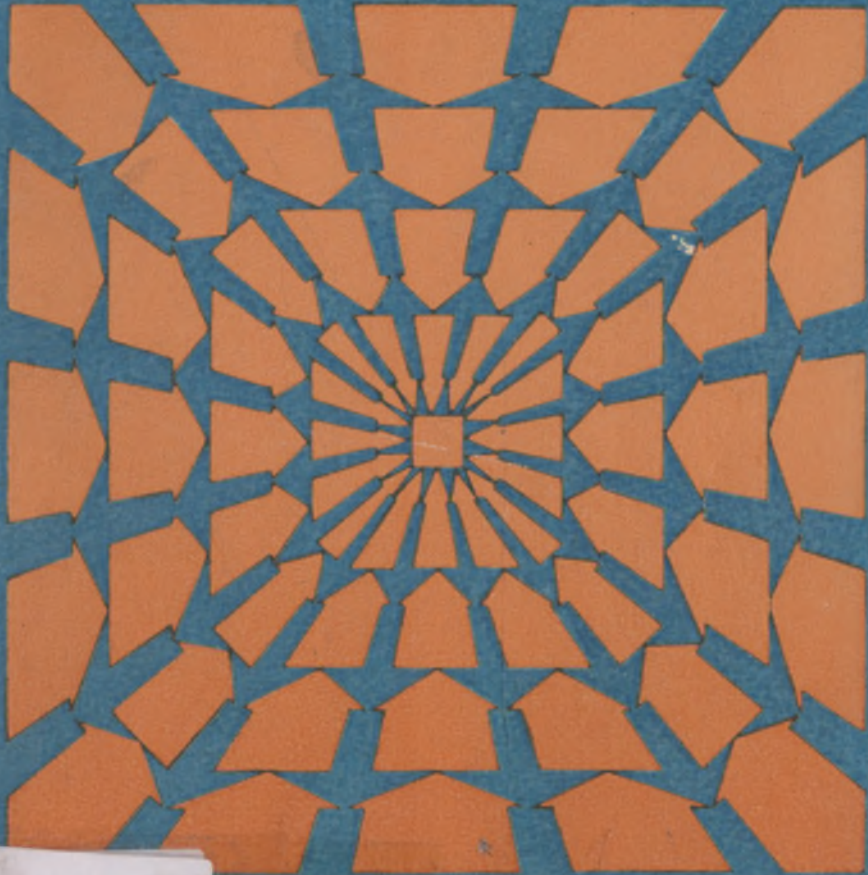


Cooperative Series 17

AMALGAMATION OF PRIMARY AGRICULTURAL COOPERATIVES IN THE REPUBLIC OF KOREA

LIONEL GUNAWARDANA



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INTERNATIONAL COOPERATIVE ALLIANCE

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43 Friends Colony, New Delhi 110-014. India

December 1974 (1000)

Price : Indian Rs. 12.00

Printed in India
at the National Cooperative Printing Press
New Delhi 110-015

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Preface

Agricultural cooperatives in most countries in the South-East Asian Region have registered significant progress in the past decade. Experience gained during the last several decades slowly and happily indeed, is curdling into efficiency. Some countries have completed programmes of amalgamation of small cooperatives into large ones thus creating viable units so necessary for efficient functioning of any economic enterprise. Others are either contemplating or are in various stages of implementation of amalgamation programmes.

The Republic of Korea has completed a systematic programme of amalgamation and is now engaged in improving and strengthening the larger cooperative units thus established. This book is an outcome of studies I made on the amalgamation of primary agricultural cooperatives in the Republic of Korea, in my various visits to the country in connection with cooperative work. The Korean experience can provide useful lessons to the amalgamation work in other countries especially in the South-East Asian Region. The ICA Regional Office has earlier published a book on amalgamation of cooperatives in Japan entitled "Amalgamation of Primary Cooperatives—The Japanese Experience". The two books together would, I trust, provide an interesting comparison of amalgamation techniques adopted in the two countries.

I wish to thank Mr. Byung Hang Choi and Mr. Poo Yung Lee of the National Agricultural Cooperative Federation of the Republic of Korea (NACF), whose ready cooperation made this work possible. Thanks are also due to those other officials of the Research and Education Departments of the NACF and of the cooperatives visited by me who assisted in various ways in collecting information. I also like to thank my colleagues in the ICA Regional Office, Messrs A.H. Ganesan, Daman Prakash, Prem Kumar, and Ram Prakash, who assisted in various ways in bringing out this publication.

Lionel Gunawardana

ICA Regional Office & Education Centre
43 Friends Colony
New Delhi 14
23rd December, 1974.

I

General Economy of The Republic of Korea

Land

The total area of the Republic of Korea is 98,431 square kilometres. The total cultivated area in 1972 was 2,241,750 hectares of which 1,259,138 hectares were under rice and 982,612 hectares under upland cultivation.

Area of Cultivated Land

(Unit : Hectare)

Year	Total	TOTAL	
		Paddy field	Upland
1956	1,991,397.87	1,188,464.85	802,933.01
1959	2,015,750.93	1,202,609.22	813,141.71
1962	2,062,183.34	1,222,807.98	839,375.35
1965	2,255,853.61	1,285,892.36	969,961.24
1966	2,292,536.68	1,286,808.21	1,005,728.47
1967	2,311,365.09	1,290,213.42	1,021,151.67
1968	2,318,218.15	1,289,013.11	1,029,205.04
1969	2,310,613.54	1,282,714.40	1,027,899.13
1970	2,116,855.52	1,194,782.11	918,630.42
1971	2,270,760.93	1,264,536.11	1,006,224.81
1972	2,241,750.99	1,259,138.58	982,612.40

It can be seen from the above figures that the cultivated area has been shrinking since 1968. This is largely due to the increasing use of land for industrial purposes.

Population

The total population of the country in 1972 was 32.76 million and the farm population was 14.67 million. Nearly twenty per cent of the total population live in the capital city of Seoul. The tendency in the recent years has been for more and more people to leave agriculture and take up employment in other sectors.

Population

(Unit : 1000)

Year	Total	Farm population	Percentage	Non-farm population	Percentage
1960	24,989	14,559	58.3	10,430	41.7
1961	25,700	14,509	56.5	11,191	43.5
1962	26,432	15,097	57.1	11,335	42.9
1963	27,184	15,266	56.2	11,918	43.8
1964	27,958	15,553	55.6	12,405	44.4
1965	28,754	15,812	55.2	12,858	44.8
1966	29,193	15,781	54.4	13,594	46.3
1967	30,067	16,078	53.5	13,989	46.5
1968	30,747	15,908	51.7	14,839	48.3
1969	31,410	15,589	49.6	15,821	50.4
1970	31,469	14,432	45.9	17,037	54.1
1971	31,828	14,712	46.2	17,116	53.8
1972	32,760	14,677	45.4	17,683	54.6

Farm Households and Average Farm Holdings

There were 2,451,844 farm-households in 1972. The number of farm households has been decreasing during recent years.

The average farm holding per farm household is very small. In 1972 it was only 0.914 hectares.

Table Showing the Number of Farm Households and Average Farm Holdings

(Unit : Hectares)

Year	Number of Farm Households	Land per Farm Household
1960	2,349,509	.86
1961	2,327,116	.87
1962	2,469,453	.83
1963	2,415,593	.86
1964	2,450,308	.88
1965	2,506,899	.90
1966	2,540,274	.90
1967	2,586,864	.89
1968	2,578,526	.90
1969	2,546,244	.91
1970	2,487,646	.85
1971	2,481,525	.91
1972	2,451,844	.91

Economic Growth

During the decade of the 1960s the Korean economy achieved high and rapid industrialization.

The per capita Gross National Product (GNP) more than doubled between 1959 and 1969, rising from US \$ 95 to US \$ 195. By 1971 this further rose to U.S. \$ 252.10

The growth rate in manufacturing industry far outstripped that in the agricultural sector.

Production Index in Agriculture and Industry
(1963 = 100)

	1961	'62	'63	'64	'65	'66	'67	'68	'69	'70	'71
Agri- culture	99	90	100	121	121	132	121	122	130	139	143
Indus- try	75.6	88.3	100	107.9	127.2	155.6	198.1	258.3	312.5	364.6	432.6

Source : Statistical Year Book for Asia and Far East, 1972
United Nations ECAFE, Bangkok, Thailand, p. 193.

