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REPORT OF THE REGIONAL SEMINAR ON

Shop Planning and Management

Tokyo, Japan
May 7-23 1971



INTERNATIONAL COOPERATIVE ALLIANCE
Regional Office & Education Centre for South-East Asia
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REGIONAL SEMINAR ON SHOP PLANNING AND MANAGEMENT

TOKYO, JAPAN

7th to 23rd May, 1971

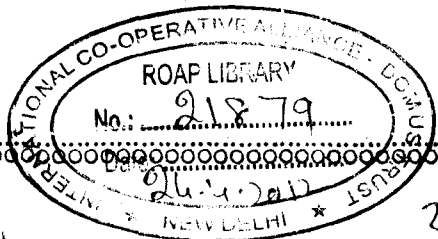
Seminar Leader : Ragnar Arvidsson
Specialist in Consumer Cooperation
International Cooperative Alliance
Regional Office & Education Centre
for South-East Asia,
New Delhi

held by the

in collaboration with the

INTERNATIONAL CO-OPERATIVE ALLIANCE
Regional Office & Education Centre
for South-East Asia, P.O.Box 3312,
43, Friends' Colony, New Delhi-14,
INDIA.

CENTRAL UNION OF AGRICULTURAL COOPERATIVES,
JAPANESE CONSUMERS' COOPERATIVE UNION,
INSTITUTE FOR THE DEVELOPMENT OF
AGRICULTURAL COOPERATION IN ASIA (IDACA), &
THE NATIONAL PURCHASING FEDERATION OF
AGRICULTURAL COOPERATIVE ASSOCIATIONS
(ZENKOREN), TOKYO, JAPAN



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P R E F A C E

The Regional Seminar on Shop Planning and Management which was held in Japan from 7th to 23rd May, 1971, was in several ways the first of its kind in South-East Asia. The Seminar was organised in collaboration with the Japanese Cooperative Movement. It centered round the experience of the urban as well as the rural movements in the distribution of consumer goods. It was a workshop type of educational activity oriented to modern techniques of distribution including planning and management of cooperative supermarkets.

The Seminar was conducted mainly with the help of Japanese resource persons who have had considerable practical experience. Besides, the undersigned had visited several countries of the Region and prepared detailed reports on the consumer cooperative Movements of India, Malaysia, Japan and the Philippines. These reports along with other reference material were circulated among the participants. Copies of the reports can be obtained on request from the I.C.A. Regional Office & Education Centre for South-East Asia, New Delhi.

To encourage the practical discussion and application of the ideas presented to the participants, the latter were divided into sub-regional and finally into country groups. These groups were given three assignments involving the application of the Japanese experience to the situation of consumer cooperative Movements in their own countries. The country groups were asked to adapt the Japanese experience to their local needs and prepare reports indicating their plans of consumer cooperative development and the role of government and other social organisations such as, trade unions, consumer associations, etc. The groups prepared useful reports on their proposed long-term as well as short-term plans. These have been incorporated in the Part II of the report. Part-I contains a summary of the discussions held and general recommendations made during the Seminar. This Seminar report is being

presented with the belief that the participants and their sponsoring organisations will make detailed plans of consumer cooperative development and implement them with the help of government and other organisations concerned. The I.C.A. would wish them well in their efforts and assure them of all assistance possible within its limited resources. The sponsoring organisations may consider the possibility of organising national and local level seminars as an immediate follow-up of the present seminar and they are requested to keep the I.C.A. Regional Office & Education Centre informed of all such follow-up activities.

The undersigned would extend his deepest thanks to all the cooperative organisations in Japan, which collaborated with the I.C.A. Regional Office & Education Centre in the organisation and conducting of the seminar. It is needless to say that without their continuous help and guidance it would not have been possible to hold this seminar in Japan. The main collaborating organisations were :

Central Union of Agricultural Cooperatives in Japan, Tokyo,
Japanese Consumers' Cooperative Union, Tokyo

Institute for the Development of Agricultural Cooperation
in Asia, Tokyo, and

National Purchasing Federation of Agricultural Cooperative
Associations, Tokyo.

Among other facilities, these organisations provided for the Seminar several resource persons with practical experience in the field of retail distribution of consumer goods. The ICA is specially grateful to these resource persons for their hard work in preparing and delivering their talks in English. A list of resource persons is given in appendix.

The introductions to the different subjects of the Seminar were combined with the study visits to different consumer cooperative societies in Japan. The ICA is particularly grateful to the Tokyo Consumer Cooperative Society, Mikkahi-cho Agricultural Cooperative Society and Nada-Kobe Consumer Cooperative Society for receiving the seminar participants on their study visits.

The ICA would also express its sincere thanks to all the Seminar participants and observers, for their cooperation and contributions to the Seminar deliberations. Within the short time available to them during the seminar the participants have done excellent work in the preparation of their country reports.

Last but not the least, the undersigned ~~would~~ extend his heartfelt thanks to the seminar secretariat composed of persons of the various organisations, **for their** extremely hard work and active assistance in making this Seminar a success.

R. ARVIDSSON
SEMINAR LEADER



Opening session of the Regional Seminar on Shop Management & Planning held at IDACA Tokyo being addressed by Mr. H. Yanagida, Managing Director, Central Union of Agricultural Cooperatives, Japan.



The participants of the Regional Seminar visited a number of cooperative super markets in the various parts of Japan. The participants here are seen with a group of women members.

INTERNATIONAL CO-OPERATIVE ALLIANCE

THE REPORT OF THE REGIONAL SEMINAR

ON

"SHOP PLANNING AND MANAGEMENT"

1971

Part - I

Introduction

1. The ICA Regional Office & Education Centre for South-East Asia held a Regional Seminar on "Shop Planning and Management" in Tokyo, Japan from 7th to 23rd May, 1971, in collaboration with the Central Union of Agricultural Cooperatives of Japan, the Japanese Consumers' Cooperative Union, the Institute for the Development of Agricultural Cooperation in Asia (IDACA), the National Purchasing Federation of Agricultural Cooperative Associations of Japan (ZENKOREN). This was the fourth Regional Seminar on Consumer Cooperation organised by the I.C.A. Regional Office & Education Centre. The Seminar was of workshop type. The reason for selecting Japan as the venue of the Seminar on Shop Planning and Management especially of cooperative supermarkets was that the cooperatives of Japan have been successfully distributing consumer goods and the cooperative movements in other countries of the Region have much to learn from the Japanese experience.
2. The Seminar was held at the Institute for the Development of Agricultural Cooperation in Asia (IDACA), Tokyo, Japan. There were 25 participants from India, Indonesia, Japan, Republic of Korea, Malaysia, Pakistan, Philippines, Singapore and Thailand (9 South-East Asian countries), who attended the Seminar. Invitations were also sent to cooperative organisations in Ceylon and Iran, but none of them were able to send participants to the Seminar. In addition, several resource persons from the International Cooperative Alliance and the Cooperative Movement in Japan participated in this event of strategic importance, during the Cooperative Development Decade launched by the I.C.A. on 1st January 1971. The international organisations such as the International Confederation of Free Trade Unions and World University Service (WUS) deputed their observers for the Seminar. Mr. Ragnar Arvidsson, Specialist in Consumer Cooperation of the ICA Regional Office & Education Centre was the Seminar Leader. He was assisted by Dr. Dharm Vir, Joint Director (Education), of the I.C.A. Regional Office. A list of Seminar participants, observers and resource persons is given in Appendix 'A'.

