

PROGRAMME FOR EFFECTIVE NCO ACTION

Report



International Cooperative Alliance
Regional Office & Education Centre
for South-East Asia, New Delhi

Programme for Effective NCO Action

Strengthening National Cooperative Organisations
for
More Effective Action

Report of the Sub-Regional Workshop

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Foreword

Cooperatives have for long been accepted as useful people based institutions which could promote accelerated socio-economic development. Much has been achieved in certain situations at least by some cooperatives, which were fortunate enough to have a committed leadership, an enlightened membership and the correct socio-economic climate for development. Some have faltered on the wayside, for a whole host of reasons.

With the acceptance of the concept of planned approach to development, and with the cooperatives being recognised as useful instruments for carrying out developmental policy, there appears to be a divergence in the thinking in regard to the nature, scope, functions and role of cooperatives—the divergence in thinking being between the policy makers and bureaucrats on the one hand and the cooperative members and cooperative leaders on the other.

In a developing economy, it is admitted, that the growth of cooperatives would depend to a large extent on the recognition and support provided by the government to cooperatives. But real cooperative growth would entail a large measure of member involvement and participation and member control over the affairs of the society which they own. Basically the government would provide a legal framework for cooperatives to operate in and provide such supporting services as would help the cooperatives to develop and grow, maintaining their voluntary, autonomous and democratic character.

It would appear that in many situations today the acceptance of the cooperative as a useful institution to promote socio-economic development coupled with the concept of the cooperative being a useful instrument for implementation of government policy, have resulted in many a government changing its outlook from one of supporting cooperative development, to one of controlling and managing the cooperatives themselves. Formulation and implementation of government policy necessarily involves the politician and the bureaucrat,

and the trend is evident in some situations that the control of the cooperative has been gradually taken over from the membership by the politician and the bureaucrat. Further, since many of the activities being performed by the now "managed" cooperatives are government sponsored 'welfare schemes' in regard either to the distribution of consumer goods, procurement of agricultural commodities and sale of subsidised inputs or in respect of government sponsored small scale and cottage industry, the members of the cooperatives themselves, and the general public, tend to look on the cooperative as an extended arm of a welfare government.

In a situation of this nature one may well ask, what if the politician and the government are involved—so long as the member and the general public get their due rations, or their fertilizer, or are able to find some employment through an industrial cooperative—why should this be a deterrent to cooperative growth? To find an acceptable answer, one has to agree on the nature of development itself. Development in the context of democratic governments, would essentially mean the development both of the individual and the society he lives in—and an individual realises himself to the fullest, when he is able to play an active role in the development process, improve his awareness and involves himself, together with his peers, in efforts to reach better heights not only in economic spheres, but also in other spheres which are vital to social living. These he can achieve when he is an active partner in the decision making process, when he is an initiator of ideas and programmes, and when he consciously involves himself in a development effort. A society could be considered developed where a large percentage of the people play an active role in the process of socio-economic growth.

Unfortunately, a state oriented approach to cooperative growth makes of the average member, a dependent, and takes away all initiative, involvement and participation—and makes him a dependent—recipient of benefits accruing from a welfare oriented government. Very often dependency gets mixed up with political patronage and consequently, the role of the member and of the cooperative society gets confused and the member withdraws from his vital role and the cooperative society emerges as an instrument used at whim by the policy

makers often without any consultation with the owners of the cooperatives. In fact there are some situations where even the ownership of the society is now jointly held by the government and the membership—with a number of the members of the Board of Management being nominated by government. In a developing economy situation, one has to admit that, with the levels of literacy and quality of leadership prevailing, the presence of even one government nominee as against a larger number of elected members, would necessarily mean that the government nominee would have more say than the collective strength of the rest—as he is more equal than others. This aspect taken against the background of “politicization” that is prevalent in some cooperatives of today, would effectively divide the elected leadership, thus leaving the management to government, and governments, using this opportunity would sometimes appoint even the Managing Director and other higher echelon executives from the Bureaucracy and manage the cooperative for the membership. Does this lead to development, member involvement and growth—does this approach make of an individual a vital component in the developmental process? Many a cooperative leader does not think so—as is evidenced from the mass of literature emanating from cooperative sources. The question then is what must and can be done to change the course the cooperatives are being taken on—to put them back on to rails as it were, and to give to them a correct orientation.

This is an aspect that has been agitating the minds of cooperative leaders, for a considerable length of time—and this is a matter of concern to many a National Cooperative Organisation (NCO), which is the unofficial leader and spokesman for the Cooperative Movement within a country. The NCOO have been critically reviewing their roles and asking themselves whether they are fulfilling adequately the responsibilities devolving on them.

In view of these developments and trends the ICA ROEC held a Seminar in 1980 in New Delhi in collaboration with the National Cooperative Union of India, on the theme of “How to Improve the Effectiveness of National Cooperative Organisations” to see how best more effective NCO performance could be ensured to revitalise cooperative effort. While

broadly identifying areas for NCO action and the problems faced by NCOO, the NCOO arrived at several conclusions, some of which are detailed below, and these indicate the problems and constraints faced by NCOO:

1. Necessary conditions for effective functioning :

- (i) Legal Autonomy
- (ii) Financial Independence
- (iii) Committed Leadership
- (iv) Dedicated and Efficient Staff
- (v) Enlightened Membership

2. Inhibiting Factors (External) :

- (i) Restrictive Legal and other provisions
- (ii) Inadequate involvement of cooperatives by government in cooperative policy formulation and development strategy
- (iii) Inconsistency and ad-hocism in government cooperative policies
- (iv) Multiplicity of agencies working in the field of cooperatives
- (v) Political interference

(The complete list of Conclusions and Recommendations are contained in the Report of the Seminar published by the ICA ROEC in April 1981).

When formulating a more positive approach to more effective activity by NCOO there is an important aspect that has to be constantly kept in mind—and that is the fact of history—the historical growth of cooperatives in a given country and the way in which this influences present activity. In the developing countries, cooperatives were introduced by the governments with the hope that cooperative effort would ameliorate, at least some of the problems prevailing in the economic system e.g. chronic indebtedness, low agricultural productivity and prices etc. From the inception, it was the government and its functionaries who took the initiative and in many countries, even though cooperatives grew in size and scope of operations,

though an enlightened membership emerged, the initiative did not pass from the government functionary to the cooperatives and in fact the unofficial spokesman for the cooperative in the form of the NCO took quite a considerable time to emerge. In fact, a cooperative movement as such, with its own leadership emerged in many of the old colonial countries only after the countries obtained independence, and in the euphoria of independence and with the multiplication of the problems of independent nations, and with the introduction of centralised planning into the economic system, the initiative in matters cooperative remained with the government. In some countries where the non-official spokesman in the shape of the NCO emerged early in the history of the movement, there was much headway made by an enlightened leadership—however, even here, the advent of centralised planning, only meant the decline in importance of the non-official sector and the increasing bureaucratisation and politicisation of the movement.

Consequent to the initiative remaining all along with government, the NCOO have tended to play, by and large, a residual role—in that when the NCOO emerged, all that they wanted to do was to take over some of the functions performed by the government in the field of cooperatives e.g. member education, staff training, management of the cooperative fund, arbitration and settlement of disputes, audit etc. etc.—and many an NCO was content with an approach of this nature.

There is however, growing disenchantment with the developmental process. Many a developing country, notwithstanding over 30 years of developmental effort have found themselves in a position where a large mass of the people still are in poverty. The process of development has hardly touched them—and even the cooperatives appear to have had no impact in such situations. The cooperatives are increasingly becoming aware, that real growth and development does not happen in a situation of dependency—that growth is possible where those affiliated are themselves involved fully in the developmental process—and in this approach there is increasing realisation that the cooperative form of organisation has tremendous potential to harness the available talents and resources to ensure all round growth. The NCOO, being the spokesman for the cooperatives in their respective countries, have realised that

there is an urgency, an inevitability, that they function better, if real benefits are to be derived by the large mass of the people. They are at a stage of critical self analysis and of mapping out new courses of action which would be 'positive' and 'creative' rather than 'residual' and 'dependent'.

It is against this background that a Sub-Regional Workshop on "Strengthening of NCOO for More Effective Action" was held in Bangkok, Thailand, in collaboration with the Co-operative League of Thailand from 20th to 31st January, 1983. The main objectives of the Workshop were :

- (1) to review the performance of NCOO and to see how far the 1980 seminar recommendations had helped in reorientation, and
- (2) to work out detailed strategies in several functional areas of NCO activity.

The Workshop was attended by 14 persons who were mostly at policy making levels either with Government or with the NCOO and they put in a concerted effort over ten days to examine closely the situation pertaining to cooperative development vis-a-vis the NCOO and identified several areas for priority action. The report of the 1980 seminar was used as a background document along with country papers presented at the workshop. Some of the country papers are included in the text—but due to reasons of space and economy we have had to edit some to quite a considerable extent.

It would appear from the information available that in the Asian Region both the non-business ideological type of NCO and the business type of NCO, also concerned with ideological matters, exist—with the non-business ideological type being the most common. There are even some non-business ideological NCOO (e.g. Thailand) where the Board of Management consists of nominees by Government—but this we were informed was only a temporary arrangement. Some of the NCOO who are of recent origin have been able to use the experiences of others to structure their organisations and their approaches to ensure more effective performance. The discussion and details both at the Seminar in 1980 and at the Workshop in 1983 would show that there are some common factors which were vital to effec-

tive NCO performance:

- (i) the NCO should be representative—which meant a broader based membership covering as much of the cooperative sector as was possible—while maintaining the voluntary character of the cooperative,
- (ii) the NCO structure should be such that there are close interlinkages between the various cooperatives in the country both horizontally and vertically. To enable NCO to be responsive to the needs of its affiliates, the NCO should be structured on a tiered basis, the number of tiers being dependent on the situation in each country,
- (iii) the NCO or its affiliates cannot work in isolation—hence the structures should provide for collaboration and consultation with Government and other agencies working in the field of cooperatives at all levels,
- (iv) the NCO must be responsive to the needs of the affiliates—in fact the affiliates and their membership should feel the need for NCO—hence the need for better member relations and feed back, and periodical review of NCO performance vis-a-vis the membership,
- (v) the NCO should work closely with national level business cooperative federation and mechanisms set up to have such collaboration at various levels within the country,
- (vi) the NCO should set up a “National Level Consultative Committee” to provide a forum for discussion on matters pertaining to cooperatives. In many countries it was found that “Consultative Coordinating Committees” were set up under the auspices of the Cooperative Ministries and NCOO were already represented in such committees.
- (vii) to ensure NCO strength and its close link with the mass of the cooperative membership, periodical Congresses should be held by NCOO to take stock of cooperative development and to influence future policy,
- (viii) the NCOO should play an active role in lobbying in appropriate circles to ensure a favourable climate for cooperative growth—e.g. parliamentary lobby etc.,
- (ix) above all the need for governments, policy makers

- and bureaucrats, to create the necessary environment as will promote cooperative growth, and
- (x) the need for governments to recognise the role the co-operatives in particular and voluntary non-governmental organisations in general can play in harnessing and mobilising people and resources to promote accelerated growth at the levels of the needy.

The '83 Workshop' adopted an action oriented approach to the problems facing the cooperatives and went into great depth to formulate possible strategies in regard to role, functions, structure, funds etc. The Workshop also identified special areas of focus which were becoming increasingly important in the development context. These were :

- (i) the poor
- (ii) women
- (iii) youth, and
- (iv) unemployment.

The workshop recommendations should be seen as identification of areas for priority action—and it would be the responsibility of the NCOO concerned, to evolve the strategies which would be relevant in their own home situation. In fact during the course of the workshop several countrywise action programmes were formulated by the participants. It is encouraging to report that at the time of writing several communications have been received from some NCOO of action already taken in keeping with the recommendations and action proposed in the short and long run.

The workshop in its final conclusion goes on to say “the workshop recognises an element of inevitability for the NCOO to play a more decisive role in Cooperative Development.... etc.”

It would appear that the NCOO are increasingly becoming aware of the crisis facing cooperatives and their moral obligation to play an active— rather than ‘residual’ and ‘traditional’ roles. It is to the extent that the NCOO will be able to play the roles envisaged, that they will be able to enthuse the millions of co-operators to be actively involved in cooperative effort, that cooperatives will remain people oriented, member owned and

member controlled, voluntary and autonomous self-reliant socio-economic institutions working for and on behalf of their member expectations. Where such effort is not available they will continue to languish in the name of cooperatives, but with many of the essential characteristics of a cooperative all but absent, and with the many thousands of cooperators being left without the benefits of development.

The purpose of the workshop would have been served if at least some of the proposals find acceptance and implementation and more so, if there is at least a slight change in the outlook of governments and policy makers vis-a-vis cooperatives—but to achieve these changes, it would be the responsibility of the concerned NCOO to work assiduously at all levels, with the workshop recommendations as their guide. We rest in the hope that continued focussing of attention to the problems related to cooperatives will eventually trigger off a chain of closely related actions which will lead to the development of stronger and more viable cooperatives.

I would like to acknowledge with thanks support given to the workshop by the Cooperative League of Thailand, the Ministry of Agriculture of the Royal Thai Government and of the Cooperative Promotion Department of Thailand. It was their support and assistance that helped us to hold the workshop in the CLT premises in Bangkok, Thailand.

I would like to thank all the participants of the Workshop for the effort they put in to come out with conclusions and recommendations, which they themselves felt could be implemented in the short and long run.

I would also like to thank my colleagues here at the ICA ROEC who assisted in making this report available early. We do hope that those who participated at the Workshop and also others would find the document useful, and will continue to keep us posted with the latest cooperative developments in their respective countries.

New Delhi
April '83

R. B. RAJAGURU
Regional Director

Conclusions and Recommendations

Conclusions and Recommendations

Drafting Committee

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0.1 Introduction

In 1980 the ICA ROEC in collaboration with the National Cooperative Union of India held a Regional Seminar in New Delhi on the theme of "How to Improve the Effectiveness of National Cooperative Organisations in the Region." The present Sub-Regional Workshop is intended to review the progress made and to consider further steps to strengthen the NCO to play a more effective role. The Sub-Regional Workshop was held in Bangkok from 20th to 31st January 1983 by the ICA ROEC in collaboration with the Cooperative League of Thailand. Countries represented at this Workshop were : India, Korea, Malaysia, Nepal, Philippines, Sri Lanka and Thailand.

The Workshop identified four areas of special interest for indepth consideration.

- (1) The role the National Cooperative Organisations should play in their respective countries for more effective implementation of the recommendations of the Seminar held in New Delhi;
- (2) To review the existing structures of NCOO with a view to formulate action programmes to reach the beneficiaries in a more effective manner;

- (3) To examine the existing sources of funds and to identify other sources which could be harnessed to give the necessary financial stability to the NCOO for implementation of their programmes; and
- (4) To examine the roles devolving on the NCOO in respect of special areas of growing needs. The areas considered under this aspect were: (a) the poor, (b) women's involvement, (c) youth participation, and (d) unemployment.

The methodology adopted for in-depth discussion was the grouping of representatives of participating countries in three groups which number was subsequently reduced to two. The subjects mentioned above were examined in each group on the basis of experiences of the countries concerned which again were placed before the plenary for detailed discussion and acceptance.

The Workshop recommends to the NCOO in the region to plan specific short term and long term follow up action programmes relating to their structure, personnel, financial resources and other related matters so that their effectiveness is increased.

01.01 Role of the NCC

In most countries in the region the NCOO are of more recent origin than the movement itself. Their main function was to be the "unofficial spokesman" of the movement. Since the setting up of the NCOO the roles performed by the NCOO can generally be termed as "traditional" and "residual". "Traditional" would mean the area of activity concerning "member education" and later of "staff training", and "residual" would refer to most functions taken over by the NCOO from governments who were either giving up these functions or willing to share along with the NCOO. The Workshop reviewed the ongoing roles, functions and activities of the countries represented and identified in addition new roles, functions and activities which would strengthen the functioning of the NCOO. The Workshop accepted the fact that some of these roles would not be performed by all NCOO in the short run and the implementation would depend on the country situation. The Workshop was confident that the NCOO in the region would play a more

effective role than at present.

Taking into account the development of the cooperative movements in the various countries in the region, the Workshop envisaged the following Roles, Functions, Activities for the NCOO in the short and long term.

<i>Roles</i>	<i>Functions</i>	<i>Activities</i>
1. Promotion of Cooperative Ideology.	(a) Propagate the principles and practices of co-operation and promote the establishment of cooperative institutions. (b) Establish and maintain a functional public information system for cooperative promotion.	(a) Maximize the use of mass-media in cooperative promotion. (b) Organize and coordinate cooperative celebrations, exhibitions public meetings, etc. (c) Organise regular cooperative congresses. (d) Develop information materials as periodicals, films, slides and other visual aids.
2. Cooperative Education and Training.	(a) Identification of Education and Training needs. (b) Curriculum Development (c) Membership Education (d) Cooperative Personnel Training. (e) Training and Orientation of potential members and interested groups (teachers, government functionaries, etc.) (f) Arrange for the production of appropriate Teaching Aids/Teaching materials.	(a) Conduct periodical surveys of Education and Training needs. (b) (i) Develop appropriate curriculum for cooperative training (ii) Work towards the integration of cooperation as a subject in the school curriculum, and develop suitable curricula for schools. (c) Establish training centres and institutes for the conduct of seminars, workshops and skills training programmes. (d) Establish apprenticeship and on the job training programmes.

<i>Roles</i>	<i>Functions</i>	<i>Activities</i>
		<ul style="list-style-type: none"> (e) Conduct special education programmes for specific target groups. (f) Periodically evaluate the impact of the programmes.
3. Leadership Development	(a) Programme for the development of cooperative leaders at all levels.	<ul style="list-style-type: none"> (a) Organize and coordinate leadership training programmes for cooperators (b) Organise programmes that will attract people with leadership potential to work for or assume leadership in cooperatives. (c) Develop a code of conduct for cooperative leaders.
4. Development of Inter-cooperative relations	(a) Develop models and patterns of inter-cooperative relationships.	<ul style="list-style-type: none"> (a) Organise/Participate in conferences, seminars, workshops etc. designed to strengthen inter-cooperative relationships. (b) Develop a code of conduct for inter-cooperative relationships. (c) Assist member societies in resolving their disputes, problems and difficulties.
5. Supervision and support services	<ul style="list-style-type: none"> (a) Establish and maintain a viable cooperative auditing system. (b) Provide research and development services to the movement. 	<ul style="list-style-type: none"> (a) Institutionalise a system for timely financial and management audit of cooperative societies. (b) Maintain an up to date data bank.

<i>Role</i>	<i>Functions</i>	<i>Activities</i>
	(c) Provide consultancy services to the movement.	(c) (i) promote and undertake research in the field of cooperatives. (ii) Develop a competent research staff.
	(d) Provide legal services.	(d) Organise management pool and coordinate the exchange of expertise and resources among cooperative societies.
	(e) Ensure satisfactory terms and conditions of service for cooperative employees.	(e) Maintain a legal assistance unit under the NCO. (f) Establish Career Service Boards and Career Service Appeal Boards at appropriate levels.
6. Spokesman of the Movement.	(a) Influence government thinking on matters affecting cooperatives such as legislation, economic policies, etc. (b) Represent and articulate the interest of cooperatives before government and its instrumentalities at the appropriate levels.	(a) Interpret and disseminate government policies and programmes for the involvement of the movement. (b) Review and/or propose amendments to cooperative laws, policies and regulations to suit cooperatives. (c) Represent the movement in various bodies concerned with the cooperative movement. (d) Liaise on behalf of the movement/members.
7. Promotion of International Relations.	(a) Establish linkages with International Agencies.	(a) Participation in international conferences seminars, workshops etc. (b) Maintain constant and effective contact with organisations such as the ICA, SCC, IDACA, etc. and UN Agencies.

<i>Roles</i>	<i>Functions</i>	<i>Activities</i>
		(c) Promote Reciprocal exchange of expertise and resources.
8. Promotion and Coordination of domestic and International Trade.	(a) Establish local and international relationship among cooperatives for trade.	(a) Collect trade information. (b) Arrange for the organisation of domestic trade fairs, exhibitions, etc. (c) Promote participation in international trade fairs. (d) Train personnel to handle international trade. (e) Maintain an International Trade desk or Unit

01.02. Structure of the NCO

Structure encompasses a very wide area of organization. The Workshop identified the organization of the NCO from the following points of view :

- (1) the role, functions and activities of NCOO envisaged by the Workshop;
- (2) from the point of view of the composition of the NCOO vis-a-vis its membership;
- (3) from the point of view of staffing for effective action.

It was emphasized that the organisation structure of the NCO should ensure involvement and participation of its membership to be effective in its performance. It was seen that the structure of the NCOO of different countries differed from each other. Having taken into consideration the roles of the NCOO it was accepted that a model of the organization structure would be of immense benefit to all concerned, even though depending on the size of the country, its laws, rules, etc. pertaining to co-operation, it may be changed to fit into the local situation. The proposed structures are given in the annexed charts.

01.03. Funding

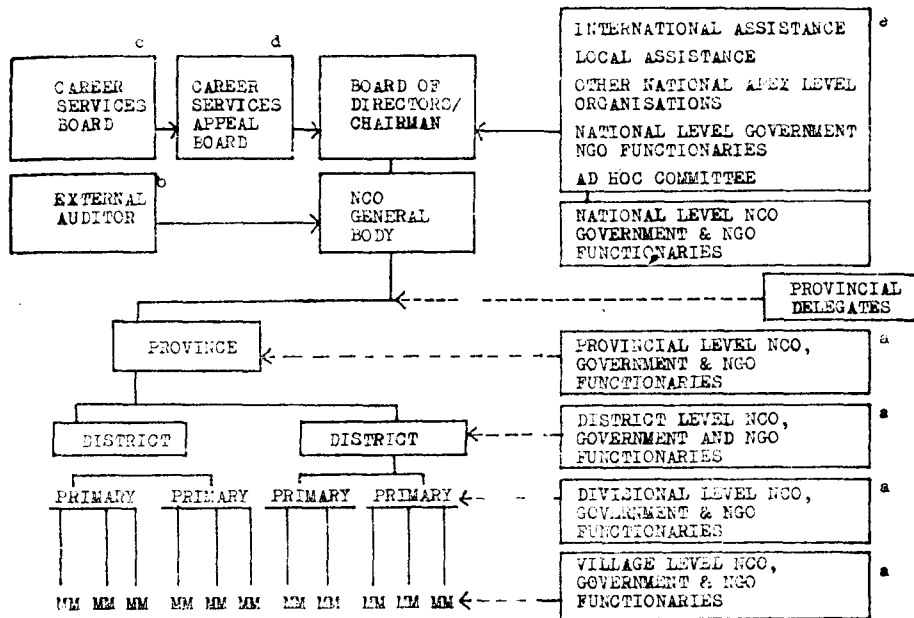
The Workshop took note of the fact that many NCOO were unable to function effectively because of the paucity of funds. It emphasised that the availability of adequate funds, especially a regular and continuous flow of funds, was of vital importance to the effective functioning of NCOO.

The Workshop reviewed the situation in regard to the sources from which the NCOO derive their funds at present, and identified new strategies which would help to mobilize additional funds. The schedule below is intended to give details in regard to possible sources of funds and their administration.

<i>FUND SOURCE</i>	<i>NATURE</i>	<i>METHOD OF ADMINISTRATION</i>
A. Subscription/ Member Fee.	(a) Annual Dues	District/Provincial/Regional NCO
	(b) Per capita assessment.	Remit percentage-wise to the next higher level organisation.
B. Cooperative Fund.	(a) % of net profit	N C O
	(b) % of the volume of business.	N C O
	(c) Registration fees	
	(d) Others.	
C. Donations and Grants	(a) Grants/Aid from Coops, Government, Foundations and International Agencies.	N C O
	(b) Receipts from International Agencies for specific projects.	N C O
	(c) Private non- governmental organisations.	With approval of Government NCO

<i>FUND SOURCE</i>	<i>NATURE</i>	<i>METHOD OF ADMINISTRATION</i>
D. Income from Operations	(a) Audit levy	Direct billing
	(b) Trade Commission	-do-
	(c) Contractual services	-do-
	(d) Consultancy services	-do-
	(e) Publication fees	-do-
	(f) Training fees	-do-
	(g) Rentals	-do-
		[(a) to (e) rates will be nominal].
E. Fund drive	(a) Raffles	NCO
	(b) Lotteries	..
	(c) Benefit shows etc.	..
	(d) Fund raising weeks (e.g. sale of flags, during cooperative week) etc.	..
F. Income from Special Funds.	(a) A certain % of all income shall be constituted into a Special Fund. Only the interest of such fund shall be used for operations.	Centrally administered by NCO
	(b) The Government may be requested to establish a Special Fund for Cooperative development.	Registered under the name of the NCO by the Cooperative Ministry and managed jointly by the government and the NCO
	(c) Financially stable cooperative organisations to create a Special Fund to assist the NCO and its affiliates.	Managed by the contributors.

COMPOSITION OF THE NCO vis-à-vis MEMBERSHIP



a, b, c, d, e - please see the explanatory note.

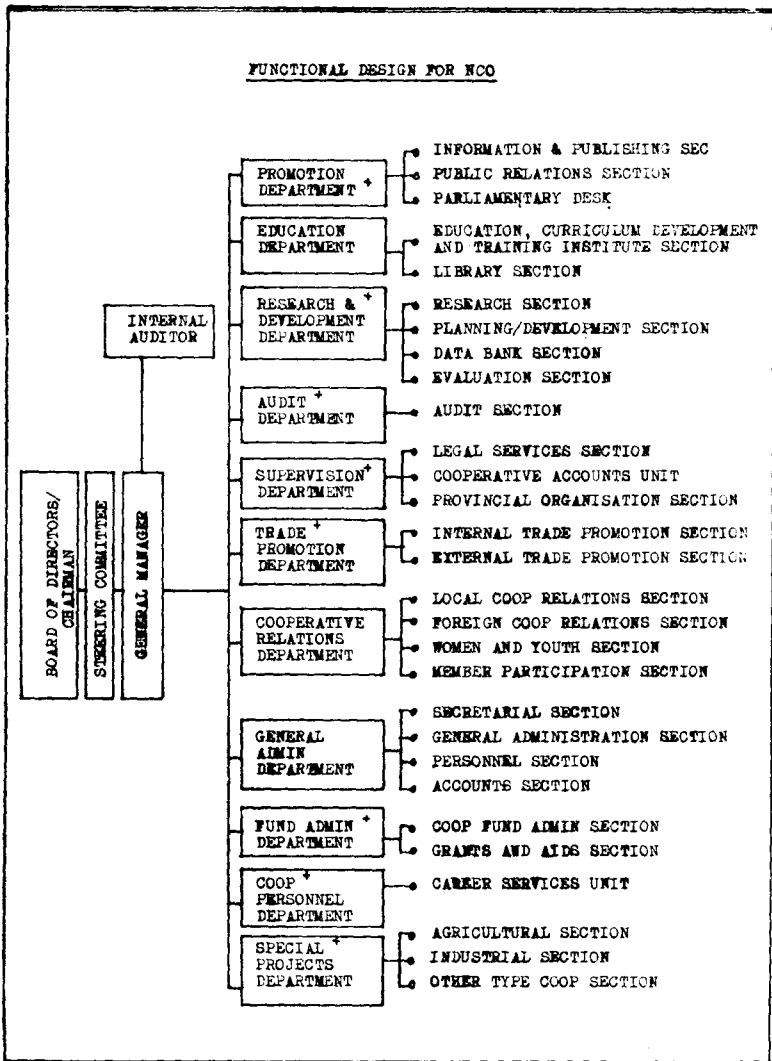
Explanatory notes on the Chart on Composition of the NCO

- (a) *Village level, Division level, District level, Provincial level. National level, NCO. Government and NGO Functionaries.*

The NCO Structure is based on the membership coming up to the NCO General Body where at each level one would find various organisations inclusive of government departments in addition to the Divisional, District and Provincial Cooperative Unions. They will all be involved in cooperative activities. The horizontal relationship is shown by broken arrows at that level.

- (b) External Auditor will be responsible direct to the NCO general body and hence a straight arrow.

- (c) The Career Services Board is expected to assist member organisations in the determination of cadre requirements, recruitment and disciplinary matters. The members of this committee should be persons who are/have cooperative manpower management experience and of standing and acceptance in the field of cooperatives.
- (d) In case of any dispute regarding the service conditions of an employee, punishment or dismissal, the employee or the cooperative society could appeal to the Career Services Appeal Board which will be directly responsible to the NCO directorate. Persons who will be the members of the Appeal Board too would be persons of eminence in the cooperative sector.
- (e) The various organisations mentioned here will be consulted for assistance and coordination of activities regarding NCO activities as and when necessary. Hence the broken arrows indicate the relationship.
- (f) MM means individual members of primary societies.