II

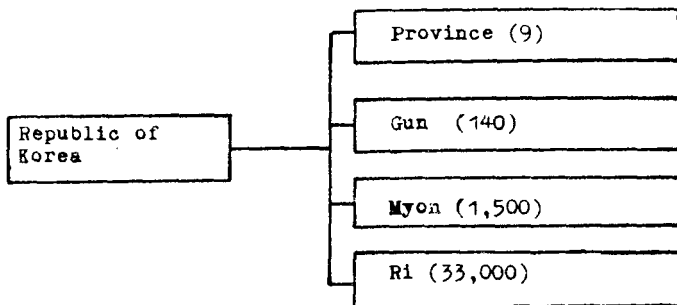
Administrative Units

The Republic of Korea is divided into nine provinces. The provinces are divided into *guns* (or counties). There are about 15 *guns* in a province.

Guns are constituted of *myons*. A *gun* covers on an average about 10 *myons*. A *myon* consists of about 22 *ris* (villages) which are the basic administrative units.

There are nearly 33,000 *ris* and the average population of a *ri* is about 500.

The Administrative Structure



III

Agricultural Cooperative Movement in the Republic of Korea

The first agricultural organization in Korea performing cooperative functions dates back to the early 20th century, when financial associations provided credit to farmers, and industrial and farmer associations were engaged in agricultural business other than credit.

In 1956, the financial associations were merged and reorganised to form the Korean Agricultural Bank. In 1957, agricultural cooperatives were initiated in the rural areas, and in 1961 the National Assembly passed legislation empowering these cooperatives to extend farm credit. Later, the Agricultural Cooperative Bank was merged with the agricultural cooperatives paving the way for the present multipurpose cooperative system.

Present-day Cooperative Movement

The agricultural cooperative movement in the Republic of Korea has a three-tier structure. Before amalgamation there were small cooperatives at village level. These cooperatives at the village level were called *ri* (village) cooperatives. They were federated at gun (county) level where they were called gun cooperatives. The *ri* cooperatives have been amalgamated to form large-size agricultural multipurpose cooperatives. An

amalgamated society covers a myon. There are however a few societies which cover an area less than that of a myon. These are either situated in mountainous areas or in small islands which constitute only a part of a myon. These societies, like the former ri societies, are also federated at county or gun level.

In addition to the multipurpose type cooperatives, there are at the village level "special cooperatives" of farmers engaged in specialized agriculture.

The gun cooperatives and the special cooperatives are federated at the national level into the National Agricultural Cooperative Federation (NACF).

Ri Cooperatives

The ri cooperatives were limited liability multipurpose cooperatives. A ri cooperative normally had a village as its area of operation and had an average membership of about 75. In September 1962, there were 21,518 ri cooperatives. Their number progressively decreased in the subsequent years due to amalgamation. By 1972 the amalgamation of the ri cooperatives was completed leading to the formation of 1,567 large-size agricultural cooperative societies.

Most of the ri societies did not have paid employees, their managers received a small honorarium for handling the societies' work. The ri cooperatives acted as agents of gun cooperatives for channelling their loan funds to individual members, for marketing agricultural produce and for supplying agricultural inputs. Some of these societies maintained consumer stores, warehouses, rice mills and barber shops. They were managed by a board of directors consisting of four members, including the president.

Gun Cooperatives

Gun cooperatives were federations of ri cooperatives before their amalgamation and were so named as they cover an area of a gun. Presently the amalgamated primary agricultural cooperatives

are the constituent members of the gun cooperatives and continues to cover an area of a gun. There were 140 gun cooperatives in 1973. Special societies are associate members of gun cooperatives. Before the amalgamation of the ri cooperatives, gun cooperatives were engaged in credit, supply of agricultural inputs, marketing of agricultural produce, mutual insurance and farming guidance. Though, they have always been, technically, secondary organizations they transacted business with the members of ri cooperatives using ri cooperatives as agents. With the formation of larger primary societies by amalgamation some of these activities have been transferred to these primaries.

The general meetings of gun cooperatives are composed of presidents of member societies. The gun cooperatives are managed by board of directors. The presidents are nominated by the President of the NACF. The board of directors appoints the Manager.

National Agricultural Cooperative Federation (NACF)

The National Agricultural Cooperative Federation was established in 1961.

Objects

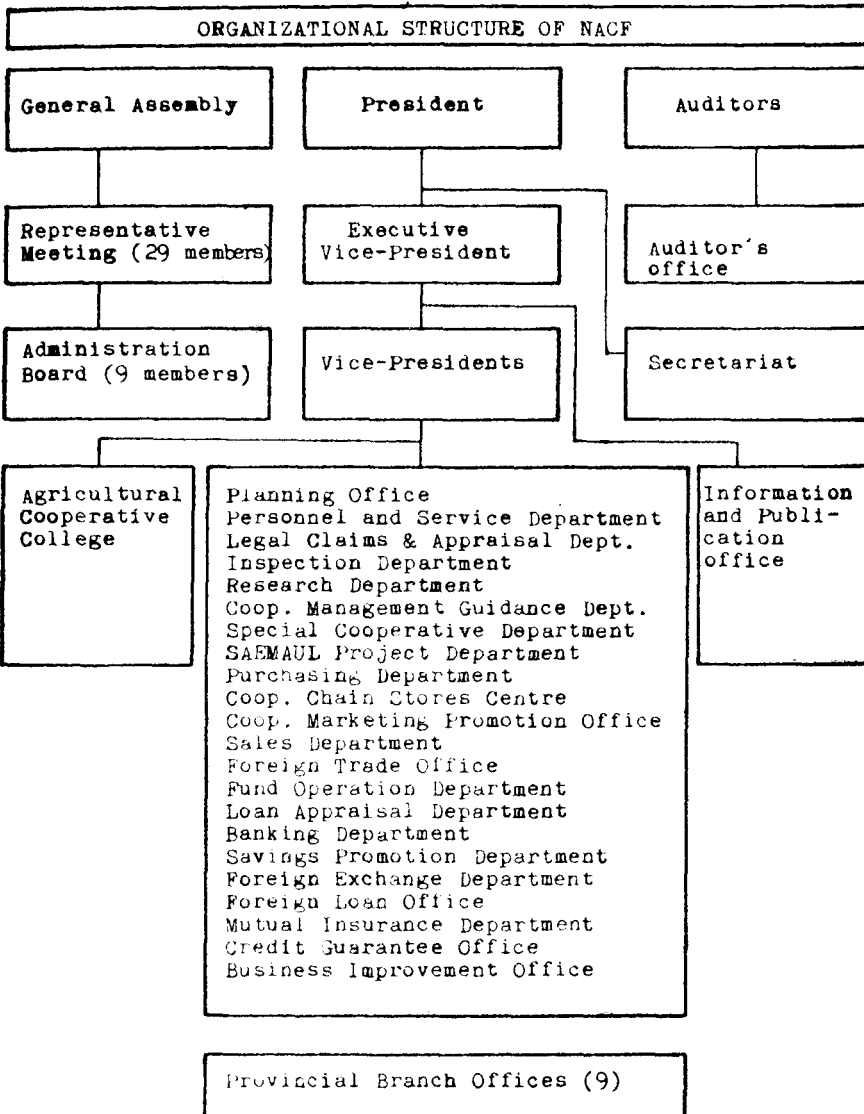
The general objectives of the National Agricultural Cooperative Federation are to assure balanced development of the national economy by increasing agricultural productivity and improving the economic and social status of farmers through cooperative organizations of farmers.

Membership

The membership of the Federation consists of gun cooperatives and special cooperative societies.

Management

The General Assembly of the Federation is composed of its President and one representative each of the member-coopera-



tives. The President of the Federation who is nominated by the President of the country is the Chairman of the General Assembly.

It has the power to amend the Constitution of the Federation, to elect members to the Representatives' Meeting, to appoint auditors, and to take decisions on various activities of the Federation.

The Representatives Meeting consists of the President of the NACF and 28 representatives elected at the General Assembly. The President of the NACF is the Chairman of the Representatives Meeting. It approves the budget and the business plan of the Federation, elects five members to the Administrative Board and deals with other matters entrusted to it by the General Assembly.

