert Chambers, current president of the Ottawa Shoppers' Co-operative, said he was disappointed by the members' decision to dissolve the co-operative.

"Like everyone who shops at the co-operative on a regular basis, I am reluctant to shop at the alternatives available."

He said it had become obvious that the only way to save the co-operative was to return more closely to the original principles upon which it had been based.

* Roy LaBerge is a founding member of the Co-operative Supplies Depot of Ottawa, later known as the Ottawa Shoppers' Co-operative.

“Our proposal required a commitment on the part of present members to recruit members and increase purchases at the co-operative. The board is disappointed that they were not prepared to make that commitment.”

This world’s first direct-charge co-operative was founded by seven member households after two years of study and planning.

It was incorporated in 1963 as the Co-operative Supplies Depot of Ottawa. People from all over North America and from several countries of Europe visited the Ottawa store to study the concept and carry it back to their own region.

As a result there are 27 direct-charge co-operatives in the Atlantic provinces, most of them launched with support from Co-op Atlantic, a major regional supply co-operative and the seventh largest regionally-owned business in Atlantic Canada. Direct-charge co-operatives were also started in other centres of Ontario and in the Prairie provinces.

There are also direct-charge co-operatives in the U.S. and in several countries of Europe.

Mid-Island Co-operative Services Ltd. in Nanaimo, B.C. — Canada’s largest direct-charge co-operative — has 11,149 members and \$27.6 million in annual sales.

The directors of one direct-charge store, the Boni Co-op in Winnipeg, sent a letter of support to the Ottawa co-operative.

Boni President, Stan Glydon, explained that the Boni Co-op had experienced a similar problem. But the membership advised the board to get back to basics. The Boni Co-op replaced the manager, doubled the weekly service fee, and reduced prices by two per cent, and the moves turned the co-operative around.

“Our financial statement has improved greatly; the store is looking much better; and member confidence is restored,” Mr. Glydon wrote.



The Ottawa direct-charge co-op’s first “store” was a room in an abandoned electric street car garage in the Quebec village of Deschenes just north of Ottawa



An efficient and polite staff provided courteous, friendly service to members

The members of the study group that led to the founding of the Ottawa co-operative came to the conclusion that if co-operatives are to be strong enough to meet real consumer needs fully, the members must assume much more responsibility than was expected of them in a conventional co-operative store operated according to the Rochdale principles.

As Ralph Staples, first president of the co-operative and also president of the Co-operative Union of Canada at the time, put it: "We realized that there was no Santa Claus in the grocery business; that if we were to have a store of our own at any time it would have to be financed all the time and that the simple and sensible thing to do was merely to divide the necessary sum among ourselves."

Once they decided on the operating principles, the founders tried to find 200 members to launch the first store, without success. So the seven member

households started the co-operative to supply their own needs, using the direct-charge principles.

They began by compiling a joint order, buying the goods from a wholesale store, sorting the orders out in one member's basement, and delivering them in another member's station wagon.

More people wanted to join, and the store was moved subsequently to a room rented once a week in a recreation club where members picked up their orders, to a room rented by the month in an abandoned street car barn, and then to a tiny store in centretown Ottawa, staffed by the first employee, a part-time manager.

As membership grew, there were two more moves into larger stores before the co-operative moved into the 1565 Chatelaine Ave. location.

The founding members, who came to be known as the Ottawa Pioneers, were: Ralph and Belva Staples, Al and Lettie

Interview

with Mr. Jean Negre

by Bengt Nordlof*

French Co-ops Refuse to Give Up

The rumour of the death of French consumer co-operatives is considerably exaggerated. What the French co-operators are engaged in is not a death struggle, as previously rumoured, but a fight for survival. The central organizations have practically disappeared, as has co-operative retailing in large areas. But those parts of the movement which still remain have just decided to allocate a percentage of their turnover to a fund for co-operative reconstruction. In this interview Mr. Jean Negre, chairman of a co-operative in the south of France and engaged on a part-time basis in the export efforts of the industrial group, tells us what has happened and what is happening in the French consumer co-operative movement.

Since the French Co-operative Union (FNCC) and the wholesale organization (SGCC) have in practice disappeared — they have each one employee — the French have created a new organization for looking after the common interest of consumer co-operatives.

Lack of Leadership

The remaining industrial companies have been brought together in a group with one of them as parent company. This company, Bertrand, also fills the function of a co-operative union.

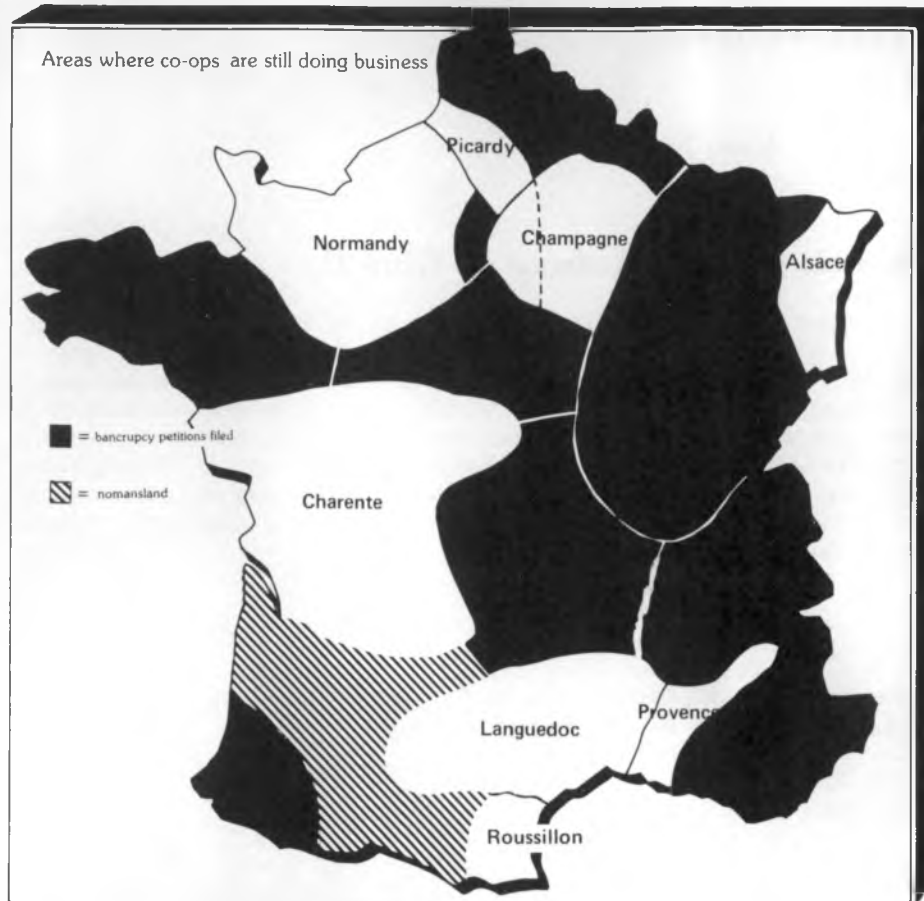
Bertrand shares a modest office building in a Parisian suburb with the co-operative bank.

The collapse of co-operatives in considerable parts of the country was due to an antiquated structure, according to Mr. Negre. There were several islands of very small co-operatives operating in areas where there were also regional



Photograph: Kenneth Christi

* Bengt Nordlof is a journalist for Cooperatoren, the member magazine of KF, Sweden.



The situation of French Consumer Co-operators in January 1987:

Dark areas on the map show where bankruptcy petitions have been filed — although this does not always mean that the co-operative businesses have closed down.

societies. They sometimes competed with each other. It even happened that they had shops in the same street.

Warehousing suffered from a similar antiquated structure with too many small warehouses within limited areas.

Another factor which made the crisis inevitable was the lack of competent leadership.

In the early 1980s, the problems became acute in northern France. The steadily deteriorating financial position of the regional societies forced SGCC to

contribute increasingly more money before the end of each month. The mistake was, according to Mr. Negre, that the central organization did not in return insist on a restructuring of operations.

Things developed to a point where SGCC became rather an organization for financing than a trading organization, which was, after all, supposed to be its main function.

The crisis first became acute in Lorraine, the third largest regional society with a turnover of more than three bil-

lion French francs. The Lorraine society covered 13 of France's 90 departments.

The other regional societies began criticizing SGCC for giving too much money to the northern societies, on the ground that "this is our money". The movement was bleeding and no action was taken to stop the losses.

In the spring of 1985, SGCC got cold feet and in the summer deliveries for SGCC's own factories to Coop Lorraine were stopped. The immediate reason was that the society did not pay its invoices.