3. The Seminar was held to review the situation of cooperative retail trade in the context of the rapid growth of population, increasing industrialisation, and massive urbanisation as well as rising standards of living of the people in the Region. These factors have given rise to many problems in the field of distribution of consumer goods and created the need to identify and appraise the changes in the living and buying habits of the consumers. The main objectives were :

to discuss the necessity for consumer cooperatives to adapt organisational structures and operational techniques suitable to the changes mentioned above; to study the operational and functional aspects of cooperative super markets, the system of joint-purchase, the home-delivery service and other ways of distributing consumer goods adopted by cooperatives; and to suggest ways and means of improving the present policies and practices of cooperatives dealing in consumer goods. The introductions to different subjects were combined with study visits, group work and the preparation of action plans for the development of consumer cooperation in the different countries of the Region. The seminar mainly centred around the Japanese experience of Japan in the field of retail distribution by cooperatives, both urban and rural. Japanese resource persons having practical experience of retail distribution and shop management introduced different subjects according to the Programme (Appendix -B). Their talks given in English and whenever necessary supplemented by interpretations were appreciated by the participants. The introductions of resource persons were combined with study visits to cooperative societies engaged in retail distribution of consumer goods. Field trips and study visits to Tokyo Consumer Cooperative Society, Mikkabi-cho Agricultural Cooperative Society in Shizuoka Prefecture of Japan and Nada-Kobe Consumer Cooperative Society, Kobe, were made by the participants. Brief notes on these societies are enclosed as Appendices D, E & F.

4. Preceding and during the seminar, reference material and background papers regarding consumer cooperative movements and operational aspects of consumer cooperatives inside as well as outside the Region of

South-East Asia were distributed among the participants. A list of such material is enclosed as **Appendix C**. In addition, country background papers described the development of consumer cooperation in the participating countries were circulated.

5. The assignments for group work given by the Seminar Secretariat were discussed in three sub-regional groups, however, the preparation work of the action plans for consumer cooperative development was mainly done in eight country groups except Japan. These action plans as prepared by the country groups were presented to the final plenary session towards the end of the seminar. The action plans as prepared by the country groups and revised in the light of the discussions held during the final plenary session are given in Part II of the Seminar report. It may be noted that these reports mainly belong to the country groups for their reference and follow-up in the respective countries. These plans do not necessarily express the views of the sponsoring organisations nor of the International Cooperative Alliance. It is suggested that the action plans prepared by the Seminar participants will further be discussed in the countries concerned with a view to develop Consumer Cooperative Movement and followed up by the participants as well as their sponsoring organisations. It is also hoped that the Government and other social organisations such as consumer associations and trade unions, will contribute effectively to the further development and rationalization of distribution of consumer goods in the countries concerned. These organisations in collaboration with cooperative movements have an important role to play in protecting consumer interests.

6. To collect opinions and suggestions from the seminar participants on the usefulness of the seminar an Evaluation Questionnaire was distributed among them. 19 out of 22 non-Japanese participants immediately returned the Questionnaire duly completed. A summary of the answers given by these participants is enclosed as **Appendix G**.

General Recommendations

7. A summary of discussions held and the main general recommendations made during the Seminar are given below:

7.01 The Seminar noted the world trend towards establishment of larger retail units such as supermarkets, variety and/or chain stores (large supermarkets) super stores, department stores, discount houses, etc! Also that these big retail units are being supported by well organised wholesalers operating distribution centres and processing units. It was further noted that the successful consumer cooperative movements in western countries have adopted a similar integrated approach to wholesaling and retailing which are the main reasons for their success.

7.02 It was also noted by the Seminar participants that in most of the countries in South-East Asia, the role of the cooperatives in distributing consumer goods is insignificant. In most of these countries the movement has been started with active government support but without involving the consumers. Consequently, consumers do not identify themselves with the cooperatives in turn affecting their patronage and support to the movement and its future growth. However, in view of the socio-economic developments in the South-East Asian countries affecting increase and changes in consumption and buying habits and also in view of the increase in prices there is need for strong movements to safeguard the interest of the consumers. It was the view of the Seminar that cooperatives should play an important role in safeguarding the consumers' interest.

7.03 The cooperative movement in Japan plays an active role in safeguarding the members' interest although it covers only approximately 3% of the total trade in the country.

i) The consumer cooperatives in Japan are adopting an integrated approach towards safeguarding members' interest. It is outlined as follows :

- (a) Active member involvement with consumer information, and campaigns against price rise, public pollution and other similar evils affecting public life.
- (b) Setting up of supermarkets mainly dealing in perishable goods and other foodstuff which are of great importance from the customer point of view. While setting up these supermarkets, the aim should be to capture a large part of retail trade of foodstuff within the area in which the supermarket is to be located.
- (c) Development and production of CO-OP branded goods which are free from adulteration and components which are harmful to the health of the consumers.

In view of the production capacity already available within the Japanese industry the consumer cooperatives do not have processing plants of their own but they contract private producers to produce CO-OP branded goods in accordance with the specifications laid down by the Japanese Consumer Cooperative Union.

ii) The Agricultural Cooperatives in Japan have decided, on a priority basis, to further develop distribution of consumer goods, in view of the rapid urbanisation of rural and semi-urban areas and the increase in the income of farmers. Thus the Agricultural Cooperatives are now entering into retailing business on a large scale and they have a comprehensive long-term plan in this field.

7.04 The Seminar appreciated the integrated approach of the Japanese cooperative movement and also noted that in retail distribution, the cooperatives in Japan have adopted multiple approach such as supermarkets, variety stores (large supermarkets dealing also, to a great extent, in non-food items), home-distribution, co/joint purchases, exhibition sales.

etc. The plans of the cooperatives to enter into super stores and discount houses, etc, were also noticed by the Seminar.

7.05 The very fact that most of the Japanese cooperative retail trade was, until 1960 or so, carried on through home-distribution and joint purchases were noted with great interest. In most of the other countries in the Region, emphasis has been on operating retail units and not much thought has been given towards home-distribution, co-purchase and other similar ways of distributing consumer goods, which in fact would require less capital investment but closer member involvement.

PLANNING

7.06 To achieve rapid growth of distribution of consumer goods by cooperatives, it is necessary that cooperatives in the Region should make long-term as well as short-term plans after conducting necessary feasibility studies. Such plans should include quantified targets of sales, share of the retail market, distribution systems, number and type of retail units, requirement of personnel, finance, land for location of shops, etc. The Seminar noted the plans which were worked out by the cooperatives in Japan and particularly the nation-wide plans made by the agricultural cooperatives in setting up retail units supported by distribution centres and strengthening of the wholesale functioning at the regional and national levels.

7.07 Perspective Planning by cooperatives in western countries e.g. by the Swedish Cooperative Movement and the English Cooperative Movement as well as their implementation and success was also discussed. The Seminar stressed upon the importance of such a nation-wide perspective planning in order to forecast the future socio-economic developments and the role of cooperatives in distributing consumer goods in such a setting and, also the resources required by the cooperatives in fulfilling their role.

7.08 As it will take 2-3 years to work out national plans and implement the same, it is necessary that the cooperative leaders, should take up on priority basis, matters relating to perspective planning and development of cooperatives in the various countries.

7.09 The importance of pooling know-how and resources in developing cooperatives on a nation-wide basis as well as the importance of exchanging ideas and experiences between cooperatives in various countries in the Region was stressed by the Seminar participants.