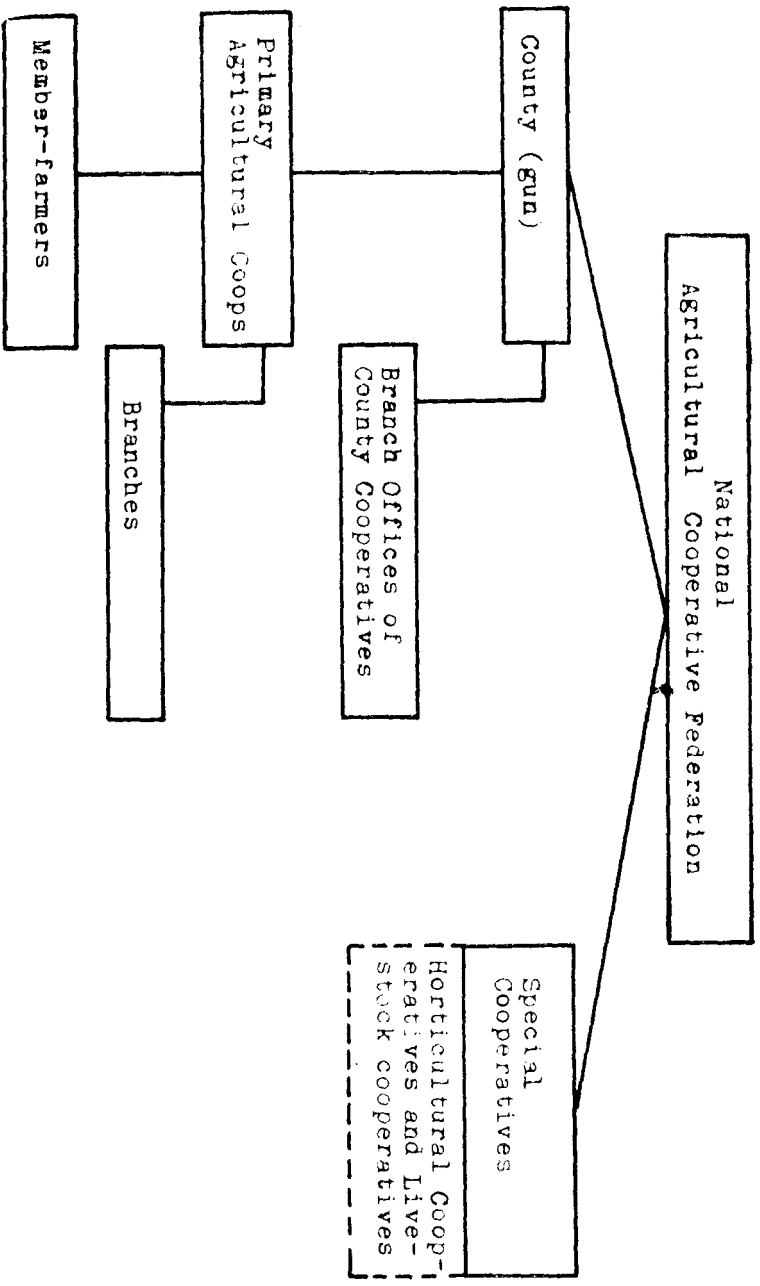
The Administration Board consists of nine members, including the five members elected at the representatives meeting. The other 4 members are : (1) President of the NACF, (2) a nominee of the Minister of Agriculture and Forestry, (3) a nominee of the Minister of Finance, and (4) a nominee of the Governor of the Bank of Korea. The Board formulates the basic policies of the Federation and gives directions for their execution.

Activities

The NACF is engaged in a wide range of economic activities for member-cooperatives such as supply, marketing, processing, banking and insurance. It conducts farm guidance work for the farmers of the affiliated societies and gives managerial advice to member-cooperatives. It also undertakes research and surveys on agriculture, farm product marketing and on cooperatives at home and abroad. The NACF operates an Agricultural Cooperative College and a cooperative institute for training farmers and employees of cooperatives.

Over eighty per cent of the farm households in the country are affiliated to the agricultural cooperatives. Loans granted by agricultural cooperatives account for nearly 90 per cent of the total loans to the agricultural sector by all banking institutions in the

ORGANIZATIONAL STRUCTURE OF THE COOPERATIVE MOVEMENT



country. Ten per cent of the total deposits of all banking institutions are with the agricultural cooperatives. The cooperatives supply nearly 60 per cent of the farm chemicals and has a monopoly for distribution of fertilizers. Their share in marketing of agricultural produce however, is only around 14 per cent.

The System of Nominations in Cooperatives

The cooperative law of the Republic of Korea which was in force in the Sixties, required the President of the National Agricultural Cooperative Federation to be nominated by the President of the Republic. This law provided for the election of the presidents of gun and ri cooperatives. It was later superceded by a "temporary" law which required the presidents of lower tier agricultural cooperatives also to be nominated by the President of the Republic. The President of the Republic used to delegate these powers to the President of the NACF who in turn delegated them to his subordinate officers.

This "temporary law" was replaced on 22nd January, 1973 by another "temporary law" passed by the National Assembly and came into effect on 22nd January, 1973.

This law now in force in the Republic of Korea requires the President of the National Agricultural Cooperative Federation to be nominated by the President of the Republic. It further requires that presidents of the gun cooperatives and the primary agricultural cooperatives to be nominated by the President of the NACF. The power to nominate the presidents of the primary societies can be delegated to the presidents of the gun cooperatives.

In the case of primary agricultural cooperatives though any member of the society can be nominated, in actual practice the person suggested by the representative meeting of the society is nominated.

IV

Amalgamation of Primary Cooperatives

IV. I

Motivation for Amalgamation

As pointed out earlier, the non-amalgamated primary cooperatives in the Republic of Korea were very small in size. A primary society did not constitute an economic unit capable of functioning effectively and rendering worthwhile service to its members. Its size and the financial position did not permit it to expand its business and provide adequate service to members. The volume of business did not warrant, in most cases, the appointment of paid employees. The honorary manager, who got an honorarium for services rendered, generally either did not have the time or the willingness or both, to work for the improvement of the society. Most of the societies only carried out the work assigned to them by the gun cooperatives or the NACF and did very little, if any, business of their own.

The members displayed an attitude of apathy towards the society, which came to be regarded merely as an agent of the gun cooperatives or of the NACF. The primaries therefore failed to make any substantial contribution to the well-being of the rural farmers.

The rural environment is changing fast in the country. New highways have brought the villages closer to the cities. Transportation of agricultural produce from the villages to cities has become easy and rapid.

The accelerated economic growth the country has experienced during the last decade has begun to make its impact on the villages, and rural people are moving into cities to work in industries ; more and more agricultural land is utilized for industrial and housing purposes. New land has been brought under cultivation to a certain extent. But the extent of land per farm-household remains less than a hectare.

Despite increased agricultural production, Republic of Korea is not self-sufficient in food. About 10% of the rice and 75% of the wheat consumed in the country is imported. Increased extension work by the government and cooperatives and liberal sales of fertilizers, to a certain extent, helped in overcoming the sagging agricultural production. However, the services rendered by the rural cooperatives towards increasing production and marketing of agricultural produce were less than adequate. They had not been able to introduce modern techniques of agricultural production to any substantial degree nor had they been able to organize marketing of agricultural produce so as to make use of the improved transport facilities that were becoming available. In short the uneconomic size of the village cooperative with its attendant drawbacks reduced the effectiveness of the cooperative system.

The reorganization of the agricultural cooperative movement by amalgamating the smaller units into large-size cooperatives was, therefore, considered a pre-requisite to cooperative development by the enlightened cooperative leaders who realized the need to create viable units at the primary level so that the cooperative movement may render effective services to the farmer.

The National Agricultural Cooperative Federation, responding to the wishes of the cooperative leaders, decided to promote amalgamation of primary cooperatives and to provide initiative and support for amalgamation work.

IV. II

Legal Provisions

The Agricultural Cooperative Law of the Republic of Korea provides for amalgamation. The law allows the area of operation of a primary society to extend to one or several villages. Article 15 (i) of the law says that the area of a primary cooperative "shall be consistent with that of the administrative area of the concerned ri. However, a naturally formed community or several adjoining ris may be made an operational area".

The law requires the amalgamating societies to prepare a "contract of amalgamation". It should be approved at a general meeting by every amalgamating society.

The amalgamating societies are required to constitute an establishment committee. Each society should elect members to this committee at a general meeting. This committee is responsible for the drawing up of the amalgamation contract, making other necessary arrangements for amalgamation and obtaining the approval for amalgamation from the registering authority or the Minister-in-charge of Cooperation and his approval for any amendments they wish to make in the approved model by-laws.

IV. III

Procedure of Amalgamation

Planning

Planning of amalgamation was done under the auspices of the NACF. The gun cooperatives also actively took part in promoting, planning and carrying out amalgamation.

Each gun cooperative has on its staff about three management consultants whose main function is to provide management guidance to primary cooperatives. They took an active part in promoting amalgamation.

The ri societies situated within a gun area constituted amalgamation acceleration committees, whose function was to persuade and assist the small societies to amalgamate.

The NACF branch manager, assisted by his management consultant staff and those of the gun cooperatives and the amalgamation acceleration committees, prepared the plans for the areas covered by the branch.

Determination of Size

Three sets of factors were considered in determining the size of a viable unit, namely, geographical, human and economic.

Geographical Factor

The physical area of operation of the society, the crops grown in the area, facilities for communication etc., were considered under this factor. A myon was considered the appropriate area for a viable society.