The society responded by filing a bankruptcy petition. The second largest society followed suit, whereupon panic broke out among the suppliers who, fearing further bankruptcies, were disinclined to deliver.

Before the crisis became acute, France had 14 regional societies, which had by then merged with the smaller societies. Six of these have filed bankruptcy petitions or are in liquidation. Eight societies remain, with a combined turnover of 15 billion French francs, compared with 25 to 28 billion before the collapse.

The largest of the remaining societies has a turnover of 3.8 billion francs and the smallest has 130 million in turnover.

Some of the societies in bankruptcy are continuing operations under their receivers. The surviving societies strive to expand and to take over parts of the neighbouring societies which are about to disappear. The societies are also rationalizing their operations, adapting them to the current situation. Mr. Jean Negre, chairman of the board of the small Provence society, tells us that in January his society closed down its warehouse, laid off its warehouse staff and drivers and sold its lorries. An agreement has been made with a private wholesale company with large-scale warehouses and distribution, which supplies the co-operative stores with merchandise price.

Too Long a Wait

"I am prepared to accept my share of the responsibility for postponing the rationalization of our distribution too long", says Jean Negre. "We should have closed our warehouses many years ago. We did not want to dismiss our employees for emotional reasons. They have also a very strong co-operative spirit."

Nearly 60 percent of the co-operative retail trade in France has thus survived the crisis. How does Jean Negre evaluate the chances of the remaining societies?

"The regional societies ceased to pay dividends four or five years ago. Two regional societies have a really sound financial position, each reporting a surplus of 15 million francs for 1986."

The financial position of the other societies is weak but not threatened. One problem is that there is no central organization in the case of difficulties and that the co-operative bank is not strong enough. But in Mr. Negre's opinion, the present societies stand a fair chance of survival.

Compared with Sweden, the market shares of French co-operatives were small even before the crisis: 4.5 per cent of the retail trade, 5.5 per cent of the food trade and 1.0 per cent of the non-food market.

In Alsace, where the co-operative market share is largest, it is approximately as high as in Sweden.

Sale of Factories

Before the crisis became acute, the movement's own factories had a turnover of 1.5 billion francs, representing a production of just over 300,000 tons of food.

The factories are now being sold as soon as buyers can be found. The loss of about 40 per cent of the market has of course been very serious and the factories are facing considerable profitability

problems. Intensified export efforts — including a letter to INTERCOOP on the precarious situation — have so far not yielded sufficient results to make own-brand production profitable.

The coffee-roasting plant has been sold, only a minority share has been kept. The flour mill and the pasta factory have also been disposed of. The wine facility in Languedoc, with a turnover of one million hectolitres of wine per year, has been sold. So has the oil factory.

Still in co-operative hands are — or were at the beginning of 1987 — a chocolate factory, a jam and marmalade factory, two tinned fish factories, two plants for tinned vegetables and a factory for wine vinegar, mustard and mayonnaise. The combined turnover of these seven factories is estimated at between 600 and 800 million francs.

“All factories will be sold eventually — unless a miracle occurs” says Jean Negre, who was himself head of the industrial division for 11 years.

Negative Attitude

Do the co-operative factories in France encounter a buying resistance on the part of private firms as is the case in Sweden?

“No” says Jean Negre, “the greatest resistance to co-operative factories delivering merchandise to private firms comes from the societies themselves.”

This of course does not refer to the co-op brand but to contract production of foreign brands. The attitude of the societies has contributed to weakening the co-operative industry.

Since the wholesale organization has discontinued its buying activities, this function has now been taken over by the buyers of the four largest societies. They meet once a month to coordinate negotiations with suppliers and they have divided the merchandise assortments between them.

The transfer of warehousing and distribution to an outside wholesale organization has, however, given rise to a number of practical problems. One of the problems is that a private manufacturer of a co-op label product does not want the wholesaler to know the price paid by the society. The solution may be that the societies via the distributor receive a “salted” invoice and a refund is made direct from the supplier to the society.

The non-food division used to have two national warehouses, of which the one in northern France, totalling 50,000 square metres, has been kept. This warehouse also handled catalogue sales via the retail network. This type of mail order business will continue, although furniture and certain other heavy articles have been removed from the catalogue.

The warehousing function for non-food articles for the department stores remains, on a reduced scale, and the warehouse has been taken over by a co-operatively owned joint-stock company.

Half the Hypermarkets Remain

Rond Point is the name of the French co-operative movement's equivalent of the Swedish Obs hypermarkets. In the spring of 1985 there were 52 Rond Point units. Today, less than half of these are left after some of them have been sold to private competitors and have changed names.

The majority of those which still remain are owned on a fifty-fifty basis by the co-operative movement and the competitor Carrefour and operate under the name of Carrefour. Only a handful of Rond Point outlets are owned by societies.

In the wake of the crisis, the “House of Co-operation”, i.e. the co-operative union's and the wholesale organization's beautiful 11-storey building on the outskirts of Paris, has been sold.

The Urban Explosion and Homelessness

The problem of homelessness has always been known to man. However, the recent urban explosion in developing countries has exacerbated the situation.

Over the last thirty years, the population of the towns and cities have been growing by 4 percent a year. In the last ten years alone the urban population has grown by more than 350 million people. In the next twenty years the urban population will double. By 2000 AD, the most conservative estimates place the urban population in the developing countries at 1.6 billion. Nowhere will this urban explosion be more evident than in the cities. In 1950, there were only 76 cities with a population of more than one million, and more than half of these were in Europe, North America and Japan. In 2000 AD, there are likely to be no less than 440 such cities and 284 of these will be in the developing countries. Most of these people are being drawn to the cities by the prospect of finding a job and making a better life. But in the towns they find themselves facing a host of obstacles, many man-made, that effectively deny them any kind of permanent, decent shelter.

Most of them, therefore, gravitate to the squatter colonies and build some kind of temporary shelter. In 1981, two out of five residents lived in squatter colonies. In 2000 AD unless there is a major change of policies and perceptions, 62 percent, or almost one billion people will be living in such colonies.

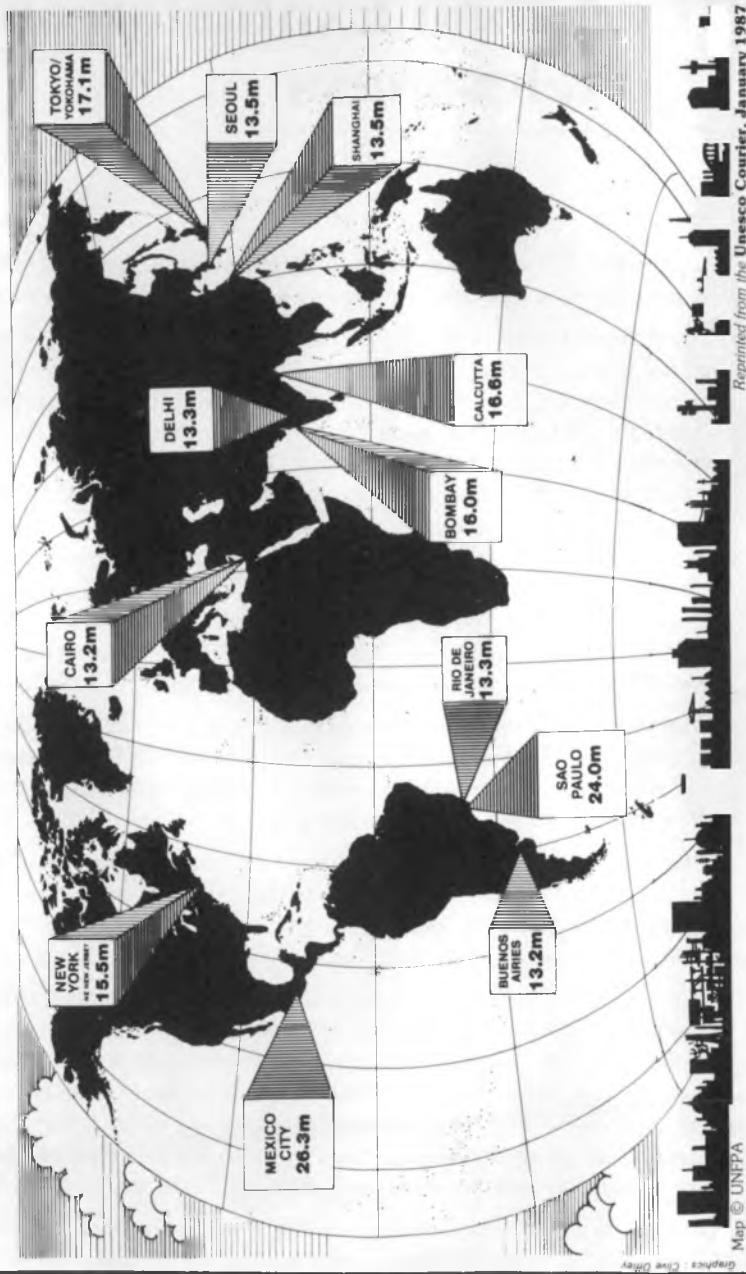
Many of the remedies have worsened the disease. The quality of housing in the cities is poor and conditions of living unhygienic. Housing standards can be raised through stricter building codes, but higher standards increase the cost of construction and put legal housing even further out of the reach of the urban poor.

