

ICA and Consumer Co-operative Movements in Asia and the Pacific

Pradit Machima



International Cooperative Alliance

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1. Introduction

International Co-operative Alliance, Regional Office for Asia and the Pacific (ICA ROAP), one of the five regional offices of ICA is situated in New Delhi, India. At present it has 67 member organizations from 25 countries in Asia and the Pacific region such as Australia, China, Japan, India, Singapore, Vietnam, etc.

Its main objective is to promote and develop co-operative movements within the region through education, training, meetings, consultancy services, publication and exchanging of visit among co-operative leaders and key personnel among member organizations/countries.

At present ICA ROAP has 5 main project activities. These are:

1. Development, Planning and Coordination Project;
2. Agricultural Co-operative Development Project;
3. Consumer Co-operative Development Project;
4. Human Resource Development Project; and
5. Agricultural Co-operative Management Training Project.

The Consumer Co-operative Development Project (CCDP) is one of the main activities of the ICA ROAP. The project covers 13 countries, namely India, Bangladesh, Sri Lanka, Thailand, Malaysia, the Philippines, Singapore, Indonesia, Japan, South Korea, Fiji, Australia and Vietnam. These countries are full members of the ICA Committee on Consumer Co-operation for Asia and the Pacific. All member-countries have directly benefited by joining the ICA.

The project activities are planned, organized and administered by the secretariat at the New Delhi Office under the guidance of the Committee Chairman and the ICA Regional Director with the approval of the Committee. In the past, all project activities were financed and supported by the Swedish Cooperative Centre (SCC). But recently it has been entirely financed and supported by the Japanese Consumers' Co-operative Union (JCCU).

1 Presented at the 22nd meeting of the ICA Committee on Consumer Cooperation for Asia & the Pacific, held in Suva, Fiji on May 14, 1993.

2. Consumer Co-ops under project activities

There are three types of consumer co-ops under the project operations. The first and the most important category is that of citizen co-ops. This can be applied to both purely consumer co-ops, such as co-op stores, supermarkets and department stores in Japan, Singapore, Thailand, Philippines, Bangladesh, India and Fiji, and multi-purpose co-ops, such as the multi-purpose co-op society (MPCS) of Sri Lanka, Koperasi Unit Desa (KUD) of Indonesia and NACF distribution centres of South Korea.

The second category is that of student/university co-ops. These can be either solely organized by students, faculty members, staff, employees or by all of them together.

The third one is women's co-ops, especially in the case of Bangladesh and India.

3. ICA Consumer Co-operative Development Project

In order to cope with the situations and the need for changes and development of the consumer co-op movements within the region, the ICA Regional Office in collaboration with the Japanese Consumer Cooperative Union (JCCU) and the National Federation of University Co-operative Associations (NFUCA) of Japan is operating a modest project called "the Consumer Co-operative Development Project" which is trying to create a climate in favour of consumer co-ops in the region. The project has developed the strategies and methods for consumer co-op development as follows:

1. Initiate income generating schemes for co-op members, women and youth;
2. Train consumer co-op leaders and personnel at all levels;
3. Transfer technical know-how and provide consultancy services to the weaker movements;
4. Develop self-help and self-development projects;
5. Organize national and regional seminars or workshops.

During the last few years, the project had implemented a number of project activities as given below, which were very effective and encouraging:

1. Trained managers and leaders of ICA Consumer Committee members in Japan and Singapore;

2. Held seminars and workshops on consumer co-op development in Bangladesh, India, Indonesia, Philippines, Thailand, Sri Lanka and Vietnam.
3. Held national seminars on consumer co-ops in India, Indonesia, Thailand and Vietnam.
4. Conducted orientation seminars on university co-ops in Thailand, Philippines, India, Indonesia and Malaysia;
5. Promoted the exchange of women's delegations from Bangladesh, India, Indonesia, Sri Lanka, Thailand and the Philippines with Japan;
6. Provided consultancy services to primary consumer co-ops in Bangladesh, India, Thailand, Sri Lanka and the Philippines;
7. Sent fact finding missions to Laos, Vietnam and Mongolia;
8. Studied consumer co-op movements in Malaysia, Bangladesh and India;
9. Set up model shops in Bangladesh, India and Sri Lanka;
10. Motivated self-help and self-development activities of consumer co-ops within the whole region;
11. Assisted income generating activities within women's co-ops in Bangladesh; and
12. Published Asia-Pacific Consumer Co-op News.

The role of the JCCU and its affiliates in Japan in the context of developing consumer co-ops in the region is of great relevance and significance. The ICA Committee on Consumer Co-operation for Asia and the Pacific, under the chairmanship of Mr. M. Ohya (of Japan) provides guidance and encouragement to the consumer-related activities of the ICA in this part of the world. So far, the outcome has been very effective and encouraging.

4. Consumer co-operative movement in Asia and the Pacific

Consumer Co-operative Movements in Asia and the Pacific can be classified into 3 main groups; strong, medium strong and developing.

4.1 Strong Movements

If we make an objective analysis of consumer co-operatives in Asian countries today, Japan ranks first amongst the best. The Japanese Movement is built on a highly efficient, motivated consumer co-operatives, responsive to the needs of its members and of

the community. It has the unique distinction of enjoying the active involvement of the members and more particularly housewives, through the 'Han' groups. It can now withstand the competition of any supermarket chain in the private sector. The Kobe Co-operative Society is the world's biggest and best. It is reported that Japan has about 670 consumer co-operative societies with a membership of about 14 million people.