MEMBER ACTIVITIES

7.10 The Japanese cooperative movement has laid great emphasis on member activities and members' active involvement in the day-to-day affairs of their society. This is the main reason for the success of the movement. The consumer cooperatives have adopted the above activities based on 'Han Group' (a small group of about 10 members), while bigger consumer cooperative societies have adopted the activities under the so-called "Womens' Guilds". The agricultural cooperatives have undertaken similar activities under the name of "Women's Association". The names under which these activities are undertaken are of less importance, but what is more important is the active role played by members through these activities in the operation of the society, and how, through these activities, the decision-making of the management is influenced in the interest of the consumers. These member activities act as Monitor for the management of societies. The activities are also practically oriented in as much as joint purchasing, testing of goods, house-hold budgeting and other allied activities form the main parts of member-activities. Such activities foster good relationship among women staying in the same vicinity as opportunities are also given to avail of various types of cultural facilities such as gymnastics, dances, etc. Various publications and pamphlets dealing with matters related to consumers' lives and the operations of the society are publicised by the society in consultation with the representatives of the members and discussed in various member-groups. It was further noted that in Japan, these types of member activities are mostly built around house-wives

who do most of the shopping in the family and thus have a great say and interest in these matters. In Japan these member-groups have great impact on authorities at regional and national levels. At times petitions have been presented to State & Central Governments stressing upon the various short-comings affecting consumers' lives e.g. nation-wide campaigns against public pollution, price rising etc, with successful results.

7.11. It was noticed that the management put great emphasis on these member-activities and executives in the societies were assigned these important tasks as their main responsibility and were asked to devote themselves fully to these aspects.

7.12 Through these member-activities dedicated leaders have been groomed and thus has emerged devoted and experienced leadership which has contributed to success of the cooperative movement in Japan.

7.13 The seminar participants were greatly impressed by the member activities undertaken in Japan and realised that similar activities have to be undertaken in their home countries in order to secure a proper role for cooperatives in distributing consumer goods and in safeguarding the interests of consumers.

PERSONNEL

7.14. It was noted that in Japan the employees are groomed within the society to achieve high positions, and in view of the potentiality of the movement, job security and promotion facilities are brighter. The employees therefore devote themselves to important tasks of the movement and continue to work in the cooperative sector for considerable time. The staff training is also geared to developing employees:

- (a) to manage a specialised task, and
- (b) to develop them as executives

Training is also treated as an investment and part of the employees day-to-day work. Emphasis is laid on practical training and information, and representatives of the management work as teachers. In acquiring practical training, the staff of one society is often sent to a successful neighbouring society. Detailed manuals on staff training and how to



A study group of members devoting time and attention to studying the problems of their local store.

perform various duties/tasks etc, are prepared by the national and regional organisations and sometimes by the bigger societies. These manuals are important tools in the staff training. Training is also treated as a continuous process and thus, every year, each employee is asked to undergo some kind of further or refresher training.

7.15 In order to ensure recruitment of suitable personnel who are potential executives, various types of aptitude tests are given to candidates at the time of recruitment and employees are recruited initially on probation during which they are given induction training and their abilities are evaluated.

7.16 Industrial relations within the cooperatives, by and large, are cordial. Salaries compare favourably with other similar enterprises. Facilities such as free uniforms, bonus, allowances, medical securities, etc, are also given. In bigger societies such as the Nada-Kobe Consumer Cooperative Society, dormitories are also provided for women employees at subsidised rates.

7.17 The seminar appreciated the integrated approach adopted by the societies in developing their employees. The participants felt that the problems related to personnel and lack of managerial skill are acute in most of the countries, and in order to make the cooperatives successful, these problems have to be dealt with on a priority basis. While improving upon the personnel management practices, experiences gained by cooperatives in Japan particularly with reference to training and development of employees and in matters relating to industrial relations, can be taken into account.

SALES

7.18 Cooperatives in Japan have, as stated before, a multiple approach towards distribution of consumer goods by supermarkets, home-delivery service, joint purchasing, etc, and until 1960, emphasis was laid on home-delivery and joint purchasing. Since 1960, onwards increasing emphasis has been laid on development of supermarkets. Such a development is in line with the rationalisation of retailing and meets with the consumers' expectations and buying habits. However, home-distribution and joint-purchase will continue to play an important role in the distribution of consumer goods but, in the future, more as a supplement to supermarket operations.

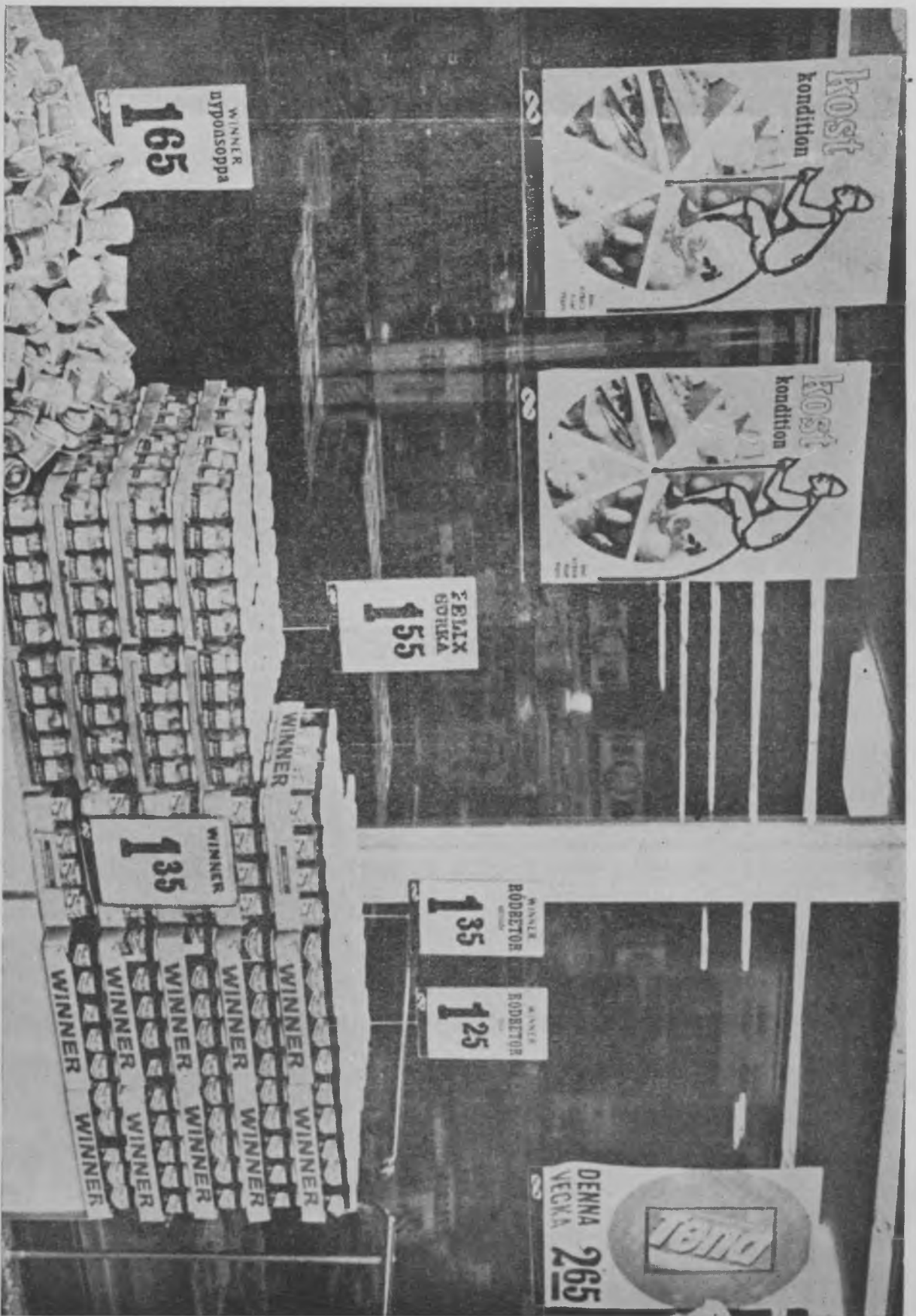
7.19 Some big cooperatives in Japan have also started variety stores (big supermarkets dealing, also to a great extent, in non-food) and these types of stores will gain importance in the years to come. Other types of retail units such as discount houses and super stores are also under consideration. In store operations, the Japanese cooperatives have adopted modern techniques of layout, display and sales promotion activities. Sales targets are also fixed department-wise and store-wise for each month, and the employees are regularly informed of these targets and achievements through various staff meetings. Consequently, all the employees are geared to achieve the quantified targets and their contributions/achievements are regularly assessed.