People are living in shanties precisely because they cannot afford better shelter. Many governments have tried to rehouse the squatters in government-built housing. But not only has the pace of government construction lagged far behind the growth of the cities, but these houses too have proved far too expensive for the poor. In addition, the rising demand for housing pushes up rents to levels the poor cannot afford. Governments respond by imposing rent control which makes investment in housing uneconomical and dries up the supply of new dwellings.

In Europe co-ops have been providing housing for their members since the end of the last century and housing co-ops now exist in all five continents. In the Review of International Co-operation Vol 80 No. 2/1987 we published articles on how the co-ops of countries in Europe, North and South America and Asia were helping provide their members with shelter through self-help. Here, as promised, we have two additional articles from the two remaining continents: Australia and Africa.

The rise of the cities

By the year 2000 half of the world population will live in cities, according to the 1986 State of World Population report from the United Nations Fund for Population Activities (UNFPA). The map above indicates the projected populations (in millions) for the year 2000 in the twelve largest metropolitan regions of the world.



Map © UNFPA
Graphics: Eric Limby
Reprinted from the Unesco Courier, January 1987

Slum Upgrading and Co-operative Housing in Egypt

by Wallace J. Campbell*

It is difficult to put a figure on the co-operative housing and slum upgrading programme in Cairo. It is obviously the largest undertaken by the Co-operative Housing Foundation and may be the largest co-operative housing scheme undertaken in the less developed areas of the world under the international development programme.

Eight years ago, the Co-operative Housing Foundation was requested by USAID in Cairo and the government of Egypt to undertake a planning and development programme for certain of the hardest-hit slum areas in Cairo and to commence the construction of a new low-cost housing programme to house 100,000 people in the Helwan section of Cairo — the industrial area up the Nile River from the centre of greater Cairo. This new construction programme involved a great deal of planning and development time.

In addition, the CHF staff undertook a slum upgrading programme in six areas of Cairo and now have undertaken a seventh in the Helwan area. All these programmes involve a tremendous amount of self-help by the people in the communities served. It included everything from sewerage upgrading — many areas were without sewers at all — to community centres where the people

could gather to make their plans for community upgrading. The community centres also served as educational centres for pre-school and some school children. At night, these centres became the base for community activities of various types.

When I visited Cairo in 1983, one of the communities already had commenced building second and third floors and outdoor extensions on existing houses and was using new roof materials.

The first community centre, was already inadequate so the people used their own funds and labour to build additional premises.

School construction became a major part of the upgrading programme in each of the communities.

From that programme, and as an integral part of it, a small loan programme was made for home improvement and the financing of small enterprises in the communities. These loans were primarily small loans of \$1,500 or less per family. The repayment record on these loans was very satisfactory so the scheme was used as a model for an extended programme in financing home improvement and the preparation of construction of new homes to be built in the new community in Helwan.

Today, the lending programme has become a factor large enough to have an operational bank and an active national savings and loan programme.

* Wallace J. Campbell is the ICA representative to the UN Headquarters in New York.

Being a typical squatter settlement, Rashed (pictured here) suffered both unplanned housing construction and unhygienic living environment. Upgrading helped define the physical layout of Rashed and improve the living environment of the residents. The road pictured below was completed in March 1986.



BEFORE: poor drainage, swampy conditions and cesspools (above)



AFTER: construction of water and sewer network, road paving and solid waste collection programme, home improvements

The self-financing initiatives for the new community makes it practical for homes to be built by groups of members of the new co-operative community working together, using their small loans to provide building material for a programme guided and directed by a mutual housing association.

The new community programme will provide housing for over 100,000 people. The home improvement, slum-upgrading programme is improving living conditions for an additional 75,000 people.

The size of the programme can be illustrated by the following figures from a March 1987 update. The money used for infrastructure — that is, water, sewers, roads and canal improvements — totals over US\$10 million. Public facilities — schools, social centres and youth centres — required an expenditure of over \$3,813,000.

Home improvement loans came to \$2,566,000; and small scale enterprise loans totalled \$330,000. Loans for small workshops and equipment make it possible for the people involved to become economically self-sufficient.

The community development expenditures — vocational training, solid waste collection, community organization, etc. — cost an additional \$100,000. There were additional costs for land purchase and resettlement. The total community expenditure, including all of the above, was \$20,651,000.

When I visited the Helwan site a couple of years ago it was desert land. A planning office and an engineer's office were on the site. Trenches where water and sewers would be installed were the only breaks in the landscape.

Today, sewerage and water systems have been installed, roads have been built, basic infrastructure completed, lots have been plotted and crews are at work in the construction area.

Most exciting is the fact that small groups of potential owners in the co-operative are working together to plan the construction of their own homes.

The programme is attracting attention nationally and internationally. The Deputy Governor of Cairo and the American Ambassador have both made on-the-spot inspections of the programme and there are plans for a "National Conference on Upgrading", which will bring together officials of the Egyptian government, urban specialists, representatives of research centres, donor and lending agencies, banks, representatives of the People's Assembly involved in housing, consulting agencies and the media. The case studies will include the Helwan project and the upgrading of programmes in Cairo with some examples from Jordan, Morocco, Tunisia and Turkey.

Already the recipients are moving toward cost-recovery — this is not a charity programme but one in which the people pay their own way. There is an anticipated cost-recovery, not only for the buildings but also for the land.

The implementation committee in Helwan has focused on housing sales and self-financing plans. The small loan programme for low cost housing construction and upgrading has been so successful that there is now being organized a consumer housing banking service. Some of the loans have been made to establish small factories whose objective is to produce stress resistant concrete slabs and hollow building blocks. Training courses are underway in finance and housing management.

The crowning touch is the organization of community improvement associations and housing co-operatives to undertake self-help construction and management of the new community: self-financing and self-help — such is the creation of co-operation.



Right — BEFORE: interim water supply solution during early phases of upgrading

Below — AFTER: final solution — houses are individually connected to water supply



Common Equity Rental Housing in Victoria, Australia *

History

Victoria was first introduced to rental housing co-operatives in 1978 when the Ministry of Housing set up a "rental leasing co-operative" pilot programme. This scheme involves the leasing of Ministry of Housing stock to co-ops consisting of tenants eligible for public housing who then manage those properties. In 1984, after the Federal Government announced the Local Government and Community Housing Programme (LGCHP), the community felt it an opportune time to develop the Common Equity Rental Housing Co-operative (CERC) Programme. This was to be a variation on the leasing co-op programme and was strongly influenced by the Canadian housing co-op movement.

The CERC Programme aims to establish a long term, viable, consumer controlled, non-profit rental housing co-operative sector. CERCs are involved at all levels of management of the Programme. CERCs offer their members a choice of housing and locality, security of tenure, accessible and affordable housing, plus the chance to be part of a supportive community and an opportunity to develop new skills.

The initiators of the programme felt strongly that housing stock under this programme should be owned by the consumers. Early discussion envisaged each co-op holding title to the properties

it managed. This idea soon was replaced by the creation of a single, specialized body that would be responsible for:

- * holding title to all CERC properties
- * headleasing properties to CERCs
- * receiving government grant money
- * raising wholesale loans from the private sector
- * overseeing loan repayments
- * investigating alternative sources of finance
- * acting as a focal point for the development of financial expertise within the community housing sector

A further task of this body would be, after original loans had been repaid, to continue collecting rent from the co-ops at the same rate but re-direct that part of the rent previously used for loan repayment, to the purchase of new housing stock. It was this potential for future self-financing that turned the programme initiators in favour of a central financing body.

As a result, on the 9th April 1986 the Common Equity Housing Finance Ltd was established. The CEHF Ltd holds title to all CERC housing stock and leases properties to small community-based groups incorporated as co-operatives known as "CERCs".

The Company's only voting shareholders are the CERCs themselves, thus the community's dream of a co-operative owned housing sector was beginning to be realized.

Two other management bodies crucial to the programme were set up. One,

* Article supplied by The Common Equity Rental Housing Co-operatives, Victoria.

an unincorporated body with a majority of CERCs, is responsible for assessing the viability of groups and making recommendations to the Minister for Housing on those groups it considers eligible for funding.