Human Factor

The number of members and employees were taken into consideration under this factor. The minimum number of members for a viable society was considered to be 1,500. The number of employees was determined on the basis of the volume of business.

Economic Factor

Under the economic factor, the anticipated volume of business, the size and kind of facilities and equipment that will be necessary and the amount of capital required were taken into consideration.

Propaganda

The NACF and the management consultant staff of the gun cooperatives, with the assistance of the amalgamation acceleration committees, carried out intensive campaigns to educate the farmers on the advantages of creating large and viable primary cooperatives. The officials of the NACF and the gun cooperatives attended committee meetings and general meetings of primary societies to explain the advantages of forming larger societies.

The farmer-members of primary cooperatives were also approached directly, especially of societies where directors had adopted an anti-amalgamation attitude.

In the case of societies which objected to amalgamation, concerted efforts were made to educate and persuade the membership and the committee of management to agree to amalgamation.

Films on successful amalgamated societies were shown. Success stories and articles explaining the advantages of forming large societies were printed and distributed among the members and committee members of primary societies.

Discussion with Primary Societies

The officers of the NACF and the gun cooperatives discussed the amalgamation plans with the primary societies. Alterations were made in the plans whenever found necessary.

When the primary societies expressed their general willingness to amalgamate, a general meeting of each amalgamating society was summoned where a decision regarding amalgamation was taken. The plan of amalgamation also had to be approved by the registering authority and the Minister-in-charge of Cooperatives.

Election of Establishment Committee

An establishment committee consisting of representatives of the amalgamating societies was formed to carry out amalgamation.

If the general meeting of the society decided in favour of amalgamation, at the same meeting the society's representatives to the "establishment committee" were elected.

This "committee", as mentioned earlier, had the responsibility of implementing the amalgamation plan with the assistance of the NACF and gun cooperative officials. The establishment committee was responsible for the preparation of the "amalgamation contract"* which had to be approved by general meetings of all the amalgamating societies.

* An agreement had to be reached among the amalgamating societies covering the procedure of amalgamation, techniques of management of the amalgamated societies and other important aspects. This agreement was known as "amalgamation contract". Some of the items that are included in the agreement were—(i) date of amalgamation, (ii) method of estimating the assets of the amalgamating societies, (iii) the number of members that will be elected to serve in the establishment committee, (iv) the by-laws of the amalgamated society, (v) the type of business activities of the amalgamated society.

The functions of this committee also included deciding the location of the headquarters of the amalgamated society and estimating the value of the assets of the amalgamating societies. The value of the assets of amalgamating societies was distributed among their members as shares, before amalgamation was effected. This committee was also responsible for arranging for the liquidation of the amalgamating societies.

Election of Board of Directors and Registration of the Society

When the preparatory work for amalgamation of the societies was completed a combined general meeting of the amalgamating societies was summoned at which the Board of Management of the new society to be formed was elected. The President was also elected at this meeting and the elected person was later nominated to meet the requirement of the law. The registration of the amalgamated society and the liquidation of the amalgamating cooperatives were done at the same time by the court which has jurisdiction over the area.

Transfer of Business from Gun Cooperatives

When large societies were formed by amalgamation, gun cooperatives transferred certain business activities to them. The activities transferred to the amalgamated cooperatives were provision of short-term loans and supply of fertilizers and agricultural chemicals and mutual insurance. Under a government programme agricultural implements and seeds are supplied to farmers and cocoon and cottage industry products such as articles made of straw are marketed through cooperatives. These activities were also transferred to the primary societies. It is expected that provision of medium and long-term loans would be transferred in due course after the amalgamated societies have established themselves.

The transfer of business activities, however, was not done until after the amalgamated societies started their own savings activities, built up adequate funds of their own, and recruited and trained a manager and at least two other employees.

The other qualifications required for a primary society for getting business transferred from a gun cooperative are :

1. Every member should have shares to a value of 2,000 Won or more;
2. The society should have adopted double entry book-keeping and must maintain its accounts properly;
3. It should have a reasonably good office; and
4. It should have a safe.

The amalgamated societies in addition to the activities that are transferred to them by gun cooperatives also establish consumer stores, rice mills, public baths, barber shops and beauty parlours.

Another important work which amalgamated cooperatives have started is the "mutual credit" activity. Under the mutual credit system deposits collected by a society are lent to needy members of the same society.

IV. IV

Problems in the Process of Amalgamation

Reluctance of presidents and directors

Unwillingness of the presidents and directors to amalgamate their societies was a major obstacle to the smooth progress of amalgamation of primary cooperatives in Korea. The presidencies and directorships of cooperatives gave the opportunity of wielding considerable power and respect in the villages. Some of the persons who held these positions feared that they might not get elected or nominated to positions in the amalgamated societies and would therefore lose their authority. They therefore objected to amalgamation on various pretexts and also tried to persuade the membership against amalgamation.

Traditional conservatism of the farmers

Korean farmers are traditionally very conservative. Clan feeling is strong, and the population of most villages is predominantly of one clan or family group. The merger of societies with members belonging to different clans, it was feared, might deny some clans controlling positions resulting in their members not receiving a fair deal from the society. Due to this fear, it was difficult to persuade societies with members belonging to different clans to merge.

Limiting the area of an amalgamated society to a myon

The business centre closest to some villages of a myon may be situated in an adjoining myon. In such cases the inclusion of those villages in the society covering their own myon was objected to as the people will have to transact their business at a place farther away from the business centre which they normally patronize. For instance, the cooperative society of Hakari of Taeduk Gun of Chung Chang Nam-do Province refused to amalgamate for this reason. This village is situated on the periphery of a myon and is close to the big city of Taejon which is located in another myon. It must be pointed out that the business places of amalgamated societies are located in the place where the administrative office (myon office) of the myon is situated and the farmer would in any case have to visit this office frequently. Since visits to the myon office can easily be combined with visits to the society, the location of the society's office in the same place as the myon office should not cause much inconvenience. As the societies grow stronger and establish themselves they would also be able to open branches which would be closer to the border villages.

Opposition to the location of society office in other villages

The people of some of the villages situated away from the centre may have to travel up to a distance of 10 to 15 kilometres to reach the point at which the society's office and facilities are located. Due to these inconveniences and also because of the desire of the villagers to get their own village selected for the location of the society's office, controversies often arose in deciding the location of the office and the facilities of the society. To avoid such controversies the NACF advocated the location of the societies' offices as a rule in the place where the myon office is situated.

Intensive propaganda and education campaigns were undertaken by the NACF, gun cooperatives and amalgamation acceleration committees to overcome these obstacles to amalgamation.

Differing values of assets of societies

The different values of assets of the societies that are to amalgamate sometimes presented a problem in amalgamation. As mentioned earlier, the assets of the amalgamating societies were valued and the value was distributed among the members as shares. The members of the amalgamating societies which had larger assets per member were naturally entitled to hold more shares in the amalgamated society. The members of these societies sometimes demanded that all members should hold an equal number of shares.

Efforts were made to inculcate the cooperative spirit in the members who raised such objections and to educate them regarding the value of sharing their societies' prosperity with others so that, together, they can work for achieving further progress and prosperity

Lack of provision for adequate representation for large societies in the secondary societies

There is no provision in the agricultural cooperative law of the Republic of Korea for societies of different sizes to have representation in the general assembly of the secondary societies in which they are members in proportion to their primary members. Due to this lacuna, both large and small societies are represented at general meetings of secondary societies by equal numbers of representatives. This system deprives the large societies of the benefit of having greater representation in the committees of management of the secondary societies. Thus all societies, irrespective of their size, have an equal voice in the management of the secondary societies. The small societies, by acting in groups, can override the wishes of the larger societies who may have a bigger stake in the business of the secondary society. This system of representation acted as a disincentive to the formation of larger societies.

To correct this anomaly the cooperative law should be amended to provide for the primary societies nominating repre-

sentatives to the general meetings of the secondary societies in proportion to their primary membership.

The system of giving equal representation to all societies irrespective of their size is against cooperative principles. The correct interpretation of the principle of "one man one vote" at the primary level as applied to the secondary level would be to give representation to primaries based on their membership.

High expenditure on registration and liquidation

Registration and liquidation of societies requires payment of large fees. This also presented a problem in the amalgamation of small societies with meagre means. Registration and liquidation fees are the same for cooperatives and for private companies.

Absence of regular employees

The ri cooperatives, as pointed out earlier, normally did not have regular employees. This had both advantages and disadvantages in promoting amalgamation. If there were such employees, the prospects of better working conditions and higher pay the larger societies would be able to provide, would have served as an incentive to the employees, and they could have been used to promote amalgamation proposals among the members. On the other hand, the objections that may have come from such employees due to fear of losing their commanding position or due to unwillingness to change to a new place of work which may be far from their homes did not arise.