**Explanatory notes on the Chart on the Functional
Design of NCO**

* *Parliamentary Desk* : It was observed that there should be lobbying with parliamentarians for effectiveness and the Workshop proposed a Parliamentary Desk in all the NCOO.

It was further suggested that the activities of this unit be constantly reviewed by the Chairman of the NCO.

- * *Data Bank Section* : The suggestion made by the Workshop was to have a section which would collect and publish data relating to the cooperative sector. This was necessitated by the fact that sufficient information was not available with the NCOO.
- * *Audit Dept* : At present cooperative institutions are audited by the Registrar or by other audit organisations. A levy is made for this activity. To create funds for the NCO it was suggested at the Workshop that the function of audit should be done by the NCO. As it is a very responsible activity which has direct influence on the better functioning of cooperatives, it was felt that the auditors would have to be well trained so that specialist audit cadre could eventually be developed.
- * *Cooperative Accountancy Unit* : The workshop felt that the NCO should maintain an accountancy unit to assist and advise member societies on matters of accounting and financial management.
- * *Provincial Organisation Section* : In the structure of the NCO it is expected that it would have provincial/district unions. They will be assisted by the NCO depending on their requirements. This section will be keeping in touch and reporting on the activities of those functionaries at various levels.
- * *Trade Promotion Dept.* : It was observed in the Workshop that most of the NCOO do not involve themselves in the promotion of trade. The trade promotion department is to facilitate the member organisations in trade inquiries and other allied fields of trade. For effective trade promotion the NCO is expected also to train personnel.
- * *Fund Admn. Dept.* : Wherever the Coop Fund, grants, aid, etc. are not administered by the NCO, it was felt that these funds should be managed and administered by the NCO and for this purpose a separate department should be set up in the NCO.
- * *Special Projects Department* : The present tendency is for project approaches in development activity. The Workshop felt that the NCO should develop a unit which could undertake feasibility studies, formulate projects, assist in their implementation and evaluation.

Explanatory Notes :

1. *Co-op Fund* : Many NCOO depended to a large extent on the Coop Fund which is at present, in many situations, administered by the Registrar. The Workshop was of the view that this Fund where it was still under government management, should, as soon as is possible, be transferred to the control and management of the NCO.

2. *Special Fund* : (i) The Workshop was of the view that a percentage of the income received by an NCO should be credited to a special fund and the interest accruing on the fund could be used by the NCO to strengthen its financial resources.

(ii) Well established business cooperatives could make special contributions which too could be placed in a special fund to build up sufficient reserves, the interest of which could be used for operational purpose.

(iii) As many government Ministries and agencies are involved with cooperatives, the Workshop felt that such Ministries etc. could contribute to a Special Fund for Cooperative Development which should be registered under the name of the NCO by the Ministry of Cooperatives and managed jointly by the Government representatives and the NCO.

3. *Government Grants* : The Workshop was of the view that cooperatives perform many functions which in fact should be performed by the government itself especially in the field of adult education. Consequently it was felt that the government should make available an annual grant to the NCO to support its member education programmes.

4. *Levy to Coop Fund* : It was the view of the Workshop that the present basis of calculating levy on profit from the Cooperative should be changed to one of levy on turn-over.

5. *Annual Subscription* : In some countries there was only a system of nominal enrolment fee for membership in NCOO and no further contribution was made by its membership. It was the view of the Workshop that all members of the NCO should

be called upon to make an annual subscription, possibly on the basis of both membership and turn-over.

6. *Increasing Membership* : The Workshop felt that all NCOO should make a concerted effort to increase its membership by getting all eligible cooperative societies, unions, etc. to become members of the NCO and thus make the NCO truly representative of the movement.

7. *Regional Coop Development Fund* : The Workshop was of the view that the ICA Regional Office in New Delhi should examine the possibility of establishing a Regional Cooperative Development Fund in consultation with the ICA membership of the region, the Regional Council for South-East Asia and the ICA Headquarters.

01.04 Special Areas of Activities for NCOO

(i) *The Poor*

The Workshop recognised that one of the main challenges in modern society is the condition of the poor. The definition and the process of identification of the poor varied from country to country. Even so the basic problems were similar. They could be broadly categorised as follows :—

- (1) Limitation of resources and consequent exploitation.
- (2) Lack of opportunities for employment and self employment.
- (3) Under-employment.
- (4) Lack of institutional support.
- (5) Lack of education and training.
- (6) Lack of planning and implementation by government authorities and officials.
- (7) Contentment with existing conditions.
- (8) Reluctance to accept changes and innovations.

The Workshop felt that the Cooperative sector can play an appropriate and useful role in the respective countries by planning and motivating member organisations at village levels to organise employment and income generating activities. In this

regard the existing credit societies and such other small primaries could play an important role in giving effect to some of the under-mentioned activities in their areas of operation. Therefore the NCOO should plan action on the following lines :—

- (1) Carry out surveys for the identification of beneficiaries and potential development of skills.
- (2) Explore the areas of employment as suited to various groups whereby they could earn sufficient income.
- (3) Feed the primaries with information and schemes sponsored by the government for the benefit of such classes of people.
- (4) Coordinate development programmes for the poor, e.g. :
 - (a) small farmer projects;
 - (b) credit facilities with banks etc;
 - (c) coordinate activities to develop resource base;
 - (d) encourage societies to undertake training for employment and self-employment programmes for members and their families;
 - (e) study policy changes of the government affecting the poor;
 - (f) facilitate the formation of institutions to enable the poor to be eligible to receive institutional services;
 - (g) liaison with national planning commissions;
 - (h) coordinate training programmes with appropriate government agencies;
 - (i) explore possibilities to maximise participation in national and sub-national planning;
 - (j) development of cooperative organisations for production at various levels with the assistance of the membership of the NCO;
 - (k) motivate persons or groups into production activity.
- (5) Constantly evaluate and follow-up progress made by the societies.

(ii) *Women's Involvement*

The Workshop felt that enhancing Women's participation in Cooperative activities has become very important, as in all

countries in the region, about 50% of the population consists of women. It was felt that involvement of women in cooperative activities was beneficial to the cooperative institutions in several spheres, particularly in building up consumer services and member relations. It was also felt that involvement of women was necessary in improving such areas as (a) nutrition and family health (b) child care (c) savings and thrift (d) improving economic and living standards of member families and (e) improve cultural and customary habits. The Workshop felt that there was a need for the cooperative sector to formulate action through various institutional facilities to impress on the membership the importance of the above objectives. For this purpose the Workshop recommended that the NCO should formulate action programmes in these important areas to be implemented through member organisations. In this respect the following were recommended :

- (1) educate women and attract them to the cooperative movement;
- (2) form women's groups in every Cooperative society and seek special recognition for such groups in the bye-laws of the society;
- (3) provide opportunities for women's representation in management committees at all levels;
- (4) organise special income generating activities especially for women;
- (5) organise education programmes on health, family care, nutrition, etc.
- (6) organise such community services as nursery classes, cultural, recreational and religious activities with the participation of women;
- (7) remove legal restrictions, if any, which bar equal participation of women in cooperative societies.

The Workshop was of the view that the NCOO should stress on the primary and other level member societies/unions the need for and the importance of this type of activity and also that such activity should be considered a normal function of their organisations and that they should make sufficient budgetary provisions for such activities annually. The Workshop noted and appreciated the achievements of the Women's

Projects in Sri Lanka and Thailand and recommended that in view of their encouraging results, similar projects and activities should be multiplied and initiated in countries where such activities are non-existing.

(iii) *Youth participation*

In considering this aspect the Workshop felt that in the countries of the region, youth problems exist in the following categories:—

- (a) educated youths
- (b) uneducated youths.

It was felt that programmes should be organised by the cooperatives to involve these sectors in particular. In this respect the Workshop felt that the NCOO should formulate schemes to be activated through the primary and secondary societies. It was also felt that in organising these activities the societies should coordinate and seek assistance from governmental, social service and other institutions, inclusive of educational institutions, which are engaged on similar activities. Some of the activities which should be so sponsored are following:—

- (1) Organise youth activities such as sports, youth clubs, youth camps, study circles, youth forums etc. where the youths will be attracted to participate.
- (2) Organise vocational training schemes to develop skills.
- (3) Organise activities involving youths for environmental development.
- (4) Organise education programmes with the assistance and coordination of universities and institutes of higher education with special stress on youth development.
- (5) Organise orientation courses for the teachers of co-operation at University and other levels.
- (6) Promote religious and cultural activities organised by the youths themselves.
- (7) Educate youths on evils of alcohol, drugs, etc. through the media of lectures, seminars, film shows etc.
- (8) Organise persuasive methods to involve school leavers to join primary level cooperative organisations and

- provide them with leadership opportunities.
- (9) Organise youth committees and appoint officers entrusted with the subject both at national and primary levels.
 - (10) Organise youth exchange programmes among the countries of the region.

As this is also an important area of community and social development it was felt that cooperative institutions should realise its importance and provide necessary funds out of their budgetary provisions as a normal course of activity. In the long run once the youth organisations are activated it would be possible to entrust these activities to be subscribed by the participants themselves at least to some extent.

(iv) *Unemployment*

The Workshop took cognisance of the fact of unemployment in the participating countries. It was felt that unemployment was the root cause of poverty, social evils and social problems. Three main challenges were identified :

- (1) To sustain and develop employment standards in cooperative as against competitive economic situations;
- (2) Expansion of economic activities of cooperatives to create more employment.
- (3) Work towards the recognition of the dignity of labour by society at large.

The main problems highlighted in facing these situations were :

- (1) Frequent changes of government policies.
- (2) Financial problems faced by NCOO and allied agencies.
- (3) Lack of employment opportunities particularly at rural levels.

In order to meet this situation the Workshop recommended the following actions by the NCOO.

- (1) Lobbying to influence governments;
- (2) Building funds to generate employment activities;

- (3) Organising cooperative production in a given situation;
- (4) Arranging for markets for the produce of those involved in special productive activities;
- (5) Organising, where feasible, joint ventures;
- (6) Organising technical and other assistance to develop productive activities;
- (7) Organising vocational training with a view to absorbing the unemployed into useful trades and crafts;
- (8) Developing dignities in various fields of occupation at village levels and educating membership in the use of modern techniques adoptable to such occupations.
- (9) Promoting the establishment of agro-based industries with emphasis on vertical integration for maximum utilisation of resources and the provision of increased employment opportunities.

Funding for these schemes are already available in most countries in government organisations which are handling this aspect. Therefore, the NCO and societies concerned should seek government assistance. Further, NCOO should also formulate self-employment schemes and income generating activities through the assistance of Cooperative Banks and other financial institutions.

02. Conclusion

The Workshop appreciated the initiative taken by the ICA ROEC in organising the present Sub-Regional Follow-up Workshop, in view of the rapid and committed growth of the Cooperative Movements in the Region and also in view of the role envisaged for the Movements in the future. The Workshop recognises an element of inevitability for the NCOO to play a more decisive and effective role in cooperative development. The implementation of the recommendations of the Workshop will go a long way in strengthening the Cooperative Movements in the Region and will help to consolidate the Movements as a permanent system of economic performance in the respective countries. This will also lead to a better mutual understanding and greater cohesion in the movements of the Region.

The Workshop calls upon the NCOO in the Region to pursue

vigorously with their respective governments and other appropriate organisations to obtain the necessary recognition and support for the implementation of the recommendations of the Workshop.

Group Reports

Background Note for Group Work

Prepared by the Secretariat

01. This note is intended only as a brief introduction to some of the areas of need which might be taken up by the Workshop for in depth discussion in the groups. The groups and the Workshop may consider other areas to be of greater relevance and with higher priority in the effort to strengthen National Cooperative Organisations. The document therefore is not exclusive—it is only a starting point for discussions and formulation of strategies by the groups and the Workshop.

Among the various matters that may be considered, the note identifies four main areas for the consideration of the Workshop—Broadly stated they are :

- (1) Role of National Cooperative Organisations
- (2) Structure for effective performance
- (3) Finance
- (4) Special areas of needs for the future.

02. Brief Comments

02.01 The Role of National Cooperative Organisations.

Taken in the historical context of cooperative growth, the National Cooperative Organisations are recent arrivals in the cooperative field in so far as the developing countries are concerned. The initiator and supporter for cooperatives, in many countries, was the government and continues to be so in many situations. When in the process of cooperative development, unions or federations emerged, there was an increasing demand for the setting up of a national federation/union who could be the “unofficial” spokesman for the cooperative movement. When the NCOO eventually were established, they were classified as the unofficial spokesman for the cooperative movement but took on what may be termed a “traditional” and a “resi-

dual" role. "Traditional" has reference to the main concern of "member education" and later of "staff training" and "residual" would refer to the fact that most functions that were taken on by the NCOO, were in fact functions which some governments were gradually giving up or willing to share along with the NCOO.

In the context of developing countries, it is admitted that cooperatives, as with any other socio-economic organisation, must function within the generally accepted policies and plans of the government. Having accepted these parameters, what needs to be considered is what the real role of the NCO was, is and can be. Has the NCO only a "residual" role or can it establish a role for itself? Is the NCO an initiator, planner and an activist or should the NCO only perform "traditional" functions? Are NCOO today satisfied with their "leadership" role or are there hopes and aspirations which have not materialised? Are the NCOO functioning adequately, and to the satisfaction of their affiliates—if not what are the deficiencies and what are the constraints?

02.02 This note would like to emphasise, that in the context of the situations prevailing today in many countries, there is a need for a careful introspection, and a self analysis—(the self analysis could best be done within each country situation by a carefully structured questionnaire, which could be sent to the NCO affiliates to seek their views on NCO performance—but for the purpose of the workshop, it is suggested that this can be done by in depth discussion in the groups), by the NCOO and their affiliates to enable NCOO to play a more effective role in the field of cooperative development.

The note would also like to suggest that the groups consider the NCO's role both from the point of view of the short run and the future.

In the field of cooperative development, much has been said about past performance of cooperatives, both good and bad. One particular document—UNRISD study on "Rural Cooperatives as Agents of Change" was highly critical on the role that cooperatives have played. On the other hand the recent study done for the ICA by Dr. Laidlaw "Cooperatives in the Year 2000" made reference to a likely trend in Cooperative growth and development for the future. Should not the NCOO now

take stock of the situation and identify a role or roles for themselves, as would help them to play a meaningful role both in the immediate future and in perhaps influencing the growth in the future?

How can the NCO make the members and others concerned active partners in the cooperative development effort--is there a role for the NCO in this regard?

How can the NCOO improve their Library, Documentation and Information systems as would help their affiliates and the affiliate membership to better understand the problems of development?

This note would leave these thoughts as a stimulus for initiating discussions in the groups.

The Workshop would like to identify a role/roles for the NCOO and corresponding functions--and suitable courses of action in this regard.

03. Structure for effective performance

03.01 The word structure is used here in a loose form and is intended to encompass a wide area of organisation, both internal and external and also relationships at various levels. It is also intended that the aspect of staff within the NCO structure, their competence and their development also be discussed under this heading.

It is not the intention of this note to make a qualitative assessment of one form of structure as against another--the intention mainly is to examine the structures with a view to finding out ways and means as will improve the image and the role of the NCO and as will also enable the NCO to play a more effective role.

At the seminar held in New Delhi it was recommended that the structures are matters for each country and movement. Granting this, this note would like to suggest to the Workshop that the structures be looked at from the point of view of the Role/Roles assigned to the NCO, and see how best the structures could be strengthened to facilitate effective performance.

Some of the questions that can be raised are:

- (i) Does the present structure help an NCO to maintain

close links with its affiliates—communicate effectively, respond to affiliate needs and get adequate feed-back from its affiliates?

- (ii) What kind of horizontal and vertical relationship would help to strengthen the hands of the NCO?
- (iii) What structures are necessary to maintain effective and continuing relationship with others concerned with socio-economic development at various levels?
- (iv) What structures would help in better relationship with the community at large?
- (v) What structures would help to project the strength of the movement—especially where relationships with the government are concerned and with international organisations?
- (vi) What kind of staff is necessary for the NCO to play its role effectively—how do we develop competence of the staff—ensure their development and commitment?
- (vii) What role has the NCO membership and the membership of its affiliates have in strengthening the NCO and enhancing its image—what approaches would be necessary in this regard?

The Workshop could suggest ways and means of strengthening NCOO structures for effective performance.

04. Finance

This is an area which continues to be one of irritation and concern. NCOO are generally caught up in a vicious circle, which leaves them frustrated in their efforts towards effective performance—paucity of funds—poor staffing—little competence—inadequate activities to meet member needs—poor member relations—poor member support—inadequate contributions—paucity of funds—Very few organisations have been able to overcome this vicious circle.

It is suggested that a careful analysis of the present methods of collecting funds would be mutually beneficial. It is also further suggested that the very basic aspect of funding by affiliates be further examined to devise methods that would enhance the funds available to the NCO for effective action. All too often

in some situations, a member buys a share in the NCO to entitle him to membership and that is the end of the members contribution towards the NCOO funds. Should new strategies be evolved—annual contributions, contributions based on turnover, contributions based on affiliate membership, contributions by affiliates upto a minimum agreed figure are some aspects that could be considered.

This note would like to point out that all too often the NCOO are satisfied by requesting the government to hand over the management of the Cooperative Fund. Is there nothing else that could be done?

Various NCOO have successfully made effective approaches on Fund Raising—perhaps an exchange of these experiences would be mutually beneficial.

Another aspect that may be considered is that of what use NCOO can make of their business oriented apex affiliates—Can they be harnessed for implementing NCO programmes.

It has also to be admitted that within the cooperative system itself, there is a “North South Cleavage”—with some cooperatives being affluent and many struggling at the level of survival. Can NCOO do something to bridge the North South gap and use the affluent position of the stronger cooperatives for supporting NCO action—perhaps a Revolving Fund at NCOO levels could be gradually built up.

Some NCOO are performing services for which a charge is made—can these be expanded—what are the legal implications of such actions vis-a-vis taxation, ideological organisation etc.

Workshop recommendations in this sector would be of vital importance for the effective performance of NCOO.

05. Special Areas

The “traditional” role played by the NCOO has been mentioned earlier. In this section an attempt will be made to focus attention on areas of growing need which have been identified as areas needing special attention, over the last several years with a view to finding out whether the NCOO would think that they have a special role to play in this regard—if the NCOO feel that there is a special role, then what courses of action

could be suggested to play an effective role. In considering the above it is suggested that note be taken also of the increasing tendency of agencies providing technical assistance to encourage the implementing of programmes through NGOs—sometimes on a movement to movement basis, sometimes even through international government agencies with a strong emphasis on NGO collaboration.

This would necessarily mean the ensuring of NCO preparedness to collaborate on programmes based on project basis, which entail to financial and technical involvement of the NCO concerned. What, if any, should the NCOO do to encourage this trend and be actively involved in the process.

The special areas of increasing emphasis over the last several years have been those of women, youth, the poor and the problem of unemployment. In many situations, governments have set up either departments or even ministries to tackle the problems in these sectors. Would the NCOO and the Cooperative Movements think that they have a role to play—if so what action at NCO level ?

In regard to unemployment, the note would like to draw reference to the experiences in some European countries where an increasing use of the workers productive form of cooperative is seen in the attempt to solve the problem of unemployment. To quote some figures from some countries—in Italy 2148 new industrial cooperatives were registered in 1979, bringing the total to over 18,800; in Britain from 20 in 1975 the figure has gone upto 700 in 1982. The Mondragon experience in the Basque region of Spain is well known to all—but what is evident is that the cooperatives have found a solution, even partially, to face up to the problem of unemployment.

Perhaps the Workshop would like to consider in this context the concept of the “Cluster Cooperative” as enunciated by Dr. Laidlaw in his “Cooperatives in 2000 AD”. This has reference mainly to the urban situation where a multi service type of cooperative could serve the diverse needs of the community—providing services and also employment.

The Workshop would like to consider what, if any, role should be played by the NCOO in this regard.

Another aspect that the NCOO could consider is that of

the role of research in the process of cooperative development. How could NCOO best develop their research capacity and how could the results of research be best utilised in influencing the growth of cooperatives.

It is hoped that the various issues raised in this note would facilitate in-depth discussions in the groups which would eventually help the Workshop to devise effective strategies to strengthen the NCOO for effective performance.

Discussion Groups

Group—I

- | | |
|-----------------------------|---------------|
| 1. Mrs. Benjawan Saadpak | --Thailand |
| 2. Mr. Taweewat Chareonsook | --Thailand |
| 3. Mr. Austin Fernando | --Sri Lanka |
| 4. Mr. Felix A. Borja | --Philippines |
| 5. Mr. Jung Bok Lee | --Korea |
| 6. Mr. Montri Pekanon | --Thailand |

Group—II

- | | |
|------------------------------|-------------|
| 1. Mrs. Thada Kiriratnikom | --Thailand |
| 2. Mr. Rajindran Narayansamy | --Malaysia |
| 3. Mr. Chern Bamrungwong | --Thailand |
| 4. Mr. Jaya Herat | --Sri Lanka |
| 5. Mr. Poong-Kyoo Park | --Korea |

Group—III

- | | |
|-----------------------------|-------------|
| 1. Mrs. Faridah Khalid | --Malaysia |
| 2. Mr. Narayan Bikram Shah | --Nepal |
| 3. Col. Wangchai Khao-Saard | --Thailand |
| 4. Mr. C.M.B. Bogollagama | --Sri Lanka |
| 5. Dr. R.C. Dwivedi | --India |
| 6. Mr. Prasong Staporn | --Thailand |

Report of Group-I

ROLE AND FUNCTIONS OF NATIONAL COOPERATIVE ORGANISATIONS

Chairman : Mr. Austin Fernando
Secretary : Mrs. Benjawan Saadprak
Members : Mr. Taweewat Chareonsook
 Mr. Felix A Borja
 Mr. Jung Bok Lee
 Mr. Montri Pekan

Role	Functions	Activities
1. Promotion of Cooperative ideology	i. Education and Information dissemination.	a. Usage of media b. Exhibitions
	ii. Development of Communication	c. Public meetings d. Observation of Cooperative Week
	iii. Member relationship development	e. Integration of Cooperation in school curriculum f. Women's activities, group consumer activities
2. Education	i. Member Education	a. Seminars
	ii. Cooperative personnel training	b. Workshops c. Observation tours
	iii. Potential member training	d. On the job training e. Training Courses in specialised subjects
	iv. Interested group training	f. Establishment of training institutes g. Curriculum development and methodologies of training h. Library Services

Role	Functions	Activities
3. Building up of expertise and appropriate technologies	i. Research and development services ii. Operation of a management expertise pool iii. Coordination of exchange of expertise and resources	a. Identification of the requirements of expertise and technologies. b. Maintenance and building up of up-to-date Cooperative data bank c. Regular/refresher training for experts d. Development of Management modules e. Preparation of a directory of experts, resources and material to be mobilized for the purpose
4. Overlooking and Supervision of Cooperative activities	i. Inspection ii. Maintaining and developing of a valid cooperative auditing system. iii. Involvement with the primary, regional level cooperative programme	a. Management auditing b. Financial auditing c. Cadre development of audit specialists d. Assistance in planning, implementation, reviewing etc. e. Recommending improvements to cooperative society activities
5. Leadership development	i. To develop Leadership at all levels	a. Identify target groups based on—abilities, willingness, interest, time and sincerity b. Design appropriate leadership training methodologies corresponding to the requirements of target groups c. Implementation and coordination of leadership activities d. Establishment of career service

Role	Functions	Activities
6. Supporter of the movement	<ul style="list-style-type: none"> i. Initiate policies of cooperatives ii. Provide legal services iii. Provide financial assistance subject to availability of funds iv. Provide resource personnel and material to cooperatives v. Represent and articulate interest with authorities regarding the cooperative movement. vi. Guidance to Cooperatives 	<ul style="list-style-type: none"> a. Establish a dialogue with proper authorities and follow-up. — Ministerial, Advisory Board, State Board etc. b. (i) Amendment of Laws to suit Coops-e.g. Taxation, Coop. Acts etc. (ii) Look after the interests of coops in courts c. Release funds depending on the feasibility of projects and collect repayment d. Identify the needs of coops. for resource personnel and materials, supply, coordinate and follow-up of the performance e. Lobby with the parliamentarians, govt. depts., and officials etc. and follow-up matters
7. Promotion and Coordination of International Trade	<ul style="list-style-type: none"> i. Establish international relationship among Coops for trade 	<ul style="list-style-type: none"> a. Collect trade information b. Take part in international trade fairs c. Train personnel to handle international trade
8. Development of Institutional/ Relations	<ul style="list-style-type: none"> i. Represent the movement in local and foreign fora 	<ul style="list-style-type: none"> a. Seminars, Workshops etc. b. Negotiations with agencies c. Coordinate and follow-up with relevant agencies

Report of Group-II

ROLE AND FUNCTIONS OF NATIONAL COOPERATIVE ORGANISATIONS

Chairman Mr. Jaya Herat
Secretary Mr. Rajindran Narayansamy
Members Mrs. Thada Kiriratnikom
Mr. Poong-Kyoo Park

The Group was of the opinion that the role of NCO is not to function only as a residual role. NCO should function as an initiator, planner and an activist. With this in view, the Group decided to identify the roles as follows

Role	Functions	Activities
1. To promote and develop cooperative movement	i. Propagate principles and practice of cooperation and generally to promote the establishment of cooperative institutions	a. Publicity by all means of mass-media. Emphasis on pre-member education b. To promote and carry out education and training activities at district, regional and national levels c. Establish National Cooperative Institutes d. Establish Training Centres in capital towns c. Encourage and plan activities leading to the gathering of local and foreign cooperative leaders or bodies to evolve mutual benefit.
	ii. Expand and strengthen NCO and its membership and to review from	a. Research and studies to establish a ready source of cooperative infor-

Role	Functions	Activities
2. To act as a spokesman and the national leader of the movement	<p>time to time the organisational structure to suit the changing needs of the cooperative movement</p> <p>i. Influence government thinking on matters affecting cooperation such as legislation and development projects</p>	<p>mation and statistics and constantly furnish the government and member societies information.</p> <p>b. Influencing government thinking on matters affecting cooperatives such as legislation and development projects</p> <p>a. To assume the task of interpreting government economic plans of the country and translating them into specific functions for member coops.</p> <p>b. To identify the needs of the movement, prepare a comprehensive plan of action for short term of say 5 years, set specific target achievements for each sector of cooperative development, effect periodic reviews, and undertake remedial measures in areas of shortcomings.</p> <p>c. Explaining government legislations and make this interpretation available for member cooperatives and arrange for feedback for assimilation and analysis . Liaise with the government on shortcomings and make available recommendations for improvement</p> <p>d. Fostering international</p>

Role	Functions	Activities
		cooperative relations and effecting international trade for the long run benefit for cooperative movement
		e. Leadership development to promote the managerial skills of cooperative personnel
	ii. To provide advisory and management services to affiliated societies	a. To study means and ways of merging smaller cooperatives into more economical and viable units
		b. To effect a Cooperative Personnel Commission to maintain a registry of employment; to contain and mobilise cooperative personnel and expertise
		c. To organise conferences and Congresses and utilise the occasion as a forum for evolution of ideas and plan of action for cooperative movement as a whole
		d. To undertake as an on-going procedure periodical reviews on training programmes, methods and feedback procedures and recommend on improvements
		e. To provide audit and legal services for lesser able societies
3. Development of Institutional Relationship	i. Establishment of linkages with agencies dealing with cooperatives whether local or international	a. Participation in conferences, local and international
		b. Ensure that a proper cross-section of co-

Role	Functions	Activities
		operative manpower resources are engaged in the process of training either locally or overseas and provide for a systematic flow for dissemination of ideas and reporting of the training programmes

Report of Group-III

ROLE AND FUNCTIONS OF NATIONAL COOPERATIVE ORGANISATIONS

<i>Chairman</i>	Mr. C.M.B. Bogollagama
<i>Secretary</i>	Mrs. Faridah Khalid
<i>Members</i>	Mr. Narayan Bikram Shah Col. Wangchai Khao-Saard Dr. R.C. Dwivedi Mr. Prasong Staporn

The objectives are as recommended in the report of the ICA Regional Seminar held in New Delhi in 1980 and endorsed as objectives of the National Cooperative Organisation (NCO). However, in considering these objectives it is accepted that in this region there are two types of apex organisations (i) the ideological type, and (ii) the sectoral type—both operating in the region for the attainment of these objectives. This group feels that they would continue to function as such in the future.

To attain these objectives both the ideological and sectoral organisations should play the following roles. Broadly they should be short-term and long-term roles.