The Central Region Housing Resource Co-operative, operates as the education arm of the programme. It provides education and technical assistance to CERCs in the following areas: finance, property, legal, group processes. This knowledge is imparted via written publications and/or workshops which make up part of a staged assessment/education process set up for developing groups.

Finance

The CEHF Ltd which is Australia's first non-profit finance company, oversees the financing of all CERC housing stock. Houses are purchased with 60% public money, applied as a grant, while the remaining 40% private, is repaid to the lending source, using a loan structure unique within Australia.

The loan used is a low start loan with repayments indexed to inflation. This means the CEHF Ltd is in a position to borrow 50% more than using a conventional loan instrument.

The CEHF Ltd has attracted finance from the state owned bank and despite the amount of money borrowed, in excess of \$1m, it has attracted home loan interest rates rather than the considerably higher commercial interest rates.

A major ongoing task of the company is to investigate other financial lending sources and other loan instruments

Rent

Rent is set at cost level within three zones — inner city, suburban and rural, with some cross subsidisation across the zones.

Tenants pay their rent in their CERC bank account on a fortnightly basis. A percentage of this is automatically transferred to the CEHF Ltd account to cover programme loan repayments while the remainder is retained by the CERC to cover maintenance costs, rates, insurance, administration etc.

The most any tenant pays is the cost rent, but low income earners are eligible for the state housing authority rental rebate. This means that tenants pay 20-25% of their gross income in rent and the difference between that figure and the cost rent is made up by the Ministry of Housing. The programme considers this a great achievement for its tenants i.e. rent rebates are being paid to tenants not housed in state housing authority owned stock.

Policy / Assessment

Policy development and funding recommendations are initiated within the programme itself. This programme has reversed the Australian trend of the community reacting to government initiative. An example of this is that the programme has been responsible for developing its own assessment criteria, process and funding priorities to which the Minister has agreed. Assessment of future groups is carried out by funded CERCs and their recommendations are forwarded to the Minister for final approval.

Future Challenges

The CERC programme is currently moving from the first developmental stage into one of operation. It will be during this phase that theory will be tested through practical application, and modification may prove necessary in many aspects of the programme.

Currently, (September 1987) the CERC programme has been approved to purchase 50 houses valued at

Life in a Microcosm

by Barry Silver*

At the World Bank Children's Centre, the co-operative model fosters a unifying relationship between parent and child

It's 8:30 on a weekday morning and some 60 children from over a dozen countries have just arrived at the World Bank Children's Centre. Ranging in age from three months to five years, the children are eager with anticipation. They are about to begin another day that includes painting, block building, lunch with their parents, naptime in the afternoon, and a host of learning activities.

"There's a lot of noise and there's lots happening all at the same time," says Pearl Waxman, the Centre's director. "There are conversations and there are arguments, there is laughing and there is crying. If you are not totally aware of what early childhood is like, it looks like chaos. But it's really just life in a microcosm."

Good, Reliable Loving Daycare

Located in downtown Washington, D.C., the World Bank Children's Centre is an independently incorporated employer-sponsored co-operative. It is owned and controlled by the World Bank employees who send their children there. A member/borrower of the National Co-operative Bank, the World Bank Centre is just one example

of a growing trend in co-operative development that is transforming the way in which working parents can provide quality daycare for their children.

"For many years, the staff of the World Bank were expressing a need for some kind of on-site childcare facility," recalls Jim Hanna, one of the World Bank's senior loan officers, and the chairman of the Centre's board of directors. "Not only is there a tremendous shortage of space in Washington for good, reliable and loving daycare, but having your child near the workplace is really one of the best ways to maintain your career and take care of your child."

In 1986, the World Bank committed to provide space to a childcare programme if it ran independent of the Bank itself, operated without losing money, and could secure outside financing. A group of World Bank parents undertook some studies, and after a great deal of discussion, decided that a co-operative would be best suited to their childcare needs.

An Arduous Process

Negotiations then ensued between the parents and the World Bank over lease terms, space renovation, timing, assistance in promoting the centre, and various insurance issues. Both the World Bank and the staff Employees Association used their resources to assist the Centre in bylaw construction, legal

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The Irish Co-operative Movement – New Stirrings

by Anthony P. Quinn*

Introduction and Over-view

The current state of the Irish co-op movement is outlined in this article under the following headings: the historical context, the current sectoral position, international dimensions, recent reports on potential and rationalization, convergence in reports and, finally, future prospects. In a short article, only main points can be included. References are generally in the context of the legal jurisdiction of the Irish State but there is some overlap with Northern Ireland, a separate jurisdiction. Dublin is the capital of the Irish State while Belfast is the main city in the North.

Historical Outline

The co-operative tradition, although deep-rooted in Ireland, has had to contend with contrasting elements such as individualism – a national characteristic. In rural Ireland, neighbourly self-help was traditionally expressed at harvest-time in the Meitheal, an informal co-operative.

Robert OWEN, British co-operative pioneer, influenced the formation of the first formal co-operative in Ireland. That early 19th century rural commune at Ralahine, County Clare, failed due to human frailty of the landlord, Vandaleur.

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Later in the 19th century, another Anglo-Irish landlord, Horace PLUNKETT started to organize rural Ireland for "better farming, better business and better living". The main thrust was towards the processing and marketing of farm produce at fair prices. Producer co-operatives were registered under the Industrial and Provident Societies Act, 1893. Agricultural credit banks were formed as specially authorized societies under the Friendly Societies Acts. The rural co-ops concentrated increasingly on processing dairy produce but the agricultural banks eventually became defunct.

Despite apathy from farmers and hostility from local businessmen, leaders such as PLUNKETT, ANDERSON, Father FINLAY and George RUSSELL (AE*) laid solid foundations for a modern co-operative movement. A central organization, the Irish Agricultural Organization Society was founded in 1894. As the Irish Co-operative Organization Society, ICOS, it now represents the dynamic rural co-ops but also helps new types such as worker and community co-ops.

The Irish Credit Union Movement did not start until the late 1950s. Idealists, such as Nora HERLIHY and Seamus MACEOIN, passed on the living torch of co-operation in the form of credit unions to a new generation in an increasingly urbanized Ireland.

Present Position of Co-operative Sectors

Agricultural: this sector still predominates in the co-operative movement in terms of a turnover of about 2 billion Irish pounds and a wide dispersal of membership throughout the country. Processing of dairy and meat produce provides a vital economic component of the home and export markets. The producer co-ops tend to become multi-purpose in terms of services and inputs. Farmers, as the milk producers, have voting rights in their co-operatives. Management committees are elected but full-time executives have become increasingly important. Agricultural co-ops have helped to keep the food processing industry under Irish control. There is an increasing awareness, however, of the need for diversification to meet challenges such as changes in the EEC Common Agricultural policy. Bord Bainne, a co-op of dairy co-ops, is the successful marketing body which projects a quality image at home and abroad for butter under the brand name "Kerrygold". Farm relief co-ops continue the Meitheal tradition by providing trained help in times of need on family farms. There are also co-op cattle marts.

Retail: there is no developed consumer retail co-op sector on the traditional British model. Some rural co-ops, however, have recently developed modern shops as a worthwhile diversification.

Fishing: the co-op model has also been adopted by many fishermen, especially for processing purposes to meet increasing competition from other countries.

Credit Unions: since the 1960s, the Irish Credit Union movement has spread throughout neighbourhoods and work-places. This movement straddles rural and urban divides, political divisions and social classes. Savings and loans are organized on a mutual basis.

Almost 500 credit unions with more than 800,000 members and assets of 100s of millions of Irish pounds are affiliated to the all-Ireland body, the Irish League of Credit Unions. The League provides services to the credit unions and helps to ensure high standards to protect the individual members. The Registrars of Friendly Societies in Dublin and Belfast are the officials responsible for registration and supervision of credit unions.

Housing: the National Association of Building Co-operatives (NABCO) provides advice and membership services such as model rules for groups wishing to register with the Registrar of Friendly Societies. Despite the success of specific projects such as Ralahine Housing Estate, Ballybrack, near Dublin, building co-ops are an insignificant part of total housing output. The potential has not yet been realized. Shortage of State finance for housing may stimulate self-help efforts.

Community: on the Gaelic speaking Western seaboard, communities organized co-ops in recent decades to develop local amenities and resources such as tourism and also to provide services. These Gaeltacht co-ops provided models for the Scottish Highlands and Islands Board. Nevertheless, with some exceptions the Western Irish co-ops have had disappointing results and some groups are defunct. The reasons for failure include traditional dependence on State support, excessive individualism, over-diversification and the economic recession. A new wave of community co-ops has emerged in recent years, especially in urban areas, as a response to unemployment. Although fairly broadly based, these community co-ops are sometimes involved with worker co-ops.