Singapore, the small island country of 2.7 million multiracial people has developed a strong consumer co-operative movement. Singapore has only four consumer co-operatives (out of a total of 63 co-operative societies). All four consumer co-operatives are very strong, effective and popular on the island. The strength of the consumer co-operative movement in Singapore is illustrated by the fact that it now provides technical assistance to consumer co-operatives in neighbouring countries under "Sincotap Programme". It now offers training facilities for Managers of consumer co-operatives from Asian Countries.

The Republic of Korea is yet another Asian country which has made rapid strides in consumer activities. They are reported to be so strong that they cannot only withstand competition from the private sector but also strong political pressure. However, amongst Asian countries, only Japan and Singapore have truly developed strong and vibrant consumer co-operative movements.

4.2 Medium Strong

Thailand, Malaysia and Sri Lanka have a sort of medium strong consumer co-operative movement. Thailand is reported to have 407 consumer co-operative societies. Membership in consumer co-operative societies ranges from 250 to 100,000 and the average membership is 1,780. Notwithstanding competition from the private sector, most of the societies are doing quite well. Without any State support. Pra-Nakorn Consumer Co-operative Society is the best and biggest in Thailand and is worth a visit by co-operatives in developing countries.

In Malaysia, the first co-operative was organized in 1936. During the 40s and 50s growth was slow but thereafter it picked up, and towards the end of the 80s there were about 225 consumer co-operatives out of which about 80% are reported to be making a profit. Average membership of a society is 3,760.

In Sri Lanka there are 286 multipurpose co-operative societies (MPCS) with a network of 8,000 retail outlets spread over the length

and breadth of the country. It covers almost the entire population of Sri Lanka. The annual consumer business of each of these societies is in terms of hundreds of millions of rupees and in the case of about 40% profits are in the millions of rupees. The main stay of the business is in the distribution of imported consumer goods such as wheat, flour, sugar, lentin, onions, potatoes, chilly and spices. There is a lot of scope to strengthen the well built infrastructure of thousands of retail outlets.

4.3 Developing

In Indonesia, some consumer co-operatives are organized by Government employees. There are also student co-operatives and village unit co-operatives. Consumer co-operatives are not as strong as private Supermarkets. However, consumer co-operatives, especially Kuds have great scope to develop their business.

In the Philippines, there are about 800 consumer co-operatives, most of which are very small and inactive. Only about 300 societies are functioning properly. Multinational Supermarket chains have been ruling the consumer market and consumer co-operatives have yet to develop to compete with their standard.

In Vietnam, it is the supply and marketing Co-operatives which take care of consumer business. There are about 2000 such societies, most of which are weak. A few are doing quite well. In Pakistan, there are practically no consumer co-operatives, and the movement has yet to be developed. In Bangladesh, there are 724 consumer cooperative societies with an average membership of only 53 per society. Most societies are weak and ineffective. A few consumer stores, organized by Government employees, public sector employees and industrial workers are doing moderately well. But in a comparatively low income country like Bangladesh, there is a need for a strong consumer cooperative movement.

4.4 Mixed achievements

India is a vast country with 850 million people, living in 3000 towns and 550,000 villages. It has more than 22,000 primary consumer cooperative stores and about 700 central wholesale stores. Its consumer co-operatives have a mixed achievement. In some States, like Maharashtra and Tamil Nadu, consumer co-operatives have made rapid strides and have established a network of Supermarkets in almost all urban pockets of these two States. With their image impact, some of the Supermarkets have become household

names. With the consumers Federation Ltd., a network of supermarket department stores have been set up in different parts of the country and are doing quite well. Though the development of consumer co-operatives is not even and balanced, all the top retailers viz. Super Bazar, Sahakari Bhandar etc. are from consumer co-operatives. Of late, the private sector has initiated the practices of consumer co-operatives such as self-services and in metropolitan cities new private supermarkets are on the increase. But, barring a few, they have not been as successful as co-operative supermarkets. The main reason for the big success of co-operative supermarkets may be ascribed to the dedicated leadership emerging from the Freedom Struggle.

5. Factors affecting Consumer Co-op operations

It is a fact that in Japan, Singapore, South Korea, Malaysia, and Thailand, where the per capita income and literacy rates are much higher than in other Asian countries, consumer co-operatives have made much better progress in comparison with other Asian countries. Apart from literacy and better per capita income stability of the government and the nature of the people have also contributed to the development of consumer co-operatives. At the same time lack of professional management, poor membership and capital base are other factors which contribute to the lack of co-operative development in developing countries. The land, population, income and consumer co-operatives in various Asian countries can be seen from the annexure.

6. Conclusion

Generally speaking, ICA Consumer Cooperative Development Project (CCDP) has been doing very well in promoting and developing consumer cooperatives within the region. Partly because it suits the needs of cooperative movements within the region and partly because of good support and cooperation from member-organizations coupled with strong technical and financial support from JCCU and ICA Regional Director, the programmes have been implemented and executed successfully. I can assure you that we can do more for the entire movement in the years to come.

Thanks.

Pradit Machima

Land, population, income and consumer co-operatives in Asia 1990

Country	Area Sq. miles	Population (millions)	Literacy Rate %	Per capita Income (US\$)	No. of Cons. Societies
Bangladesh	51,000	116	29	170	724
India	1,300,000	850	36	340	22,600
Indonesia	750,000	185	85	450	N.A.*
Pakistan	314,000	105	28	390	N.A.*
Philippines	117,000	65	85	460	800
Vietnam	130,000	67	80	110	2,000
Sri Lanka	25,400	17	85	360	285
Thailand	200,000	57	90	1,400	407
Malaysia	128,000	17	76	2,200	225
S. Korea	38,000	43	96	4,400	67
Singapore	224	27	90	8,800	4
Japan	147,600	123	99	20,000	665

N.A.* = Not Applicable