Short-term Roles

1. To identify the needs of the movement in the respective country/sector.
2. To plan for action in accordance with the identified needs and keeping in view the long-term role.
3. To motivate the concerned institutions for action.
4. Implementation of action with target date.
5. Follow-up evaluation of results.

Long-term Roles

1. To plan and support the development of the movement as a whole.
2. To promote the building of necessary infrastructure with its long-term perspective.
3. To determine the directions of diversification of activities of the movement as a whole/as a sector.
4. To be the organisation to solicit recognition for the movement for its role by the government and other developmental agencies both national and international.

Functions

Broadly, the working group endorses in general the functions identified at the ICA Regional Seminar in New Delhi in 1980, categorising as follows. Keeping in view the above roles and objectives the NCO may perform the following functions:

- (1) Cooperative education
- (2) Cooperative training of employees
- (3) Promotional activities
- (4) Research
- (5) Member services
- (6) Publicity, Public Relations and Liaison
- (7) Spokesmanship and watchdog
- (8) International relations

Group-III identified the following activities under each function given above :

Cooperative Education

With the objective of building enlightened, loyal and confident membership, the following activities should be undertaken:

- (i) Formulation of membership education for various sectors of the movement at grass-root level.
- (ii) Production of required teaching aids and materials

- keeping in view the recipients of education.
- (iii) Arrange for training of education.
 - (iv) To undertake a special education programme for specified target groups.
 - (v) To undertake experimental projects in the field of education.
 - (vi) To evaluate the effectiveness of education programme.
 - (vii) To formulate an inbuilt financial channel for cooperative education.
 - (viii) To establish coordination with other adult education programme and mass-media.
 - (ix) To undertake special programme for the involvement of youth and women in cooperative activities.
 - (x) To recommend and follow-up the inclusion of cooperative education in the curricula of schools and higher education, including universities.
 - (xi) To broad-base membership from different segments of the community.
 - (xii) To build required facilities for responsible leadership.

Cooperative Training of Employees

It was revealed that while in some countries training courses have been formulated for all categories of employees while in others such training programmes do not cover all employees. The working group made the following suggestions :

- (i) The training needs of employees of various categories in all the sectors of the movement should be identified and assessed.
- (ii) NCO should take initiative to build the required infrastructure to all employees' training at various levels.
- (iii) Training institutions should develop a foundation course and sectoral short term and orientation courses.
- (iv) The NCO should take measures to prepare the necessary literature and teaching materials.

The group felt that all the courses should be job oriented and need oriented with due emphasis on practical training, attitude building, and NCO should ensure constant evaluation

of training programme.

The NCO should ensure development of the teaching faculty and staff in collaboration with teaching facilities available within and outside the country both within and outside the movement.

The NCO should motivate the member societies the value of the need of training programme for employees.

The NCO should ensure that member organisations develop training programmes and personnel in their own institution and provide the necessary funds in their annual budgets for the purpose.

Promotional Activities

Group-III feels that NCO should undertake the following promotional activities:

- (i) Sponsor diversified coop. organisation at various levels as part of the requirement.
- (ii) Organise a national congregation of representatives of coop. institutions, government financing institution etc. to review the progress of the movement, to identify its problems and make recommendations for accelerated development of cooperative movement as people's organisation.
- (iii) Promote inter-coop. relationship both vertically (sectorally) and horizontally (intersectoral).
- (iv) Undertake experimental field projects e.g. adoption of villages, demonstration of working coop. etc.
- (v) Motivate cooperatives to organise special drives for deposits and inculcate thrift habits.
- (vi) Formulate schemes to venture into non-traditional areas e.g. tourism, hotel management, health coop., school coop. etc.
- (vii) To provide services for preparation of projects.

Research

In order to support the development of the cooperative movement, and efficient functioning of individual coop. enter-

prises, intensive research work is essential. In view of this the group made the following suggestions :

- (i) NCO should set up a viable research wing within its framework, managed by competent personnel.
- (ii) It should coordinate with other regional organisations nationally and internationally.
- (iii) It should promote research in the cooperative training institutions and universities in regard to coop. problems.
- (iv) NCO should keep proper record of research work being undertaken by various organisations on coop. aspects.
- (v) In order to support the research work NCO should build library and documentation centre to serve all types of societies.
- (vi) Emphasis on research should be on areas and situations which have direct influence on coop. movement/-institution.

Member Services

In order to build the loyalty of its constituent members, NCOO are expected to offer continuous services to them. The group identifies the following activities for NCO in this context :

- (i) Liaison on behalf of members with government coop. organisation and other concerned agencies and institutions.
- (ii) To assist member organisations in solving their problems with relevant authorities.
- (iii) To provide market intelligence and relevant information and documents to member institutions.
- (iv) To arrange technical assistance and expertise required by member institution.
- (v) To provide consultancy services to members.
- (vi) To project achievements of member organisation through various mass media.
- (vii) To study the specific problems of member institutions as and when required.

- (viii) To carry out regular sectoral service of problematic areas and assist such member organisations to overcome such problems.

Publicity, Public Relations and Liaison

This group feels that the basic responsibility of NCO is to carry out publicity, public relations and liaison work on behalf of the movement in their respective countries so that the movement is properly and adequately projected. For this purpose the group suggests the following activities :

- (i) To make use of mass-media channels to carry out publicity activities.
- (ii) To set up unit to prepare such materials as necessary to feed mass media channels constantly to achieve the coop. purpose.
- (iii) NCO should organise press conferences, exhibitions and conduct tours for information of the press and publicity organisation.
- (iv) NCO should publish regular literature, information bulletin, journals, periodicals which should meet the requirements of cross section of people.
- (v) Periodical publicity posters conveying coop. concepts and values.
- (vi) To establish liaison with government and other organisations.
- (vii) Coop. week should be more attractively organised with comprehensive planning and well defined approach so that it achieves the purpose.
- (viii) NCO should have regular publicity meetings.
- (ix) NCO should project dedicated cooperators at various levels and impress upon the government in the respective countries to give them national recognition by way of titles, medals, etc. etc.
- (x) The NCO should encourage feature and documentary films with coop. themes. Such films may be produced by NCO themselves or in collaboration with other enterprises and ICA.
- (xi) NCO should maintain National Film Library for bene-

lit of member societies.

- (xii) NCO should also develop the necessary facilities for producing film strips, slides and T.V. Cassettes, silk screen, flip charts, flannelgraphs, etc.
- (xiii) Trade fairs of coop. products should be organised at various levels to introduce and to popularise the coop. products.
- (xiv) NCO should promote trade fairs and exhibitions at national level at least once a year.
- (xv) The NCO should encourage member societies to participate in exhibition and trade fairs organised by government and other public institutions.

Spokesmanship and Watchdog

This group feels that NCO should be an effective spokesman and watchdog in their country. For this purpose the following activities should be undertaken by NCO :

- (i) The NCO should be vigilant about aspects and new conditions arising within its country affecting the coop. system as a whole or any sector thereof.
- (ii) The NCO should prepare the necessary documents and memoranda to represent the movement or a specific sector on any issue affecting growth/working.
- (iii) The NCO should have a parliamentary cell to constantly feed the legislators on the importance of the coop. movement/sector in the national life and constantly press for the acceptance of coop. system for the economic and social development of the nation.
- (iv) NCO should take initiative to organise parliamentary forum consisting of legislators having interest in coop. ideology and movement.
- (v) NCO should organise consultative and advisory body and impress on the Ministry of Coop. to take advice and consult on such matters concerning coops. at ministerial level.
- (vi) NCO should set up general liaison unit for activities of coop. with other organisations and institutions.

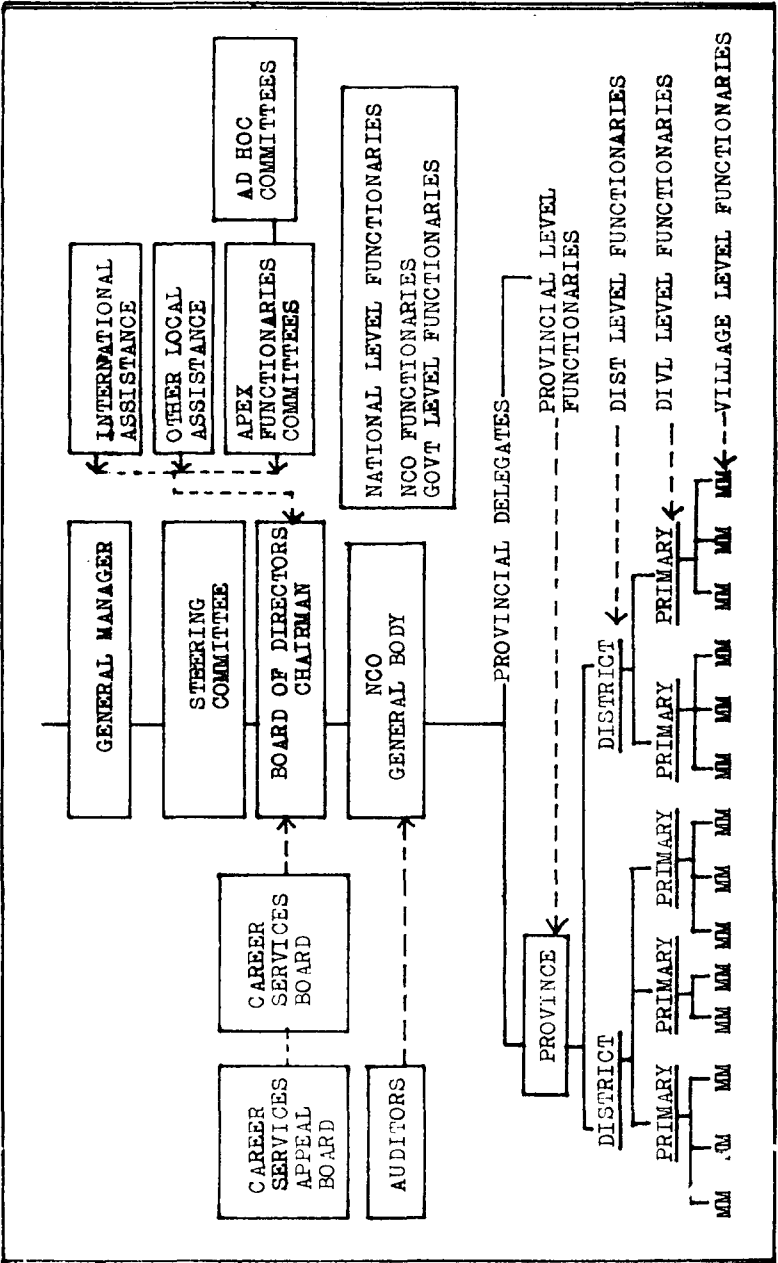
International Relations:

- (i) This Group feels the NCO should maintain constant and effective relations with such organisations as ICA, SCC, IDACA and U.N. specialised agencies in their respective areas and as to avail of the available facilities/programmes for strengthening the national movement.
- (ii) There should be constant inter-action and exchange of literature and experiences of national organisations within the region as well as outside.
- (iii) NCO should sponsor good-will delegations of co-operators particularly to countries of the region. While the cost of such visits may be paid by the respective movement the local hospitality should be extended by host country.
- (iv) Reciprocal exchange of material and knowledge should also be arranged by NCO within the region periodically.
- (v) Priorities in each country should be studied by the national organisation on the basis of the above recommendation and the national organisation should give effect to such actions as are desired in the context of the country concerned.

Report of Group-I

STRUCTURE AND ORGANISATION OF NATIONAL COOPERATIVE ORGANISATIONS

PROMOTION DEPARTMENT	<ul style="list-style-type: none">• INFORMATION & PUBLISHING SECTION• PUBLIC RELATIONS SECTION• PARLIAMENTARY DESK• MEMBER PARTICIPATION SECTION
EDUCATION DEPARTMENT	<ul style="list-style-type: none">• EDUCATION, CURRICULUM DEVELOPMENT & TRAINING INSTITUTE SECTION• LIBRARY SECTION
RESEARCH AND DEVELOPMENT DEPARTMENT	<ul style="list-style-type: none">• RESEARCH SECTION• PLANNING/DEVELOPMENT SECTION• DATA BANK SECTION• EVALUATION SECTION
AUDIT DEPT	<ul style="list-style-type: none">• AUDIT SECTION
SUPERVISION DEPARTMENT	<ul style="list-style-type: none">• LEGAL SERVICES SECTION• COOPERATIVE ACCOUNTS UNIT• PROVINCIAL ORGANISATIONS SECTION
TRADE PROMOTION DEPT	<ul style="list-style-type: none">• INTERNAL TRADE SECTION• EXTERNAL TRADE SECTION
COOPERATIVE RELATIONS DEPT	<ul style="list-style-type: none">• LOCAL COOP RELATIONS SECTION• FOREIGN COOP RELATIONS SECTION
GENERAL ADMINISTRATION DEPARTMENT	<ul style="list-style-type: none">• SECRETARIAL SECTION• GENERAL ADMINISTRATION SECTION• PERSONNEL SECTION• ACCOUNTS SECTION
COOP FUND ADMIN DEPT	<ul style="list-style-type: none">• COOP FUND ADMINISTRATION SECTION• GRANTS AND AIDS SECTION
COOPERATIVE PERSONNEL DEPT	<ul style="list-style-type: none">• CAREER SERVICES UNIT
SPECIAL PROJECTS DEPARTMENT	<ul style="list-style-type: none">• AGRICULTURAL SECTION• INDUSTRIAL SECTION• OTHER TYPE COOPERATIVE SECTION



Report of Group II

STRUCTURE AND ORGANISATION OF NATIONAL COOPERATIVE ORGANISATIONS

<i>Chairman</i>	-- Mr. Jaya Herat
<i>Secretary</i>	-- Mr. Rajindran Narayansamy
<i>Members</i>	-- Mrs. Thada Kiriratnikom
	-- Mr. Poong-Kyoo Park

The Group reviewed the situations obtaining in the various countries in the Region and decided to recommend the follow-up to strengthen the effectiveness of NCO.

It was of the view that the NCO should be fully representative and be the effective voice of the Cooperative Movement in the country. In this context it was decided that the Board of the NCO should consist only of representatives of the movement from all levels. To achieve this objective it was felt that the NCO should hold a Congress immediately preceding their General Meeting. The delegates to this Congress should be the representatives elected at the local levels of the NCO. This Congress should be the forum at which all the representatives could highlight the difficulties, failures and problems faced in the whole country during the year.

The General Meeting should follow the discussions at the Congress to elect the Board of Directors. The Directorate should be fully representative of the Movement at all levels. The Group was of the opinion that from this point onwards the Internal Structure of NCO should be left to the individual countries to formulate according to their own needs.

The Group was also of the opinion that all NCOO should have at least District or Regional level offices to propagate the NCO policies at District or Regional levels. The District or Regional levels will select the representatives to attend the Congress suggested by us prior to the General Meeting.

The staff to be recruited to the NCO should be cooperative minded besides having the ability, willingness, time and sincerity

to give off their best to the Movement. The staff so selected should be put through a comprehensive training programmes at District, Regional and National level. The NCO should also arrange to involve at least a good cross-section of the members involved in the Movement in their training programmes. The NCO should constantly review the progress or otherwise of these training programmes and make the necessary adjustments as and when necessary.

There should be a constant two way dialogue and communication between the affiliates and the NCO.

Report of Group-III

STRUCTURE AND ORGANISATION OF NATIONAL COOP. ORGANISATIONS

<i>Chairman</i>	—	Mr. C.M.B. Bogollagama
<i>Secretary</i>	—	Mrs. Faridah Khalid
<i>Members</i>	—	Col. Wangchai Khao-Saard Dr. R.C. Dwivedi Mr. Prasong Staporn

Structural Organisation for NCO

The group analysed the subject and categorised it under two main headings :

- (i) External Structure
- (ii) Internal Structure

(i) External Structure

In considering the external structure it was felt that its composition much depended in each country on geographical and other factors. However, it was felt that for the proper operation of the National Cooperative Organisation its external structure should be so composed so as to effectively implement the various activities envisaged for NCOO to reach right up to the base level membership. Therefore, it should be left to each country to formulate its own method of approach.

(ii) Internal Structure

Internal Structure under a chief executive officer may be categorised as scheduled below:

EDUCATION

- (1) Member Education
- (2) Training of Employees
- (3) Production of teaching materials
- (4) Special education programmes
- (5) Experimental education projects
- (6) Adult education programme and mass-media
- (7) Youth and Women Education
- (8) Curriculam formation
- (9) Leadership education
- (10) Evaluation of programmes

PROMOTIONAL

- (1) Sponsoring of diversified coop. organisations at all levels.
- (2) Organise congregation of representatives, government institutions
- (3) Promote inter-coop relations
- (4) Undertake experimental field projects.
- (5) Motivate special drives for deposits, etc.
- (6) Formulate schemes to venture into non-traditional or new areas
- (7) Provide services for preparation of projects.

RESEARCH & DOCUMENTATION

- (1) Coordinate with regional organisation, nationally and internationally
- (2) Research in coop. training institution, universities, etc.
- (3) Maintain library services
- (4) Maintain documents and data

MEMBER SERVICES

- (1) Consultancy
- (2) Liaison on behalf of member organisations with government and other agencies
- (3) Provide assistance to member organisations in solving problems

- (4) Provide market intelligence and other relevant information
- (5) Arrange technical assistance and expertise to member institutions
- (6) Project achievements of member organisations through mass-media
- (7) Study specific problems of member institutions
- (8) Carry out regular sectoral services

PUBLICITY, PUBLIC RELATIONS LIAISON:

- (1) Prepare material and carry out mass-media publicity
- (2) Organise press conferences, exhibitions and information for press and mass-media organisation
- (3) Publish literature, bulletins, periodicals, etc.
- (4) Establish relations with government and other organisations
- (5) Organise coop week attractively at national and other levels
- (6) Organise publicity meetings
- (7) Project dedicated cooperators for national recognition
- (8) Prepare and encourage feature and documentary films
- (9) Maintain film and other publicity library
- (10) Organise cooperative trade fairs
- (11) Encourage member organisations to participate in trade fairs of other organisations in their local areas.

INTERNATIONAL RELATIONS :

- (1) Maintain constant and effective relations with ICA, SCC, IDACA, etc.
- (2) Maintain constant inter-action and exchange of literature and experiences within the region and outside
- (3) Sponsor good-will delegations within the region
- (4) Organise reciprocal exchange of knowledge and materials within the region

ADMINISTRATION:

- (1) Personnel Management
- (2) Staff Management
- (3) Finance

- (4) Accounts
- (5) Secretariat and board matters

Notes for observations:

- (1) Each division should be headed by a competent person qualified in the respective fields with a cooperative background.
- (2) Wherever possible experiences in the coop. service should be considered
- (3) Remuneration should be attractive with other benefits to attract the best available talent in the country
- (4) NCO should have a pool of competent persons to supplement staff drawn from universities and institutes of higher and professional education.
- (5) Promotions should be as far as possible considered on performance and achievements and not merely on seniority.

Report of Group-I

FUNDS

Mr. Austin Fernando
 Mrs. Benjawan Saadpak
 Mr. Taweewat Chareonsook
 Mr. Felix A. Borja
 Mr. Jung Bok Lee
 Mr. Montri Pekan
 Mr. Jaya Herat
 Mr. Rajindran Narayansamy
 Mr. Chern Bamrungwong

Fund Source	Nature	Method of Administration
A. Subscription/ Member Fees	a. Annual Dues b. Per capita assessment	District/Provincial/ Regional/NCO Remit percentage-wise to the next higher level organisation
B. Cooperative Fund	a. % of net profit b. % of the volume of business c. Registration fees d. Others	-do-
C. Donations and Grants	a. Grants/Aids from Coops., Government, Foundations and International Agencies b. Receipts from International Agencies for specific projects c. Private non-govern- mental organisations	NCO NCO With approval of Government—NCO
D. Income from Operations	a. Audit levy b. Trade Commission c. Consultancy services	Direct billing -do- -do-

Fund Source	Nature	Method of Administration
	d. Contractual services	Direct billing
	e. Publication fees	-do-
	f. Training fees	-do-
	g. Rentals	-do-
	[(a) to (e) rates will be nominal]	
E. Fund drives	a. Raffles	
	b. Lotteries	
	c. Benefit shows	
	d. Fund raising weeks (e.g. sale of flags, Cooperative week) etc.	
F. Income from: Special Fund	a. A certain % of all incomes shall be constituted into a Trust Fund. Only the interest of such fund shall be used for operations	Centrally administered by NCO
	b. The government may be requested to establish a Trust Fund for Co- operative Development	Registered under the name of the NCO by the Ministry and managed jointly by the govern- ment and NCO
	c. Financially stable coops organisation to create a special Trust Fund to assist the NCO and its affiliates	Managed by the contributors

Report of Group-II

FUNDS

Mr. C.M.B. Bogollagama
Mrs. Faridah Khalid
Col. Wangchai Khao-Saard
Dr. R.C. Dwivedi
Mr. Prasong Staporn
Mrs. Thada Kiriratnikom
Mr. Poong-Kyoo Park

Finance :

1. The existing system of finance
2. New fields of consideration
3. Apex organisation
4. Ad-hoc funding
5. International funding

1. The existing system of finance

In this region the following are the established sources through which NCOO are funded:

- (i) annual subscriptions
- (ii) statutory levies (India, Sri Lanka, Thailand)
- (iii) government grants (India)
- (iv) donations from movements and allied agencies
(Thailand, India, Sri Lanka, Malaysia)

In respect of Korea it was learnt that the Korean federations build up their own funds from their commercial and business activities. It was also learnt that although statutory provision is available still there are cases where the response to pay is not satisfactory. However, the group feels that at least for a few

more years this system should continue but it should be strengthened. In some countries it was observed that the reluctance to pay was sometimes on the plea of unsatisfactory services by the NCOO. This group felt that NCOO should ensure better relations and services with the member organisations and build in a sense of trust and confidence in the NCO to enable the collection of dues to be more satisfactory.

It was the view of this group that the NCOO should be so strengthened so as to enable direct contributions by member organisations. Towards strengthening the existing system the following recommendations are suggested:

1. NCO to provide better and effective services.
2. Establish close relations with member organisations.
3. Stress on allied agencies like coop banks and commercial apex societies to make donations towards NCO activities.

The group recommends that the Levy Fund be transferred to the NCOO.

2. New Fields of Consideration

1. As cooperative education is aimed at adult education and community development, it is felt that the government should make annually a substantial contribution towards NCOO education programmes from their central fund. Particularly we recommend this as an educated and an understanding population would be useful for good government.

2. The present basis of calculating the levy on the profit should be changed to one of turnover.

3. In countries where there are no annual members' subscription system prevailing, the NCOO should consider the imposition of an annual member subscription system. This may be varied to different types of societies.

4. The NCO should provide all societies eligible to become members to enrol themselves in the NCOO membership and thereby become contributory organisations. This will give a truly representative character to the NCOO.

5. NCOO with relevant authorities should consider the imposition of annual contribution on membership basis.

6. The NCOO should consider raising trust fund or corpus fund with special contribution from members and donor agencies/ government through which sufficient interest could be earned annually as a permanent source of income.

3. Apex Organisation

The national level apex organisation should make generous contributions annually towards activities of NCOO. The group is of the view that education and other development programme carried on for the general member as a whole ultimately results in the growth of apex organisation, as such the apex organisations which are mostly business organisations of national level should bear a substantial portion of such expenditure of the NCO.

4. Ad-hoc Funding

NCOO should have schemes for ad-hoc funding for specific purposes. For this purpose the group suggests the following:

1. Organisation of a regular flag week to coincide with coop. week, where such is possible or a special fund raising week.
2. Building programmes on voluntary contributions of area members.
3. Within the region affluent national organisations should help the needy NCOO to collect funds for specific projects in those countries.

5. International Funding

Special projects and development scheme should be studied by NCOO and funds for such schemes should be sought from international agencies such as U.N. agencies, ILO. WHO etc. through the involvement of ICA.

Creation of Regional Cooperative Development Fund from which the needy NCOO could borrow money on repayable basis or capital expenditure on development. The contribution to this fund can be from wealthy cooperative organisations all over the world. ICA can formulate the scheme for the management of such a fund.

Report of Group-I

SPECIAL AREAS OF EMPHASIS

Mr. Austin Fernando
Mrs. Benjawan Saadpak
Mr. Taweewat Chareonsook
Mr. Felix A. Borja
Mr. Jung Bok Lee
Mr. Montri Pekan
Mr. Jaya Herat
Mr. Rajindran Narayansamy
Mr. Chern Bamrungwong

Active participation in four sectors was considered essential for future perspective in the movement, so that the NCOO and the allied institutions could be successful. The areas were:

- (a) How poverty could be combated?
- (b) How to enhance women's participation?
- (c) How to involve the youth?
- (d) How to create employment opportunities?

The Poor

Challenge:

The group identified that the main challenge is to improve the condition of the poor. Identification of the poor was on the poverty line which changed from country to country. Anyhow, the group felt that even though the standards change from environment to environment the basic problems were the same.

Problems:

- (1) Limitation of resources/exploitation.

- (2) Lack of opportunities of employment and self employment.
- (3) Whether the need has been identified as the target groups.
- (4) Lack of institutional support.
- (5) Lack of education and training
- (6) Lack of proper planning and implementation by bureaucracies.

NCO Action

1.1 Highlight the problems of the poor with the appropriate authorities e.g. Philippines.

1.2 Representing development programmes for the poor, vertically and horizontally, e.g.

- (a) small farmer projects
- (b) credit facility, extension work with Banks etc.

1.3 Coordination of activities to develop the resource base.

2. Encouraging societies to undertake training programmes for employment and self employment of the members and the families.

3. NCO could study the policy changes affecting the poor.

4.1 NCO has to facilitate the formation of institutions to enable the poor to be eligible to receive institutional services.

4.2 Liaison with the national planning commission e.g. Philippines.

5. Coordination of training programmes with appropriate government agencies.

6.1 Explore possibility to maximize participation in national and sub-national planning.

6.2 Development of corporate organisations through sub-level agencies of the NCO for cooperative effort e.g. FELDA of Malaysia.

Women

Challenge:

Enhancing women's participation in cooperative activities has become very important as about 50% of the population in the regional countries consists of women.

Problems:

- (i) Social inhibitions
- (ii) Lack of participation and the role played in leadership in cooperatives.

NCO Action

1.1 Educate female membership and attract them to the co-operative movement.

1.2 Efforts should be made to gradually eliminate any extra legal barriers which hinder the maximum participation of women.

2.1 To assist in the organisation of women's committees at all levels.

- (a) Consumer education
- (b) Nutrition and health
- (c) Credit and thrift
- (d) Income generating activities

2.2 Equal participation should be encouraged wherever cultural or traditional practices do not hinder. Any legal restriction should be removed.

Youth*Challenge:*

The youth have come to a stage of revolt due to various reasons. The challenge to the NCO is to get the involvement of the youth in the cooperative sector.

Problems:

(1) Legal barriers e.g. in the Philippines where visible income qualification is required to join the coops. in Thailand age limit is 20 years.

(2) Liability problem regarding business activity. e.g. Unlimited liability versus limited liability in Sri Lanka Credit Movement in certain cases.

(3) Lack of materials for curriculum development to teach

youths regarding cooperation.

(4) Lack of employment generation activity in the Coops which do not attract the youth to participate in the cooperative system as they feel that the system does not serve any purpose to their benefit.

NCO Action

1. Move into legal reforms to suit the requirement.
2. Propagate the idea of group liability as a compromise.
 - 3.1 Hold workshops and seminars to develop curriculum materials.
 - 3.2 Train personnel to teach cooperation, specially to cover school drop-outs.
 - 3.3 Utilize the existing institution to fit in within the said institution in a cooperative way.
 - 3.4 NCO should solicit government assistance for education programmes as they are shouldering a part of the responsibility of other agencies.
 - 4.1 Educate the societies in the vertical integration process to increased employment opportunities.
 - 4.2 Organise training programmes to develop skills.
 - 4.3 Organise livelihood programme e.g. Philippines.

Unemployment

Challenge:

This area of activity is very delicate. It has the roots of almost all the evils as its circles in a vicious manner. Two main challenges were identified viz.

- (i) To sustain and develop employment standard as against the competitive economic situation.
- (ii) Expansion of economic activities to generate more employment.

Problems:

1. Changes in government policies.

2. Financial problems faced by NCOO and allied agencies.
3. Shortage of other factors of production.

NCO Action

1. NCO has to lobby to influence the government.
2. To coordinate building of funds, to assist employment generating activities.
 - 3.1 Organisation of cooperative way of production process within a given situation.
 - 3.2 Utilize the trade department of NCOO to find markets.
 - 3.3 Undertake consultancies for projects in the coop. sector by the Project Department and assist the subsidiaries.
 - 3.4 Undertake organisation of successful private enterprises in the cooperative way after careful examination.
 - 3.5 Coordinated technological assistance to develop production processes (Labour and methods of production).