Worker Co-ops: these would be classified internationally as Industrial or Production co-ops. Although worker

co-ops are not legally defined, the term in its more exact sense means co-ops formed by employees in specific factories or other businesses to own and run the relevant enterprises. In some cases outside shareholders, e.g. from local communities, may also participate although worker control is an important characteristic. Some groups seek to emulate the Mondragon system which is based in the Basque part of Spain.

Some Irish worker co-ops are of the phoenix-type arising from failed private enterprise in the shoe, textile, furniture and pottery industries. There are also start-up enterprises. There has been increasing interest by the State, trade unions and community groups in the potential of worker co-ops as one method of tackling current economic and social challenges. Networks of worker co-ops are being built for sharing experiences. Some trade unions have special funds to help worker co-ops.

Worker and community co-operatives, however, still represent only a small part of total employment and economic activity. The Irish Co-operative Organization Society (ICOS) and smaller groups such as the Co-op Development Society provide approved model rules which facilitate registration at reduced fees with the Registry of Friendly Societies.

International Dimension

Irish co-op leaders had global visions. PLUNKETT was called an Anglo-American-Irishman because of his connections. He died in England in 1932 and the Plunkett Foundation is based at Oxford. AE received an honorary Doctorate from Yale University. He made an American tour under the auspices of the U.S. Department of Agriculture a few years before his death in England in 1935. This international dimension continues. The Irish Foundation for Co-op Development helps Third World self-help efforts in Africa. The Irish League

of Credit Unions is affiliated to the World Council of credit unions and also helps in the Third World.

Apex bodies such as ICOS co-ordinate with relevant bodies in the European Economic Community. NABCO is affiliated to CECODHA, the European co-op housing body, and also assists in the work of ICA's housing group.

Reports on Co-ops and Their Potential

Examination and analysis in recent years of the position and potential of sectors of the co-op movement resulted in various reports outlined below:

1. Irish Congress of Trade Unions on Worker Co-operatives: 1985. The historic link between unions and co-op principles were revived as a response to unemployment. The Congress Report recommended, inter alia, greater co-ordination and a network for worker co-ops. A more flexible system of providing capital for initiatives was seen as essential. The need for an early warning system for identifying potential rescue and conversion opportunities was recognized. Under-cutting of the normal rates of wages could be self-exploitation by worker co-op members.

2. Parliamentary Committee – Small Business Co-ops: members of both Houses of the Irish Parliament, the Oireachtas, in July 1986 recommended better arrangements for investment, a representative body, a pivotal role for ICOS, and also new legislation for co-operatives. The report contrasted the low level of co-op small business activity in Ireland with that in other EEC member states.

3. The Wider Application of the Co-operative System in Ireland: report of a Special Committee formed by the Society for Co-op Studies in Ireland: the committee members

included nominees of State agencies, central co-op organizations and trade unions. The report issued in September 1986, recommended inter alia: the formation of a representative specialist Co-op Development Unit (CDU) to stimulate greater awareness of the co-op system and to facilitate joint action between existing co-op bodies, other relevant agencies and trade unions. The special financial needs of emerging co-ops were highlighted. The expansion of housing co-ops was recognized as being socially desirable. The committee also recommended new laws enshrining the internationally recognized co-op principles.

4. ICOS Strategy for the Irish Dairy Industry The farmer-owned and controlled co-ops should be rationalized by forming three regional dairy co-ops. Each regional co-op would be controlled by a board of not more than 12 members which would appoint a chief executive and establish clear objectives. An Bord Bainne should remain the central export marketing agency for dairy produce.

Convergence in Reports

It is clear from the above summaries that there has been much thought by many people about the future of the Irish co-operative movement. Credit should also be given to other studies including those of the Economic and Social Research Institute on Worker Co-ops in 1980, and research and publications by the Centre for Co-operative Studies, Cork, Ireland. The major reports summarized above, however, provide a sharp focus for action. While the various reports differ in detail and emphasis, common threads can be identified in reports 1, 2 and 3:

(a) An over-all guidance body is necessary especially for the emerging new wave of community and worker co-ops.

(b) Special consideration of financial structures and capital formation is essential.

(c) New legislation enshrining the co-operative principles should replace the Industrial and Provident Societies Act 1893.

(d) Co-ops are not a panacea for solving socio-economic problems.

(e) Education and training should be utilized to spread the co-operative gospel tempered with realism but with no false promises of the new Jerusalem.

Future Developments and Prospects

The role of co-operatives in community-based employment initiatives has been specifically recognized in the Act establishing FAS, the co-ordinated State manpower and training authority. The role of worker co-ops will also be fostered by FAS as one way to create jobs for Ireland's unemployed which includes many young people.

The Programme for National Recovery, agreed between the Irish Government and the Social Partners (trade unions, farmers and employers) in October 1987, refers to the important role of community enterprise and worker co-operatives. FAS, the training authority, will consider establishing a Co-operative Development Council. The new body could draw on the collective experience of State Agencies, trade unions, co-op bodies and the Northern Ireland Co-operative Development Agency. ICOS welcomed the initiatives on worker co-ops.

Conclusion

The omens seem favourable for development of a new wave of community and worker co-ops in Ireland. Credit unions will also continue their vital role for small savings and credit at reasonable interest rates. Dairy co-ops

realize that they must rationalize to meet challenges, in particular changes in the EEC common agricultural policy. Reports and plans only help to create a suitable environment for co-operative efforts by providing a forum for discussion and subsequent action. People themselves must act to overcome selfish individualism in striving towards the co-

operative ideals. The dreams of AE, the Irish co-operative leader and mystic, could then be realized. The seeds which AE and Plunkett have sown during active lives as writers and organizers at the turn of this century may yield fruit in the present generation of Irish people who look forward to the next new century.

* AE is the nom-de-plume of George Russell. It was the result of a printing error in one of his published works and the name AE stuck.

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French Co-ops Refuse to Give Up

Cont/d from Page 48

The consumer co-operative insurance company has also been sold as has the share majority in the co-operative bank. Buyer of these two is GMF, the civil servants' mutual insurance company, which has developed into a strong organization for collective economy.

GMF has also taken over the co-

operative share (51 per cent) of FNAC, a chain of over 20 specialized department stores selling TV, audio and video equipment, photo equipment and books. FNAC's flagship is situated at the hypermodern shopping centre Forum, once the site of les Halles, the famous central market of Paris.

The Importance of School Co-operatives for Developing Countries

by Dr. Bernardo Drimer and Dr. Alicia Kaplan de Drimer*



It is well known that School Co-operatives are, or have been, common in many countries: for example, in France, Belgium, Uruguay, India, Cyprus, Jordan, Sri Lanka, Ivory Coast and Benin. If we examine the statistics from most of these countries and from many others, concerning the development of various types of co-operatives, we will notice that such statistics often include the

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number of active school co-operatives. However, no single and definitive concept has been established for this important type of co-operative. In the past, development of school co-operatives has been irregular and spasmodic instead of steady and gradual, as in the case of most other types of co-operatives.

This brings us to two interesting subjects of investigation: first, we shall seek to determine why and to what extent the prevailing concepts of school co-operatives in various countries are different, and why in particular the growth of this type of co-operative has

been limited largely to developing countries. Secondly, we shall try to trace the causes of this uneven development, characterized at times by peaks followed by periods of more or less severe decline, with a general tendency to fluctuate between the two.

Since space is limited in this article, we shall confine ourselves at present to the first of these two aspects, leaving the second one for possible discussion in a subsequent article.

General Characteristics

To begin with, it seems appropriate to present our views concerning the general nature of school co-operatives. For this purpose we have taken the liberty of reproducing here the first chapter of the third edition of our book, "School Co-operatives". The chapter summarizes briefly the characteristics and aims of co-operatives of this type:

"School co-operatives are distinguished by their type of membership, the scope of their activity and their predominantly educational aims.

"Despite the different ideas held as to the nature of such co-operatives and the different degrees of development and results obtained in various countries, it is possible to make out the following characteristics and aims which such institutions have in common:

"School co-operatives are made up of pupils and students of primary, intermediate and secondary schools, including technical and specialized institutions. The co-operatives are run by the members themselves, with guidance and assistance from teachers and instructors. In some cases, inactive and honorary memberships are open to teachers, parents, former students, certain kinds of associations, supporters, members of the local community, etc.

"School co-operatives organize and administer small enterprises based on

the principles and standards of a co-operative movement. They operate within the framework of the respective educational institution and engage in consumer, savings and loan activities, as well as in work programmes.