The problems that were confronted in promoting amalgamation of primary societies in Korea, though considerable, were not insurmountable. This was specially so because the services that were rendered by the small primary societies were very limited and the large number of members, if not the majority, were apathetic towards the societies. For most of the services required, the members had to go to the gun cooperatives. The creation of myon level cooperatives therefore, meant, in the case of people of most villages, bringing the place from where they can obtain these services nearer to their homes.



A farmer-member at the office of a primary agricultural cooperative society.



Buildings of the Agricultural Cooperative College of the Republic of Korea.





A newly constructed building of a primary agricultural cooperative society.

A section of employees at work.





The main office building of the National Agricultural Cooperative Federation (NACF) in Seoul.



A building complex of a primary society housing the society office, warehouse, consumer store etc.

Store houses belonging to agricultural cooperatives.





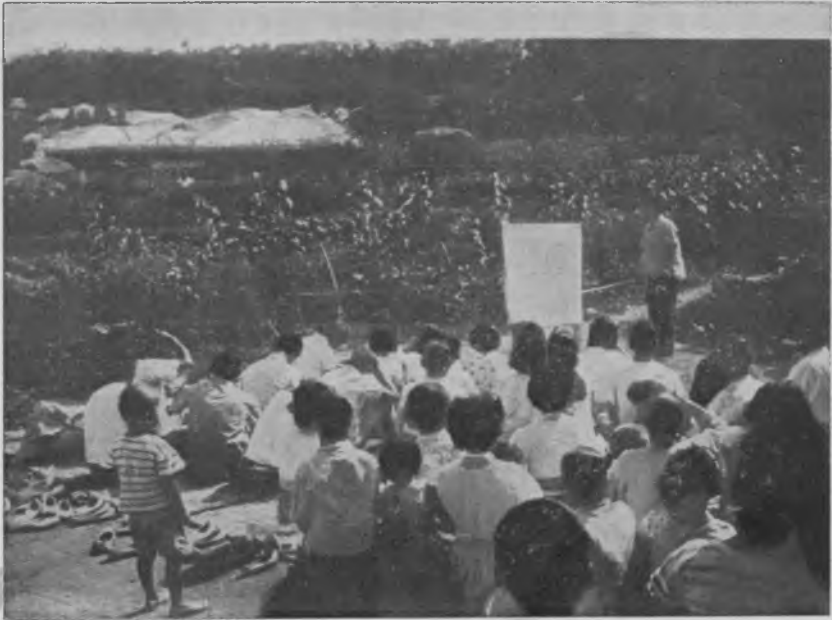
Fertiliser being loaded at a NACF godown for delivery to primary societies.

A fruit and vegetable collection centre of the NACF.





Participants of an ICA Regional Seminar at the NACF in Seoul.



A meeting in a hamlet.

Transplanting of rice in progress.





The Semaul Training Centre.

A representative meeting of a primary cooperative society.





Credit section of a Gun Cooperative.

A consumer shop of a primary cooperative society.





Society officials give advice on use and maintenance of machinery to farmer-members.
An official is seen explaining the working of a hand tractor.

Agriculture is being gradually machanised in the country.
This picture shows mechanical harvesting of rice.





A farmer-member examining agricultural implements at a cooperative society.

IV. V

Problems of Amalgamated Societies

As explained earlier, the small ri cooperatives worked merely as agents, in so far as credit, marketing and supply functions were concerned. If they carried out other activities of their own, like rice milling, these were on a very limited scale. Therefore, in effect, amalgamation of these societies meant the formation of new large societies. The societies so formed had to make a fresh start in providing services required by the members which hitherto had been provided by the gun cooperative. Therefore, the problems the amalgamated societies had to face in their functioning were similar to those that would have to be faced by new large societies.

Difficulties of recruiting suitable management personnel

The small primary societies had not developed a managerial cadre. The managers and other employees for the newly created large societies had, therefore, to be recruited from outside. It was hard to find suitable persons in rural areas for managerial positions. Problems also arose sometimes in selection of capable personnel due to interference from management committee members and other influential people who were interested in finding employment for their own men. To avoid interference in the selection of employees the NACF advocated

holding written examinations for recruitment. It also advised the societies to select as managers persons who have at least the following minimum qualifications:

- (i) High School Certificate,
- (ii) Three years working experience in an agricultural organization.

The problem of finding suitable personnel for employment in the amalgamated cooperatives and the training of raw hands recruited by them is expected to be solved gradually by the training programme conducted by the NACF.

The NACF runs an Agricultural Cooperative College and a Training Institute. The Cooperative College trains high school graduates in management techniques and agriculture. After training they are employed in the NACF, gun cooperatives or amalgamated cooperatives. The agricultural cooperative institute provides in-service training for the employees of agricultural cooperatives.

The employees of cooperatives are trained in management techniques by the Institute. At the beginning the Institute provided training only to the employees of the NACF and gun cooperatives. After the amalgamation programme was started it also began providing training for the employees of the primary agricultural cooperatives.

If persons of sufficient capabilities are not available, the amalgamated societies seek the assistance of gun cooperatives or the NACF to obtain persons from their staff on secondment to fill the managerial positions at the beginning, so that their own employees are trained to occupy these positions subsequently.

Difficulties in maintaining close relations with members

The large area and membership covered by an amalgamated society causes difficulties in maintaining close relations with the members. The general meetings are substituted by representative meetings. This prevents every member from participating in the annual get-together of the society and keeping himself in-

formed of the affairs of the society. This may also result in a feeling of psychological distance creeping into the minds of members who do not get the opportunity of being selected as representatives. The only function, and the work done at block meetings at present, is the election of block delegates to the representatives meeting. However, in order to maintain contact with the members "cooperative groups" have been formed in the villages. All members of the society residing in the village are members of the cooperative group of that village. The meetings of these groups are held once a month. Usually an employee of the society attends these meetings and discusses with the members the problems they may have with the society and regarding their agricultural pursuits. Information regarding the activities of the society are also given to the members at these meetings. Women's clubs and youth clubs have been formed to involve women and youth in the work of the cooperatives.

These group and club meetings would help in building up and maintaining close relations between the society on the one hand and the members and their households on the other. But the importance of involving the members in the representative meetings which now have replaced the annual general meetings, where the performance of the society during the previous year is evaluated and the working plan for the coming year is examined and adapted, should not be forgotten. To keep the members sufficiently informed of the activities of the society and to avoid the danger of their being weaned away from the society, meetings at block level should be made as interesting and informative as possible. Ways and means should be devised to actively involve each and every member of the block at these meetings.

Any one or a combination of the following methods of conducting meetings may be adopted :

1. The society divides its general meeting into a series of block meetings. The members belonging to each block attend its block meeting. These block meetings go through all the business of a general meeting. The

nomination of candidates for the managing committee are filled in advance. The members cast votes for the candidate seeking election to the committee and the votes cast at all the meetings are finally totalled to select the committee members.

2. The meeting is conducted in the same way as above but with the difference that each block is allocated a number of committee men and each block meeting elects the number of committee men allocated to the block. The president is elected by the committee men from among themselves.
3. The "representative" meeting method: The society breaks its area into several blocks. If the society has branches the area served by each branch is included in a block. Each block holds a meeting of the members residing within the block and discusses the business that will be coming up before the annual representative meeting. The block meeting also appoints delegates to represent the block in the representative meeting. The number of delegates each block elects to represent it is in proportion to the number of members living in the block. The representatives meeting elects a committee of management from among the delegates.

This delegate body either dissolves itself after the annual meeting is held, or continues to function and meets from time to time to discuss broad policy questions, to examine occasional reports on the activities of the society that are presented to it by the management, or to conduct any other business necessary to maintain the members control over the management of the society.

Whatever is the form of the meeting and the method of electing the committee, the most important factor that ensures democratic administration of a society is the active member-

participation in these processes. If the majority of the members do not participate in the meetings, the decisions that are taken will represent only minority wishes. Many counties are in the unhappy position of having to conduct general meetings with a minority of the membership present. The reasons may be manifold. Sometimes even when a society is running well its meetings are thinly attended. The members may feel that it is not necessary for them to attend as the society is well-managed and there is nothing to criticize or complain about. When the management of a society is weak, members can get disinterested as each may think that his presence in the general meeting will not make any difference.

Thin attendance can also be due to factional feelings among the members of the society. One faction may not like to participate in a meeting when the society is controlled by another faction.

The uninteresting manner in which the proceedings are conducted and the accounts of the society is presented, more than anything else, may be the reason for thin attendance at general meetings.