Report of Group-II

SPECIAL AREAS OF EMPHASIS

Mr. C.M.B. Bogollagama
Mrs. Faridah Khalid
Col. Wangchai Khao-Saard
Dr. R.C. Dwivedi
Mr. Prasong Staporn
Mrs. Thada Kiriratnikom
Mr. Poong-Kyoo Park

The group considered for the NCOO to take initiative for organising cooperative action for solving some of the problems of the following target groups.

The Poor

It has been noted that poverty in the sense of inadequate income to provide for basic necessities of life exists in all countries in the region represented in the workshop. As the group understands the basic necessities of a person are food, clothing and shelter. To meet this situation the most essential requirement is the provision of avenues for the economic development of such persons.

In considering this aspect it was felt that the following approaches had to be considered depending on the local condition of each country.

- (i) attitude towards life;
- (ii) motivation of such persons into activity;
- (iii) exploration of areas of possible employment.

Primarily coop actions in these areas might to some extent improve the situation. The group is of the view that the main role of NCOO in this field would be to build the necessary

environment and development of supporting activities through existing or new institutions. In the field of existing institutions the group feels the existing credit societies at primary level and levels where such society exists or other types of small primary societies should be the coop media which should be motivated. In motivating these primaries for this type of activity it has to be stressed on them that this is a scheme of non-member community development activity for the general welfare of areas concerned.

Action Programme for the Primary

The NCO should guide the primaries to take the following actions for the implementation of the programme.

- (i) Survey of the area for (a) identification of beneficiaries, (b) potentialities of development of skills and additional income generating activities.
- (ii) Explore the areas of employment as suited to various groups.
- (iii) To feed the primaries with information and schemes sponsored by the government for the benefit of such class of people.
- (iv) To function as catalytic agent to support the primaries.
- (v) Constant follow-up and evaluation of the progress.

Women's Activities

I. The group feels that the involvement of women in cooperative activities is beneficial to the institutions in several ways.

- (a) A better patronage for consumer societies.
 - (b) Better relationships with the membership thereby improve the activities and economic conditions of the society.
- II. Socially the involvement of women helps:
- (a) Healthy family
 - (b) Proper care of children
 - (c) Raising the economic standard of the family.
 - (d) Building up the concept of savings and thrift
 - (e) Elevation of cultural and customary habits.

In order to achieve the above objects the following activities are suggested:

- (1) Formation of women's group in every society.
- (2) Special legal recognition of such groups in the existing laws and bye-laws.
- (3) Representation of women in management committees and other representative bodies.
- (4) Education of women in the objectives above mentioned.
- (5) Organise income generating activities.
- (6) Organise with the cooperation of other authorities, education on health, family care, nutrition, etc.
- (7) Organise nursery education.
- (8) Organise cultural activities and other activities relating to community development as a whole.

The view of the group is that as these activities are aimed at building a society, socially and economically sound, the primaries concerned must provide sufficient attention and a certain amount of fund to generate and promote these activities in their normal budgetary provision. Further, the primaries should be directed to obtain assistance in the way of personnel and funds from government and other social service organisations within and outside the country. The NCO should be the guiding agency for the implementation of these schemes through the member organisation, both at apex, secondary and primary levels.

The working group noted and appreciated the achievement of women's project in Sri Lanka and Thailand and recommends that in view of their encouraging results, similar projects and activities should be multiplied and initiated in countries where such activities are non-existing.

Youth and Unemployment

The group felt that as these two matters are closely inter-related, they were considered together.

In considering the above subject in countries represented in the group, youth problems and unemployment appear to be

similar but in varying degrees. Categorically these can be considered under :

- (a) educated youths
- (b) under-educated youths
- (c) unemployed youths

Therefore the programme has to be so organised so as to involve these sectors through coop activities. In this respect the NCOO should formulate schemes to be worked through the primary and secondary societies involving such organisations as government Youth Affairs Ministry and labour organisations. Some of the activities which can be suggested to the societies are as follows :

- (1) Organise youth activities sections in the society e.g. sports, youth clubs, youth camps, study circles, youth forum etc. with the necessary required facilities.
- (2) Organise vocational training schemes to develop skills among youths.
- (3) Development of dignities in various kinds of occupation at village levels by means of education and modern techniques adoptable to such occupations which as it exists now has no dignity.
- (4) Organise voluntary development activities involving youths to promote rural activities with a view to provide living.
- (5) To promote the establishment of factories, industrial project, large scale and small scale projects in rural areas by persuading coop and private organisations.
- (6) To combine coop youth activities with governmental youth organisations in such matters as are adoptable.
- (7) To organise involvement of universities and higher education institutions in carrying out special youth development programme at village level.
- (8) To organise youth groups to participate in religious and cultural activities at village level.
- (9) To educate youths on evils of drug and other evil habits through seminars, film shows etc. with the involvement of persons of higher stature.

- (10) Organise persuasion methods to involve school leavers with coop inclinations to join village level coop organisations with a view to develop them to take responsibilities in their respective village level and other organisations.

With a view to developing youth talents, independence and youth leadership it is desired that at least some of these activities should be organised through Youth Affairs Committee representing various groups of youth in the area concerned.

Funding

In NCO should impress on the member organisations the need for this type of activity as schemes of welfare and community development which create response from this sector of the community. Therefore the group feels that the NCOO should stress on the member organisations the necessity to allocate a separate fund to initiate action. It may be possible thereafter to get at least a portion of such expenditure by way of membership donation etc. once the realisation is created in the groups themselves.

Assistance would also be sought from government departments and social service organisations involved in youth affairs. The group also feels that while NCO itself has specific officer attached to this function the member organisations themselves should allocate this function as a continuing activity to one in the staff.

NCOO should organise youth exchange programmes within the region. NCOO in the region should constantly exchange their experiences and achievements in regard to the above area.

Country Action Programmes

Proposed Follow-up of Workshop Recommendations

1. National Cooperative Union of India (NCUI) agrees in principle on the recommendations of the Workshop. However, their implementation would depend upon the decisions to be taken by the management.

2. The Workshop recommendations will be placed before the Governing Council/Executive Committee for their consideration at the earliest.

3. NCUI is already performing most of the questions/activities enumerated by the Workshop except audit, supervision and consultancy. The recommendations regarding these functions are already under the consideration of the Union. However, this would require acceptance by the Government and changes in the Law.

4. The administrative/operational pattern of NCUI Secretariat is broadly on the pattern suggested by the Workshop. However, it may be reorganised to build a few more divisions. A Co-ordination Cell for international trade has already been approved by the Governing Council and the proposal has been submitted to the Government of India, as they may finance the Cell.

Action Programme

As described in our background paper, Korea's Cooperative Federations are organised to increase agricultural/fisheries productivity, to improve the social and economic status of members and to assure the balanced development of national economy under the relevant law such as Agricultural Cooperative Law, Fisheries Cooperative Law. In pursuance of this objective since its founding our Federations have undertaken such various services and business activities as guidance, purchasing, marketing and sale, foreign trade, public information, research-survey, international banking, credit and banking, foreign loan and mutual insurance. As a result, these service and business activities have made a considerable contribution to the improved living standard of those engaging in the agriculture and fisheries industries and ensuing growth in the national economy.

But our federations have some organizational problems. That is (1) complexity of business activities and its organizational expansion, (2) management inefficiency in business activities, (3) Conflict between highly centralized cooperative operation and democratic function. Therefore, it may be pointed out that our Federation is the highly centralized federation with multipurpose cooperative business activities. The merits and demerits of this organizational system in connection with cooperative movement may be as follows :

(a) Merits

- (1) Immediate effort on the implementation of development programmes mainly due to the strong centralization of cooperative operation.
- (2) Easy and smooth coordination among different business activities due to one multipurpose organization.
- (3) Ready and effective development agency for which

government development efforts are easily diffused.

(b) **Demerits**

- (1) Complexity of various cooperative business activities and too much organizational expansion.
- (2) Inefficiency of different business management due to the balancing factor between profit and loss business.
- (3) High centralization of cooperative operation and weak democratic management.

For the purpose of improving the present problems in the line of cooperative movement in Korea, it may be suggested that Federation has to devote its effects to strengthen member cooperative organisations in every aspects. To improve the federation organisation, we would like to mention as follows :

- (1) Federation may be divided into several functional federation at national level, specializing its functions.
- (2) The present provincial branch offices of federation may absorb primary cooperatives as member cooperatives and as apex federation at provincial level. Therefore, we will suggest blue print of our federation for more action.

The Federation and member cooperatives are combined to devote much effort to achieve their basic target for establishment of high-income and well being rural and fishing community through cooperation.

In 1980s priority of tasks and direction of Korea's cooperative federation may be described as follows :

- (1) Enhancing close relationship between cooperative and its members :
 - (a) administration of cooperatives on basis of its member opinion.
 - (b) vitalization and consolidation of cooperative organization;
 - (c) intensification of cooperative education for members.

- (d) establishment of service posture for member co-operatives.
- (2) Increase of income and welfare enhancement for members:
- (a) smooth supply of fund;
 - (b) improvement of products, technique and its marketing system;
 - (c) development of various income sources;
 - (d) improvement of living standard and development of welfare activities.
- (3) Improvement of competitive capacity according to change of management circumstances :
- (a) reducing cost in business activities;
 - (b) intensification of public relations activities;
 - (c) modernization of facilities and equipment and improvement of service.
- (4) Vitalization and Consolidation of administration basis on successful management such as, fostering self-reliance of cooperative, earlier fixation of two-tier organization for management efficiency, establishing responsibility, management system and efficiency of manpower management.

Action Programme

COOPERATIVE UNION OF MALAYSIA (CUM)

We have reviewed the proceedings in this Workshop and have basically identified the General Objectives of the movements as : To determine, develop and establish a clearly defined policy for CUM and to identify its priority in restructuring and gearing the progress of the movement under the overall umbrella of ANGKASA

To achieve the above objectives we would like to see emphasis in three areas of the structure of the movement.

Planning :

A planned programme for the Movement will be necessary to witness progress and in this context we wish to see the following being undertaken by the planning committee as its executive function :

- (i) To expand and strengthen the movement's membership and to recognise the organisational structure to suit and fulfil its present strategy and future objectives. In this direction, if the need so arises, reviews and amendment to the Constitution of CUM is to be effected.

One key area we recognise is the stressed need to improve the relations and a two-way communication with the regional union of the movement. To do this we wish to see the organising of dialogue sessions as an ongoing procedure. We also would like to see the executive committee meeting being held in the regions of the movement.

- (ii) We would also like to witness the increase in communication within and outside the movement through circular letters. We have members in the editorial board of ANGKASA and intend to follow-up and send CUM articles to ANGKASA for publication in their periodi-

cal called "PELANCAR".

A key area in this respect too, would be to reactivate the publication of the Malaysian Co-operator. The need to establish a full time secretariat also falls in line with an organised planning with the Cooperative Bank agreeing to provide finance for the organisation, a positive move can be made.

The task of interpreting and implementing the Five Year Plan and the translation of specific function to fulfil the overall objective of the movement will again underscore the responsibility of the movement.

Education :

We recognise the importance of a planned education programme to develop and impart a thorough understanding of the concepts and functions of cooperatives and in so doing evolve a pool of cooperative professionals entrusted with the responsibility of upholding the organisation of better cooperatives for the future.

We would like to see the following responsibilities entrusted under the function.:

- (i) To promote and organise seminars and other training programmes at district, state, regional and national levels.
- (ii) To inspire, encourage and assist cooperatives at all levels to place importance and undertake regular educational programmes for their members.
- (iii) To form a corp of educationists comprising both professionals and experienced cooperators in lending their expertise to forums, seminars and training programmes to be organised and convened by the committee.
- (iv) To establish training venues in capital towns to conduct regular training programmes.
- (v) To establish a ready source of cooperative information and statistics and constantly furnish both Government and the public with progress statements.
- (vi) To prepare, compile and print materials of usefulness and relevance to cooperatives in their management, training,

development and investment needs in liaison with subordinate committees.

- (vii) To undertake as an ongoing procedure, periodical reviews on training programmes, methods, educational aids and recommend for adoption, new innovations in the field.

Finance

Finance is an area which we keenly feel should increase and a review of the subscription structure as recommended in this Workshop will be considered critically for adoption.

Useful discussion at this Workshop and the recommendations made there too will be tabled before the finance committee. We have to stress however that due to the present staffing problem income on operations will have to be considered as a long term project.

Action Programme

As there is no NCO in Nepal at the moment, action programmes will be drawn only after the creation of the apex organisation keeping in view the recommendations of this Workshop. I have no doubt that the findings and suggestions made by this Workshops will be of immense help to us in formulating our plan to organise NCO in the future.

Our Government have given serious thought to organise a National Cooperative Federation. So Nepal's participation in the Workshop at this moment, I should say, is really very useful for the proposed NCO.

Action Programme

OBJECTIVES

In the light of the foregoing basic philosophy and approach, the objectives of the Plan are briefly stated below:

1. **General Objectives** : To further institutionalize the Co-operative Movement in the Philippines as a cohesive and dynamic vehicle for the economic and social advancement of the people. CUP achieved national unity during the year 1980 and international recognition in 1981. CUP continues to seek to strengthen national unity among cooperatives by investing substance to the various institutional linkages now developed within the Movement and in the international community in order to further accelerate the growth and development of cooperatives on a balanced and self-sustaining basis in cooperation, coordination and collaboration with the Government.

2. **Specific Objectives** : To achieve the foregoing objectives, the activities of CUP are geared towards the attainment of the following objectives, having in mind the policy directions of Government.

2.1 *Policy Initiatives*: On the basis of the needs and aspirations of cooperatives and after due consideration of the results of researches and studies, CUP recommends to Government and the private sector the adoption of such policies as are calculated to accelerate the development of cooperatives and provide a better climate for their continued growth and progress.

2.2 *Institutionalization of strong Education and Training System*. To help assure the growth and development of quality cooperatives, the CUP shall endeavour to evolve, in collaboration with the Government and private organizations a viable education and training for the Cooperative Movement and to include the development of curricula, syllabi, education and training institutions, and introduction of cooperatives in

the educational system of the country. For the government, the principal thrust of the education and training efforts of CUP shall be the development of its membership, in order to strengthen their corporate and operational capabilities.

2.3 Maintenance and Preservation of the Integrity of the Financial Operations of Cooperatives. To help assure the business-like operations of cooperatives so that they may be better able to take their rightful place in the national economy, a system of auditing, on a regular basis, the accounts of cooperatives is being established in cooperation with the Ministry of Agriculture and the BCOD. Such a system includes the establishment of an Integrated Cooperative Audit System (INCAS) complemented by a Cooperative Accounting and Book keeping Service, to help preserve and maintain the integrity of the financial operations of cooperatives and further develop public confidence in their business activities.

2.4 Development of Institutional Relations: To enable CUP to be of further help to all cooperatives, it is establishing links with all organizations, government and private, and local and international which are engaged in cooperative development and which have objectives similar to its own; and develop suitable working relationships with all of them.

2.5 Public Information : In order to keep the public abreast of cooperative developments, CUP endeavours to keep it informed through publication and radio-TV press converages of significant events.

2.6 Expansion of Developmental Activities : CUP continues to explore other areas of developmental activities such as those on the transfer of technology, acquisition of intellectual properties for the benefit of cooperatives and the like.

2.7 Development of Financial Base. In order to develop and maintain its capability to discharge its corporate functions, continues to endeavour to develop its financial resources from internal and external sources.

GENERAL WORK PROGRAMMES

In the light of the foregoing objectives, the following are the continuing major work programmes being implemented as the resources of CUP permit:

Programme I : Policy Initiatives : Conduct of a continuing review, analysis, and evaluation of the effects of major policies of the Government and private sector, sponsorship of top level conferences to discuss and propose adoption of policies that would further the growth and development of cooperatives and monitoring and evaluation of the implementation thereof. These initiatives cover legislative, administration of policies and programmes of the government and private sectors of the economy.

Programme II : Development of an Audit System : CUP endeavours to help preserve and maintain the integrity of the financial operations of cooperatives and, thus, help develop greater public confidence in their business operations. Towards, this end, CUP will cause the design, development, promotion and installation and operation of an Integrated National Cooperative Audit System (INCAS) which will involve the design of an Accounting and Auditing Manual, and the organization of the INCAS and the organization of the Cooperative Accounting and Bookkeeping Service (CABs).

Programme III. Education and Training : To develop the resources and capabilities of CUP members, the following prospects of development assistance are being pursued in varying degrees as the capabilities of CUP permit:

3.1 RCU Development Assistance : This involves the following activities:

3.1.1. *Assessment and Evaluation of Operational Status.* To determine their level of development.

3.1.2. *Conference-Workshops.* To help them assess their current operating status for purposes of improving on their operations.

3.1.3. *Technical Assistance.* To help them fully operationalize themselves (cooperate planning, programming, financing and commencement of operational and establishment of working relationship with Ministry Regional Offices)

3.1.4. *Subsidy.* Subsidy to Regional Cooperative Unions for their operations in the form of salaries for their Executive Officers.

3.1.5. *Monitoring and Evaluation.* To follow through on their developments.

3.2. National Federation Development: This will involve the following activities.

3.2.1. *Assessment of Operating Status*: To determine their level of development and their operating problems.

3.2.2. *Subsidy*: National Federations not assisted by the Government shall be assisted by CUP in the form of subsidies for the salaries of their executive officers.

3.2.3. *Business Development* : Through conferences, appropriate business linkages, market development and business strategies can be devised to improve on the operations of federations.

3.2.4 *Monitoring and Evaluation* : To determine their progress after the business conferences. All of the foregoing will be encouraged by CUP and the RCUs in the regional levels.

Programme IV. Development of Institutional Relations. To increase its resources and capabilities for cooperatives development. CUP continues to seek to link up with all institutions, public and private local and international, as follows:

1. Exchange of information;
2. Attendance at local and international conferences and seminars;
3. Participation in joint activities; and
4. Affiliation

Programme V. Public Information : To keep the general public abreast of cooperative developments, the CUP continues to undertake the following activities:

1. Publication of a Newsletter and Circulars; and
2. Radio-TV Press coverages for significant developments within the Cooperative Movement.

Programme VI. Special Projects. To broaden its operating perspectives. CUP will undertake such special projects as will enhance its development activities such as transfers of technical acquisition of intellectual properties (copyrights and patents) and publication rights for the benefit of the Cooperative Movement and other income-generating projects.

Programme VII. Development of Financial Resources. The objectives of this programme is to develop the financial base of CUP so that it may be able to discharge its corporate function

more effectively. This involves the following activities:

Cooperative Education and Training Fund (CETF) Administration. CUP shall have the following CETF administration programme. The objective of the programme is the maximization of benefits derivable from the CETF for all cooperatives. This programme involves the following activities on a continuing basis.

1. *Collection Campaign.* The CUP (together with the RCUs and PCUs and the federations) and the Ministry of Agriculture (together with its Regional and Provincial Offices) and BCOD embark on a collection campaign.

2. *System of Collection.* All CETF remittances shall be made in the form of Postal Money Orders, Bank Money Orders, Cashier's or Manager's Checks, or telegraphic transfers, made payable to the Cooperative Union of the Philippines, Inc. The contributor shall transmit the remittance to CUP directly.

3. *Disposition:* All CETF Collections shall be disposed of in accordance with the Budget approved by CUP.

4. *Investments.* Through an appropriate investment scheme, the release of subsidies to regional provincial and city cooperative unions are programmed to enable the CUP to invest the same in safe, high-yielding short-term securities.

Proposed Action Programme

I. Promotion of Cooperative Ideology:

1. Action will be taken to cover feature programmes on T.V.
2. Action to be taken to get time allocated on S.L.B.C. (Sri Lanka Broadcasting Corporation) for a regular monthly programme.
3. The existing format of the present Co-op paper published by the NCC will be changed so as to highlight the new trends.
4. The Annual Cooperative Exhibition will be organised to cover a larger area of cooperative activities.
5. Arrangements will be made to invite the Head of State to be present for the 1983 Coop Day Celebrations.
6. To incorporate Co-operation as a subject in the schools curriculum. Action will be initiated with the C.D.D. (Curriculum Development Department) of the Ministry of Education. Further follow-up action will be taken regarding the establishment of a Section on Cooperation with the Higher Education Ministry.
7. The existing special project programmes will be followed up and will be extended to cover new areas.

II. Education

1. All activities connected with Education are in the NCO programme. The NCO will be intensifying the already existing programmes. The present trend will be included into the Co-operative Inspectors Training Courses conducted by the Co-operative Department.

2. Building up of Expertise and Appropriate Technologies.

A Committee consisting of the Department, NCO, C.E.C. (Cooperative Employees Commission), and C.M.S.C. (Coopera-

tive Management Services Centre) and also the Ministry officials will have to be set up to study the activities for action. The proposal will be made by CCD (Commissioner of Cooperative Development) to the Ministry.

3. Supervision of Cooperative Activities

A proposal will be made by the CCD to the Ministry regarding the new areas of activities such as auditing, audit specialists cadre development etc. as these matters have a bearing towards a change of policy. This change should take place in a transitional manner. Therefore, the proposal will be to take up auditing of small coop societies, such as credit, schools, thrift societies. The personnel problem is expected to be settled by the employment of the recently retired departmental officers, the NCO personnel too would be trained by functioning as understudies to the departmental officers employed for this function. Change of law has to be done for implementation.

4. Leadership Development.

(a) The existing programmes cover this area and it is planned to intensify the same.

(b) Establishment of a Career Service will be a long term programme and the requirement will be notified to the Ministry for approval. The recognition of Cooperative Leaders for National Awards have been accepted in principle by the Government. Follow-up action will be taken.

5. Supporting the Movement

Even at present the NCO is represented in some committees pertaining to cooperative matters. The lobbying done by the NCO had been successful in certain cases. The NCO will effect changes to the benefit of the movement even in the future.

6. Promotion and Coordination of Local and International Trade

Regarding local trade the Womens' Consumer Development Project had been active to coordinate inter-cooperative society

trade. To do the same as regards international trade will take a longer period. The ICA's assistance in this subject is forthcoming and a plan would be drawn up in the future.

III. Structure

1. *External Structure* : The present external structure of the NCO can be considered as a more representative system than the system that prevailed prior to 1972, yet it has taken away some autonomy in district levels. To change this set up there should be legal changes. Before proposing any changes a workshop will be held to assess the response from the district level cooperators. Follow-up action will be taken.

2. *Internal Structure* : Some of the departments and sections as enumerated at the workshop are already in existence at present. The undermentioned proposed sections will be considered.

The following proposed sections will be dealt with in the undermentioned manner:

- (a) *Parliamentary Desk* : Even now the NCO has a dialogue with Parliamentarians regarding matters of interest. The Chairman of the NCC will take the personal responsibility of formalising the existing set up.
- (b) *Research Activity*: At present there is an Asstt. Secretary incharge of this sector yet the qualified personnel lacking. Re-organising this section therefore will take a little time.
- (c) *Legal Services* : The ultimate situation where the NCC handles all legal matters will take some time to materialise. The General Body of the NCC has already approved a system of legal assistance with lawyers' panel on a district basis with concessionary facilities. To start with this will be followed up immediately.
- (d) *Cooperative Accounts Committee* : This proposal will be made to the Ministry by the Commissioner of Co-operative Development.
- (e) *Career Services Board* : This proposed Board will be taking over certain functions of the C.C.D. and the C.E.C. Further legal recognition as a Statutory Board is essential. A proposal will be forwarded at the Advisory Board of

the Ministry for consideration by the Minister.

IV. Finance

1. *Subscription/Member Fees* : This matter will be taken up at the proposed workshop in Sri Lanka. Anyhow an amendment to the Rules will have to be proposed to the Ministry by the C.C.D.

2. *Coop. Fund*: The changes envisaged will be proposed to the Ministry by the C.C.D.

3. *Fund Drives* : Possibility of organising a lottery under the existing laws of the country is seriously considered.

A Coop Flag Week will be organised for the Coop Week celebrations this year.

4. *Coop Trust Fund*: This will be discussed at the proposed Workshop to be held in Sri Lanka.

Plan of Action

In view of the Seminar on NCO in New Delhi in 1980, and the discussions in the present Workshop, a plan of action for improvement and strengthening of the Cooperative League of Thailand (CLT) as NCO could be suggested as follows:

1. Roles :

(a) *Short-run*

1.1 Review suitability and effectiveness of existing roles.

1.2 Strengthen certain roles, such as promotion of cooperatives ideology, education and training, leadership development and development of institutional relations.

(b) *Long-run*

1.3. Build up expertise and appropriate technology.

1.4. Overlooking and supervision of cooperatives through collaboration with government agencies.

1.5. Supporter of the Movement, e.g. acting as spokesman of the Movement, amendment of laws.

1.6. Promotion and coordination of inter-cooperative trade.

2. Structure

(a) *Short-run*

2.1 General body meeting made more meaningful by holding ad-hoc committee meeting preceding it.

2.2. Composition of Board of Directors based on regions.

2.3. Nominated board members reduced gradually both in number, giving advisory or supporting roles.

(b) *Long-run*

- 2.4 Voluntary membership of CLT instituted in the law.
- 2.5 Members of board of directors totally elected.
- 2.6 Career service board created in CLT.

3. Finance

(a) *Short-run*

- 3.1. Increase membership annual subscription.
- 3.2. Request for Government subsidy based on programme of actions.

(b) *Long-run*

- 3.3 Improve income-yielding activities, e.g. hostel, publications.
- 3.4 Fund raising campaign on Cooperative Week.
- 3.5 Creation of Cooperative Trust Fund-interest yielding.

**COUNTRY BACKGROUND
PAPERS**

POONG KYOO PARK*

Fisheries Cooperative Movement and Role of Federation as National Level Cooperative Organization in Fishery Sector in Korea

1. History in Brief

The beginning of a Fishermen's organization in Korea's modern history can be traced back to 1908 when the Korea fishery law was promulgated and in accordance with the law two fisheries cooperatives were established in the southern part of Korea in July of the same year. Later, two cooperatives were merged into a single cooperative named Kouje Fisheries Cooperative in 1912. A nation-wide fishermen's organization emerged when the Korea Fishery Industry Association was set up on April 1, 1944 and it was later reorganised into Daehan (Korea) Fishery Industry Association on January 3, 1949, which comprised 9 provincial federations and 15 fisheries cooperatives. In 1952 a more comprehensive fishermen's organization named Korea Fishery Association was formed and it consisted of 88 regional fisheries cooperatives and 15 business-type fisheries cooperatives.

As time passes, however, it became necessary to reform the organization. And the Fisheries Cooperative Law was enacted and promulgated on January 20, 1962. In accordance with the law, the National Federation of Fisheries Cooperatives in the form of modern fishermen's cooperative organization was first created on April 1 in the same year.

Since that time the Federation has reorganized fishermen's organization based on economic efficiency. At present, the Federation embraces 8 branch offices, 72 member fisheries cooperatives comprising 56 regional fisheries cooperatives, 14 business-type fisheries cooperatives and 2 fisheries manu-

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facturer's cooperatives including 1,438 fishing village societies. Thus, the National Federation of Fisheries Cooperatives has emerged as one of the most comprehensive cooperative organizations in the world.

2. Organization

(a) *Legal Provision*

Legal basis for the promotion and support for the fisheries cooperative organization are clearly stipulated in the Constitution and government's obligation for the collaboration with the fisheries cooperatives is provided in the Fisheries Cooperative Law.

The Constitution explicitly provides the legal basis for the government's assistances to the fisheries cooperative movement. Paragraph 1, article 120 of the Constitution stipulates that the government shall work out the necessary plan for development in both rural and fishing community of the basis of farmers and fishermen's self-help and shall ensure the balanced development of community across the country, thus securing the right of the farmers and fishermen. Furthermore, the constitution in the paragraph 2 of the same article lays down that the government shall foster the farmers and fishermen's self-help organization and their political independence shall be assured. The articles inserted in the Constitution are clearly designed to bring about the balanced economic development in both urban and rural-fishing communities in this country by promoting the cooperative movement.

Also, the Fisheries Cooperative Law was enacted and promulgated to increase the fisheries productivity and to promote the fisheries industry. Its content carried in the article 12 of the law are as follows:

(i) The government shall provide the fisheries cooperatives with positive assistance and fisheries cooperatives shall be accessible to the public utilities.

(ii) The government may provide the subsidy for the business activities being undertaken by fisheries cooperatives with the availability of the fiscal budgets.

(iii) President of the Federation may present his opinion related to development of fisheries cooperatives to the government.