"Irrespective of the form which such organizations take, and no matter what activities they are engaged in, their primary aim is education, stressing the intellectual, moral, social, civic and economic development of the students, training them to live and work together. The material resources at their disposal are therefore utilized for the achievement of primarily educational goals.

"School co-operatives provide both direct and indirect support in varying degrees to their members, to the school and the local community. In addition, they emphasize the sharing for a common purpose of all or a large part of the proceeds from their activity...

... "In considering the above characteristics, it should be noted that the diversity of the immediate goals of the school co-operatives will depend on the particular economic and social conditions of the environment in which they develop as well as on the priority needs arising from such circumstances.

"For example, when a co-operative notices that there is an inadequate supply of books and materials, it will help to set up a school library and stationery supply point. If there is a need to improve infant nutrition, the school co-operatives will help to set up a school refectory. Noticing that there is a shortage of capital and that people are generally ignorant concerning the value and use of money, the co-operative will help to organize a school savings and loan association. Workshops, vegetable gardens and farms will be set up to meet the need for new productive activities and techniques, to mobilize resources for the improvement of the school facilities and provide new services for members. Co-operative activi-

ties of a social or cultural nature will be organized with a view to promoting a feeling of solidarity as well as democratic values and institutions in general.”¹

Particular characteristics

The text reproduced above is concerned with the characteristics and aims of school co-operatives in general; however, the character of a co-operative will differ according to the particular country or region in which it is located.

Immediate Goals

In developing countries and regions, where notorious shortages prevail and the basic needs of the population remain dissatisfied, it is only natural for school co-operatives to establish, alongside their educational goals, other goals which are more directly related to the problem of satisfying the basic economic needs of the students.

For this reason, in developing countries, school co-operatives are generally engaged in some or all of the following activities: supply of school materials and in some cases the loan of articles of clothing and the provision of food to students at reasonable prices; promotion of systematic savings among students and granting to them of small loans at low interest rates (despite the fact that in many cases school co-operatives are affected by inflation, which discourages people from saving); and the operation of school workshops, vegetable gardens and farms so as to provide students with food and other necessities. The co-operatives are also able to distribute part of their production in the local community.

In countries with poor educational facilities (e.g. the so-called “school farms”), lack of drinking water and sanitary facilities, primitive classroom furniture and teaching aids, and often without notebooks, pencils and other

basic articles, school co-operatives promote not only strictly educational pursuits (general development, social and democratic integration, etc.) but also group activity to construct and improve school facilities and provide basic teaching materials.

It is clear that such needs are not so pressing and widespread in industrialized countries as they are in developing ones, and for this reason, school co-operatives in the former can put the immediate economic considerations aside and concentrate on purely educational and cultural activities.

In France, for example, school co-operatives were first set up during the period of misery and destruction that followed World War I, by Barthélemy Profit, the French Inspector of Primary Education. The immediate purpose was to provide a means of repairing school buildings and obtaining teaching materials through the joint efforts of students and teachers. A secondary aim was to put into practice the new “Ecole active” educational methods. The school co-operatives were referred to by Profit as “associations to initiate students into the world of productive work”. “The school co-operative represents first of all a form of economic co-operation”² he remarked. It was only later, as the general economic situation improved, that less emphasis was placed on purely educational activities. In this connection, it should be noted that the classical definition of French school co-operatives adopted at the Congress of Tours in 1948, reflected an approach which could be qualified as eclectic in character. Even so, recent developments such as the widespread application of the Freinet method (to mention one among several) have tended to reduce the importance attached to immediate economic goals.

In Belgium too, where school co-operatives are now less common than before, after having prospered for a

while, the economic aspects were stressed at first, together with educational and social values. At the "Espérance" co-operative in the children's home at Coq-sur-Mer, a few years ago, a kind of internal "currency" was in use, paid to the children by the school administration to reward them for their diligence and application.

Organization and Administration

In developing countries, the organization and administration of school co-operatives will vary depending on material needs.

In these countries an obvious effort is made to pattern school co-operatives as much as possible after adult co-operatives. Emphasis is placed on aspects such as the holding of meetings, the election of members to the Governing Council and Trade Union, the keeping of running accounts, the making out of simple balance sheets and other paper work.

There are sound reasons for taking this approach. In contrast to industrialized countries, where school co-operatives can ignore the immediate economic aspects and concentrate on education, developing countries consider school co-operatives to be important training centres for the inculcation of skills and democratic values through the holding of elections and through self-administration. In this way the students learn to become responsible citizens. Developing countries also see in these co-operatives an opportunity to prepare students for participation in, and management of, adult co-operatives in later life. It is hoped thereby that by learning to co-operate in such movements now, they will be enabled to solve, at least in part, problems such as employment, loans and credit, housing, etc. which they will have to face later on.

Influence in the Community

While school co-operatives in industrialized countries do indeed seek to strengthen ties with the local community, it is to be noted that their counterparts in developing countries place greater emphasis on the importance of school co-operatives for local development.

It is interesting to note as well that the activities of school co-operatives in various developing countries have frequently resulted in the dissemination of new techniques of farming, livestock raising and basic manufacturing. This has often had the effect of introducing new types of productive activity or reviving almost abandoned methods and handicrafts. By demonstrating the practical advantages of co-operation in community projects it stimulates people to do likewise.

At this point it seems appropriate to mention an example cited by Charles Barbier in an article published in the "Bulletin du Bureau International de la Coopération scolaire" No. 1, published in Paris, France, in 1968, which unfortunately did not receive the wide distribution it deserved.

The said article, which is recommended reading for all interested readers, describes how a school co-operative organized by the people of Zoungbonou, Dahomey (today Benin) and comprising 27 pupils between the ages of 7 and 13, under the guidance of a director and two young teachers, succeeded in improving the material conditions of local education and had a profound impact on the community.

Barbier relates how the yield of rice on a small plot of ground worked in common by a few people was increased to three or four times the yield of neighbouring parcels thanks to the advice of an agricultural engineer who persuaded the farmers to abandon their ancestral methods. He tells us how the children

became deeply interested in his arithmetical calculations relating to concrete problems such as how much should be produced and sold in order to obtain a new supply of spades or other necessary instruments and supplies. He relates how the students went to work collecting various items, and engaged in cleaning and other tasks in order to obtain additional means. He tells us how these resources were used in large part to build additions to the school, and so on.

Conclusions

To sum up, school co-operatives in developing countries have immediate economic goals in addition to their general educational ones. They are obliged to satisfy the basic needs of both the students and the school. The organization and administration of these school co-operatives are patterned after that of the co-operative movement in general, mainly in order to promote the civic education of the students and prepare them for future participation in adult co-operatives as members and managers. Finally, school co-operatives in developing countries play a more active community role than do those in industrialized countries, particularly in the dissemination of new methods and in the promotion of new forms of activity. They set an example for others to follow in finding co-operative solutions to common problems.

The differences noted between the characteristics of school co-operatives in industrialized countries on the one hand, and those in developing countries on the other, explain why school co-operatives in the latter have gradually changed in proportion to their country's economic improvement.

In countries of medium development, as well as in countries which consider themselves to be developed, there can exist side by side different concepts and examples of school co-operatives, just as there can exist in the same country economically developed regions together with other regions which, as the result of various changing factors, are characterized by poverty, want and under-development.

In closing, it can be reiterated that, although some of the concepts outlined above may not fully apply to industrialized countries and regions where all the emphasis is placed on education, they apply fully to developing countries and under-developed regions. Therefore, school co-operatives in such countries and areas should, without neglecting their basic educational vocation, continue to engage in certain economic activities as a means of preparing their members to be responsible citizens, be active in adult co-operatives and find co-operative solutions to some of the problems of their respective communities.

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Book Reviews

Von der Lebensmittelassociation zur Coop (From Food Association to co-op)

by Dr. Erwin Hasselmann

122 pages published by co-op Verlag GmbH, Hamburg in 1984

Dr. Erwin Hasselmann is a German co-operative veteran. He was born in 1903, became interested in co-operation during his student years, and consequently has given a lifelong service to the cause of co-operation. Many of the readers of the Review certainly know him, if not personally then as a writer of numerous review articles about West European Co-operative Movements published over the years in the German co-operative journal "der Verbraucher".

In his book Dr. Hasselmann tells the history of the German Co-operative Movement — mainly the consumer co-operative part of it. He traces its evolution from the very beginning, from the middle of last century to its present status as the co-op group.

He describes how the idea of co-operation arose and spread from modest origins through varying fortunes into the present dual structure of traditional co-operative societies and joint stock companies. He explains its progress stage by stage during its more than 130 year long history; its birth, its growth, its liquidation during the Third Reich, its gradual revival, the background to the structural change initiated as early as in the middle of the 1960s, and he concludes with a description of the situation in the 1980s.