7.20 Sales promotion activities are also carefully planned through "Plan of Action" which have also been discussed with various employees concerned, and thus to a great extent are pre-sold.

7.21 By fixing sales targets and work for the achievement of the same as per the "Action Plan", the consumer stores have acquired a very attractive appearance and appeal to the customers. Leaflets are also distributed by cooperatives through newspapers, often once a week, giving information about 20 or so campaign/seasonal items attracting customers to visit the store. Through good appearance of the store, displays, posters and price placards and behaviour of salesmen, etc, the customers are induced to buy. The goods sold are also of high quality and at competitive prices. It is important to note that private retailers also follow similar techniques in their work.

7.22 Societies operating home-delivery services are having special salesmen for regular visit to members' homes and taking orders from a catalogue/price-list of the assortment offered on home-delivery. They deliver the goods ordered on the same day at the members' home. These services are very much appreciated by the members and in the process, the stores' salesmen also act as good public relations officers for the society.

9.23 Joint-purchasing is handled by the members themselves through selected members (Han Group leaders). They collect orders from other



A few items of goods displayed in plenty with prominent price information. The pictures on the top are eye catchers to arrest attention and to create necessary environment.

members once or twice in a month and place them in bulk with the society. The society in turn delivers the orders to the members who have placed bulk orders, collect payments and afterwards, members who have placed bulk orders call the other members for taking delivery of the goods ordered. Thus, much of the distribution work is taken care of by the members themselves, and for that, they are compensated through lower prices.

7.24 The participants greatly appreciated the multiple approach towards distribution of consumer goods by the cooperatives in Japan, and felt that they learnt much from the practices adopted by the supermarkets in display, distribution of leaflets, involvement of personnel, etc. and further that home-delivery, joint-purchase and similar activities could be important supplements to retail store operations. Participants from countries where cooperatives have not yet entered into distribution of consumer goods, felt that cooperative societies could start with home-delivery, joint-purchases and other similar activities which require less financial investment and later on, if possible, enter into retail store operations.

INVENTORY

7.25 Cooperatives in Japan while fixing assortment of goods, emphasise on supply of food-stuff and goods which are in high demand by the customers and thus emphasis is made on perishable goods and groceries. Their aim is to make the cooperatives the best retail units in the area for selling these goods.

7.26 The members are often consulted in fixing the assortment and their home budget is an important tool for decisions in that regard. Goods are also tested by members as mentioned before, and the opinions expressed by them are taken into consideration by the management.

7.27 In view of the fact that cooperatives in Japan do not still have a nation-wide channel of wholesale distribution, the societies are, to a great extent making their purchases from local wholesalers and manufacturers. The CO-OP branded goods are bought by the regional and national cooperative, business federations. However, in some cases

50% of goods sold are procured through national and regional/business federations and in certain other cases only 10 to 20%. Emphasis is laid by the national organisations to procure more goods for the primary societies, and the agricultural cooperatives have set up and are planning to further expand their regional distribution centres.

7.28 The requirements of goods of retail units are mostly pooled at the societies' merchandise department and that department procures the goods in bulk from private wholesalers or cooperatives. The goods procured are mostly distributed directly from the wholesaler to the various retail units. There is also heavy emphasis on collaboration among cooperatives and there are encouraging examples where consumer cooperatives procure goods from agricultural cooperatives.

7.29 The Nada-Kobe Consumer Cooperative Society has recently set up a distribution centre for procurement of goods for its retail units and the seminar participants had an opportunity also to study the operations of this large scale distribution centre.

7.30 In the cooperative retail units in Japan, the stock turn is 15 to 20 times and the leakage does not exceed 1% and, in many cases it is even lesser than $\frac{1}{2}\%$. This is due to the steps taken to control the stock through the "value control system" and in certain cases, supplemented by "unit control" through monthly stock taking (Monthly stock takings are mostly finished within 3-4 hours) and with the help of trained and devoted employees having keen interest in the proper functioning and growth of the institution.

7.31 The Seminar participants appreciated the various steps taken by the cooperatives in Japan to solve matters related to inventory management and felt that they have benefited from the Japanese experience.

FINANCE

7.32 In Japan the cooperative societies are financed through share capital and loans from cooperatives, allied banking institutions as well as by commercial banks. Emphasis has been laid in the past on self-financing but in view of the heavy investment in supermarkets etc,



All items belonging to commodity group from the point of utility are placed together for self-selection. This also reminds the customer about items which he did not intend buying—nevertheless needed it.

in recent years loans from commercial banks and other credit institutions have to a great extent been resorted to. It was indicated by the cooperative leaders in Japan that the movement could be greatly assisted by the government through long-term loans at reasonable interest.

7.33 In the societies, the existing financial accounting system gives monthly profit and loss account and certain key figures, based on which the management takes decisions and works out future plans. The growth of the societies has been rapid and a high growth rate is expected in the future with regard to sales etc. Such a high growth rate will also require increased finance.

7.34 The gross profit in the societies is between 15-20%, and the net profit is approximately 2%. Some societies are distributing patronage dividend on purchases at the rate of 1%, while other societies have followed the practice of selling goods at lower prices and accumulating funds in the society itself for self generation. In latter cases, societies are not distributing patronage dividend but are using these funds for expansion in the interest of consumers. The consumer societies are not given any tax exemption or subsidies by the government. One can say that by and large the government has been generally indifferent to the growth of the consumer cooperatives. Consequently, cooperatives have had to apply all possible know-how and resources in developing themselves which in turn have probably given strength to the movement. The movement has had to depend on the support and loyalty of members and the skill and planning of its leaders and executives.

7.35 The Seminar participants noticed the way the cooperative movement in Japan has been able to develop without government support, and how the stores are managed through management accounting and key figures. But the participants invited the attention of the Seminar to the problems they have in their home countries, where the cooperatives have to operate with very low margin and at the same time lack support from the