(b) *Organizational Structure*

The fisheries cooperatives organized by the fishermen and the fisheries manufacturers for the purpose of improving their social and economic status can be classified into following five types;

- *National Federation of Fisheries Cooperatives
- *Regional fisheries cooperatives
- *Business-type fisheries cooperatives
- *Fisheries manufacturer's cooperatives
- *Fishing village societies.

The regional cooperatives are established by the fishermen residing in the operational area defined on the basis of city, or county jurisdiction. The business-type cooperatives are established by the fishermen engaging in the management of a specific fishing operation on the basis of province or national level. The manufacturer's cooperatives are composed of fisheries manufacturing industrialists. On the other hand, the Federation is composed of regional fisheries cooperatives, business-type fisheries cooperatives and fisheries manufacturer's cooperatives as its members. Under the regional cooperatives, there are fishing village societies established on the basis of village level for the purpose of rational fishing and management in the joint fishing grounds.

From the time of founding to present, the change in number of the fisheries cooperatives is shown in table 1. Number of the regional fisheries cooperatives has been rearranged from 88 at the time of founding into 56, while that of fishing village societies has been reorganized from 1,786 into 1,438. Number of business-type fisheries cooperatives, however, has been increased from 11 to 14.

As of the end of 1981, the number of members affiliated with the fisheries cooperatives stood at 132,850. The number of regional cooperatives' member ran at 130,511 occupying 98% of members affiliated with total fisheries cooperative in this country. Numbers of the business-type and fisheries manufacturer's cooperative members came to 2,339 representing 2% of total fisheries cooperative members.

Table 1. Number of Fisheries Cooperative by Year

	Federation	Regional	Business-type	Fishereis manufacturer's	Fishing village societies
1962	1	88	11	2	1,786
1967	1	102	19	2	2,109
1972	1	70	15	2	2,258
1977	1	70	15	2	1,591
1982	1	56	14	2	1,438

Table 2. Organizational Structure

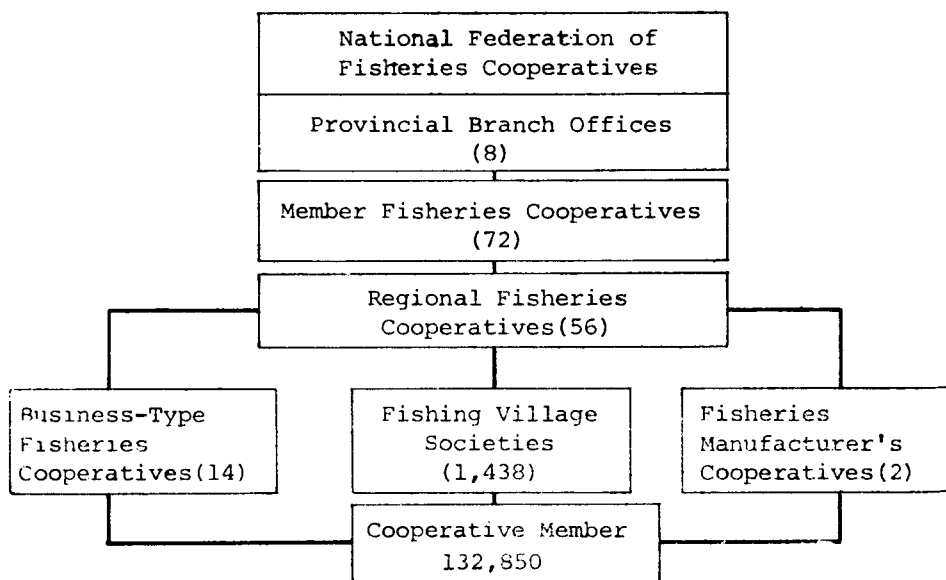
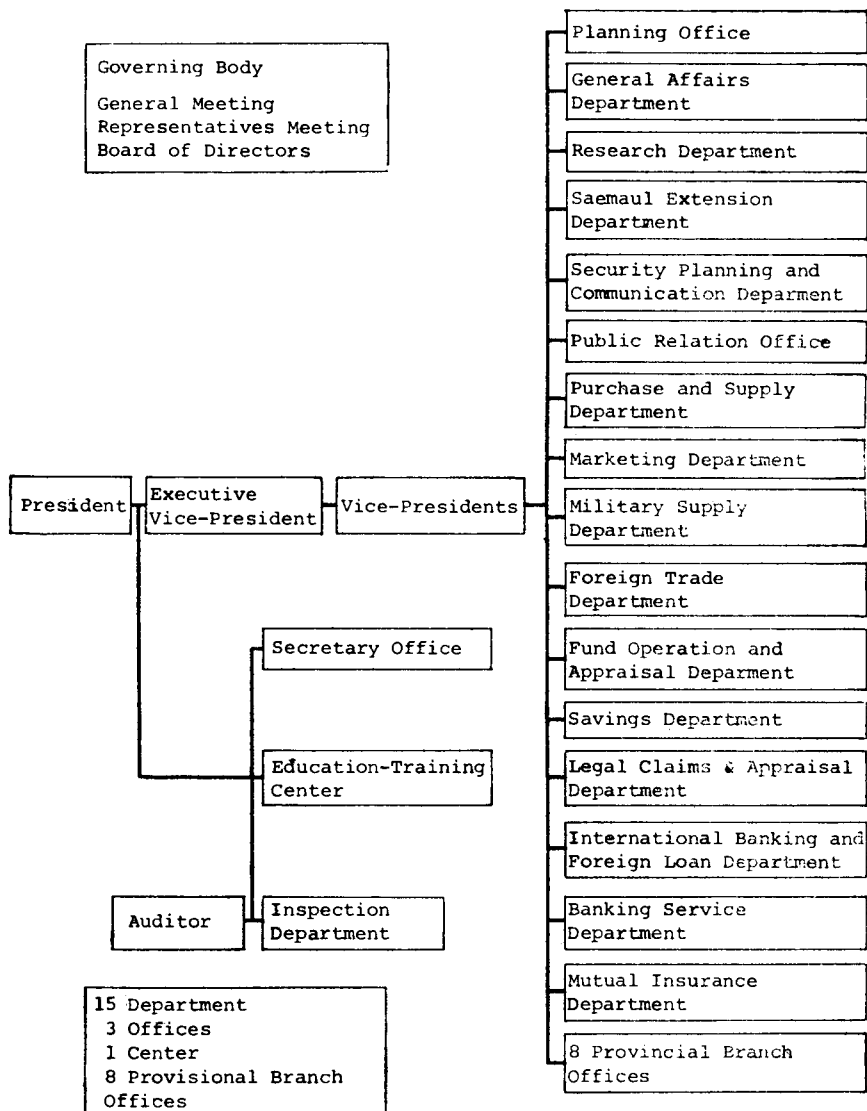


Table 3. Organizational Chart of NFFC



3. Role and functions of Federation

(a) *Role*

The Federation places its founding objectives on supervising and providing the member cooperatives with managerial guidance and promoting common interest as well as sound development of its member cooperatives.

Primary role of the Federation is (a) to promote the fisheries cooperatives organization (b) to improve the fisheries productivity and increase fishermen's income (c) to supervise and provide the member cooperative with managerial guidance (d) to facilitate the common interest among the member cooperatives.

(b) *Functions*

The general functions played by the Federation to enhance the economic and social status of fishermen and fisheries manufacturers are as follows:

(i) *Guidance*

This function is to conduct such guidance activities as education-training programme for cooperative members and fishermen, extension of fisheries technique and managerial consultant service.

(ii) *Assistance in production*

This function covers the joint purchase of material and equipment required for production activities, ice-manufacturing for supplying the ice at low price and supply of tax-exempted oil for the fishing operation. As a result, this function has made a great contribution to reduce the production cost.

(iii) *Assistance in marketing*

The joint sale, supply of marine products to the armed forces, foreign trade and price supporting belong to this category of functions. The fishermen's sale of the marine products has been

greatly ensured by this function and eventually the fishermen's income has been largely improved.

(iv) *Assistance in Credit and banking*

This function has made a decisive contribution to the smooth supply of fund needed for the fishing operation as well as fisheries marketing and has played an important role in modernization of large scale fisheries facilities by introducing foreign loan.

(v) *Assistance in safe fishing operation*

This function includes the guidance on fishing operation, fisheries communication service providing information related to the fishing ground situation, fish price at the landing area and prevention of accident on the sea, and mutual insurance compensating the damage of both fishing boat and crews.

4. Major business activities of Federation

(a) *Guidance*

The guidance activity has been regarded as the most important one in the fisheries cooperative movement and was actively carried out with emphasis placed on the improved fishermen's income, which would eventually contribute to the building of an affluent fishing community in this country. Its major business activities are as follows:

- (i) Saemaul project in fishing community
- (ii) Fostering for the fishing village societies
- (iii) Managerial guidance on the joint fishing ground
- (iv) Guidance on the safe fishing operation
- (v) Consultant service for the management to the member fisheries cooperatives
- (vi) Survey-research work
- (vii) Operation of the fisheries wireless stations
- (viii) Public relation and education-training programme

- (b) *Purchase*
- (c) *Marketing and Sale*
- (d) *Foreign Trade*
- (e) *Price Supporting*
- (f) *Utilization and Processing*
- (g) *Credit and Banking*
- (h) *Mutual Insurance*
- (i) *Foreign Loan*
- (j) *Safe Fishing Operation*

5. Government's Influence on Fisheries Cooperative Movement

(a) Introduction

The government's influence on the fisheries cooperative movement was regarded as an evil at the height of the non-interference economy system in the 18th century. Today, however, the government's influence on the cooperative movement is taken as the natural thing because of the necessity of it in promoting the cooperative movement in the earlier stage and this trend is conspicuous in the developing countries.

After the World War II, Korean industries were broken down by the Korean war which lasted three years from 1950. This resulted in total devastation of this country's economy and eventually led to the economic stagnation in 1950s. In an attempt to rehabilitate this country's economy in the aftermath of the Korean war the First Five Year Plan for Economic Development under the government initiative in 1962 was launched.

In the course of developing the economy for 1960s and 1970s, Korea's fisheries cooperatives have actively participated in the government's Five Year Plans for Economic Development and this has accompanied the considerable assistance from government which have, in turn, brought about the government's interference in the fisheries cooperative movement. The participation in the government's efforts to develop this country's economy has been regarded as a natural course in the light of the important role played by the fisheries cooperatives in this country's economy.

(b) *Assistance*

The Constitution explicitly provides the legal basis for the government's assistance to the fisheries cooperative movement as described in the above. Based on the spirit of the Constitution, various legal assistance has been provided to the fisheries cooperative movement and its major contents are as follows:

(i) *Enactment of Fisheries Cooperative Law*

The Fisheries Cooperative Law was enacted and promulgated to increase the fisheries productivity and to promote the fisheries cooperative movement, and it has played the key role in enhancing the fishermen's social and economic status.

(ii) *Privilege from taxation and public imposition*

The Fisheries Cooperative Law stipulates that the business carried out and properties owned by the fisheries cooperatives are exempted from the tax and public imposition. Based on this government policy, tax privilege given to the fisheries cooperatives in 1982 are as follows:

Currently 5% of corporation tax which is 35% less than general business enterprise are levied on earnings made by the fisheries cooperatives and property tax and acquisition tax for the properties acquired by the fisheries cooperatives are levied at the level of half the general business enterprise, and change in

various taxes levied on the fisheries cooperatives are shown in table 4.

TABLE 4

Change in Taxes levied on Fisheries Cooperatives

	General Business Enterprise	Fisheries	Cooperatives
		Past	Present
Corporation tax	40%	Full Exemption	5%
Registration tax	3%	..	1.5%
Acquisition tax	2-15%	..	1-7.5%
Property tax	0.3-10%	..	0.15-5%
Business office tax	0.5% of total payment	..	0.25% of total payment

(iii) *Finance*

The government has provided the fisheries cooperatives with the institutional assistance designed to make smooth operation of funds managed by them. In an effort to help the fisheries cooperatives consolidate foundation of self-reliance in fund operation, the government has given financial assistance to them.

At the beginning, the fisheries cooperatives entirely depended on government for raising business operation fund. As the fisheries cooperative's self-fund scope has been expanded by actively conducting such campaign as the increased subscription, accumulation of business surplus and expanded banking service, the dependence on government for finance has been reduced as

shown at table 5.

TABLE 5
Operation Fund Raised by Fisheries Cooperatives

Unit : 100 Million Won

	Total	%	Government Fund	%	Self Fund	%
1962	3(429)	100	3(429)	100	0	
1967	73(10,428)	100	63(9,000)	87	10(1,428)	14
1972	365(52,142)	100	283(40,429)	78	82(11,714)	22
1977	1,540(227,714)	100	693(99,000)	43	901(12,871)	57
1980	3,620(517,142)	100	1,413(201,857)	39	2,207(315,285)	61

(iv) *Privilege given to business activities*

Various service and business activities for the good of fishermen have been carried out by the fisheries cooperatives in order to achieve their founding objective of enhancing the fishermen's social and economic status. As these various service and business activities have been in competition with private industries, the fisheries cooperatives organized by the economically weak producers have been placed under the unfavourable conditions. In order to correct this adverse situation, the government has been providing the fisheries cooperatives with the subsidies and legal assistance by eliminating article of relevant law affecting adverse influence on the fisheries cooperative movement. In addition to these, the government has been compensating the loss caused by the price supporting business and government-commissioned purchase business.

(c) *Supervision*

As mentioned in the above, the government has been providing the fisheries cooperatives with various legal, financial and

institutional assistance. But it has also supervised the business and service activities carried out by the fisheries cooperatives. The fisheries cooperatives in Korea have been under the supervision of Administrator of the National Fisheries Administration, one of the government agency responsible for the fisheries administration in accordance with the Fisheries Co-operative Law.

Details falling under the supervision of the Administrator of National Fisheries Administration are as follows:

- (i) business and service activities of the fisheries cooperatives shall be audited by the Administrator.
- (ii) the Federation shall submit the report on settlement of accounts and the annual report to the Administrator within three months after the end of each fiscal year.
- (iii) the President of the Federation shall obtain approval of the working programme and budget from the Administrator for next year at the end of the fiscal year.
- (iv) enactment, amendment or abolition of regulation shall be approved by the Administrator.
- (v) the President of Federation is appointed by President of Nation at the recommendation of Minister of Agriculture and Fisheries.

(d) *Conclusion*

As shown in the above, various assistance has played an important role in creating the foundation of self-reliant fisheries cooperatives over the past 20 years.

But excessive governmental interference in the fisheries cooperative movement may have hampered the fisheries cooperative's self-reliance. Accordingly the government's intervention should be reduced. In other words, the government's intervention should be geared to foster their capability required for the self-reliance. Otherwise, the government might be placed under criticism for hampering the fisheries cooperative movement in this country. Today, Korea's fisheries cooperatives are slowly fleeing from the governmental excessive protection policy.

(6) Evaluation and Development Plan of Fisheries Cooperative Movement.

(a) Development of fisheries industries and role of fisheries cooperatives

In 1962 when the fisheries cooperatives were organized Korea's fisheries industries remained backward because of lack of basic fisheries facilities, poor production methods and lagged-behind fishing techniques. Under this situation the fisheries cooperatives were organized and their paramount objective was placed on the modernization of the fisheries industries and the creation of an affluent fishing community by the driving away the low productivity and poverty prevailed in the fishing communities at the time. In promoting the development of the fisheries industries the fisheries cooperatives have taken a leading role and this has accompanied the significant development in the fisheries cooperative movement. In terms of their function the fisheries cooperatives have not only played the role of the fishermen's organization, but carried out the diversified assignments.

In making the remarkable development in the fisheries industries the government has played a crucial role, but the fisheries cooperatives have also played an important role which cannot be ignored. The fisheries cooperatives have raised and supplied the fund needed for the fishing operation and provisioned the fair marketing opportunity across the country. These activities have surely encouraged the increased production of the marine products. For the past 20 years the fisheries cooperatives based on the principle of the cooperative movement had consolidated their organizations and showed a remarkable growth in their business achievement. This growth of service and business activities in the fisheries cooperative movement has been attributable to the cooperative's encouragement to their members for active participation in the fisheries cooperative movement and also to the faithful carrying out of the role to develop the fisheries industries and the fishing communities. Following are major performances achieved by the fisheries cooperatives :

- (i) Improvement in sale system for marine products and diversification in fisheries marketing

- (ii) Expansion of banking service and establishment of self-reliance in banking operation
- (iii) Development and fostering of fishing village societies as the primary fisheries cooperative organization

(b) *Future problems and development plans*

(i) Fisheries Economy in 1980s

In the aftermath of oil crisis in 1979 the world's economy is still in the deep slump of economic stagnation and for this reason the economists anticipate that this situation would continue for a long period of time in the future and this reflected in the Fifth Five Year Plan for Economic Development worked out by the government. The plan called for the economic stabilization through the annual 10% price rise, 7-8% economic growth rate to increase the job opportunity and income, thus narrowing the gap among the people and region.

For the next five years the fisheries sector set the growth rate of fisheries value added and fisheries production at 3% and export of marine products at 8% and this vividly reflects the more serious stagnation in the fisheries industries than other industries. This assumption is based on (i) dwindling fisheries resource and resulting navigational distance for fishing operation (ii) ever rising oil price and resulting aggravation in the fisheries management (iii) shortage in the fisheries labour and (iv) polluted fishing grounds caused by the industrial complex located in the coastal areas.

These factors hampering the development of the coastal and off-shore fisheries industries have had adverse effects on the promotion of the fisheries cooperative movement. The stagnation in the coastal and off-shore fisheries industries resulted in the reduction in the business volume and at the same time necessity of the fisheries cooperative's increased assistance toward the fisheries management. Another changing factor affecting the fisheries cooperative movement has been the government's amendment in the tax reduction and exemption law which had called for the scaling down in tax incentive for the fisheries cooperative movement in the future.

(ii) *Long term target and problems facing fisheries cooperatives in 1980s*

As afore-mentioned the hard time lies ahead for the fisheries cooperative movement in the 1980s and we are living in the time of uncertainty which may pose fresh problems. As the population and the income rises the demand for the sophisticated food increases. The income level of fishermen engaging in the coastal off-shore fisheries industries lags far behind the urban people. In consideration of these situations the fisheries cooperative movement in the 1980s has to continue, or spur their efforts with some change in degree toward the creation of the affluent fishing community which has been their paramount objective. In addition, the fisheries industries are characterized with the risk and uncertainty, and the small scale fisheries management are most vulnerable to them. Therefore, the fisheries cooperative movement should place its first priority on the bringing up of these small scale fisheries management to the optimum scale and on the stable fishing household economy.

(iii) *Enhanced self-reliance in the fisheries cooperatives and balanced development among them*

At the time of founding the fisheries cooperatives the Korea's fisheries industries had lack of capital and fishing equipments and the fisheries management remain small and the poverty prevail in the fishing communities. For this reason the fisheries cooperative movement were placed under difficult situation to promote the movement through the fishermen's voluntary participation and their capital subscription. Under this situation the fisheries cooperatives launched their movement to develop the fisheries industries through the effective employment and this coincided with the government's policy to develop the fisheries industries. As a result, this accompanied the government's financial assistance to the fisheries cooperatives and brought about the government's supervision, thus hampering the self-reliance in the management of the fisheries cooperatives. From this point of view, the perfect self-reliance in the management emerged as the most important task to be solved in the 1980s.

In addition to these, in consideration of the massive challenges to be faced with the fisheries industries and the fisheries cooperative movement the consensus between the cooperative and members would be crucial to overcome the problems and make the sustained promotion of the movement, thereby contributing to the enhanced self-reliance in the cooperative movement in this country.

(iv) Construction of welfare fishing communities through the improved income

The concept of welfare means the combination of the wealth and social justice and in this respect, the construction of welfare fishing communities will be the lasting objective of cooperative movement to pursue. This should be preceded by certain level of improved income and the fisheries cooperatives, therefore, should make their every efforts for the improvement of the fishermen's income. On the other hand, the fishing communities are the basis for the operation of the coastal and offshore fisheries industries and at the same time living places for the fishermen. The improvement and protection of the environment in the fishing communities is another important task to be undertaken by the fisheries cooperatives in 1980s.

(v) Improvement of organization and management and reactivation of business

Based on the past 20 years' experiences the fisheries cooperative movement will push ahead with the following plans in 1980s and they include (i) improvement of the management and (ii) improvement of the member's welfare and (iii) strengthening of business function. Success of this plan fully depends on the will and efforts of the members joining the fisheries cooperative movement, not on the assistance from the outsider. The emphasis, therefore, should place on the strengthening the efforts to encourage the members' active participation in the fisheries cooperative movement.

(c) Improvement of cooperative management and strengthening service activities.

Plan for improvement of the management calls for the in-

creased economic capability of the fisheries cooperatives through the raised self-reliance and efficiency in the management. The backbone of the plan is composed of fostering the fishing village societies through rational management and the strengthened organization for the member's active participation in the fisheries cooperative movement.

Plan for fostering the fisheries cooperatives in the 1980s calls for the ideal fisheries cooperatives having the self-reliance management and sufficient operational fund, equipped with various fisheries facilities and providing the members with the service to the maximum extent. For the successful achievement of this plan comprehensive measures will be taken and they will include the increased effort for raising the self-fund, expansion of the business volume, improvement of the management, campaign for the member's active participation in making use of the fisheries cooperatives, and the campaign will include the improved services toward the members, strengthened education and training programme for the members and rationalized operation of the fisheries cooperatives. To ensure the successful campaign the continuing survey activity will be conducted and it will include the member's utilization in the fisheries cooperatives and their opinion.

The rationalization of the management along with the increased service activities toward the members should be carried out to cope with the changing economic situation. The measures to be taken for this purpose will include the introduction of responsible management system, increased efficiency of office work through introduction of the computerization, and collection and analysis of the fishermen's opinion on regular basis.

(d) *Guidance activities*

The guidance activities are primarily purposed to accelerate the fisheries cooperative movement by enhancing the cooperative consciousness among the members and make the improvement in the fishing techniques and managerial capability. The basic target for this purpose has been placed on the realization of the cooperative ideal through the active conducting of fisheries cooperative movement and scientific fishing operation. The

member's active participation in this movement has been regarded as the key to the success and for this reason it is planned to coordinate the guidance activities in such a way as to allow the individual cooperative organization, or fishing village society to take lead. This attempt will result in making the fisheries cooperative organization develop the suitable business for the fishermen's improved income.

(e) *Economic business*

The economic business has the most long history in the cooperative business. Based on the foundation consolidated so far, it is planned to complete supplementing the facilities for the purchase and marketing business in 1980s. In addition, it is planned to reactivate the sale business in an effort to accelerate the fishing activities and ensure the producer's earning.

Supply of the oil required for the fishing operation is the key activity in the purchase business and it is planned to set up additional oil storage tanks capable of storing 15,000 drums to ensure a stable supply. In an effort to supply the quality materials required for the fishing operation it is planned to set up five supply centres in major fishing ports. The fisheries cooperatives are expected to participate in manufacturing the major materials in raising demand.

The purpose of the joint sale business is based on ensuring the fishermen's fair sale price for the marine products and for this purpose it is planned to raise the fund for sale business and build additional ice manufacturing and refrigeration plants in the landing areas where such plant is not available. Besides this, it is planned to strengthen the marketing information service as part of the efforts to reactivate the inland fish wholesale marketing centres in the major consuming cities. Efforts will be concentrated on export of the marine products which has been aimed to ensure the fishermen's fair sale price and to increase the earning of foreign exchange. So far the export of the marine products by the fisheries cooperatives have been made to the Japanese markets and attempts will be made to expand to such foreign markets as North America, Western Europe and the Middle East. Along with

these efforts, emphasis will be placed on the diversification of export items in the future.

(f) *Credit and banking business, and mutual insurance business*

The credit and banking business has a growing importance in the aspect of supplying the fund required by both the fisheries industries and fisheries cooperatives. In 1980s the operational priority will be placed on the expansion in raising the self-fund, efficiency in fund operation and strengthened cooperative banking, thus accelerating the self-reliance in the credit and banking business.

The importance of increased deposit in the banking branches has been emphasized in the light of its crucial role in improving the cooperative's capability of extending the credit and at the same time of reducing cooperative's dependence on the outside sources. To increase deposits it is planned to take such measures as the additional opening of the banking branches in the urban areas, handling of various institutional deposits, starting on the on-line service and night time service, and improvement of deposit works.

Demand for the fishing operation fund, the backbone of the fisheries fund, has been on the rise and it is necessary to expand the supply of fund on the favourable terms which is available by the fisheries cooperatives. In the light of its importance the supply of the fishing operation fund will be smoothly made by raising the required fund from such sources as the self-fund, government fund and the Bank of Korea fund.

In line with the trend of internationalization in the banking service the Federation's foreign exchange service should be largely expanded. In 1982 the service activities were expanded and an additional foreign exchange branch was set up. It is further planned to expand the establishment of the foreign exchange branch home and abroad.

In the last, the mutual insurance business will place its emphasis on the consolidation of such traditional policy as the fishing vessels and fishing crews, and emphasis will be made on developing the welfare policy. For the aquaculturing insurance which is still in experimental stages even in the developed country an intensive review will be made.

JUNG BOK LEE*

Retrospect and Direction of National Agricultural Cooperative Federation in Korea

1. ORGANIZATIONAL STRUCTURE

(1) General Situation

Agricultural cooperatives in Korea were vertically organized at three levels up until 1981; Primary cooperatives at the township level, county or city cooperatives at the county or city level, and apex organization at the national level. Horizontally, they were classified into multipurpose cooperatives and special cooperatives.

The primary agricultural cooperatives were affiliated with the county or city agricultural cooperatives functioned as the secondary organization. On the other hand, the special cooperatives which were composed of livestock cooperatives and horticultural cooperatives were members of the NACF together with the county or city agricultural cooperatives.

As of the end of 1980, there were 1, 485 primary cooperatives, 140 county or city cooperatives and 142 special cooperatives under the NACF as the three tier organization. The three-tier structure of agricultural cooperatives has been reformed into two-tier structure since January 1, 1981 based on the revised Agricultural Cooperative Law and the Livestock Cooperative Law promulgated at the end of 1980. As a result, the county of city agricultural cooperatives were transformed into the county or city office of the NACF, while the livestock cooperatives among special cooperatives were affiliated with the National Livestock Cooperatives Federation.

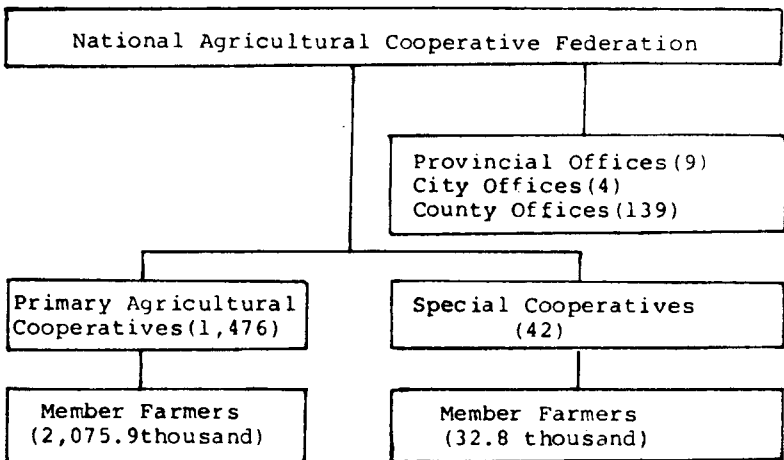
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The members of the NACF, therefore, have been composed of primary agricultural cooperatives and horticultural cooperatives since 1981. The primary agricultural cooperatives were organized by individual farmers who were primarily engaged in the production of major grain crops such as rice and barley. The special cooperatives were established among the farmers producing horticultural products.

As a result of the continuous amalgamation programme implemented by the NACF and of the withdrawal of livestock cooperatives from the NACF, the number of the primary agricultural cooperatives and that of special cooperatives decreased to 1,476 and 42 respectively at the end of 1981.

The NACF has its head office in Seoul, and 9 provincial offices in the capital cities of each province, 4 city offices in the special cities and 139 county offices.