His book is also a story of strong leaders, of great and imaginative personalities like Eduard Pfeiffer, Heinrich Kaufmann and Gustav Dahrendorf — to mention only a few of them — and of their great influence on the Movement.

It is a book written by a co-operator of considerable knowledge and experience, who has been involved in the activities of the Movement for quite a number of years and consequently knows what he is writing. It is an important legacy to later generations as it gives important background information and helps us to understand the course of action of the German Co-operative Movement.

In the prologue Dr. Hasselmann claims that his book is not contributory to the discussion about co-operative principles. I would not like to argue against that, but I am of the opinion that it contributes to the discussion about basic values. Dr. Hasselmann stresses the vital necessity of adaptation for survival. By that he certainly means that co-operatives cannot live in a vacuum. They must constantly be on the alert for signals of changes in the environment and be questioning their relevance in the ever evolving society. The world does not stand still, neither should co-operatives.

The Central Committee of the ICA has selected "the Basic Values of Co-operation" as the principal subject for the Congress next summer in Stockholm. In my opinion Dr. Hasselmann's book serves as background material to the discussion.

I wish there were more co-operative veterans like Dr. Hasselmann who would feel obliged to leave a legacy to future generations by writing the history of their Movements. That would deepen our knowledge of the past and help us to build a better future.

Raija Itkonen

Self-help Promotion: A Challenge to the NGO Community

by Koenradd Verhagen

152 pages, published 1987 by the Royal Tropical Institute, The Netherlands. Distributed outside the Netherlands by Foris Publications, P.O. Box 509, 3000 AM Dordrecht, The Netherlands

The theme of this book is the significant contribution to development that can be made by small, self-help groups. While the focus is on the Third world, many of the conclusions have an even wider application.

The study contributes at several levels. It is, first and foremost, an attempt by Cebemo, the Dutch development organization, to encourage a participatory self-evaluation by three of its NGO partners in Brazil, Indonesia, and Thailand. All discover areas of both strength and weakness in their delivery of services to their respective constituencies.

However, it is in his analysis of the prerequisites for successful development of local, self-help groups that the author makes an important contribution to all development organizations, including co-operatives, which believe in participatory, grass-roots forms of organization.

The description of the approach to be followed by NGOs who promote self-

help development reads like a co-operative organizer's handbook: identification of target populations, participatory planning, education and mutual training, internal mobilization of resources, management assistance, movement-building, linkage-building, and ongoing self-evaluation.

But before co-operative leaders begin to congratulate themselves on their wisdom, the author has a sobering message — this form of genuine, co-operative self-reliance is the exception rather than the rule in many developing countries, where government departments have monopolized the promotion of co-operative development. As a result, many of the new and successful self-help groups, including those covered in this study, have opted for incorporation as "pre-co-operatives", "associations", or simply "groups".

The author describes as "pseudo-co-operatives" those co-operatives which operate essentially as an arm of government and as part of the public delivery

system for goods and services. Regrettably, since it is outside the focus of his study, he does not enter into the key debate of how to bring about the process of "de-officialization" or transformation of these co-operatives into a more genuine type of member-controlled organization. This basic goal is at the centre of the ICA's own present approach to development and is an issue of which the author, as a former staff member of ICA's Moshi office, is well aware.

Of some small consolation to co-operators is the author's observation that the "official co-operative sector does not stand alone in its frequent violation of the principles which it claims to

defend and practice. At a time when nearly all rural development programmes and projects claim to stand for 'people's participation', we often see the concept reduced to a point where it becomes merely a means of manipulating the people's decision-making."

The study's basic conclusion—that the poor are able to bring about substantial improvements in their living standards through self-help action—should offer encouragement to all developers, including those who see in the co-operative formula (when properly applied) one of the best institutional means of creating permanent, self-reliant, self-help organizations.

Bruce Thordarson

Changes in China – The Role of Co-operatives in the New Socialism

by Nora Stettner & Bert Oram – Foreword by Asa Briggs

*Publication September 1987, 132 pp. Trade Paperback, ISBN: 0 85195 148 1
Price £5.95*

Since 1979 new government policies have transformed the Chinese economy. Rural and urban producers are now motivated by a "responsibility system" rather than by orders from above. Excessive egalitarianism has given way to a system of rewards and penalties according to results; but these material incentives are being kept firmly within the constraint of the wider social interests.

Greater freedom in production operates together with greater freedom in selling in response to market forces; and the major instrument of both is a vast proliferation of co-operatives and other forms of collective enterprises controlled by those who work in them. In short, State centralism is being diminished by

devolution of economic authority.

On the basis of a detailed examination of the structure and functioning of Chinese co-operatives, the authors of this study conclude that current economic policies are creating in China a new, diversified form of socialism which brings individual producers into much closer control of both the physical resources and the economic decisions which shape their lives.

The authors, Nora Stettner and Lord Oram, both have broad experience of co-operative development throughout the world, and the lessons they draw are of significance to Co-operative Movements everywhere. The Book also includes a foreword by the eminent social historian Asa Briggs.

Liu Shao-qi on Co-operative Economy

"Liu Shao-qi on Co-operative Economy" the collected works, compiled by the documents research institute of the central committee of the Communist Party of China (CPC) and All China Federation of Marketing Co-operatives, published by the Chinese Press of Finance and Economy

Liu has applied Lenin's fundamental theory on co-operation to sum up the fresh experiences created by the Chinese masses and mentions the road, responsibilities, principles, policies, and methods for the development of the co-operative economy in China.

Liu considers the co-operative as an economic body voluntarily formed among the masses, which would benefit them, and also as a mass organization led by the CPC, which would also benefit the state.

Liu believes that in supporting co-operative development the state and the CPC have a lofty and superior goal, besides the one of directly meeting the needs of the peasant, i.e. economically, the state would have access to increased consumer goods and farming by-products to promote organized trade; politically, the consolidation of the workers-peasants alliance would result in co-operative assistance to the promotion of co-operative farming and encourage the peasant to follow the socialist road; ideologically, the peasant would learn about and accept the socialist principles both in co-operatives and in school.

Liu stressed that the co-operative should turn into a popularized social structure, which meant in practice that the co-operative should be used to encourage, unite, educate and organize the masses to go along the socialist road and build, step by step, the socialist structure.

Liu stressed the development of the co-operative in the distribution section and pointed out that millions of small producers as well as farmers lived in numerous remote backward villages in

China. It was only through a commercial network that the small farmers could supply the city and industry, so establishing economic entirety within the society and enabling small-scale farming to become part of the overall socialist economy.

Liu emphasized that the supply and marketing co-operative should loyally serve the peasant, i.e. firstly to sell their products at fair prices, secondly to supply high quality farming implements, seeds, fertilizers etc. at fair prices and thirdly to supply them with means of livelihood and protect them from unfavourable prices, quality and supplying time. He also stressed that the supply and marketing co-operative should organize the peasant not only as consumer, but also as commodity-producer to meet increased consumer needs of the peasant economy.

Liu Shao-qi, former President of the People's Republic of China (1959-1968), died in 1968. The collected works consist of 32 articles about co-operative economy, 28 of which are published for the first time, including: Neo-democratic Economy and the Co-operative; The Role and Function of the Co-operative; The Goal and Character of the Co-operative; Some Problems of the Co-operative; An Important Form: to Organize Extensively the Consumer and Small Producer; Specialization Among Different Types of Co-operatives; The Dividend From the Co-operative's Surplus; How to Organize a Co-operative; Co-operative: to Prevent Exploitation by the Middle Man; The Handicraft Production Co-operative.

Jonathan Fon

Co-operative Working: a Guidance to Co-operative Business

"Co-operative Working" is issued by the Open University, Walton Hall, Milton Keynes MK7 6AA, Great Britain

If you know the history, the ideology and the democratic structure of co-operation you know one important element of this realistic alternative to exclusively profit oriented and autocratic business. If you know how to start a co-operative and to keep it running efficiently and prosperously you know the other two essential elements.

To provide knowledge of these three key elements of co-operation is the merit of the three booklets, called "Co-operative Working" issued by the Open University. They are mainly addressed to people interested in founding a workers' co-operative or in transforming an existing private company into a workers co-operative, and it also aims to help co-operative members and workers to improve the business and the organization of already existing co-operatives, regardless of their field of activity.

Booklet one introduces the early history of the co-operative movement of Great Britain from the early 19th century until today, including the presentation of outstanding personalities such as Ernest Bader, the father of the Scott Bader Commonwealth and of the Industrial Common Ownership Movement. It suggests that the present economic situation should be encountered by strengthening co-operative efforts and it emphasizes that trade unions should support the creation of new co-operatives and shows that in many cases they do. This would promote employ-

ment and democracy in an age where private capital is unsteadily moving around the world in search of maximal profit in a minimum of time (instead of offering work and income where this is needed). Finally this booklet contains the addresses of organizations that promote co-operatives in Great Britain.