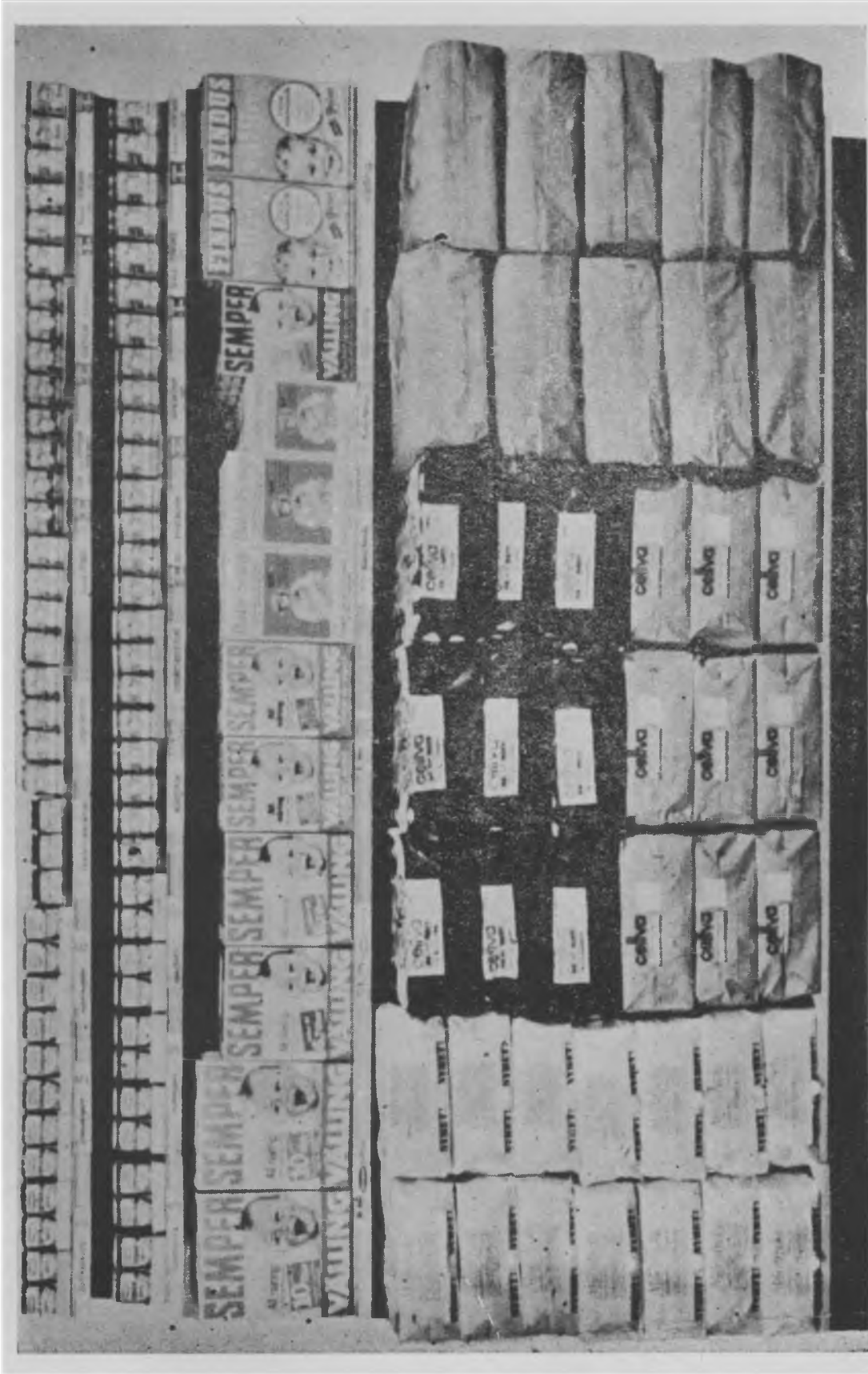
members. Thus, they have to depend on the government for financial support.

NATIONAL AND REGIONAL COOPERATIVE ORGANISATIONS

7.36 In Japan the national and regional cooperative organisations (the Japanese Consumer Cooperative Union and the ZENKOREN and its consumer goods department and the regional level cooperative unions and federations are playing an important role in assisting the primary societies in distributing consumer goods through :

- (a) guidance and consultancy services,
- (b) wholesaling
- (c) publicity and public relation activities,
- (d) liaison with the government and other allied organisations,
- (e) staff training, and
- (f) development of co-op branded goods etc.

7.37 However, the success of the cooperatives in distributing consumer goods on a nation-wide basis will depend on the strength of the national organisations. The national institutions are, therefore, now putting emphasis on strengthening themselves so as to expand further, particularly in the field of merchandising and production of CO-OP branded goods, management consultancy/guidance as well as over-all perspective planning. The agricultural cooperatives, as mentioned earlier, are also emphasising on the opening of regional distribution centres. There seems also to be an emphasis on reducing the number of tiers and an emphasis on rationalising the flow of supply by avoiding unnecessary cooperative middlemen. Emphasis has also been laid by the agricultural cooperatives to support a nation-wide cooperative chain store organisation (A Co-op) in order to get a quicker break-through on distribution of consumer goods by agricultural cooperatives in urban and semi-urban areas by setting up large-scale supermarkets.



Allocation of shelf space is done carefully taking into consideration that most stocks are stacked on the shelf to avoid frequent refilling. The size of the articles is measured and stacked for appearance and economy in space. When space is specifically allocated to a certain article, sale is detected easily and refilling undertaken. This also helps in placing timely orders on the suppliers. Heavy articles on the lower shelves and the light ones on the upper shelves. Easy to see and easy to reach for quick sellers. The stacking also contributes to a feeling of plenty.

7.38 The seminar participants stressed upon the importance of proper integration between retailing, wholesaling processing/production and indicated that in their respective home countries such an integration was not satisfactory and consequently could not give the needed strength to the movement. They emphasised the need for strengthening such an integration in their respective home countries, as nation-wide success of any movement in distributing consumer goods will depend largely on the support they can get from national business federations.

7.39 The Seminar participants also stressed on the necessity for cooperatives to work in collaboration with trade unions, consumer associations and other similar organisations for safeguarding the interests of the consumers.

Part IIASSIGNMENTS FOR GROUP WORK

As mentioned earlier, the main emphasis during the seminar was laid on group work in sub-regional and national groups. The following assignments were given for the group work.

1. Keeping in view the present situation of consumer cooperative movements in your countries, what should be the long-term plans of consumer cooperative development. Please work out the objectives and quantified targets, considering the socio-economic changes likely to take place in the foreseeable future.
2. In the light of the above and taking into account the experience you have gained from your study of the consumer cooperatives in Japan, what should be the role and functions of national/state primary level consumer cooperative organisations in your countries.

Please give the country-wise descriptions and plans of action under the following main headings?

- (i) (a) Planning, overall planning, feasibility studies, location and layout of Supermarkets, investment and operational budgets, future provisions for expansion etc.
- (b) Organizational set-up at different levels, types of retail units and services to be rendered.
- (c) Personnel Management, selection of staff and their training, welfare measures, creation of staff cadres.
- (d) Member activities, democratic set up, member education and involvement through group activities, such as Hans.
- (e) Business Management, assortment, procurement of goods (own production - CO-OP brand goods), sales promotion, management control, etc.
- (f) Finance sources, accounting.

(g) Miscellaneous auditing

- (ii) Amalgamation of consumer cooperative societies, formation of chain store organisation, etc.
- (iii) Integration of retail distribution, wholesaling and production functions.

3. What should be the role and functions of the government and other social organisations such as trade unions in the promotion of consumer cooperation in your respective countries?

Country-wise reports prepared by the country groups (national groups) on the above assignments are given hereinafter.

1. INDIAI. LONG-TERM PLANS OF CONSUMER COOPTRATIVE DEVELOPMENT

1.1.01 Consumer cooperatives have played a significant role in the country's economy, and an important place has been assigned to them in the national development programmes. The main objective of consumer cooperatives is to provide protection to the consumer against exploitation by the private trade, in conditions of scarcity or large or increased demand, as also against sale of spurious goods, adulteration and other malpractices, such as underweighment. The key note in the Fourth Five Year Plan which is "Growth with stability", had laid stress upon two programmes
(a) stabilisation of agricultural prices through buffer stocks and
(b) development of a viable cooperative distributive system. In the Fourth Plan (1969-1974), the following observation is made.

1.1.02 "Efforts have to be made to see that, in the Fourth Five Year Plan, the place of the fairprice shop system is taken, to the greatest extent possible, by cooperative consumer stores or shops of multipurpose societies, especially in rural areas. The dependence of the fair price system in State initiative and action has made for large fluctuations in its extension and operation from year to year. The system is apt to be dismantled as soon as adverse conditions disappear. This is wasteful and, therefore deliberate attempts must be made to establish viable cooperative shops at all points at which the existance of fair price shops in the past has been though desirable. Moreover, the business of such cooperative shops should deliberately cover, in the first instance, consumer goods of mass consumption".