(2) Organization Chart of the NACF

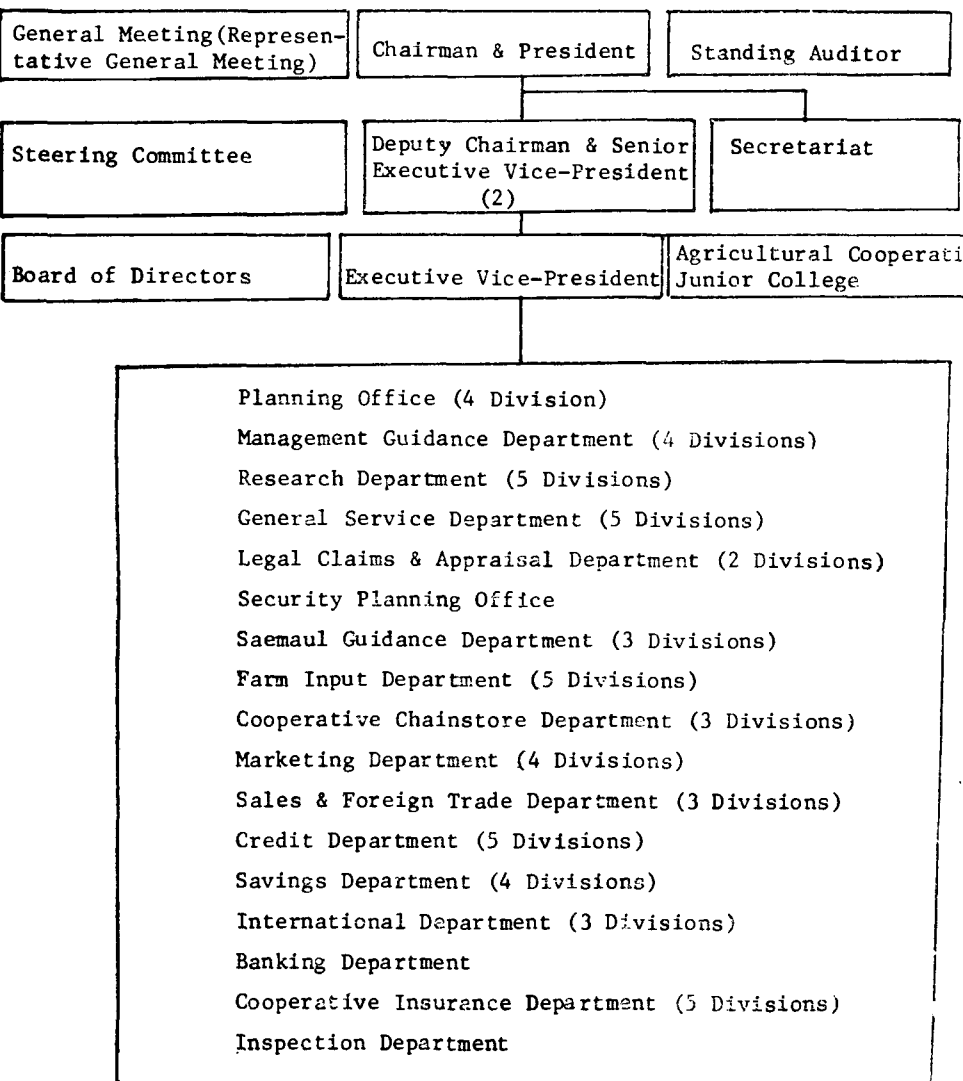


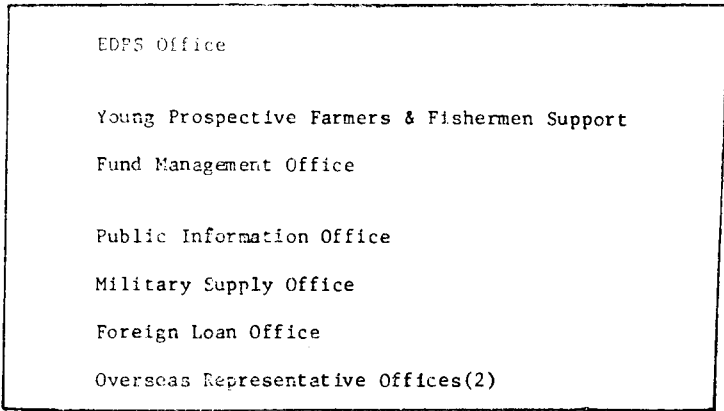
(As of the end of 1981)

As noted above, the organization structure of the NACF was restructured based on the revised Agricultural Cooperative Law and new Livestock Cooperative Law promulgated at the end of 1980 and enforced from 1981.

The NACF carried out the reorganization of its set up. As

ORGANIZATION CHART OF NACF





Provincial Offices (9)

City Offices (4)

County Offices(139)

a result of reorganization of the NACF set up, the representatives meeting was abolished.

As seen from the chart, first, the decision making body includes 1) general meeting (Representative general meeting)(2) operational board (3) board of directors. Second, the chief executive body is the president for whom two vice-presidents and six directors assist in current operational works. Third, there are two auditors. One of them is a standing auditor. And the NACF head office has 17 departments, 6 offices and an agricultural cooperative Junior College. 17 departments and 6 offices which are divided into 9 staff and 14 line are under control of six directors, whereas a secretariat belongs to the president.

Development Process of Multipurpose Agricultural Cooperatives (1961-1980)

Development process of multipurpose agricultural cooperative movement may be classified into following major stages:

- * Organization Basis formation period (1961-1968).
- * Management Basis formation period (1969-1974).

* Maturity of Management Basis and rapid growth period (1975—1980).

(1) Organization Basis Formation Period (1961-1968)

The tasks, being tried for the first time along with the inauguration of multipurpose agricultural cooperatives in 1961, were to readjust the organization of Ri and Dong cooperatives amounting to 22,000. At that time the prime works on the cooperative guidance comprised distribution of agricultural cooperative ideals to the farmers, and setting up of development directions as an organization of farmers.

At the first half of this stage, an emphasis was placed on the organization management of Ri and Dong cooperatives.

As the organization of Ri and Dong cooperatives was settled to some degree, "New Farmers' Movement" being aimed at self-help, scientific and cooperative spirit was proclaimed on August 15, 1965. Cooperative staff members pledged that they would render their duties as agricultural cooperative campaigners to mint the new epoch of rural society movement.

However, there were considerable number of Ri and Dong cooperatives which were weak in management due to lack of members' participation and small scale of its business during this period. Thus, most of Ri and Dong cooperatives did not fully perform their functions as the economic organization of rural community.

Consequently, the most of functions were concentrated on the county cooperatives in place of Ri and Dong cooperatives.

Though there were trials and errors in the establishment of the direction of agricultural cooperative movement, the period may be considered to be an interval in which ceaseless efforts were made to expand and develop agricultural cooperative movement.

(2) Management Basis Formation Period (1969-1974)

During this period epoch-making changes were made for the development of the primary cooperative as an operation entity.

In particular, the organization of Ri and Dong level co-

operatives was improper for the independent of Ri and Dong cooperative into Eup and Myeon level positively exercised from 1969. The expansion of enterprises and the independence of primary cooperatives were remarkable. The role of agricultural cooperative in the farm village became emphasized by such a business as the execution of unit cooperatives mutual credit and book keeping, 4 major business (farming credit, fertilizer, marketing and mutual insurance) which transferred from city and county cooperatives to primary cooperatives in 1970 and the chain store business.

Especially, mutual credit programme, which was to mobilize small account of idle funds scattered in rural areas and to use them as operational funds of primary cooperatives, was inaugurated at the primary cooperative level in 1968.

The NACF intensified assistance in facilities, business fund and training in order to bring up primary cooperatives.

In the aspect of administration, various kinds of regulation were readjusted, a new accounting system was introduced and examinations were organized for the recruitment of competent employees and the security of superior personnel so that the cooperatives might be able to support the development of community and the increase of farmers' income.

In other words, primary cooperatives in the early 1970s were characterized as the collective organization of farm economy, while the cooperatives in 1960s were characterized as an organization of cooperative movement.

(3) Maturity of Management Basis and Rapid Growth Period (1975-1980)

According to the effective NACF-driven policy for upbringing primary cooperatives, most primary cooperatives soundly established improvement of management basis, and the volume of business has remarkably increased.

In other words, the management of primary cooperative saw the repeated epoch-making development from its early state of nursing year after year and was on the way of being independent agricultural cooperatives.

In accordance with the development of the rural Saemaul Undong toward income-increase project, agricultural cooperatives have undertaken Saemaul integrated development projects since 1977 in order to mobilize and utilize rural resources.

The project is undertaken on the basis of a town or township by the initiative of a primary cooperative.

During the period, the agricultural cooperatives expanded rapidly their agricultural development credit supply on the rural areas. From 1971 to 1980, total agricultural loans outstanding of NACF has jumped from 86.7 billion won to 961.7 billion won showing more than 11.1 times increase in quantity.

In addition to the banking service of the NACF and its branch offices, the primary cooperatives have much contributed toward meeting agricultural fund through their banking services under the mutual credit programme initiated in 1968.

Especially, the mutual credit programme have showed a rapid growth during the period 1975-1980. The balance of deposits received by the primary cooperatives amounted to 823.8 billion won at the end of 1980, compared with 89.8 billion won in 1975. And loans outstanding amounted to 528.0 billion won at the end of 1980 from 41.9 billion won in 1975.

Agricultural cooperatives greatly improved the marketing system of agricultural products and marketing information. A total of 18 cooperative agricultural marketing centres have been established in the six major cities, including seven branches. They handled diverse items, including food grain, fruits, vegetables, eggs and seasonings.

And, through expanding the warehousing and transporting, the agricultural cooperatives exercised their functions not only, in the stabilization of agricultural markets but also in the timely supply of both agricultural production and consumer goods.

Besides, agricultural cooperatives rendered continuous efforts in the aspects of its institution of management in order to strengthen the farming guidance and offered a wide range of education and training programmes not only to member farmers also to the staff members of the cooperatives. During this stage, the NACF established 6 provincial staff training institutes which fall under the supervision of the NACF head office. Along with the Agricultural Cooperative Junior College (established in 1961), they played a central role in training the staff members of all agricultural cooperatives.

(3) Evaluation on Agricultural Cooperative Movement in Korea

(1) Management Performance

Enhancement of primary cooperative self-reliance basis through,

- expansion of businesses and facilities.
- building-up of self-reliance base by increasing capital.
- construction of qualified office and staff.
- organization of all farmers as centripetal force for primary Cooperative.

—playing a pivotal role of social development in rural area.

Supplying farmers with direct and indirect economic benefit through,

- reducing farmer's burden for high interest rate in private money market through mutual credit.
- smooth supply of farm inputs to farmers.
- contribution to increasing farmer's income and stabilizing rural market prices with supplying of daily necessities to farmers at low and reasonable cost.
- contribution to increasing farmer's income by expanding self-initiated marketing of farm products.
- promoting farmers' vantage by expanding utilization and processing business.

Contribution to improving environments of living and enhancing culture in rural areas through.

- enhancement of farmers' senses level through periodicals such as "farmer newspaper" and "new farmer magazine".
- guidance of life improvement through various education.
- increasing farmer's benefit through various welfare facilities.
- assistance to rural house improvement project.
- contribution to stability of farmer's living with mutual insurance.

Effective means of implementing government rural development programmes through,

- active assistance to policy of increasing food production.
- positive implementation of Saemaul Undong (New Community Movement) in rural areas.
- active implementation of Saemaul Integrated Development Project for agricultural income increase.

—smooth carrying out of various government entrusted businesses.

(2) Reflection

Existence of distance-feeling between primary cooperative and its members as follows :

- insufficiency of assistance to farming and function of agricultural product marketing.
- unsatisfactory farmer's participation in government policy on agriculture.
- negative implementation of farmer's vantage business owing to concentration on credit and banking and government-entrusted business.
- weakness of cooperative member's mutual relation by expanding primary cooperative administration territory.
- shortage of cooperative member's understanding and participation awareness to cooperative activities.
- insufficiency of staff service attitude to cooperative member. Shortage of self-control in management of agricultural cooperative,
- uniformly carrying out various businesses.
- inevitability of government control about cooperative business and activities owing to excessive government-entrusted business.
- excessive government regulation to approval, auditing and examination etc.

Unsatisfaction in rational management system.

- nonfixation of two-tier organization base, namely, highly centralized NACF and weakness of its function as federation, and overlapped function and unsatisfactory authority delegation between NACF and its member cooperatives.
- weakness of primary cooperative management basis, that is, existence of primary cooperatives below level of optimum management scale, low self-reliance in financial status, and nonestablishment of professional manager system.
- insufficient introduction of modern management method and technique, difficulty of flexible implementation of business due to excessive restriction in the Law and Regulation, and shortage of management responsibility sense owing to

unbalance between authority and responsibility.

(3) Direction Toward Improvement of Working of NACF and its Member Cooperatives

According to the blue-print of agricultural cooperatives in 1980s, the NACF and its member cooperatives are confined to devote much effort to achieving their basic target for establishment of high-income and well being community in rural areas by cooperation.

During the period of 1983-1987, priority of driving tasks and directions may be described as follows :

Enhancing close relation between cooperatives and its members
—administration of cooperative on basis of its members' opinion.

—vitalization and consolidation of cooperative organization.
—intensification of cooperatives education activities for their members.

—establishment of staff services posture for cooperative members.

Increase of income and welfare enhancement for cooperative member farmers.

—smooth supply of farm inputs.

—development of diversified farming system,

—improvement of agricultural products marketing system.

—development of various off-farm income sources.

—improvement of farm life-standard and development of welfare activities.

—Improvement of competitive capacity according to change of management circumstances

—reducing cost in purchasing and marketing business.

—intensification of public relations activities.

—modernization of facilities and equipments and improvement of service.

Vitalization and consolidation of administration basis for successful management such as, fostering self-reliance of cooperative, earlier fixation of two-tier organization, establishment of responsible management system, and efficiency of manpower management.

Cooperative Union of Malaysia

Prior to the formation of the CUM, there were five state unions functioning independently. There was no adequate forum for the promotion of co-operation and the protection of its interest. There was no organised body to agree or disagree with legislation or other kinds of decisions made by the Government. On the international scene, many good things which could promote and accelerate the development of the movement in this country in the form of technical assistance and exchange programmes were going by because there was not an organisation to help the movement then. In addition, there was no uniformity in the activities of the various societies and there was an urgent need for assistance from the better off for the weaker ones. A sense of direction had to be given to most societies.

This necessitated the formation of a national organisation which would be the guiding and representative organ of the Malaysian movement. The CUM was thus born on 16th November, 1953 by the urban co-operatives in the then Malaya to fulfil the above stated aspirations and intentions of co-operatives in the country.

One of the main objectives of the CUM has been to propagate the principles and practice of co-operation and generally to promote the establishment of co-operative institutions. The CUM represents its affiliates nationally and internationally and assists the Government of Malaysia in the promotion, development and supervision of the Co-operative Movement.

To achieve these objectives, it promotes co-operative education organising conferences, seminars, study circles, periodical, lectures, training programmes and social activities. It also selects delegates and observers to participate in conferences both locally and overseas. In addition, it has published and distributed co-operative literature and maintained a co-operative library.

The CUM also advises and assists members in their operations and functions and did provide audit, accounting, administrative and legal services for members and co-operative societies generally in the past. Besides the CUM also is to serve as an in-

formation bureau of the movement and to co-ordinate the activities of members and other co-operative societies.

One important area in which the CUM did fairly effectively in earlier years but has since curtailed its involvement was in research and development. This important area decides the future growth and influence of the co-operative movement. In fact, the Malaysian Co-operative Insurance Society Bhd., The Cooperative Central Bank Ltd, Malaysian Co-operative Printing Press Society Bhd. and Malaysian Co-operative Supermarket Society Bhd. are all the brainchildren of the CUM in its conferences. In addition, it has given the shot in the arm for numerous other cooperative societies who have grown tremendously during this period.

Prior to 1968, the supreme authority was the Annual Assembly, which was attended by five delegates from each affiliated member society and regional union. The Assembly elected the President and three Vice-Presidents. A council, to which every affiliated society could nominate two representatives, conducted the activities of the CUM.

The large membership necessitated the CUM to be restructured in August, 1968 to its present state in order to carry out its functions effectively. The CUM performed its obligations fairly well during the fifties and sixties, after which the vigour and activity declined dramatically.

The fifties saw the CUM organising the formation of Malaysian Co-operative Insurance Society Bhd., Co-operative Central Bank Ltd and numerous credit societies. While some like the Malaysian Co-operative Insurance Society Bhd and Co-operative Central Bank Ltd have become giants in their own rights, others have failed to make any impact while a few have been woundup.

The sixties saw the CUM organising the formation of number of societies, namely Malaysian Co-operative Printing Press Society Bhd, Malaysian Cooperative Supermarket Society Bhd, Cooperative Autoworks Malaysia, Malaysian Co-operative Agencies Society Bhd and Malaysian Co-operative Industrial Development Society Bhd. Many of these societies again have failed to meet the aspirations of their members.

Some have wound-up while the others are just managing to break even without making any contribution to the movement whatsoever.

The decline in the vigour and activity of the CUM can be attributed to a number of reasons. One was the confusion and uncertainty created as to the recognition, role and standing of the CUM due to unforeseeable factors beyond the control of the CUM. However, this could remain only as an excuse because opportunities and support to fulfil its role still remains undiminished.

The failure of the CUM to expand to keep pace with changing times and the growth of member societies over the years has had the effect of simply diminishing the influence of CUM in the promotion of a greater movement. There are a number of reasons for the decline in effectiveness, the lack of financial resources being one basic reason. The CUM today is living on a meagre income earned by way of subscriptions which is hardly sufficient to meet the expenses involved in the daily administration of the CUM. In fact, many planned activities have not been undertaken or simply shelved because of the inability to meet the enormous cost involved.

The other reasons were due to the lack of broad-based leadership to sustain and maintain the efforts and plans of the CUM particularly of the regional bodies and affiliates. The importance of wider based representation gains greater relevance and value in today's context.

There was also a lack of commitment from many to the objectives and ideals of the CUM. There was also the ineffectiveness of the CUM structure to gear itself to meet the challenges of changing times.

The CUM has also not been able to sustain its efforts and good work in education and training that was apparent in the earlier years.

The movement's shortcomings has led to a review of its position and this has culminated in the adoption of the CUM Five Year Plan to restructure and gear the movement to discharge its duties, responsibilities and obligations in the most effective and practical manner beneficial to the co-operative movement.

The restructuring is necessary to keep pace with changing times as the last restructuring was done way back in 1968 and also to revitalise Co-operative Union of Malaysia to the vigour and commitment of the fifties and sixties to ensure continued growth of the cooperative movement in the country.

NARAYAN BIKRAM SHAH*

Cooperatives in Nepal

General Introduction :

The economy of Nepal is mainly agricultural in nature. More than 90 percent of 15.2 million people are dependant on agriculture for their source of livelihood. The agriculture sector alone contributes around 70 percent on the gross national product (G.N.P.). It generates about 80 percent of total export. The total cultivated land which represents 16 percent of the total land area is 2.3 million hectares. The average per capita land holding in 1971 was 0.17 hectare and of the total farm-households 64 percent are small and marginal farm-households.

Many social and economic problems appear in the agriculture sector. Most significant among them are tiny and fragmented land holdings, lack of irrigation facilities, low and constantly declining productivity, lack of proper credit facilities, lack of better farming methods, ignorance, and illiteracy. No doubt, these problems can be encountered by introducing an effective mobilization of abundant agricultural manpower, scattered and idle little saving in agricultural land resources which have not been fully utilized so far. In fact, the pattern and process of agricultural development will determine the future course of development of the country.

In order to overcome these problems in agriculture it becomes all the more important that a high degree of priority should be given to the development of agriculture sector through adoption of an integrated approach directed to the betterment of social and economic conditions of small farmers. There is also a need for inspiring and influencing their attitudes and outlook making them more responsive to change and actually involving them in the process of development. Hence,

Secretary, His Majesty's Government, Ministry of Land Reform, and
Chairman, Central Sajha (Cooperative), Kathmandu, Nepal.

for this, a strong institutional set-up like cooperative is needed for the country.

Highlights of Cooperative Movement:

The history of modern cooperative movement dates back to the enactment of Nepal Cooperative Society Act in 1959. Some attempts to organise cooperatives to meet some specific requirements had been made even before the Act came into effect. Since 1956 some credit cooperatives were formed in the beginning as a part of a Multipurpose Pilot Project for the development of resettlement area with basic objectives of providing credit and other facilities for the new settlers. An executive order issued by His Majesty's government of Nepal authorising the Department of cooperatives to organise, register and assist cooperatives, facilitated their formation. They could serve only a very limited purpose. It was soon realised that other types of cooperatives more responsive to the people's requirements should be encouraged under a well-designed programme directed towards the upliftment of rural masses both socially and economically.

With the introduction of planned approach to development which resulted in launching of First Five Year Plan (1956-61) followed by similar other plans in successive years, government policies have been directed towards building the infrastructural base to facilitate the speedy growth of cooperative movement and, secondly diversifying the structure and nature of cooperatives.

In response, a number of measures were taken up for building basic infrastructure for the development of cooperatives. Different types of cooperatives and District Cooperative Unions (secondary organisations) formed by primary cooperatives were organised. Cooperative Society Act and the Cooperative Society Rules came into effect in 1959 and 1961 respectively. In 1961 with the establishment of a Cooperative Bank which took up the financing function from the Department of Cooperatives was formally institutionalized. Later in 1968 it was converted into Agriculture Development Bank. A Cooperative Training Centre under the Department was set up in 1963, with the objectives of providing training to the field staff of department, employees of Cooperatives and office bearers and also educating

cooperative members.

During this plan of cooperative development a serious thought was given as to the necessity of reorganising the cooperatives in a way more relevant and responsive to the needs of rural masses. As the credit cooperatives were found having limited impact on the existing pattern of agriculture, the emphasis shifted from credit to multipurpose cooperatives so that their activities could include production, marketing, supply and credit. The District Cooperative Unions were entrusted with the task of providing them services of supply and marketing and coordinating them for integrating their activities.

As the performance of cooperatives was very poor, cooperative revitalization programme was introduced in 1970-71. Emphasis was given on organising the cooperatives in selected area based on the potentiality of agricultural development and strengthening their position to make them economically viable and efficient. Under this programme guided cooperatives were organised on a phased manner. Efficiency in organisation and management has been greatly stressed. For some years the management of the guided cooperatives had been handed over to the Agriculture Development Bank.

With the following basic objectives a Sajha (Cooperative) Programme under the Institutional Arrangement for Rural Development has been implemented by His Majesty's Government of Nepal in 1976.

- (1) To increase the income of the farmers through improved system of farming by making available institutional loan, inputs and other materials to small farmers and group of small occupationists at the village level.
- (2) To mobilize the rural savings and invest them in development works by providing banking facilities to the farmers in the villages.

To achieve the objectives through mobilization of rural savings and people's participation attempts have been made by converting the compulsory savings collected from farmers under the Land Reform Programme into the share capital of Sajha (Cooperatives), thereby making all farmers the shareholders of cooperatives. This sort of measure has greatly helped to

strengthen the financial position of the cooperatives.

The programme now covers 68 districts out of 75 districts of the country under this programme. Thus, cooperative movement will gradually cover all parts of the country and most of the economic activities of the rural farmers.

Present Structure of Cooperative Movement:

The agricultural cooperative movement in Nepal is two tier system with primary cooperatives at the village level and cooperative union at the district level. There are a little more than 700 primary cooperatives and 33 district cooperative unions in the agriculture sector.

In order to promote the cooperative movement, safeguard the ideological content of cooperatives, guide the cooperative policies, develop cooperative relationship, help the coordinated functioning of the cooperative institutions, create conducive climate through educational and publicity programme as a mouthpiece of cooperatives, represent the national cooperative movement in the international organisation and conferences, the need for a National Cooperative Federation has been strongly felt.

National Cooperative Federation:

The formation of National Cooperative Federation (NCF) has been proposed and is under consideration. The Federation will affiliate all the cooperative unions at the district level. The cooperative system as such will take shape with three tiers—primary cooperative at the grassroot level, district cooperative union at the secondary level and national cooperative federation at the national level vertically. The federation will play a key role to maintain the horizontal relationship between the cooperatives at the different levels. It will render services to all the primary cooperatives and the unions on aspects of promotion of economic business, development of managerial skill and efficiency, integration of various business activities, guidance, education, research and public information and play key role for the cooperative development at the national and international levels.

Objectives of NCF:

The Federation will have the following main objectives:

- (1) To formulate policy and programme in regard to co-operatives within the framework of approved policy of His Majesty's Government of Nepal.
- (2) To help its member cooperatives for their economic betterment.
- (3) To guide the people in activities of expanding and strengthening of the cooperative movement.
- (4) To develop contact and coordination with His Majesty's Government of Nepal and other national agencies and carry out all the works in regard to the programme operation, leadership development and supervision of co-operatives within the country.

Functions of NCF:

Since the objectives mentioned above are to be achieved, the NCF will have following functions relating to the economic activities and cooperative development.

A. Economic Activities:

- (1) Arrange necessary credit, production inputs, consumer goods and marketing of products.
- (2) Make arrangements for collection, transportation, processing, procurement and export and import in the interest of member cooperatives.
- (3) Help economic projects like cold storage agro-based industries and small scale industries.
- (4) Provide banking facilities through cooperatives in the rural areas.
- (5) Set up special funds and operate them for financing the cooperative development.
- (6) Collect market price of the products and other related data and information and provide them to the member cooperatives.

B. Cooperative Development

- (1) Develop cooperative personnel service for the cooperatives' employees working in the district cooperative unions and primary cooperatives and handle personnel management.
- (2) Advise His Majesty's Government of Nepal by formulating policies in regard to cooperative development and its promotion.
- (3) Study the programme formulated by the member cooperatives in the districts and make suggestions to them.
- (4) Develop inter-relationships between the cooperatives and bring coordination in their activities.
- (5) Conduct the feasibility study as to what type of cooperative can be organised and at the same time study, carry out research and investigations of projects of cooperative activities.
- (6) Contact with international organisations and get membership of the related International Cooperative Institution.
- (7) Control, supervise, and review the performance of cooperatives at all levels regularly and make recommendations required for further improvement.
- (8) Conduct cooperative education programme and create conducive climate through publicity and other activities.
- (9) Run the cooperative programme and make it implement in conformity with the policy approved by His Majesty's Government of Nepal, maintain the contact and coordination with His Majesty's Government of Nepal and other agencies at the central level for the cooperative development and give leadership in running the cooperative project implemented throughout country.
- (10) Inculcate saving habit in the rural areas through the cooperatives.
- (11) Protect the interest of cooperatives.
- (12) Give suggestions regarding amalgamation, division and reorganisation to His Majesty's Government of Nepal.
- (13) Carry out other works directed by His Majesty's Government of Nepal as required for cooperative development.

Legal Position:

The proposed NCF will be as an autonomous body under the Cooperative Society Act. Its membership will be absolutely voluntary. However, the government participation, will be there for some time. The NCF will be free to manage its own affairs democratically and in conformity with the act, rules and bye-laws of its own and have right to represent cooperative movement at the national and the international levels.

Financial Position:

With many significant activities to be carried out by the NCF, quite a sizable amount of capital will be needed and therefore it should have a strong financial base to carry out them effectively. Keeping in view of the fact a provision has been made to collect the amount required for meeting all the expenses to be involved in various activities. The way the NCF will create funds is as follows.

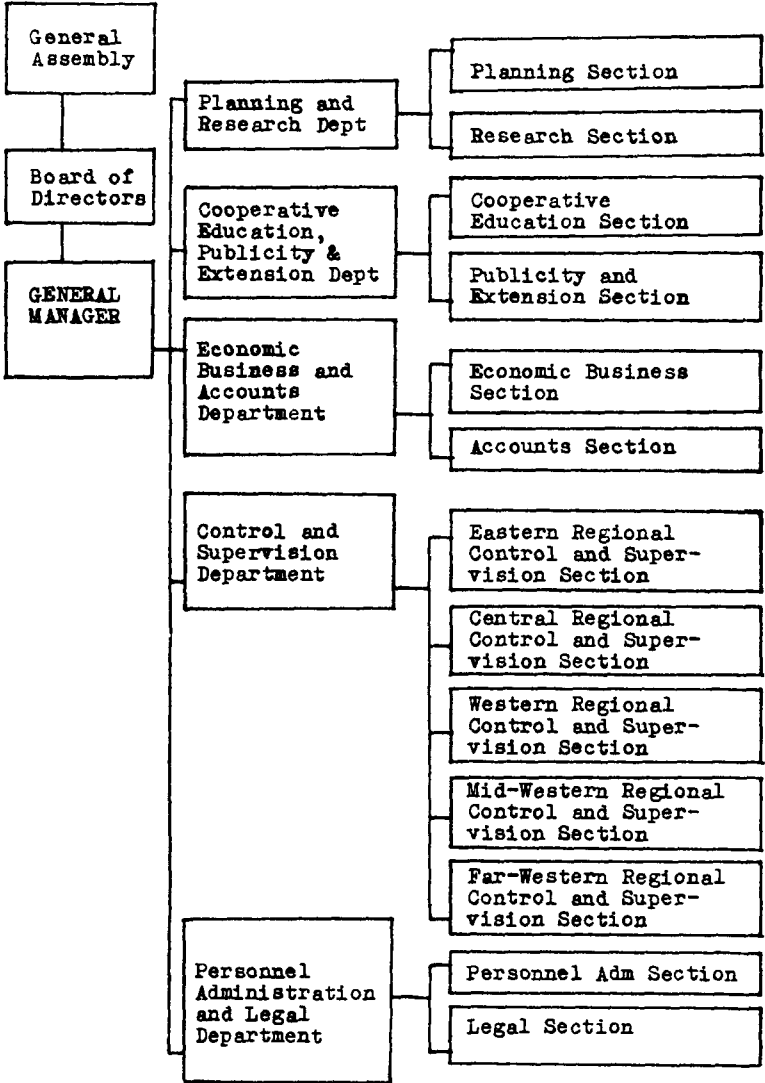
- (1) Contributions for the fund will be raised in the form of entrance fee and share capital.
- (2) Loan will be received from the financial institutions in order to run the economic activities.
- (3) The savings out of economic business and financial assistance from international organisations will be part of its fund.
- (4) Subsidies from His Majesty's Government of Nepal and other related agencies for the cooperative development will be included in the fund.