Booklet two deals with the more practical side of the business; it explains how a co-operative should be organized; how the products are chosen and markets prepared; financial planning and how records and controls should be kept; how to organize the work and the working place; how meetings should be prepared and decision making facilitated; and other important issues.

Booklet three goes even more into depth revealing practical economic and commercial skills for handling stock and dealing with members and customers. Some important points are: member review, marketing review, finance control and co-operative audit, co-operative organization, better marketing and planning for new investment. It also deals with the question that many co-operatives are facing or will be faced with: consolidate or grow?

The message of "Co-operative Working" is: "Working together is definitely better than competing against each other". It is for people who believe in the democratic way of organizing business and working life.

Ernest Laub

Directory of Agricultural, Horticultural and Fishery Co-operatives 1987

Compiled & Published by the Plunkett Foundation for Co-operative Studies on behalf of the Co-operative Development Board of Food from Britain and the Federation of Agricultural Co-operative (U.K.) Ltd. Price £10.00 (includes postage)

The 1987 edition of this Directory has been published, containing details of 800 agricultural, horticultural and fishery co-operatives registered in the U.K.

Each entry contains the following information:

- Name, address and telephone number of co-operative
- Telex and Fax numbers (where applicable)
- Name of Chairman, Chief Executive and Secretary
- Registration Number
- Type of Activity, and Turnover
- Number of Members
- Name of Marketing Agent (where relevant)

This is an invaluable work of reference for all concerned with agricultural co-operatives (1985 turnover £3842 million) whether in a commercial or in any other capacity.

The Directory also includes information about agricultural marketing boards and associations or bodies engaged in the organization, co-ordination, promotion and development of co-operation in agriculture, horticulture and fisheries.

For some years now a special section has been devoted to co-operative representation in the European Economic Community (EEC), and this contains the names of those serving on the various General Committee of Agricultural Co-operatives in the EEC (COGECA) Committees. Federal bodies and their member co-operatives are included, as are cottage industries, and an index provides a geographical dimension by allocating co-operatives to their respective counties within the U.K.

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Message of the ICA Consumer Committee Consumers' Day — 15 March, 1988

This is the second time that the International Co-operative Alliance's Consumer Committee requests all consumer co-ops to celebrate 15 March as International Consumers' Day.

The theme selected by the Consumer Committee this year is:

"The Protection of the Environment and Ensuring Hazard-Free Products".

We are constantly reminded of the danger of catastrophies to the environment. Scientists draw our attention to the warming up of the atmosphere, the formation of a hole in the ozone layer, and other dangers. Of course economical, social and scientific progress cannot be halted, but methods of changing certain consumer habits and finding alternative resources should be sought.

What can consumer co-ops do? The Consumer Committee is convinced that co-ops should investigate ways of decreasing waste through the use of recyclable packaging. In addition, harmful or hazardous products should be phased out or withdrawn altogether; Co-op Switzerland recently withdrew washing powders containing phosphate from its shelves.

The Consumer Committee would like to see different consumer co-ops identify measures to be taken in order to lessen the price which is paid for economic and scientific progress. It solemnly calls upon all consumer co-ops and individual co-op members to identify possibilities which could lead to a better protection of our environment and the supply of hazard-free products.

News from the Library



New Acquisitions in the ICA Library

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Editorial Ariel, S.A. Barcelona, 1985, 142 pp
tabs., graphs., app., bib.,
ISBN: 84-344-1676-X

CHAPMAN E.H. et al. – Contemporary Director. A Handbook for Elected Officials of Co-operatives, Credit Unions and Other Organizations.

Co-operative College of Canada, Saskatchewan, 1985
242 pp., graphs., tabs.,

CHARTERINA A. M. et al. – Anuario de Estudios Cooperativos

Instituto de Estudios Cooperativos, Universidad de Deusto
Bilbao, 1987
215 pp. graphs., tabs.,
ISBN 84-7485-070-3

Committee for the Promotion of Aid to Co-operatives (COPAC) – Co-operative Information Note no 6 – revised. Kingdom of Thailand

COPAC Secretariat, Rome, 1987, 89 pp., tabs., graphs., bib.,

CHYRA-ROLICZ Z. – Pod spoldzielczym sztandarem. Z dziejow spoldzielczosci polskiej do 1982 r.

(Under the Co-operative Banner. History of the Polish Co-operative Movement until 1982)
Wydawnictwo Spoldzielcze, Warszawa, 1985
311 pp, photos, bib., ISBN: 83-209-0455-2

Confédération des caisses populaires et d'économie Desjardins du Québec – Réflexions d'Alphonse Desjardins

Lévis (Québec), 1986, 79 pp., photos,
ISBN: 2-89-102-006-5

E-osuusskunta Eka – Liikkeessa menestys. (Movement is Progress) Painokaari, Helsinki, 1987, 80 pp. ISBN: 951-99834-2-2

HASSAN ASNAVI Ir. (editor) – Selected Readings on Co-operative Development in Indonesia

National Centre for Co-operative Training and Development (Puslatpenkop),
Department of Co-operatives, Jakarta Selatan, 1986
306 pp, tabs., graphs, app.

HASSELMANN E. – Gesichte der deutschen Konsumgenossenschaften

Fritz Knapp Verlag, Frankfurt am Main, 1971, 740 pp.,
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International Labour Organisation – Setting Effective Co-operative Training Policies in South and South-East Asia

Report on a Regional Symposium Chiang Mai, Thailand, 17-21 November 1986
ILO Regional Office for Asia and the Pacific, Bangkok, 1987, 220 pp., app.,
photos, ISBN 92-2-105855-7

MUNKNER H.-H. (editor)/Towards Adjusted Patterns of Co-operatives in Developing Countries. Results of a Symposium on "Ways towards an African Co-operative" Friedrich-Ebert-Stiftung, Bonn, 1984
137 pp.

National Co-operative Council – The Hungarian Co-operative Movement. A Short Survey of the History and Activities of the Hungarian Co-operative Movement. The Act on Co-operatives.

NCC, Budapest, 1986, 61 pp., tabs., graphs.,

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Campi del sapere/Feltrinelli, Milano, 1986
162 pp. tabs., graphs., ISBN: 88-07-10050-9

Common Equity Rental Housing in Victoria

Cont/d from Page 56

approximately 4,000,000.00 Australian dollars. Six co-operatives have been approved and a further eight are going through the developmental stages.

To continue growing the CERC programme must meet a number of challenges. The high capital cost of providing housing demands continuing funds/recognition from government and loans from the private sector. To retain a commitment from Government, the CERC programme needs to prove itself as a viable, cost effective method of housing provision. In order to do this it needs to gain recognition from state government that, as a federally funded housing scheme, it does service the public housing needs and thus gain exemption from exorbitant state land taxes. Failure to gain this exemption means a

very uncertain future for the CERC programme.

Another challenge is to reduce the particularly high costs associated with building/purchasing in the inner urban areas.

Furthermore, as co-ops are still an unfamiliar concept to the majority of Australians, there is a need to promote the programme amongst potential tenants/co-ops extolling the benefits of such a scheme. The financial world also needs to be convinced that the CERC programme is a going concern and worth investing in.

A challenge within the programme lies in preparing consumers for the responsibilities associated with a consumer controlled housing programme...

... there is still a lot of work to be done.

Members Vote End to First-ever Direct Charge Co-ops

Cont/d from Page 44

Morse, Roy and Mary Joan LaBerge, Wes and Isobel Richardson, Jack and Joan McLachlan, Mary and Genevieve Jordan, and Wally and Marg Knott.

Most of the founding members had studied at the Institute of Social Action at St. Patrick's College in Ottawa, which pioneered home building co-operatives in Ontario.

And while some members attributed the co-operative's later difficulties to a more competitive market, the founding members remained convinced that its troubles began when it introduced markups instead of raising the service fee and thus increasing the members' commitment to their store.

As Mr. Staples, who now lives in Peterborough, Ont., put it in a Septem-

ber 11 letter to Mr. Chambers: "Perhaps we were not careful enough from the start to ensure that new members, as they came along, fully understood the basic structure — and the reasons for it.

"It is obvious now that, little by little, the membership has surrendered the real advantages direct-charge has and now must meet the big chains on their own terms."

The members at the September 15, 1987 meeting who voted in favour of dissolution decided not to restore those advantages.

It is to be hoped that the Ottawa experience may help other direct-charge co-operatives realize how important it is to retain the direct-charge principles.

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