1.1.03 In order to fulfil the plan objectives, what is required is not a few successful consumers cooperative stores, but a widely dispersed and closely integrated net-work of consumer cooperatives in urban areas, and service cooperatives and marketing cooperative societies in rural areas,

Note: 1 US\$ = Rs.7.50



Super Bazar, run by the Cooperative Stores Limited, New Delhi, is one of the largest consumers cooperative markets in India. The frontage of the Super Bazar, Connaught Circus main branch.



A view of the meat counter in the Super Bazar of Delhi. Hygienic handling of the stuff is considered to be an important factor in boosting the sales.



Self service counter of the vegetables department of the Super Bazar of New Delhi.



A view of the popular gifts department of the Super Bazar. Some of the special brass items produced by the local cooperatives are sold through this department.



A view of the grocery department of Super Bazar, Delhi.

which together can provide the base in a permanent viable distributive system. It is necessary to create conditions and ensure that growth and development of integrated consumer cooperative movement receives high "national priority" rather than leaving to discretion of State governments.

1.1.04 As a result of various measures taken during the last decade, a country-wide net work of consumer cooperatives, with a four-tier structure has been built up, as follows :

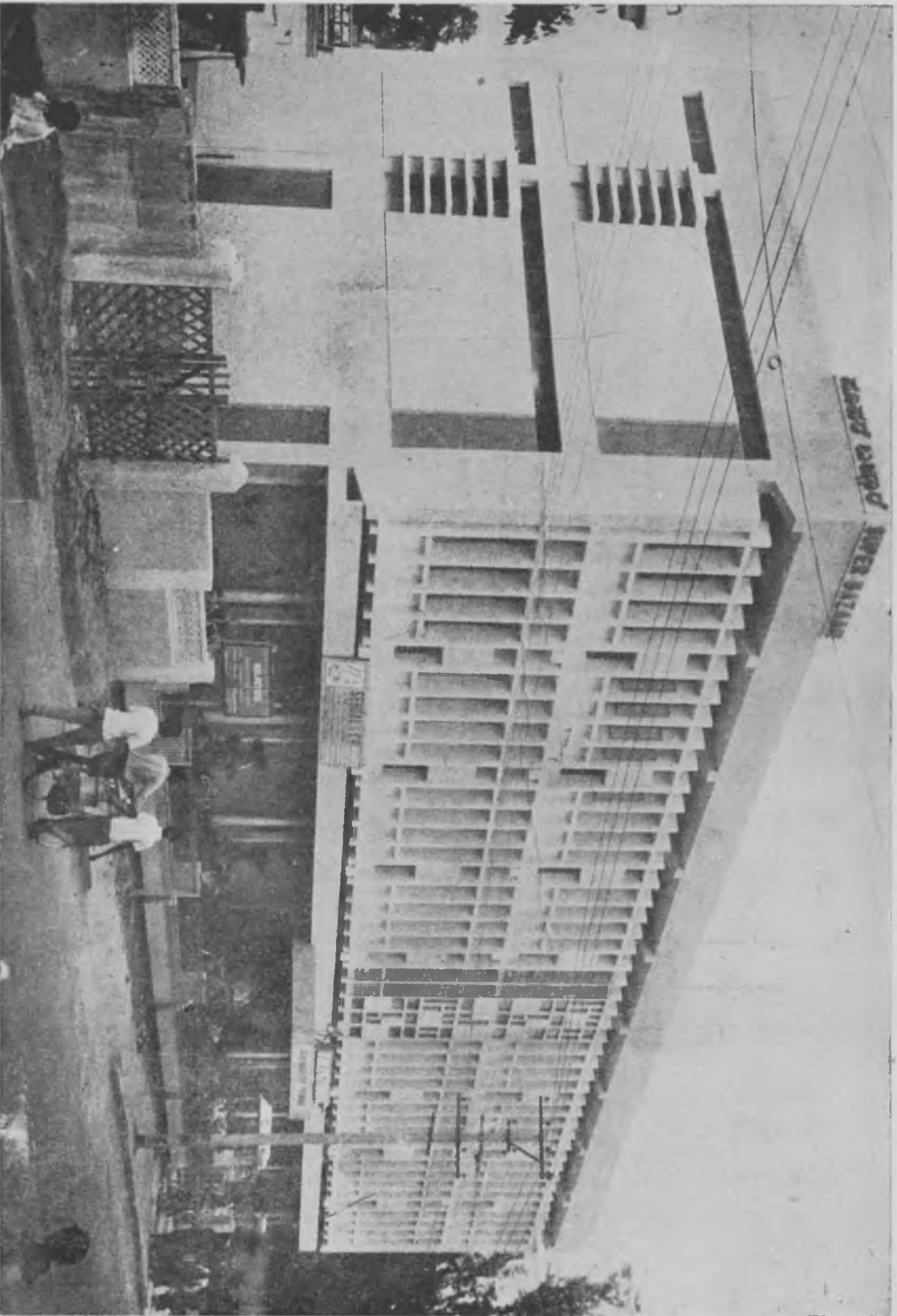
	(Nos.)
Primary consumer cooperative stores.	14,000
Wholesale/Central Consumer Cooperative Stores.	385
State Consumer Cooperative Federations	14
National Consumers Coop. Federation	1
Number of retail branches/shops	18,870
Development stores (Super Bazars)	106

1.1.05 The consumer cooperatives in urban areas cover about 14% of the urban population and 9% of the food trade in the areas served by them. The share of the cooperatives in the total retail trade is estimated at 2.5%. While consumer cooperatives have rendered a useful service and generally created a healthy influence on the retail distributive trade, they have also thrown up serious problems, as highlighted by instances of failures, unsatisfactory performance and uneconomic results. At the primary level, about 3,000 societies would be defunct, and an equal number running in loss. A sizeable percentage of wholesale stores and department stores have also been incurring losses and State Consumer Cooperative Federations are weak. Causes of failure, losses and unsatisfactory performance could be attributed to : lack of planning and inexperience, bonafide trading, losses, unforeseen price-fluctuations, poor location, display, publicity, salesmanship, injudicious purchases, overstocking, lack of inventory management, malafide purchases, financial and accounting lapses, shortages, overdues, mismanagement etc.

1.1.06 Examples of successful working of consumer cooperatives, and the healthy influence made, even by institutions in loss, indicate that consumer cooperatives have come to stay as a permanent feature of the retail distributive trade in the country. They will, however, have to face stiff competition from the private trade and also make up for the loss in trade of controlled commodities by diversification and expansion of the range of business in non-controlled goods and services. This will depend on the extent to which they are able to achieve, development of mass sales, supply quality goods at fair and competitive prices and building up the confidence of the consumer, providing for most requirements under one roof, adoption of modern selling techniques, good and efficient salesmanship and service and enrolment of mass membership and their involvement in management.

1.1.07 Keeping in view the present position and the objectives of the programme, a strategy for sound development of consumer cooperatives has to be planned on a scientific basis. Moreover, with the rapid growth in urbanization, pressure on rising prices, impact of prosperity in the rural areas, resulting from the "Green Revolution" rising standards of income and living in urban and rural areas and increase in per-capita expenditure on consumer and durable goods, consumer cooperatives will have to play a more effective and significant role in the country's economy. One of the essential tasks will be to lay down quantified targets, so as to achieve the objective. While it is difficult to lay down realistic targets in this regard owing to variable and changing economic factors in the country's economy, as a broad approach, the following targets may be set out.