Simple devices should be used to make a general meeting interesting and attractive. The meeting can be held over a meal. The members may be invited to come with their families. A film can be shown after the meeting or a concert can be arranged. A speaker can be invited to deliver a lecture at the meeting on a subject that will interest the general membership. Small gifts may be distributed to those who attend the meetings.

Another way of making the meetings attractive and lively is to simplify the presentation of the annual report and the financial statements, so that the ordinary member can understand them. Audio-visual aids such as graphs and charts should be used to present financial statements and to explain the progress

of the society. The general meeting, in fact, should be a social-cum-educative event which the members would not like to miss.

Edging out smaller farmers

The number of members on the board of directors in large societies is fewer than in smaller societies in relation to the number of members. Partly due to the limitation of the number of directors and partly due to the greater power the richer farmers wield in rural areas there is a tendency to elect only the more well-to-do farmers to management committees. This tendency can have adverse effects on the relation of the small farmer with the society.

If adequate representation in the management committees is not given to small farmers and close relations are not maintained with them they may feel that the large societies are meant only for the big producers. In course of time, they may, therefore veer away from the society.

This trend, if allowed to continue will finally edge out small farmers who most need assistance from the societies. Therefore, adequate representation of all sections of the farming community on the management committees should be ensured through education and through adoption of suitable election procedures. Precautions must also be taken to maintain the closest possible relations with all members and to extend the services of the societies to all members, irrespective of whether they are large or small farmers.

Difficulties of transporting small quantities of agricultural produce

The smaller producers living far away from the society's business place sometimes find it uneconomical to transport individually the small quantities of agricultural commodities they produce for marketing at the society. They should, therefore, be assisted by arranging for group transport or by assembling the produce at the village itself and transporting it to the society in bulk.

When the society's business volume increases the desirability of opening branches or starting mobile services for such functions as disbursement of loans, acceptance of deposits, distribution of consumer goods and agricultural inputs and collection of agricultural produce, has to be considered. Some societies have opened branches to serve the members living far away from their headquarters in the initial years after amalgamation

Lack of adequate funds

The primary objective of creating large societies is to provide adequate services and facilities to members. Large funds are necessary to establish and maintain these facilities.

Amalgamated societies also need adequate operational funds to cope with the increased business activities.

The funds of the amalgamating societies were meagre and collectively they did not provide adequate finance to meet the requirements of establishing these facilities and running the business of the amalgamated societies. To overcome this difficulty, the NACF decided in 1970 to provide a subsidy of 30 per cent of the amount necessary for establishing the facilities. By the end of 1972 it had assisted 1300 societies in constructing buildings and establishing various facilities.

The following criteria are applied in selecting these societies :

- (i) The society should have a membership of 1,500;
- (ii) It should be able to meet 50 per cent of the cost of establishing the facilities with its own funds;
- (iii) It should have full-time employees;
- (iv) It should have a proper book-keeping system; and
- (v) Every member of the society should hold at least 2,000 won worth of shares.

The NACF has several "type" plans for constructing build-

ings of various sizes for establishing the services and the facilities of the societies. The amalgamated societies are required to select a plan out of these, depending on their requirements and capacity to invest funds.

Some societies find it difficult to raise the fifty per cent contribution required for constructing the buildings to qualify for NACF assistance. Many societies have started intensive campaigns to raise funds. In addition to cash savings the societies are accepting savings in kind. Normally savings in kind are in the form of rice. One gun cooperative, at the initiative of its Manager, launched a public relations campaign which involved the employees of the cooperative individually canvassing savings and deposits. The members who are contacted by the employees are requested to approach and persuade at least five other members to join the scheme.

A unique "saving in kind" campaign is also being experimented within this area. Under this campaign housewives are requested to set aside a handful or two of rice every time a meal is cooked. The rice so collected is given to the society, which sells the grain and deposits the proceeds in fixed deposit accounts of the respective members. Collecting rice in this way and using it for charity was a traditional practice among the rural people of several countries in Asia. For example, in Sri Lanka, the practice of depositing a handful of rice in a special pot kept for the purpose before every meal is cooked and using it for charity was prevalent in rural areas. This practice is still found in certain households. A traditional practice like this can be successfully used for an economic purpose, if properly organized.

In order to augment the societies' funds, a scheme of crediting the patronage rebate due to members in fixed savings deposits in their names has been started by the societies.

Another method of building up the society's funds is to require the members to buy an additional share every time they borrow from the society or market their produce through the society.

Effects of amalgamation

Amalgamation of their cooperatives into myon-size agricultural cooperatives was completed in 1972. Few societies situated in the mountainous areas and in small islands however cover an area less than that of a myon. There were 16,089 primary societies at the end of 1968 and their number was reduced to 1,567 by the end of 1972. The average membership of a primary society in 1968 was 139 and this figure increased to 1,409 in 1972. Since 1972 a few amalgamated societies covering smaller myons have been amalgamated with adjoining societies thus reducing further the number of agricultural cooperatives. At the end of 1973 the number of primary cooperatives stood at 1,550 and the average membership at 1,425.

The following table shows the gradual reduction in the number of agricultural cooperatives and the increase of average membership through amalgamation

Year	No. of societies	Average No. of members per society
1962	21,518	104
1968	16,089	139
1970	5,859	380
1971	4,512	490
1972	1,567	1,409
1973	1,550	1,425

A detailed comparison of the performance of the small ri cooperative societies with that of the amalgamated societies in judging the success or failure of the latter will serve no useful purpose because, as pointed out earlier, most of the small societies were functioning merely as agents of the gun cooperatives and their own business was very limited.

Amalgamation has resulted in the creation of adequately large and viable primary agricultural cooperatives which conduct business and provide services to members independently in place of the much smaller ri cooperative societies whose scope for providing the necessary services for farmers was strictly limited.

The primary cooperatives have expanded their business activities steadily over the last several years. The total business turnover has increased more than six fold from 1969 to 1973.

The following table shows the growth of activities of the primary agricultural cooperatives from 1969 to 1973

Unit : Million won

Year	1969	1970	1971	1972	1973
Saving deposits under mutual credit	322	2,367	6,597	13,207	28,214
Supply (purchasing)	9,239	7,314	21,003	22,743	56,612
Marketing	10,599	4,596	9,346	17,262	64,115
Utilisation and Processing	421	688	997	1473	2459

Future Plans

The amalgamated primary societies have been classified into four categories according to the degree of self-sufficiency achieved by them, namely preparatory societies, supported societies, semi-self-sufficient societies and self-sufficient societies. In categorising the societies their size, internal organization, number and qualifications of the employees, business activities, financial position and management efficiency are taken into consideration. Preparatory societies are those that are newly amalgamated. Supported societies are those that are heavily assisted by the NACF. Semi self-sufficient societies are also assisted but to a lesser degree. The NACF has formulated plans to assist the non-self-sufficient societies to become self-sufficient. They are

assisted by subsidising the cost of erecting buildings and paying salaries of employees, providing operational funds and by transferring business activities of gun cooperatives to them. It is planned to complete this process by 1977 and the expectation is that all primary societies will reach the category of self-sufficient societies by that time.

The Following table shows the long-term targets for achieving self-sufficiency by primary agricultural cooperatives

Year	Preparatory societies	Supported societies	Semi self-sufficient societies	Self-sufficient societies	Total
1973	250	400	600	300	1,550
1974	—	200	700	600	1,500
1975	—	200	300	1,000	1,500
1976	—	—	200	1,300	1,500
1977	—	—	—	1,500	1,500

The plans for raising the agricultural cooperatives to self-sufficient level by 1977 envisages raising the aggregate capital of these societies to 105,000 million won (US\$ 260 million), thus strengthening the capital base of the cooperatives. To achieve these goals, an intensive campaign for capital raising has been started.

The plans also envisage the construction of more office buildings, consumer stores, rice mills, warehouses, marketing yards and public baths in order to equip the societies to better serve the members.

The following table shows the number of buildings etc. owned by primary societies in 1973 and the number they expect to own by 1981.

Year	Office Buildings (including con- sumer stores)	Marketing Yards	Rice Mills	Ware- houses	Public Baths
1973	1,261	346	704	5,434	81
1981	2,250	3,000	2,250	2,250*	1,500

* The decrease in the number of warehouses is due to the plans for erecting larger ones.

Recruiting and training of personnel to handle the increasing business and services of the societies are also included in the plans. It is proposed to increase the number of employees from the present 14,977 (in 1974) to 30,000 by 1981.

As stated earlier training of fresh high school graduates is undertaken by the Agricultural Cooperative College and the in-service training by the Agricultural Cooperative Training Institute.

A community development movement known as "Saemaul Movement" has been started by the government with the active collaboration of the National Agricultural Cooperative Federation "for the cultivation of diligence, self-help and cooperation", thereby helping to create an affluent society. It "intends to awaken the cooperative spirit of farmers, calling for positive participation by all villagers in mobilizing and utilizing both human and material resources, thus coalescing national strength."