In the first five years of the NCF's establishment His Majesty's Government of Nepal will bear its annual operational expenses.

Organisational Structure

The success of achieving goals or objectives of the NCF depends upon well-defined authority, responsibility, cooperation, coordination at all levels of management units and their efficient operations of its activities. In considering the fact the NCF's organisational structure in chart. No. 1 has been proposed.

CHART 1 : ORGANISATIONAL STRUCTURE OF
NATIONAL COOPERATIVE FEDERATION



The NCF is governed by the general assembly which is decision-making body and will meet once a year. Each member cooperative will send its representative and exercise its vote through him on the principle of one man one vote. It will discuss and approve the NCF's annual programme formulated by the Board of Directors, review performance of its activities, direct necessary guidance for their improvement in the future, rectify its annual audit report, hold election of members of the Board of Directors and discuss the development activities and problems of the cooperative movement and make recommendations.

The Board of Directors will be responsible for the NCF's day to day activities and meet quarterly. It may also meet as and when necessary. It will implement the policies approved by the general body, design the programme and budget and get approval from it. It will comprise chairman, member-secretary and other members elected and nominated.

The NCF will have five major Departments namely Planning and Research, Education and Publicity, Economic Business, Control and Supervision, and Personnel Administration. Each Department will consist of various sections.

Leading Role of NCF :

Being a responsible organisation at the national level, the NCF will have a leading role to strengthen and promote cooperative movement. On behalf of the movement, it will have to be its spokesman in the country and international arena and have to safeguard the principles of cooperation agreed upon by ICA, protect its interest and create the most favourable climate for its all round development.

Member Relations:

The effectiveness of the NCF depends upon the degree of relations with its members. The NCF being a federation of District Cooperative Unions will have fundamental duty to make contributions for the benefit of them because it will be created for strengthening them and the cooperative movement as a whole. In turn they have their main duty to make it more effective and powerful for handling cooperative movement into proper

direction. It will provide necessary services to them and collaborate with them on the operation of specific projects. It will develop a mechanism of control and supervision for smooth working of business of its members so that harmonious relation may be developed in them.

Feedback System:

Aiming at improvement of any step taken up by the NCF, efforts will be made for having feed-back in regard to the application of policies, control, supervision, cooperation, coordination and collaboration on the activities of member cooperatives through reporting, conference, meetings, consultations, study etc. from member cooperatives within its framework, the NCF will hold conference between the departmental heads and managers, sectional heads and board of directors. This sort of arrangement will contribute to ventilate the difficulties and problems for taking corrective measures,.

FELIX A. BORJA*

The Philippines Cooperative Movement—General Overview

The Bases For a National Cooperative Organization

Cooperatives, and any other type of organization for that matter, requires bases upon which they are organized. A National Cooperative Organization (NCO) is not an exception. Insofar as the Philippines is concerned, the following are the bases for the organization of the Philippine NCO, the Cooperative Union of the Philippines, Inc.

1. **Ideology.** The ideology of Cooperation promotes social justice through the equitable distribution of income and wealth and the democratization of the economic and social forces that govern the people's daily lives. Cooperatives, within their respective areas of operation accomplish this in varying degrees of success, limited only by circumstances. Within the Philippines, as in any other country, people in certain localities wherein cooperatives have been operating successfully, reflect a greater understanding of the Cooperative Idea and draw economic and social benefits hitherto unavailable to them. Because cooperatives effectively demonstrated in practical terms the validity and feasibility of the Cooperative Idea, this created a demand for its propagation in areas wherein no cooperatives exist. The successes and failures at cooperative organization showed the necessity for education and training, audit and management technical assistance. Cooperatives began to forge links and integrate themselves horizontally and vertically to satisfy these needs in varying degrees by organizing federations. Some cooperatives integrated themselves horizontally by organizing federations of cooperatives of different types to meet common economic needs such as credit, supply, insurance,

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etc. Other cooperatives integrated vertically by organizing federations among cooperatives of the same type to meet highly specialized sectoral needs such as technical training, management consultancy, etc.

The efforts of cooperatives at integration brought to fore certain problems which fall beyond the powers of cooperatives and their federations, since these require action through legislative or administrative measures by the local and national governments concerned. This gave rise to the need for union of cooperatives of all types from local to national levels which will not only provide for education and training, audit, and management technical assistance services, but more importantly, to conduct policy initiatives in the fields of legislation and administrative action for the benefit of all types of cooperatives.

2. **Legal.** More than forty laws, executive orders and proclamations to promote cooperatives have been enacted or promulgated. However, only one body of law recognized the need for one NCO and specifically authorized its organization and financing. This law is Presidential Decree No. 175, as amended and its implementing regulation, Letter of Implementation (LOI) No. 23, as amended.

2.1 *Organization.* P.D. No. 175, as amended, provides in Section 8 thereof, for the registration, regulation and supervision of federations, and unions (including an NCO) which shall not perform business functions. LOI No. 23, as amended, provides in Regulation Nos. 48-50 thereof the manner by which federations may be organized. These regulations are paraphrased as follows:

Regulation 48. *Who may organize federations of cooperatives*—Two or more cooperatives may form a federation.

Regulation 49. *Membership*—Membership shall be open only to cooperatives. Registered cooperatives may unite to form federations on the provincial, regional and/or national levels.

Regulation 50. *Distribution of Net Income*—The provisions concerning computation and distribution of net income of cooperatives shall apply to federations, except that the general reserve fund to be set aside shall at least be twenty percent of the net income.

On the other hand, the same LOI No. 23, as amended, pro-

vides in Regulation Nos. 51-53 thereof the manner by which unions may be organized and registered, and *specifically states that there shall be only one NCO*. These provisions are hereunder paraphrased as follows:

Regulation No. 51 *Who May Organize Unions of Cooperatives*—Two or more cooperatives may form a union.

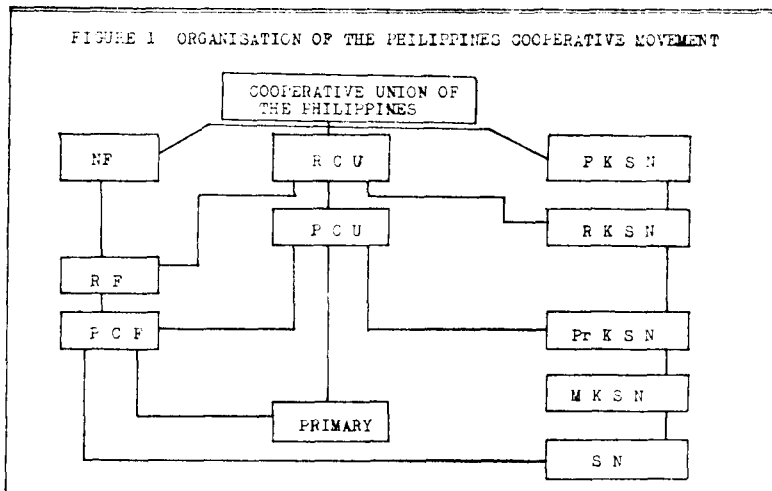
Regulation 52. *National Union of Cooperatives*—There shall be registered only one national union of cooperatives at the national level, to which all types of cooperatives, provincial, regional and national federations and unions may affiliate. Such a Union may :

- (a) represent all the cooperatives in the Philippines at home and abroad;
- (b) acquire, analyze and disseminate economic, statistical and other information regarding cooperatives;
- (c) conduct studies in the economic, legal, financial, social and other phases of cooperation and publish the results thereof;
- (d) promote the knowledge of cooperative principles and practices;
- (e) develop the cooperative movement in the Philippines within the framework of the national economic plan of the government;
- (f) make available audit services to its members;
- (g) plan and implement a programme of cooperative education; and
- (h) advise the appropriate authorities on all questions relating to cooperatives.

Regulation 53. Applicability of provisions for federations of cooperatives shall as far as practicable apply to Unions.

The foregoing provisions of LOI no. 23, as amended, have been amplified through Circular No. 78-79 issued by government clearly specifying the terms of reference for the organization of federations and unions, including the NCO. This Circular rationalized the interrelationships of cooperatives and provided for the framework upon which the Cooperative Movement may be organized from the primary to the NCO levels. Figure 1 below shows the structure of the Movement as

suggested in the aforesaid Circular :



Notes:

CUP — Cooperative Union of the Philippines, Inc.

NF — National Federations

PKSN — Pambansang Kalipunan ng mga Samahang Nayon
(Nat. Fed. of Samahang Nayon)

RCU — Regional Cooperative Union

RF — Regional Federation

RKSAN — Regional KSN

P/CU — Provincial/City Union

PrKSN — Provincial KSN

P/CF — Provincial/City Federations

MKSN — Municipal KSN

Primary — Primary Cooperative

SN — Samahang Nayon (Village Association)

2.2 *Financing.* LOI No. 23, as amended, requires all cooperatives to set aside ten percent of their Net Income for cooperative education and training. It further provides that one-half (1/2) thereof or five percent of the Net Income of each cooperative shall be remitted to a Cooperative Education and Training Fund (CETF) created under the said LOI.

Under LOI No. 23, as amended, the sources of CETF shall, in addition to the foregoing be the following:

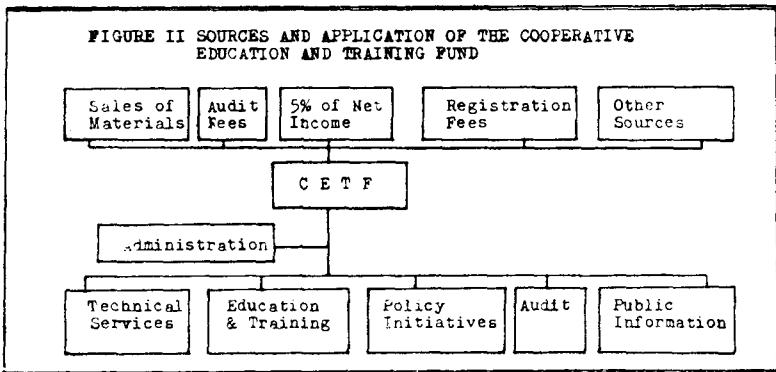
2.2.1. Fees charged by the government for the registration of cooperatives ;

2.2.2. Proceeds of sales of printed materials provided by the government for village cooperative associations;

2.2.3. Audit fees; and

2.2.4. Others authorized by said LOI No. 23, as amended.

Under the said LOI, the CETF shall be administered by the government until a national cooperative organization has been organized and registered in which event the said CETF shall be transferred to the aforesaid national cooperative organization for administration. Figure No. 2 illustrates the CETF:



3. Developmental. Successive government development programmes have been launched since the early part of the century to foster the growth and expansion of cooperatives. In 1973, a purposeful development programme was launched by the government to develop the Cooperative Movement in the Philippines as a major institutional partner in national development. Said Programme called for the development of the Movement in four stages, to wit:

First Stage

—Organization of village associations for education, capital mobilization for investment in full-fledged cooperatives, and discipline. These are non-business pre-cooperatives;

- Second Stage —Organization of full-fledged Area Marketing cooperatives and Cooperative Rural Banks to provide agricultural credit;
- Third Stage —Organization on a pilot basis of consumers cooperatives with central wholesale and retail complexes (with branches) in major urban centres to serve as outlets for agricultural products;
- Fourth Stage —Integration of all cooperatives into one cohesive system from the local to the national levels.

It was planned that upon integration of the cooperatives from the local to the national level, the Movement was expected to provide for education and training, auditing, and financing of cooperatives. Expectedly, these functions were to be performed by the NCO envisioned by P.D. No. 175, as amended, and LOI No. 23, as amended, to further develop cooperatives on a continuing basis.

The Development of the Philippine NCO—The Cooperative Union of the Philippines, Inc. (CUP)

The CUP is the product of over a decade of efforts on the part of both the private cooperative sector and the government. Attempts have been made since before the outbreak of the Second World War to organize an NCO. It was only during the decade of the seventies that these attempts resulted in success.

1. Organizational History.

1. *Year 1970.* Cooperative leaders had a National Conference at ACCI, College, Laguna to consider the feasibility of organizing the National Cooperative Union. The leaders thought that the organization of the Union was not yet feasible.

2. *Year 1973.* Cooperative leaders held another National Conference at the DAP (Development Academy of the Philippines) at Tagaytay City to consider anew the feasibility of organizing the CUP (Cooperative Union of the Philippines) under Presidential Decree No. 175, and Letter of Implementation No.

23. The conference arrived at a consensus that there was a need for the organization of a CUP to propel cooperatives development by the private sector as contemplated in the cooperatives development programme of our country and that such organization was already feasible. Hence, an Interim CUP was organized and an Interim CUP Board of Directors and Interim Officers were elected. The Interim Board of Directors was mandated to draft the Constitution and By-Laws of the Union and reconvene the National Conference at the earliest time possible to the adoption of the Constitution and By-Laws and the formal organization of the CUP.

3. *Year 1974* The National Conference of Cooperative leaders which organized the Interim CUP in Tagaytay City in 1973, was re-convened by the Interim CUP Board of Directors at the Mirador Hill, Baguio City in 1974 as mandated. At that Baguio Conference, the CUP Constitution and by Laws as drafted by the Interim CUP Board of Directors were approved and adopted and an Incorporating CUP Board of Directors were approved and adopted and an Incorporating CUP Board of Directors and officers were elected and mandated to register with the DLGCD, BCOD and to operationalize the CUP. The union, however, was not registered due to major policy differences between the government and the cooperatives.

4. *May 1976.* Cooperative leaders met at the Office of the Cooperative Insurance System of the Philippines, in Quezon City and organized the Consultative and Coordinating Committee (CCCC) to act as the liaison body of the Cooperative Movement in the Philippines with the Government, private and international sectors while a National Cooperative Union is not yet in existence. The CCCC was to automatically cease to exist upon registration of a national cooperative union.

5. *May 8-15, 1978.* The CCCC, the Ministry of Local Government and Community Development through the Bureau of Cooperative Development, the National Association of Training Centres for Cooperatives, Inc. (NATCCO) and the Friederich Ebert Stiftung (FES) jointly sponsored a Seminar-Workshop on Federations and Unions. The guidelines for organization of federations and unions were discussed and a joint programme of organization of federations and unions was agreed upon between the CCCC and the MIGCD/BCOD and implemented.

6. *June 1978 to November 1979.* The CCCC and MLGCD/BCOD organized 12 Regional Cooperative Unions in addition to the existing National Capital Region Union of Cooperatives, Inc.

7. *December 17-19, 1979.* The CCCC and the MLGCD/BCOD jointly sponsored a National Conference-Workshop on the Formation of the Cooperative Union of the Philippines, Inc. (CUP). On the said occasion the participating delegates of the 13 Regional Cooperative Unions and 10 National Federations of the country organized the CUP.

8. *February 1, 1980.* The CUP was registered with the BCOD under Certificate of Registration No. KAL-052. The CCCC automatically ceased to exist and all functions were absorbed by the CUP.

2. Organizational Development. Immediately upon its registration, the CUP forthwith operationalized itself and assumed its functions as the Philippine NCO.

2.1 Corporate Plan. CUP adopted a comprehensive and broad Corporate Plan which it has been implementing since 1980.

This Plan reflects the developments philosophy and approach of the CUP, its objectives, work programmes, and strategy of programme implementation, the nature and structure of CUP, and its budget. The following broadly treat this Plan.

Rationale

1. *Philosophy*—CUP believes that Cooperative development is basically the responsibility of the Cooperative Sector with the Government providing a favourable atmosphere for the growth and development of cooperatives. Under present conditions, however, the Philippine Government (like those in other developing countries) has assumed a very active role in economic development. This situation is attributable to the then, absence of an apex national organization which could represent and articulate the interest of the Cooperative Sector. With the advent of CUP, this situation is expected to reverse as CUP gradually assumes the leadership in cooperative development, with the Government performing a supportive and facilitative role, on a long term basis.

2. *Basic Approach*—At this stage, CUP views cooperative deve-

lopment as a partnership of efforts between the Cooperative Sector through CUP which should increasingly assume the leadership in cooperative development work as its resources expand; and the Government (principally through Ministry of Agriculture/BCOD) which should gradually turnover its development role and assume the role of *registrar, supervisor, and active supporter* and facilitator of cooperatives.

CUP bears in mind at this point, that, from the viewpoint of the Cooperative Sector, cooperatives perform a major role in the economic advancement of their members in terms of greater income and more purchasing power, savings and investments, and economic and social security. From the view point of Government, as reflected in its National Economic Development Plans cooperatives perform a major role in the national effort to achieve a more equitable distribution of income and wealth and to increase income and purchasing power of the low income sector, thus, helping assure a measure of social stability in the country. It is obvious that both the Cooperative Sector and the Government have a common goal—the development of cooperatives. The divergence (if we may call it that) lies in their ultimate objectives. cooperative sector—economic and social security of cooperative members; government—social stability. It is in this area wherein both the cooperative sector and government need to coordinate their plans. In this light, CUP cooperates, coordinates and collaborates with the Ministry of Agriculture/BCOD for maximum results in its cooperative development activities having in mind the philosophy earlier indicated.

Importantly, and under the foregoing, CUP avails itself of the resources, services and facilities of all institutions, government or private, domestic and foreign, which are engaged in cooperative development work, to further attain the objectives of CUP.

Corporate Strategy of Operations

1. *Policies.* In the conduct of its operations, CUP adopts the following as its key Corporate Policies:

1.1 Availing the expertise, experience, and resources of affiliates, existing institutions and private individuals, Filipino and foreign;

1.2 Delegation of functions to Regional Cooperative Unions and National Federations relating to services to their respective affiliates;

1.3 Encouragement and support of developmental initiatives at the regional and sectoral levels in line with the independent and autonomous character of cooperative entities.

1.4 Active Assistance to Regional Cooperative Unions and National Federations in their planning, programming and implementation activities.

2. *Instruments of Development.* In the development of cooperatives, CUP makes use of the following as its principal instruments of development:

2.1 *Policy Initiatives.* A continuing initiative for policy development;

2.2 *Education and Training.* Continuous and sustained education and training of directors, committee members, officers and key staff of RCUs and National Federations as well as their affiliates;

2.3 *Audit.* Regular audit of the accounts of cooperatives to preserve and maintain the integrity of their financial operations;

2.4 *Technical Assistance.* Provision of technical assistance on a need basis to cooperatives.

3. *Programme Implementation Agencies.* In the implementation of its Programmes, the CUP will avail itself of the resources and capabilities of the following:

3.1 *Agricultural Cooperative Credit Institute.* Economic policy research, evaluation and development, and degree-oriented cooperative courses.

3.2 *Cooperative Foundation of the Philippines, Inc.* Economic policy research, evaluation and development, and advanced business studies.

3.3 *National Association of Training Center for Cooperatives, Inc.* Member Development through education and training.

3.4 *Philippine Federation of Credit Cooperative, Inc. (PFCCI).* Member development through regular audits of accounts of cooperatives.

3.5 *Philippine Cooperative Servants, Inc.* Public Information.

3.6 *Regional Cooperative Unions.* Development of the social base of CUP.

3.7 *National Federations*. Development of the economic base of CUP.

The CUP as the National Cooperative Organization of Cooperatives in the Philippines

An examination of the terms of reference for the existence of cooperative unions in the Philippines shows that they are the *sole* representatives of cooperatives recognized by the government performing non-business service functions to cooperatives on the provincial, city, regional and national levels, as envisioned by the Cooperative Law (Presidential Decree No. 175, as amended, and Letter of Implementation No. 23, as amended). This places CUP in a class by itself (as an organization) with a peculiar working situation unique only to itself. Barely three years old, CUP has grown in influence despite adverse environmental operating conditions. This may be attributed to several factors the major ones of which are summarized as follows:

1. **National Symbol**. The CUP, even before its inception, has been viewed as the symbol of Philippine Cooperation by both the government and the Cooperative Sector. It is the rallying point of the Cooperative Movement in the Philippines and all efforts by both the government and cooperative leaders, no matter how contradictory, are directed towards its maintenance as such.

This carries with it grave responsibilities which, if not carefully undertaken, would render it ineffective and irrelevant. The government regards it as the spokesman of the Movement and normally seeks its immediate commitments on particular issues which are expected to bind all cooperatives. In urgent cases, the normal process of consultations with affiliates through referenda places CUP in the delicate situation of risking a stand which may not carry the support of cooperatives. Fortunately, CUP has, so far, been enjoying the support of cooperatives along this line.

On the other hand, the cooperatives view the CUP as the leading point of the Movement and expect it to influence government policy for their benefit even when concessions are, unobtainable in the light of the over-all development plans of government. While this is a legitimate expectation, it places CUP in the delicate posture of risking the unnecessary antagonism of government. Fortunately, again, through a free-flow of communications,

both written and verbal, CUP has been able to present the situation to cooperatives and the formidable elements that it has to contend with. A case in point here is the matter of income tax exemption privilege which is limited to five years for non-agricultural cooperatives and ten years for agricultural cooperatives reckoned from their registration.

In response to the cooperatives' expressed need for not only extending but also broadening the tax-exemption and other privileges of cooperatives, CUP proposed to Parliament the corresponding legislative measure but government is currently seeking new sources of revenue to finance its expanding development programmes. The measure bogged down in Committee on Finance of the Parliament. It took a lot of patience on the part of CUP to present the formidability of the task of securing approval of the measure in the light of the government's efforts to generate more revenues, before the cooperatives understood the problem to be beyond CUP's powers to resolve without their active support. This produced various reactions culminating in individual representations by cooperatives with their respective Members of Parliament.

2. Structural Integrity. Designed by both the government and the cooperative leaders of the country through a continuing dialogue since 1973 up to its formal organization at the end of 1979, the structure of CUP reflects the aspirations of the Cooperative Movement in the Philippines. This being so, it enjoys the support of both the government and the cooperatives. The internal structure is as simple as that of a primary cooperative which clearly defines the powers, functions, and responsibilities of the corporate bodies and officers of the CUP while providing optimum flexibility for growth and expansion on a long-term basis.

The external structure of CUP (Fig. 1), however, is a complex one. All the component elements therein are completely autonomous. It is otherwise known as the Union System. The structure provides a framework for systematic collaboration, cooperation and coordination of activities among cooperatives at various levels and sectors of the Movement all the way up to the national level. The autonomous character of the various components is both a strength and weakness.

It becomes a strong point in locating authority and responsi-

bility for cooperative development on a geographical and sectoral basis and in galvanizing action matters of consensus as that on taxation. It becomes a weakness where there is no unanimity on particular issues. There is a need for eliminating this weakness and this can be done through a more formal relationship wherein the lower level components submit to the decision and directions of those over them. However, this can be done only on a long term basis through conscious evolution of corporate leadership, i.e., acceptance of federations and unions as sectoral and geographical leaders respectively, of cooperative societies. There are many possible approaches to this with their own disadvantages, and these are:

2.1 *Government administrative fiat.* This could be accomplished by means of regulations, This, however, goes against the grain of autonomy of cooperatives;

2.2 *By-Law Amendments.* Lower level societies could amend their by-laws to the effect that they shall be bound by the decisions of their federation and unions. This, however dilutes their organizational integrity and may prove counterproductive.

2.3 *Memorandum of Agreement:* Cooperatives and their federations and unions may enter into a multilateral agreement binding them to the decisions of such federations and unions. This may prove to be both desirable and feasible but may become impractical in application or enforcement.

2.4 *Natural Process.* This involves a long process of collaboration, cooperation and coordination resulting in federations and unions, through sheer performance, become the acknowledged sectoral or geographical leader-organization.

At this point the fourth approach is the most acceptable to cooperatives. This is consistent with their autonomous and independent character.

3. **Enlightened Leadership:** This is a source of great strength on the part of CUP. The leaders in CUP (directors, officers and committee members) possess a high degree of professional competence in their respective fields of discipline and educational background; substantial training in cooperatives and leadership; and their average cooperative experience is no less than 17—20 years. Their rich experience and expertise in cooperative development provides them a broad view of national and sectoral issues. The enlightened leadership of CUP is the product of a

natural process of selection from the primary level to the national level. It has steered CUP through the dangerous waters of factionalism, disunity, cynicism and internal strife which are the growing pains of every new organization. It is to their credit that CUP grows ever stronger as an NCO.

4. **Finance:** The CUP is the only cooperative organization the operations of which is provided for bylaw. The Cooperative Law entrusts to CUP the administration of CETF which was actually transferred to CUP on February 2, 1982. The total CETF collections by CUP at the end of the year 1982 was \$ 743,665.48. Of this amount 10% was allocated as a Reserve Trust Fund, 60% was utilized for operations; and the balance of 30% for cost of administration.

With the transfer of CETF, CUP was able to discharge its functions and responsibilities on a broader scale and accomplished more under its Corporate Plan.

5. **Corporate Directions.** Right from the outset, the leadership of CUP drew up CUP's Corporate Plan which embodies its Corporate Philosophy, basic approach to cooperatives development, operating objectives, programmes, key policies and corporate strategy of operations. This provided the corporate directions of CUP and the Movement as well. It has been gradually evolving into the nature of a social contract of the Movement, becoming the basis for intercorporate coordination, cooperation and collaboration among the component elements of the External Structure of CUP. With this as a significant development CUP's leadership feel cautiously optimistic that this will become the driving force that will propel the Movement to greater heights of achievement in the years to come.

CUP drew up a model Corporate Plan for Regional, City and provincial cooperative unions dovetailed with that of CUP complete with budgeting, accounting, monitoring, reporting, and internal control systems was developed for the use of the Regional, City and Provincial Unions. Due to fund limitations, however, some Regional Cooperative Unions have yet to adapt and implement the model. Nevertheless, those who have done so in varying degrees find it convenient relating their activities with those of CUP, further reinforcing the evolving social contract referred to above.

The foregoing are but a few of the contributory factors for

the growing influence of CUP in government and policy as well as in the trends and directions of the Movement. Despite the initially adverse operating environment CUP drew strength from the foregoing factors to become a credible institution for cooperative development on the national and international scene.

Conclusion

The continuing efforts of the government and cooperative leaders to unify cooperatives under one NCO and the attendant lessons of experience in cooperative successes and failures did much in bringing to the fore and together the most enlightened cooperative leaders of the country. Drawing upon their combined wealth of education, training, experience and expertise these leaders laid the foundation of a strong and stable NCO in 1978 and, forthwith, proceeded with its organization in 1979 and registration and full operationalization in 1980 under a carefully considered Corporate Plan which presently guides its operations.

We can look back with satisfaction and quiet pride in the successful development of CUP as the Philippine NCO. And we look forward with confidence in its growing strength and influence in the Cooperative Movement.

Strengthening of National Cooperative Organisations in Sri Lanka

Introduction

The objective of this paper is to take an overview of the National Co-operative Organisations in Sri Lanka from the historical point of view and analyse the contemporary situation in order to enable us to evolve strategies to strengthen the National Organisations specially National Cooperative Council of Sri Lanka which is the national apex organization. Changes in the co-operative policy of the government from time to time influenced the functioning of the National Co-operative Organizations. Therefore, at least a mention of such changes would enable us to understand the totality of such changes. The presentation would be more factual without any bias in order to treat the problems openly during discussions.

Historical Background of the National Cooperative Organisations

Sri Lanka is a developing country based on agricultural economy, situated in the Indian Ocean as an Island. It consists of total area of 25000 square miles. The villages and plains scattered around the coastal areas raise upto hills in the middle of the Island to the height of 8000 ft. The total population is about 14 million with the major race being Sinhalese who form 70% of the total population. 70% of the population live in rural areas. The growth rate of population is around 1.5% per year. The rate of GDP growth is 5.8% in 1981. The GNP rose by 4.2% in 1981. The increase of per capita income was 4.2%. The economy of Sri Lanka still remains basically agriculture based, although there had been a tendency towards industrialization in the recent past. Manufacturing industries enjoy the major share.