<u>Year</u>	<u>Target</u>
1971-72	The present level of coverage should be maintained. The sales target could be increased by Rs.15 crores, raising the total to Rs.285 crores - partly for price increase and partly for increase in consumption. (The coverage at the end of 1970-71 was 4.4 million families; thus, out of 100 million urban population the coverage was more than 14% and total retail trade of urban consumer cooperatives Rs.270 crores.)



KALPATHARU—The Cooperative Super Bazar in Bangalore.

- 1972-73 Coverage of membership to be increased by 1/4 per cent and business by Rs.39 crores raising the total sales to Rs.323 crores.
- 1973-74 Coverage of membership to be increased by 1/4 per cent business by Rs.59 crores, raising the total turnover to Rs.377 crores (against Rs.400 crores) envisaged in the Fourth Plan).
- 1974-75 An attempt may be made to increase coverage by 1/4% and turnover by Rs.58 crores raising the business to Rs.444 crores.
- 1976-80 An attempt may be made to increase the coverage by 1/2% every year and business by Rs.100 crores each year, resulting in a total business of Rs.900 crores at the end of 1980.

1.1.08 The realisation of the above objective, would call for restructuring of the organisational pattern to the unitary system, diversification of business, with emphasis on non-controlled commodities and high margin goods, modernisation of business premises, better layout, radical stream-lining of business and operational efficiency, detailed examination of the resources, assortment, pricing policies, formation of managerial cadres etc. Steps will also have to be simultaneously taken to adopt modern and scientific systems of management, inventory control, sales promotion, etc. This would call for the setting up of a Management Consultancy Services within the movement to make available expert guidance and advice to the stores. It would also be essential to strengthen the State Consumers Cooperative Federations and the National Federation on a large scale, so as to improve the bargaining power of the movement and pooling of purchasing power, institutionalisation of purchases, establish regional warehouses, identify and develop "Growth Centres" which can create a radiating influence on the consumer cooperative structure. Above all, steps will have to be taken to build up non-official leadership, enrol mass of consumers into the movement to make these institutions genuine democratic and cooperative institutions in every way and form groups for active member-participation in management like "Hans' Women's Guilds". Efforts will also have to be made to generate consciousness amongst the general mass of consumers on matters like consumer protection and interests through consumer Associations, consumer resistance and other voluntary movements, so as to make the movement

dynamic and effective.

II. ROLE AND FUNCTIONS OF NATIONAL/STATE PRIMARY CONSUMER COOPERATIVES

1.2.01 In consumer cooperatives, numerical expansion has taken place, without being related to local demand and potential in some cases. The primary consumer cooperatives, with inadequate resources and meagre business, remain the weakest link in the chain. Weak primaries, which have no potential, should either be liquidated or merged with wholesale/central stores. There should be a shift from the Federal pattern to the Unitary pattern of organisation (At present the structure is predominantly Federal; in some States the Unitary pattern is in vogue; in many states a mixed pattern is being developed). The wholesale/central stores should be developed as multi/unit retail stores operating a number of viable, but larger shops, super markets and department stores and should be called "retail stores". However selected primary consumer cooperatives which have sizeable membership and growth potential to eventually form retail societies should be developed and strengthened. The total number of societies should not exceed about 500 stores for the country as a whole.

1.0.02 The State Consumer Cooperative Federations, should establish closer links between the retail societies (now known as wholesale stores) in the supply of consumer goods, mobilise purchasing power, establish regional warehouses in collaboration with retail societies and develop management consultancy services to provide technical guidance to societies. The Federations may also undertake, in special cases, retailing functions on behalf of their members, as a temporary measure and provide relief to sick societies. The Federations may set up small manufacturing units in respect of articles of special importance in their respective states where necessary, and also build up buffer stocks of agricultural commodities on a limited scale, in collaboration with Food Corporation of India, National Cooperative Consumers Federation and Agricultural Cooperative Marketing Societies.



The idea of pre-packing was introduced in India on a large scale with the opening of cooperative super markets. Here pulses are being weighed in plastic bags before sealing them.

1.2.03 The National Consumer Cooperative Federation should be an effective spokesman of the consumer cooperative movement and has a vital role to play. Its main objectives should be assisting and facilitating the working of consumer cooperatives in the country, establishing trade connections with manufacturers, import of selected consumer goods, building of buffer stocks of agricultural commodities of inter-state importance and demand, undertake manufacturing of selected consumer articles, where necessary, to secure special terms for the stores by mobilisation of buying power and introduce its own brands, ~~however,~~ profitable, (e.g. Challenge Shirts) building up of consultancy service for improving the business and managerial efficiency of consumer cooperatives and undertake publicity and propaganda for developing the image of the consumer cooperative movement in the country by holding Congress, Seminars, Conferences etc.

Planning

1.2.04 The overall planning envisaged in the Fourth Plan, has laid stress on consolidation and strengthening of the existing infra-structure, future expansion being regulated according to local need and potential. Certain broad targets in terms of business to be handled, large sized retail outlets and department stores (Super Bazars) have been laid down. It is extremely important that setting up of such units should be based on feasibility studies and blue prints for each modernized shop and Superbazars are drawn up which should include, investment, budgets, sales potential and operational budgets, preparatory work in regard to training of personnel etc. The newly set up stores should have adequate provision for expansion of business, development of services etc. Even with regard to existing institutions a rationalized plan should be formulated, to centralize, standardize and modernise the business activities. The operational procedures should also be streamlined and simplified, which should also include accounting procedures. Above all, steps should be

taken to expand membership of the movement for which special targets should be laid down for each and every store. The Management Consultancy Organisation which is to be set up should draw up an overall plan for the purpose.

Personnel Management

1.2.05 This subject has not received due attention. Personnel Management is becoming complicated after the starting of Department Stores in our country as the behaviour of the sales staff plays a decisive role in improving the image of the Department Stores and increasing the sales. The conditions of employment training etc, are quite different in Japan due to acute shortage of labour and the Department Stores and Super-markets using mechanized accounting in a large measure. The Japanese Cooperative distribute literature about their good working stores to the final year students in universities and induce them to join cooperatives. It is characteristic of the Japanese people that once they join an institution, they are not prone to make a change, but seek their prospects within their own organisations. In India the situation is totally different due to large unemployment among the university graduates.

1.2.06 Selection of staff for various cadres should be done by notifying the vacancies in news papers having good circulation. It is desirable to notify the salary scales also, so that, the cooperatives may attract good talent for the post. In this connection it should be noted that attractive salary structure should be enforced in cooperatives. Personnel planning should be made and recruitment should be done on short term as also long term basis. Recruitment should be only for filling a vacancy and not a vacancy to be created for a particular person. Job descriptions for various posts should be prescribed. It is also desirable that the person recruited should be placed on probation for a period of more than one year.



A view of the drugs counter in a cooperative super market in Ernakulam, Kerala State of India.



The store arranges at regular intervals staff training for sales staff. Here an expert is seen addressing sales staff.

1.2.07 Training of employees is considered as an investment by Japanese Cooperatives. They find 'in service training' more practicable and they have an elaborate system for training of their employees. Business institutions have undertaken the job of training their employees without leaving this important work to cooperative training institutes. Training is considered as a continuous process. Of course, only big cooperatives could undertake such activities. Hence, it is considered desirable that the existing cooperative institutes in our country in collaboration with Super Bazars should prepare a practical job training course for training of employees, especially in the lower cadres. Salesman-shop course is very essential as all the Super Bazars are adopting the 'counter sale' system. The middle management and lower management may be given training by the regional institutes, which may undertake this job in collaboration with State Consumer Federations. The Vaikunth Mehta National Institute of Cooperative Management, Poona, may train top level management in collaboration with the N.C.C.F. and Government. It may be emphasised that societies may appoint a 'trainer-cum-education secretary' of their own to draw programmes of training for their employees and who may also be entrusted with the work of member education.