A training centre for developing rural leadership—the New Community Training Institute—has been established for training rural leaders. This new community movement which is fast spreading its influence in the Korean country-side is expected to give a new filip to the rural cooperatives.

V

Conclusion

New large agricultural cooperative societies have been created in place of small rural cooperatives by planned and systematic amalgamation. The formation of these large units has created a favourable framework for rural and agricultural development through cooperatives. The problems these amalgamated societies have to face are similar to those that would have to be faced by new large societies. They, however, have the advantage of having members and leaders who have cooperative experience, having earlier participated in the activities of ri and gun cooperatives. They are also fortunate in having a strong national federation to support their growth. These societies will have to work diligently to overcome the initial problems and to establish themselves firmly if they are to fulfil the aspirations of their membership.

Case Studies

The following two case studies on

1. **The Jinwee Agricultural Cooperative Society, and**
2. **The Oksan Agricultural Cooperative Society will illustrate the size, membership, business volume, facilities and service of the amalgamated societies.**

I. Jinwee Agricultural Cooperative Society

The Jinwee Agricultural Cooperative Society in Pyungtaeck gun, Kyunjki province, was formed in 1965 by amalgamating four small ri societies. In 1969, eight other ri societies were amalgamated with it.

Area

The society covers an area of about 3,246 hectares of which 1,400 are forest land.

Cultivated Land and Population in the Society's Operation Area

Unit : ha.

Particulars	1971	1972	1973
Cultivated Land	1,874	1,864	1,856
Paddy land	1,126	1,118	1,115
Upland cultivation (vegetable etc.)	748	745	743

Population and Households**Population**

Total population	7,798	7,901	8,011
Farm population	6,491	6,418	6,322

Households

Total households	1,312	1,398	1,421
Farm households	1,187	1,109	1,087
Member farm households	739	886	930

Crops

The main crops grown in the society area are rice, soyabeans, barley, potatoes and vegetables.

Land Under Various Crops

Unit : M/T.

Crops	1971	1972	1973
Rice	2,589	2,595	2,720
Barley	225	216	220
Pulses	239	221	232
Miscellaneous grain	62	49	52
Potatoes	1,672	1,459	1,460
Vegetables (including soyabean)	842	1,265	1,272

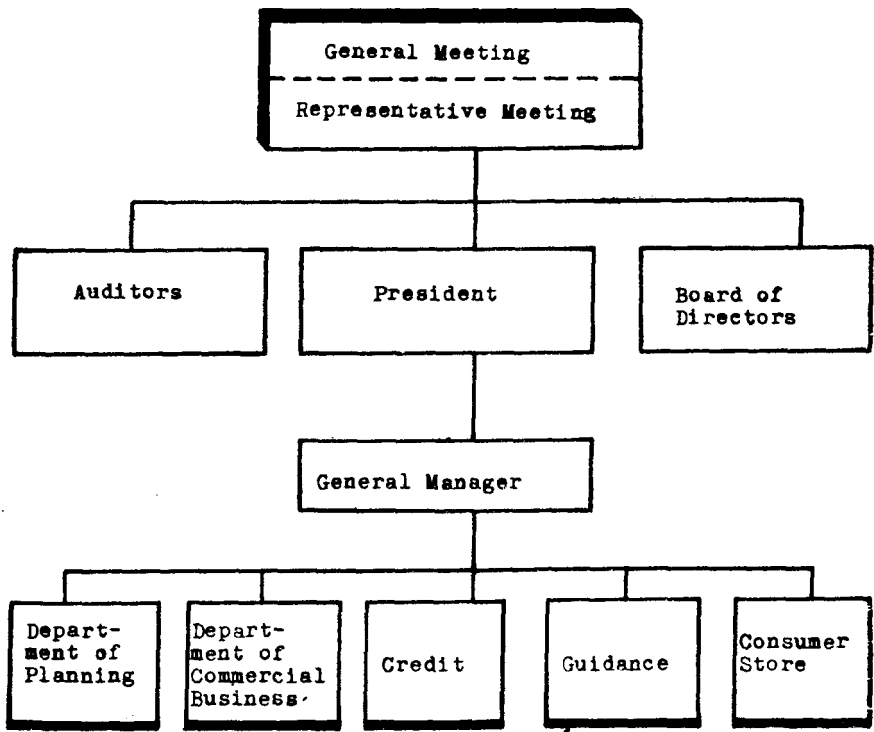
The Representatives Meeting

The representatives meeting is composed of 29 delegates elected at block meetings.

The Board of Directors

The board of directors consists of four directors including the President. The society has two elected internal auditors.

ORGANIZATIONAL STRUCTURE



The General Manager

The general manager is appointed by the board and is responsible for the execution of decisions of the board and for managing the day-to-day affairs of the society.

Organization

The society has five sections. They are :

1. General Affairs department
2. Business department
3. Credit department
4. Guidance department
5. Consumer department

The business department handles the supply of agricultural inputs and marketing of agricultural produce as well as other facilities of the societies like the barber shop, the rice mill and the warehouses.

Share Capital

The share capital of the society at the end of January 1970 was 1.9 million won and the amount increased to 11 million won by the end of 1973.

Facilities and services

The society has its own office building. It undertakes the supply of fertilizers and farm chemicals, marketing of agricultural produce, credit functions and distribution of consumer goods. It also maintains a barber shop, four warehouses and a power tiller and threshers.

Savings

The society has schemes for individual savings and group savings. The group savings are subscribed to jointly by groups of farmers for acquiring agricultural implements etc. There is

also a scheme of special savings where the farmer saves in a special account for a special purpose e.g. buying cattle.

The balance of members' savings at the end of 1971 was 19.3 million won and by the end of 1973 the amount rose to 36 Million won. Savings are made both in cash and kind (e.g. rice). When a member deposits rice the society sells them and credit the proceeds to his savings account. The rate of interest paid for deposits in kind is 30 per cent. The rate for cash deposits varies from 30 to 35 per cent.

Marketing and Supply

The society supplied 30.8 million won worth of fertilizers and 15 million won worth of farm chemicals etc. to members and marketed 2.6 million won worth of farm produce during the year 1973.

Consumer activities

A consumer store was opened on July 20, 1970. In the year 1973 its sale amounted to 10.2 million won.

Utilization and processing

The gross income from rice milling and warehousing in 1973 was 2.3 million won.

**The following table shows various business activities
of the society from 1971 to 1973**

(in thousand won)

Activities	1971	1972	1973
Supply			
Fertilizer supply	14,342	22,237	30,898
Supply of Chemicals etc.	3,430	11,549	15,077
Marketing	1,461	3,443	2,648
Mutual Credit			
Deposits	19,321	28,827	36,242
Borrowing	4,500	5,600	7,900
Loan	16,000	17,900	18,992
Mutual Insurance			
Life insurance	1,600	1,200	1,850
Education insurance	700	600	610
Utilization Processing	1,028	2,129	2,377
Consumer Store Sales	9,560	9,178	10,288

II. Oksan Primary Agricultural Cooperative Society

The Oksan Agricultural Cooperative Society is situated in Chaung Won gun in Chung Chung Pukto province. It was established in 1964 by merging 15 small ri cooperatives. The gun cooperative of the area transferred to the society in 1965 the function of distributing fertilizers and providing short-term loans to farmers in the society's area.

Area

The society covers an area of 6,541 hectares of which 3,885 hectares are forest.

Cultivated Land in the Society's Area of Operation

Unit : Hectare

Particulars	1970	1971	1972	1973
Cultivated land	2,055	2,056	2,056	2,056
Paddy land	1,129	1,128	1,128	1,128
Upland	926	928	927	928

Crops

The main crops grown in the area are rice and barley. Pulses, potatoes and vegetables are also grown.

**The following table shows utilization of land for
cultivation of various crops**

Unit : Hectare

Crops	1970	1971	1972	1973
Rice	1,078	1,081	1,063	1,099
Barley	579	576	615	534
Pulses	397	399	413	398
Miscellaneous grain	42	52	15	84
Potatoes	109	130	112	110
Vegetables	247	240	243	215

Population

The population in the area covered by the society in 1973 was 11,847. The population is predominantly agricultural.

Population and Households

	1970	1971	1972	1973
Population				
Total population	11,742	11,666	11,861	11,847
Farm population	11,034	11,008	10,915	10,864
Households				
Total households	2,018	1,980	2,026	2,028
Farm households	1,788	1,763	1,731	1,717
Member-farmer households	1,632	1,608	1,550	1,535

The Representatives Meeting

The representatives meeting is composed of 29 elected by the members at block meetings.

Board of Directors

The Board of Directors of the society consists of four directors, including the president. The society has two elected internal auditors.