The main export crops are tea, rubber and coconut. Non-traditional exports like readymade garments, handicraft and spices also play a significant role.

The Co-operative system prevailed even during ancient times for agricultural purposes. The farmers were used to mutual help during cultivating season and harvesting time.

The first cooperative society started at Patha Dumbara in 1904 with the introduction of a credit cooperative society followed by Teldeniya in 1906. The Co-operative credit societies ordinance was enacted in 1911. The first registered Cooperative Society was Wellaboda Pattuwa Credit Co-operative Society. Rural indebtedness which led to civil unrest had to be solved by creating these agencies with the government blessing. The credit societies grew rapidly which came to a peak by 1942, By 1942 there were 1622 credit cooperatives and 164 thrift societies.

However, there were 132 other agricultural and other societies functioning at that time.

One significant change towards building up secondary level of Cooperatives was the amendment of the Cooperative ordinance in 1946 to accommodate secondary unions. The first union was Colombo District Cooperative Union. It was to function as a supervisory union.

The government launched a campaign to organise Cooperative stores societies during World War II in order to prevent black-marketing of consumer goods which were in short supply. With the settlement of world war the food production drive came into existence with the government support. A new cooperative form of organisation emerged which were called cooperative agricultural production and sales societies.

The aftermath of the world war saw to several developments towards the expansion of the cooperative sector with fisheries cooperatives, cooperative small industries and also cooperative banks. In 1953 Ceylon Cooperative Fish Sales Union was formed as an apex organisation. The Ceylon Coconut Producers Co-operative Sales Union was formed in 1942 to act as a selling agent of ten primary cooperatives. In 1943 the Cooperative Wholesale Establishment was organised in order to serve the Cooperative stores unions.

The Cooperative Federal Bank of Ceylon was established in 1949 as the apex bank of the Cooperative movement.

With the expansion of the cooperative movement with accelerated diversification of activities cooperation among cooperatives was felt as a timely need. Although the Department of Co-

operative Development did a yeoman service to the movement by cooperative promotion, extension, education, supervision and audit work, the cooperatives felt the need to strengthen the movement by having secondary and apex level unions, who help each other for common objectives by dealing with problems faced by the movement, expressing views of the current government policies of cooperatives and undertaking cooperative education and publicity activities. The first provincial ideological union was formed in 1947 and by 1949 there were nine such unions. The basis was the assistant registrars division which was the province. However, when the Department changed its provincial structure to a district structure these unions were split to district unions.

The 22 district Cooperative unions got together in 1955 and formed the Cooperative Federation of Ceylon. This became the apex ideological union for the whole country.

One more significant development was the formation of the Ceylon Agricultural Producers' Co-operative Union in 1962 whose membership consisted of Multi-purpose unions, Multi-purpose societies and Agricultural societies. The union was to engage in marketing of vegetables, fruits and minor agriculture produce. The Ceylon Cooperative Industries Union was registered in 1965. The membership was opened to M.P.C.Ss and Industrial Cooperatives such as textile Cooperatives. The M.P.C.Ss. and Rubber Producers Cooperative Societies get together and formed All Ceylon rubber production and sales union in 1967.

The apex level unions grew in number after reorganization of Cooperative movement in 1971-72 and many unions were formed which did not play an important role, e.g. Light engineering co-operative societies union etc.

Contemporary situation of the Apex Level Organizations in Sri Lanka

The interpretation of Apex Level organizations causes some vagueness in perception. However when we take the broad interpretation in the context of Sri Lanka, we could see two broad categories in terms of their characteristics.

- (1) Business apex organizations.

(2) Ideological apex organizations.

The following apex organizations are actively engaged in business activities.

- (1) Sri Lanka Cooperative marketing federation.
- (2) Sri Lanka Cooperative industries union.
- (3) Sri Lanka Coconut Producers Cooperative Societies union.
- (4) Sri Lanka Rubber societies union.

The following apex organizations functions as ideological apex unions:

- (1) National Cooperative Council of Sri Lanka.
- (2) Sri Lanka Fisheries Cooperative Federation.
- (3) Sri Lanka Credit Cooperative Societies Union.

As the subject of the workshop is confined to National Co-operative organization it is necessary to limit the scope of the paper to the National Cooperative Organization. Generally the functions of a National Co-operative Organizations are:

- (1) The representation of the movement at the National and International level.
- (2) The promotion of the movement.
- (3) The education of the people in the principles and practices of Cooperation.

The National Cooperative Council of Sri Lanka is the National Cooperative organization which falls within this category. It is constituted representing the other business as well as ideological apex cooperative organisations in Sri Lanka. The very constitution of the board of directors allows at least three places for the other apexes. The by-law of the National Cooperative Council (NCC) spells out the functions as identified above. Therefore the scope of this paper will be confined to the National Co-operative Council of Sri Lanka.

The National Cooperative Council of Sri Lanka is a Cooperative organisation registered under the Cooperative societies Law No. 5 of 1972. The former Ceylon Cooperative Federation had

22 district unions as members who formed the general body. The structure of the federation got changed with the re-organization of the cooperative movement in 1971-72. The district cooperative unions were made district committees with limited authority. Former district cooperative unions were independent organisations which carried separate identity under the cooperative ordinance. They collected money on their own; had independent activities in the districts. Some unions were growing rapidly and were able to have competent staff. However, the federation had an arrangement with them to provide them with executives as district secretaries. They had their own planning and implementation of programmes. However the constitution of the N.C.C. after the re-organisation in 1972 created a more representative body of the movement although the new structure of the N.C.C. vested more centralised power on the N.C.C.

With the amalgamation of district Unions to form a national organization structural as well as functional changes have been introduced.

The district unions lost their independence and were made to function as advisory bodies to the National Council. Assets and liabilities of the union were taken over by the newly found National Cooperative Council. The functions and activities too were centralised and the funds were made to be controlled centrally.

The membership of the Council have been broad based and any primary, secondary or apex level cooperative organization was allowed to become a member. The constitution of the National Council was expanded to accommodate all elected members of the district councils to become representatives. In addition, an advisory committee was formed to advise the board of directors on matters concerning individual member organisations and district councils. This committee consisted of 26 district council presidents and was allowed to elect their own chairman to chair the meeting. The board has the power to establish sub-committee for special purposes even by coopting specialists in the relevant fields.

It is relevant here to give a description of the objectives and powers of the National Cooperative Council as explained in the by-laws and the working rules;

Objects : The objects of the Co-operative Council shall be

- (a) To promote and develop the cooperative movement of Sri Lanka.
- (b) To educate, guide and assist the people in their efforts to develop, expand and strengthen the cooperative movement of Sri Lanka.
- (c) To serve as an exponent of cooperative opinion and to express views on behalf of the Cooperative Movement in Sri Lanka.

Powers: In furtherance of these objects, the Cooperative Council may either by itself or in collaboration with cooperative societies or other Institutions;

- (a) Organise cooperative education and training programmes and popularise among people, the practice of cooperation.
- (b) Develop inter cooperative relationship and help the coordinated functioning of the cooperative movement.
- (c) Organise, conduct, collaborate and assist in carrying out research connected with the Cooperative Movement.
- (d) Arrange for the production and publication of literature and audio-visual aids on Cooperation and allied subjects.
- (e) Publish books, pamphlets, leaflets, periodicals, newspapers etc., relating to cooperation and cooperative activity.
- (f) Give publicity to the achievements of cooperatives through periodicals, newspapers, journals, pamphlets, brochures, books, films, broadcasts and the like for creating a favourable atmosphere for the development of the cooperative movement.
Maintain an information bureau and a library.
- (g) Discuss the collective problems to express the collective views of, act as a central body of, the cooperative movement and assist in the formation of policy affecting the cooperative movement of Sri Lanka.
- (h) Express opinions on matters of cooperative policy and act as the accredited representative of the Cooperative Movement of Sri Lanka in the National and International

spheres.

- (i) Organise, convene and hold cooperative seminars, meetings, national conventions, conference etc.
- (j) Organise or assist in organizing new cooperative societies.
- (k) Raise funds, create general or special funds for the promotion of cooperation and administer the funds so created.
- (l) Purchase, hold, sell, exchange, mortgage, rent or lease land and buildings and erect, demolish, repair, alter or otherwise deal with any building thereon.
- (m) Give general or specific guidance to member societies with regard to implementation of any programme or undertaking of any activities in furtherance of the objects of the Cooperative Council or of any member society.
- (n) Do all things incidental, necessary, expedient or conducive to the attainment of the objects of the Cooperative Council.

It is important to mention here that the National Cooperative Council has been growing in its scope of activities and the organizational arrangements since its establishment on 26th July, 1972.

Analysis of Strengths and Problems

One basic principle adopted although the history of the council has been that its board of directors has always been elected. Even at present there are no nominated directors in the Council. This is distinct in comparison to other apex level, primary and secondary level cooperatives in which there had been nominations. The National Cooperative Council by-law does not provide for nominations. This principle even though had been adhered, the Registrar of co-operative societies had powers to make nominations under the Cooperative rules framed under the ordinance. The newly established Cooperative Council had more representation from the member societies as against the previous federation which had only 22 delegates. The present general body consists of 234 delegates from district councils.

The N.C.C. conducts its two regular training programmes for

employees of Co-operatives viz. Co-op. Employee (Ord. Level) course and Co-op. Employee (Adv. Level) course. C.E.C. O/L course is conducted in all the District Centres, whereas Advance Level training course is conducted only in four centres.

The by-law of the N.C.C. has provided some elasticity to expand its activities to serve their member organisations in business activities and consultancy work.

The constitution of the N.C.C. provides opportunities to 3 apex level organisations to elect directors to the Board of Directors of the N.C.C. to make it a representative body of the whole movement.

The National Co-operative Council represents itself in other organisations allied to the Co-operative movement. It has a representation in the Board of Management of the People's Bank, providing an opportunity to promote healthy relations between the two organisations which is considered extremely vital to the development of the Co-op. Movement. The President of the N.C.C. being a member of the Board of Management of Co-operative Management Service Centre has helped to co-ordinate the activities of both institutions and show the resources for mutual benefit.

The N.C.C. represents itself in the Advisory Committee of the Ministry of Food & Co-operatives and as such, in a position to influence the State policy towards the Co-operative Movement.

The N.C.C. is mainly financed by the contribution from the Co-operative Fund which is under the custody of C.C.D. & R.C.S. The fund is created by levying 10% of the annual net profit of the Co-operative Organisations. In addition, the N.C.C. derives some income through certain consultancy services to its member societies. These services include consultancy in architectural and accountancy. The share of these activities to the income of the N.C.C. is less than 10% of its budget.

The N.C.C. has been able to obtain financial assistance from the Cooperative Societies to carry out the educational and training activities at the Society level. This assistance share 30% of the expenditure on educational activities.

The N.C.C. carry out its activities through the network of 26 District Centres run by its District Committees. A district education centre is in charge of a District Secretary under the supervision of the District Committee. In addition two or more Edu-

cation Assistants are attached to a District Centre. Some centres carry out Cooperative employees Higher Level course annually by training 750 trainee employees.

A programme for member education and staff training at District and Society levels is held jointly by the N.C.C. and extension division of the Co-operative Department. The member education programme covers the Board of Directors, Committee members and Members of Co-operative Societies. The staff training programme covers the employees at the middle management supervisory and operation level of the Co-operative Societies. Sometimes foreign expertise are obtained through the ICA.

The N.C.C. has provided important consultancy work in the field of Architecture and Accountancy. The Cooperatives have been able to get the services at low cost than any other government or private agency.

The propaganda section of the N.C.C. organises propaganda meetings through district committees and provide cinema facilities for promotional purposes.

Two newspapers published by the N.C.C. had been existing for 30 years although with limited circulation. There had been other publications as well in the form of journals and books.

The problems of the movement are discussed at various levels—at the district level and national level seminars and conferences—organised for the purpose. The recommendations are forwarded to the respective ministry for perusal and action. Sometimes, representations are made to the respective Ministries for action. However, the N.C.C. has been actively lobbying in the government circles too when it came to important issues on Cooperatives although with limited achievement. The General Body has been active in presenting problems through district committees.

The N.C.C. has functioned as a link to International Co-operative Movements through the International Co-operative Alliance and has been representing Sri Lanka in the International forum. Foreign scholarships have been channelled through the N.C.C. for the benefit of the movement. The N.C.C. has been able to offer considerable amount of foreign scholarships to employees and leaders.

The NCC has gone into implementing Pilot Projects through international collaboration.

The Projects are:

- (1) Project for Training of Cooperative Teachers (ICA/SCC)
- (2) Women's Consumer Education Project (ICA/SCC)
- (3) Small Farmers Development Project. (ICA/Tropical Institute Holland).
- (4) Project for Management Training (SIDA/NCC)

The first two projects had been functioning for more than three years and had been able to provide valuable experience to the local movement as well as to the South-East Asian Region.

The Small Farmer Development Project is an attempt to try out participatory approach for Project formulation and implementation. The methodology would be vested on pilot basis and adapted into other areas.

The Project on management training attempts to meet the challenge of developing managerial skills in the Cooperative sector in order to face the current free trade competition. The concept of job training in management cadre, has not been fully practiced still although there had been many attempts. The project is expected to introduce modern training methodology in management training. It is expected that the final outcome would be the development of a logical job training system for Co-operative staff.

One advantage of the present structure of the N.C.C. is the possibility of maintaining dialogue horizontally and vertically. The structure accommodates the consultation from the Boards of member organisations and also among various auxiliary committees and even among parallel member organizations. More representations from the membership which consists of various types of Cooperatives have become possible.

One should consider the criteria of assessing the effectiveness of a National Cooperative organization. The possible yardsticks for measuring effectiveness are:

- (1) Autonomy
- (2) Financial independence
- (3) Capable and independent leadership
- (4) Efficient management.

A national organisation should enjoy autonomous status to carry out its functions effectively. This depend largely on the ability of the organisation to stand on its own feet both in financ-

ing and managing the activities. So long as it depends on external assistance in its existence, the required standard of autonomy becomes a distant reality.

The NCC functions as another Co-operative Society registered under the Co-operative Societies Law. Therefore it has to adhere to rules, regulations and procedure laid down by law and work in conformity with the requirement of law. This situation is unavoidable as long it remains a registered Co-op. Society.

The Co-op. Movement in Sri Lanka has experienced political involvement during its existence. This became more visible after reorganisation of Co-operatives when it was decided to give a substantial position in the national economic development policies. The co-operative elections are normally influenced by country politics which affect the management of Cooperatives as independent bodies. This situation reflects on the N.C.C. and the General Body of the N.C.C. is influenced by their situations. The N.C.C. has shown limited achievements in influencing the policy makers due to general considerations of the Government on the movement as a whole.

One distinct feature of the present structure of the N.C.C. is the problem of proportional representation of various sectors of the movement at the Board Level. The M.P.C.Ss. are not reasonably represented at the N.C.C. board due to the non-consideration at the General Body election. The MPCSSs are the largest primary Co-operatives which have 90% of the total Cooperative membership. However, these societies are not adequately represented due to which the N.C.C. becomes weak in member relations and even influencing the policy on M.P.C.Ss.

The major problem faced by the N.C.C. today is the provisions of adequate funds for its activities. It certainly requires adequate funds to implement its programme.

The major portion of the annual budget is borne by the Co-op. fund, administered by the C.C.D. & R.C.S. The fund is gradually decreasing and the dependence of the N.C.C. on the fund as the chief source of income would in future hamper its activities.

To avoid this situation two alternatives are available to the N.C.C. First, the N.C.C. should mobilize its fund sources. The fund sources of the N.C.C. can consist of following:

(1) Subscription

- (2) Co-op. Fund
- (3) Donation/Aid
- (4) Income from operational activities
- (5) Fund raising Drives

Unless this is done funding of the N.C.C. remains a problem.

The development of leadership for a national organisation mostly depend on the environment of the organisation. The emergence of good leadership depend on the development of the movement to a greater extent. The legal organizational and financial restrictions imposed upon the movement affect the functioning of the leadership to a greater extent. Even if a dynamic leader becomes a leader of the national organization he cannot do much in such a situation. Struggle for more autonomy depends on the Self-reliance of the movement.

The N.C.C. suffers to a greater extent from the deficiency of competent personnel. The salary structure and carrier prospects of the N.C.C. do not permit the organization to recruit specialists in various fields in order to fulfil the present day tasks of the organization to meet the current needs of the movement. There is a high labour turnover in the organization. Many persons developed by the N.C.C. have left the organization for better prospects in other sectors. The organization suffers from the absence of a proper career development programme for staff. The staff should be in a position to keep the movement to identify problems analyse and find solutions and carrying out specialised functions.

The vastness of the membership do not permit the N.C.C. to reach individual member or the village level cooperative society closely. The district office which consists of one district Secretary and an assistant are compelled to work as trainers, extension workers which is both important and essential to develop member relations and staff training.

One could notice an apathy on the part of the district committee as in the case of branch committees of a MFCS due to lack of authority of decision making and initiating programmes of their own. Funds are controlled centrally by the N.C.C. The staff is under the N.C.C. Central Office. The District committees function merely as advisory bodies. Therefore there is a tendency of loosing identity in the district.

Conclusion

The success of a national organization lies with the strength of the whole movement. A representative national body reflects the growth of the movement quantitatively and qualitatively. It is always vital to become existential to current economic and social changes in a given country in order to keep phase with the changes. Otherwise the Cooperative movement becomes obsolete. It is extremely essential to review the role, functions and activities of national organisation periodically and make changes with regard to its function in keeping with the changing situation in environment affecting the Co-operative Movement. Then only the national organisation would project itself as an emerging forum to identify the needs of the movement and act as a spokesman for the movement maintaining effectiveness of its voice.

Sri Lanka is changing rapidly towards industrialization and modern technological development. The private and public sector has been able to bring this technological development into the country in a big way in free economy. The national organisation has to grow in self reliance in the capital formation and in its competent human resources to enable it to lead the Co-operative movement into a more dynamic and modern human organisation to face challenges of the present open economy.

Cooperatives in Thailand

Present Situation of Cooperative Movement

Regarding agricultural cooperative movement, although the agricultural cooperatives could be considered as the best organized farmers' institution, they represent only 15% of the total farm population, and have still played a limited role in serving the government's policy in agricultural development. The shortcomings of agricultural cooperative movement are summarized as follows :

- (1) Weakness in manpower in terms of both members and personnel of cooperatives at all levels.
- (2) Lack of sufficient working funds which impeded the success of many improvement projects for agricultural cooperatives.
- (3) Lack of marketing and processing facilities.
- (4) Insufficient administration and management of cooperatives.

Non-agricultural cooperatives which include thrift and credit cooperatives, consumers cooperatives and services cooperatives have gained an increasing popularity among the people of all walks of life and have played a vital role in serving the economic and social needs of their members. Since the majority of non-agricultural primary cooperatives are comparatively financially strong they tend to be independent and individualistic. At present, 282 thrift and credit cooperatives or about 70% out of the total 400 societies joined the Federation of Thrift and Credit Cooperatives of Thailand, while only 70 cooperative stores out of the total 259 societies joined the Consumer Cooperative Federation of Thailand. This causes the weaknesses in both national federated organizations, which now face the same problem of the lack of sufficient funds due to the shortage of share capital held by the cooperative members and the absence of the government's financial support.

Need for strengthening the non-agricultural national federation lies in the areas of education and training for all groups of people concerned, members and executive committeemen so as to make them understand the ideology of cooperatives and thereby giving more cooperation and devotion to their national federations.

National Cooperative Organization

In Thailand NCO as defined in the Report of the Regional Seminar in New Delhi in February 1980 lies in the Cooperative League of Thailand (CLT) which is a non-governmental organization. It is a nation-wide confederation of cooperative organizations of all types. Founded under the Cooperative Societies Act, B.E. 2511 (1968), it now has affiliates of 1,935 cooperative societies, serving over 2.1 million members at the primary level. It is the only national cooperative organization dedicated entirely and exclusively to the promotion of cooperatives throughout the country.

The main tasks of the CLT are to enhance the progress and stability of its member societies, to act as a link between the Cooperative Movement and the Government as well as national and international organizations, with similar objectives and activities to promote business relationship among member societies, including trading-export and import, to organize and conduct courses, seminars, and conferences, surveys and research for purposes of cooperative education and propaganda, to bring out publications on cooperative and allied subjects and to support and supplement the educational activities of member societies.

In seeking to fulfil these objectives the CLT is undertaking a number of activities, such as :

- (1) Providing education to members, committeemen and employees of cooperative societies.
- (2) Advising and assisting cooperatives on technical and specific problems through coordination and collaboration with governmental agencies.
- (3) Promoting better understanding of cooperative principles and ideology among the general public.

- (4) Conducting research and studies of cooperative activities and related matters.
- (5) Reviewing and studying cooperative laws and other legislation affecting the movement and rendering advice on legal matters to the Government and cooperative organizations.
- (6) Publishing cooperative journals and other visual aids and making maximum use of the press, radio, T.V., and other mass media in the interest of creating understanding and an informed public opinion on cooperative matters.
- (7) Maintaining a library and an information bureau for people interested in the cooperative movement.
- (8) Studying cooperation in other countries and bringing desirable features to the attention of cooperators in Thailand.
- (9) Organizing regional and national level seminars from time to time and as the need arises.
- (10) Promoting cooperative relationship among member societies, international cooperative institutions, other international organizations and all groups and organizations which have similar goals and purposes.
- (11) Representing the cooperative movement of Thailand nationally and internationally.

Composition of the Membership

Membership of the CLT is open to all cooperative societies of all categories and at all levels in the country. Under the provision of the Cooperative Act 1968, all societies have to contribute a small portion of net margins at 5% but not exceeding 5,000 Baht for the financial support of the CLT. For the time being, there are 1,935 member societies, representing agricultural cooperatives, consumer cooperatives, thrift and credit cooperatives, land settlement cooperatives, fishery cooperatives and service cooperatives.

The Board of Directors is at present composed of 31 members, of which 25 are elected from the member cooperatives and 5 are appointed by the Minister of Agriculture and Cooperatives

with an executive director as the ex-officio board member. The term of office of the Board is 2 years.

How the Cooperative League of Thailand reaches its objectives

The following activities have been planned by CLT :

A. *Technical Training* : This training will be organized for all types of cooperatives at various levels ranging from the Chairman of the Board of Directors, board members, and cooperative employees. Such technical training will cover all aspects of subject matters and other related areas. The field of technical training will cover :

- (1) Administration
- (2) Management
- (3) Marketing
- (4) Credit
- (5) Book-keeping

B. Leadership Training :

- (1) Train and educate cooperative committeemen and member leaders of cooperatives through systematically planned group discussions.
- (2) Train and educate cooperative instructors in schools and colleges.

C. *Conducting cooperative member education* through the "Study Circle Method" in the more advanced cooperative societies.

D. *Press and Radio* will be used throughout the year, Cooperative news and activities will be filmed for educational purposes.

E. *Research* will be conducted to collect statistical data on cooperatives and related fields for study purposes. Attention will be given to a study of socio-economic changes resulting from cooperatives.

F. Publications :

- (1) The Cooperative League Bulletin will be published every

other month.

- (2) Cooperative News will be issued quarterly.
- (3) Text books on cooperatives, cooperation, research and related fields will be published.
- (4) Library facilities will be provided for people working in the field of cooperation and for others interested in this subject.

G. Others :

- (1) The league will cooperate and co-ordinate with the Cooperative Promotion Department (CPD) and the Bank for Agriculture and Agricultural Cooperatives (BAAC) on technical problems.
- (2) In collaboration with International Cooperative Alliance (ICA) and other international agencies specific training programmes will be conducted.
- (3) Close working relationships will be established and maintained with the International Cooperative Alliance (ICA), the Asian and Pacific Regional Agricultural Credit Association (APRACA), the Asean Cooperative Organization (ACO), the Swedish Cooperative Centre (SSC) and other International Organizations.

National Agricultural Cooperative Training Institute

The National Agricultural Cooperatives Training Institution (NACTI) was established in April, 1981 by the financial support of EEC. NACTI operates under a Steering Committee chaired by the Under-Secretary of State, Ministry of Agriculture and Cooperatives. The Steering Committee is responsible for setting policy guidelines, approving annual work plans and ensuring that the training operations of NACTI are specifically oriented to the management of agricultural cooperatives.

NACTI's targets of training are committeemen and managers, credit, accountant, marketing officers of 400 agricultural cooperatives in the restructuring programme of the Cooperative Promotion Department. In the fiscal year 1981 and 1982 NACTI has trained committeemen and management staff of 220 cooperatives. In fiscal year 1983 NACTI expects to train 180 co-

operatives.

In fiscal year 1984 NACTI plans to merge itself into CLT and extend training service to agricultural cooperatives all over the country.

Strength and Weaknesses of CLT

In summing up, CLT has achieved certain amount of its objectives, for instance in the field of coordinating activities and cooperation among its member cooperatives of various categories. Besides, CLT annual programmes of education and training for both cooperative members, non-members, members of the board of directors, managers and other staff of cooperatives have brought about more understanding, appreciation and efficiency on the part of those persons concerned. Again, CLT is taking the lead in organizing annually, in cooperation with the member cooperatives and government departments, the celebration of a National Cooperative Day of "February 26". This activity serves to stimulate, among cooperators as well as the general public, interest and awareness of cooperation and the cooperative movement in Thailand. In a way it helps propagate cooperative idea through exhibitions of cooperative businesses and activities, in addition to other media of publicity.

However, CLT still has many shortcomings, especially financial weakness due to meagre incomes of members cooperatives which pay annual contributions to CLT fund. In these circumstances, CLT has to draw on the income from interest of a Central Cooperative Fund which was established in the old days of unlimited-liability agricultural credit cooperatives.

Another weakness lies in the shortage of leadership among cooperators who are well equipped with knowledge of cooperation and really dedicated to the cause of cooperative development. Therefore, it is still laid down in the present cooperative law that CLT board of directors must be consisted of at least 25 elected representatives of member cooperatives and not more than five Government officials appointed by the Ministry of Agriculture and Cooperatives. This clause on appointed board members is expected to be deleted in the draft cooperative societies Bill.

It is expected that a Government policy on cooperative deve-

lopment should be clear and more concrete in encouraging CLT to take up more and more promotional activities and supervision of the Cooperative Movement so as to make it a truly self-reliant and independent Movement within a reasonable period of time. Before attaining such goals and targets, CLT must be given assistance, financially and technically and moral support from the Government in order to enable it to take the lead in promotion and diffusion of cooperation and ideology on the right lines.

Programme

Venue : Conference Hall, Cooperative League of Thailand, 4,
Pichai Road, Dusit, Bangkok

Working Hours: Session I. 9.00—12.30
Session II. 14.00—17.30

Work Programme:

- January — Arrival of participants
20th, 1983
- 21st — Inauguration
 - Group Formation and a brief on Methodology of the Workshop
 - 22nd — Country papers
 - 23rd — Sunday
 - 24th — Group Work—Session I.
 - 25th — Reporting Plenary—Group Work Session—II.
 - 26th — Reporting Plenary—Group Work Session-III.
 - 27th — Reporting Plenary—Preparation of Countrywise Action Programmes.
 - 28th — Group Work—Session-IV.
 - 29th — Reporting Plenary—Drafting Committee Sitings.
 - 30th — Final Plenary
 - 31st — Departure of Participants.

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THE INTERNATIONAL COOPERATIVE ALLIANCE

is one of the oldest of non-governmental international organisations. It is a world-wide confederation of cooperative organisations of all types. Founded by the International Cooperative Congress held in London in 1895, it now has affiliates in 66 countries, serving over 365 million members at the primary level. It is the only international organisation entirely and exclusively dedicated to the promotion of cooperation in all parts of the world.

Besides the Head Office of the ICA, which is in Geneva, there are three regional offices, viz., the Regional Office & Education Centre for South-East Asia, New Delhi, India started in 1960, the Regional Office for East and Central Africa, Moshi, Tanzania started in 1968 and the Regional Office for West Africa, Abidjan, Ivory Coast, started in 1979.

The main tasks of the Regional Office & Education Centre are to develop the general activities of the Alliance in the Region, to act as a link between the ICA and its affiliated national movements, to represent the Alliance in its consultative relations with the regional establishments of the United Nations and other international organisations, to promote economic relations amongst member-movements, including trading across national boundaries, to organise and conduct technical assistance, to conduct courses, seminars and conferences, surveys and research, to bring out publications on cooperative and allied subjects and to support and supplement the educational activities of national cooperative movements. The Regional Office and Education Centre now operates on behalf of 15 countries, i.e. Afghanistan, Australia, Bangladesh, India, Indonesia, Iran, Japan, Republic of Korea, Malaysia, Nepal, Pakistan, Philippines, Singapore, Sri Lanka and Thailand.

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