General Manager

The board appoints a general manager who is responsible for execution of the decisions of the board and managing the day-to-day affairs of the society.

Internal Organization

The society has the following sections :

1. General Affairs section (Planning & management)
2. Credit department
3. Business department
4. Guidance department
5. Consumer department

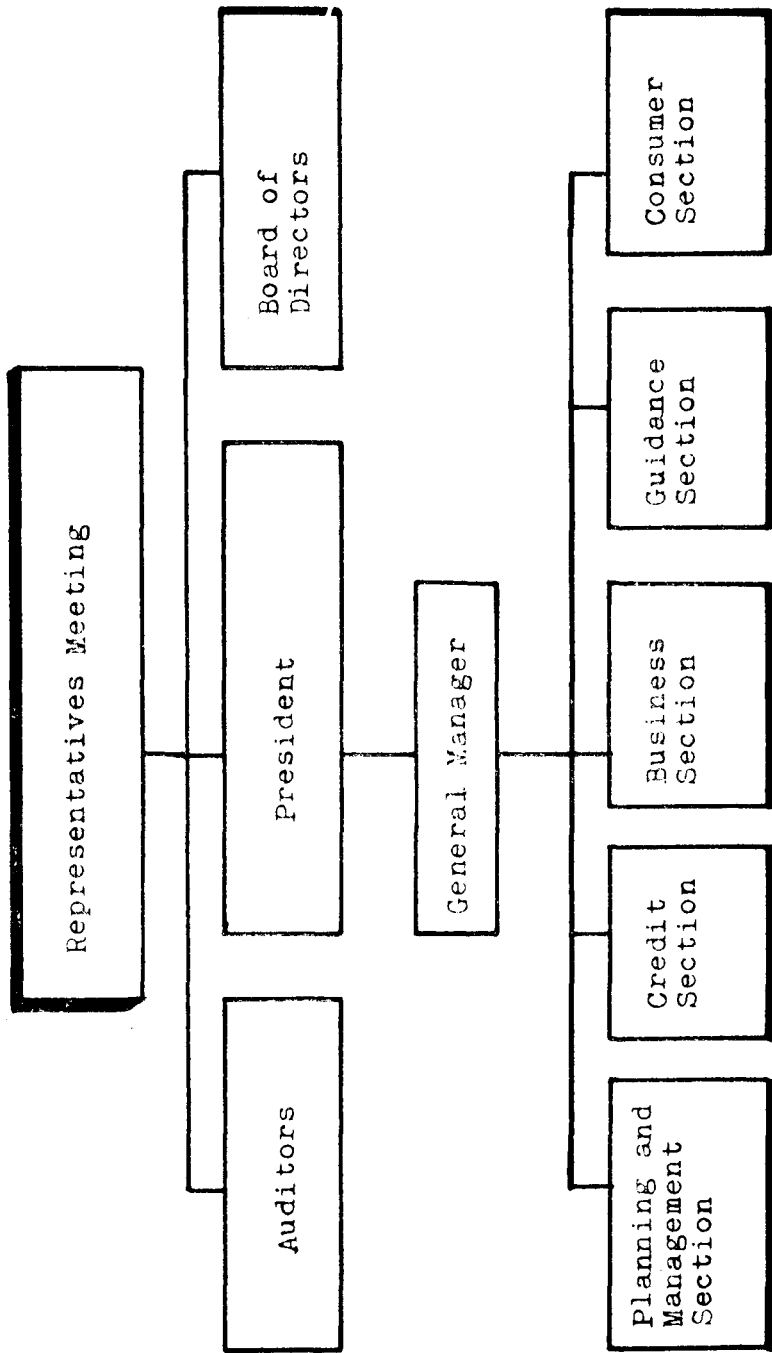
The business department handles the supply of agricultural inputs and marketing of agricultural produce as well as other facilities of the society like the public bath and the barber shop.

The chart on page 50 shows the internal organization of the society.

Facilities and Services

The society has its own office buildings. In 1970, it had only four warehouses and two more have been built subsequently. It undertakes supply of agricultural inputs, marketing of agricultural produce including processing (milling of rice and processing of radish and pepper), credit functions, mutual

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insurance, farming guidance work and distribution of consumer goods.

The society also maintains a barber shop and a public bath. It owns a power tiller and a thresher and hires them out to members.

Marketing and Supply

The following table shows the value of agricultural produce marketed and fertilizers, farm chemicals etc, supplied by the society.

(In thousand won)

Activities	1970	1971	1972	1973
Business				
Marketing	15,137	66,011	153,794	229,974
Purchasing (excluding fertilizer)	30,136	27,965	23,721	22,881
Fertilizer supply	21,616	28,975	31,976	35,935

Utilization and Processing

The following table shows income derived from utilization of warehouses etc. and processing.

(Unit : in thousand won)

	1970	1971	1972	1973
Utilization & Processing	1,013	6,121	6,938	11,834

Mutual Credit

The following table shows amounts of deposits received, borrowings and loans extended to members under the mutual credit scheme from 1970 to 1973.

(Unit : In thousand won)

	1970	1971	1972	1973
Deposit	21,816	29,821	33,778	40,011
Borrowing	13,500	13,240	13,240	8,000
Loans	28,635	39,378	41,032	36,420

Mutual Insurance

The society undertakes life and educational insurance activities as an agent of the NACF.

The following table shows the value of policies sold from 1970 to 1973.

(Unit : In thousand won)

	1970	1971	1972	1973
Life insurance	37,420	46,120	58,620	78,620
Education insurance	3,350	3,950	4,650	4,650

Consumer Store Sales

The sale of the consumer store is shown in the following table.

(Unit : In thousand won)

	1970	1971	1972	1973
Consumer store sales	9,501	22,684	11,773	20,248

Farm Guidance

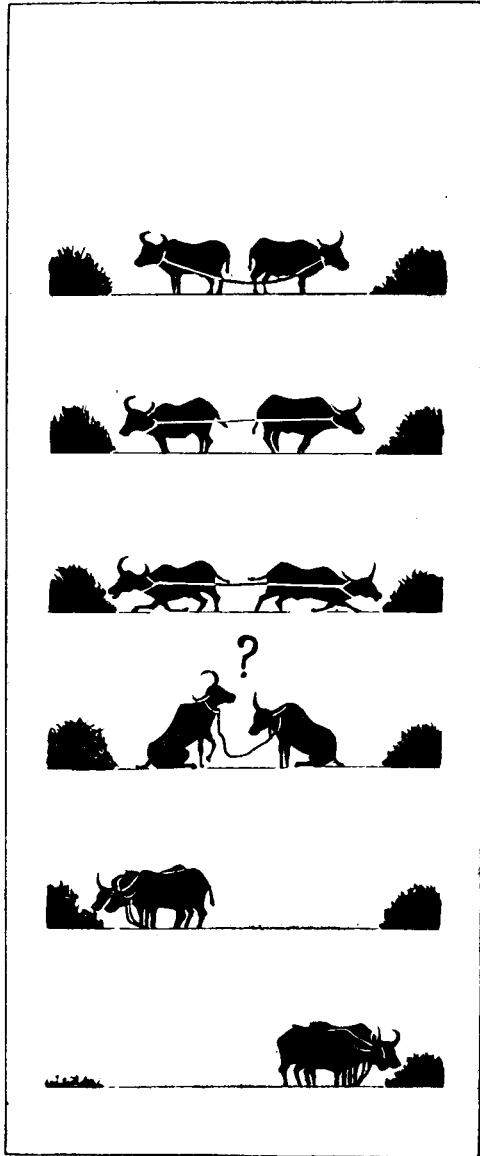
The society has formed commodity groups of farmers

engaged in the production of various agricultural produce. The farm advisers of the society give advice to farmers through these groups and also directly.

Table showing various commodity groups, their number and the number of persons in each group.

	1971		1972		1973	
	No. of Groups	No. of participants	No. of groups	No. of participants	No. of groups	No. of participants
1. Rice	1	44	2	73	3	150
2. Potato	1	15	1	18	1	20
3. Melon	3	55	2	35		
4. Water Melon	1	17			1	20
5. Radish (pickle)	4	111	5	166	6	180
6. Cabbage	3	85	1	45	1	48
7. Red pepper			3	58		

□□



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 64 countries serving over 300 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 London, there are two regional offices, viz. the Regional Office & Education Centre for South-East Asia, New Delhi, India, and the Regional Office for East and Central Africa, Moshi, Tanzania. The Regional Office in New Delhi was started in 1960 and the office in Moshi in 1968.

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 between movements, including trading across national boundaries, to organise and conduct technical assistance, to coordinate national activities for the movements in the Region and to publish publications relating to cooperative development.

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