1.2.08 Many welfare schemes for employees have already been introduced in the country. As in Japan, the cooperatives may take initiative to introduce insurance schemes in collaboration with the employees concerned. Besides the cooperatives should provide rest rooms and canteen facilities to make them work more efficiently. It is desirable to create staff councils (from among employees) in each society, so that, they may represent grievances to the management without referring to the labour courts and trade unions where leadership is drawn from outsiders. Proper communication system regarding the welfare measures and other important matters should be implemented between the management and personnel in order to involve the employees in the affairs of the society. It is worth mentioning in this connection that in Japanese Cooperatives the Board of Directors and Section Heads of various Departments form a council and they take important decisions regarding the affairs of the society.

1.2.09 Lack of trained business executives is one of the reasons for the slow growth of consumer movement. Creation of top executive cadres by the State and National Federations was thought of for supply of required top executives to the wholesale stores and state federations respectively. Even though there is an urgent need for this 'cadreization', no tangible results could be achieved in this direction due to various reasons, like inability of the wholesale stores to pay attractive salary to such cadreised executives and wholesale stores, preference to utilize only the local talent etc. To overcome this, it is suggested that the government in consultation with the State and National Federations prescribe necessary qualifications for such top executives and the wholesale stores may be asked to appoint their top executives with the prescribed qualifications or fix a period by which time the top executives should obtain such qualifications. Necessary training programme for such executives may be drawn by the federations, Vaikunth Mehta National Institute of Cooperative Management, Poona and the Government.

Member activities

1.2.10 Member education and member loyalty is basic to the success of the consumer cooperative organisation. The success of the cooperative as a business enterprise, depends upon member consciousness. These aspects are highlighted by the successful experience of consumer cooperative organisations in Japan, where member activities like 'Hans' and "Women's Guilds" have given a new dimension to the movement. It is rather unfortunate that these aspects have not received due attention of the cooperatives at all levels. It is a fallacy that member education should be undertaken, only when the stores earn sufficient profits. Member education activities have to be undertaken by all societies as this activity is vital to the organisation. It is suggested that an intensified campaign to organise member activities on the lines of 'Hans' and "Women's Guilds" as in Japan, should be undertaken as a matter of priority. These groups should be given certain incentives in matters relating to co-purchasing, bonus, etc, and group should be formed on the basis of homogeneous groups living in compact areas. In addition,

separate interest groups may also be introduced for subjects like tailoring etc. As indicated earlier, every society should earmark, a special officer to look after organisation of member activities, whose guidance should be made available freely to the 'Hans'. Such activities should be initially started in department stores, where, a large mass consumers shops can be persuaded to join the membership and constitute 'Han' group. The byelaws of some of the wholesale stores, which inhibit the membership of individuals should be modified and membership thrown open to all consumers.

Business Management

1.2.11 The National Cooperative Consumers' Federation should expand its business activities so as to cater to the requirements of a large range of goods needed by the consumer cooperatives particularly the large-sized to smaller Super Bazars. It should become the principal purchaser of goods from the manufacturers on behalf of the consumer cooperatives if it is to be able to serve them efficiently. The example of the J.C.C.U. in this direction insofar as introduction of colour TV sets, washing machines etc, is concerned could very well be a pointer towards promotion of CO-OP branded goods through the net work of consumer cooperatives in India, especially the Super Bazars. Such goods to start with, should be those where the manufacturers have been reserving large margins for themselves as well as for the distributors and wholesalers. The National Federation would be ushering in a new era of consumer service, and if it is able to market a select range of Co-op goods e.g. electrical home-appliances, at economic prices. The Federation should also, in selected areas, assist local consumer cooperatives to start Super Bazars which should be carefully planned. This would be feasible only if the federation has a strong business advisory cell or a management consultancy set up consisting of real experts in the field of shop management and lay-out, display, inventory management and costing, budget control and accounts as well as merchandising experts.

1.2.12 The consumers' movement in India should suitably strengthen the hands of their apex organisation. The State Federations at their level can similarly maintain a small nucleus of experts, which may be only a few in number but experts in the strategic areas e.g. shop layout and display, inventory management and accounts. They should be able to keep their member organisations well fed with information regarding new assortments of goods etc. They should organise short courses in their consumer cooperatives themselves, which may be of a duration of only a few hours after shop closure. These should be short, penetrating practical exercises in salesmanship, sales promotion campaigns etc, and the business knowledge of the national federation should be at their disposal through the former's management consultants. The primary organisations, which for the urban movement in India should increasingly be taken as the large, small and main super bazars, should gear themselves for a concerted drive to capture the consumers' interest. Detailed attention to display and shop layout may be given. The "hot-selling" points inside the shops should be suitably utilised for the new assortments. The store may give the shoppers an atmosphere of cleanliness, pleasant surrounding and quality goods. The assortment may be very large or large though selective or selective in the sense of only the more popular brands being stocked, depending on the size of the store. The large department stores may adopt all possible devices to attract customers including that of "loss-leaders". Once the customer comes in he should be able to find everything he desired, in an attractive range and at reasonable prices. The slogan of "cheaper-than-market-goods" should be discarded as such, though the aim amongst always be to sell below the market at least the few standard items whose price the consumer generally knows. Quality, service and efficiency should be the keynote of the management of the cooperatives.

1.2.13 In order to improve the business efficiency each store should adopt long-term and short range sales planning techniques, including special displays adapted to various seasons e.g. spring. To meet the competition from the private sector in the area, prices may be lowered in

respect of certain items of common use, about which the consumers would have knowledge. The price policy of each retail unit of the store should be flexible to suit local conditions. This system has led to the significant growth of the movement in Japan. There should be separate Branch Advisory Committees of members for each unit to have greater member-involvement. The General Manager of the store should make it a point to maintain close contact with the members of the society and hold frequent discussions with them, and hear their complaints. New retailing techniques, such as, home delivery, running of mobile shops should be introduced. The home delivery system should be started after careful consideration, and a beginning may be made with one single item with larger margin and gradually extended to others. In Japan, though home delivery costs 2-3% more members prefer its service. As in Japan, all stores in India should adopt the monthly system of stock verification, which will help to reduce leakages and shortages and dispose off old and slow moving stocks.

Finance and Audit

1.2.14 . It has to be recognised that too much and a permanent dependence of cooperatives on government financial aid is not desirable. However, Government aid in the shape of subsidy etc, is in the nature of things a temporary expedient and should be regarded as a spring board for achievement of higher and higher rates of growth and capital formation. As at the end of June 1970, percentage of members' contribution to total share capital so far as Central/Wholesale Consumer Cooperatives in India is concerned was about 35 as against 65% made by the Government. Though initially, such a share capital contribution may be necessary steps should be taken to increase members' contribution rapidly and in course of a five years period, it should constitute a significant share of the total share capital. The institutions should be worked on business lines, so that sufficient surpluses can be generated within the movement itself, for being ploughed back to further expansion and growth. Savings of members should constitute an important and ever expanding source of funds for these societies and where necessary, societies should raise their requirements of

working capital etc, from the nationalised Banks on commercial terms.

1.2.15 Financial assistance schemes of Government for consumer cooperatives, should not follow a set pattern. Instead, the assistance should be on a selective basis related to specific plans of development prepared on the basis of feasibility studies.

1.2.16 Proper and up-to-date maintenance of accounts is of vital necessity for consumer cooperatives and it should squarely be the responsibility of the management to ensure the same.

Difficulties regarding lack of qualified and properly trained accountant should be solved in a planned and concerted measure. Besides, the training being imparted by the Committee for Cooperative Training, adequate efforts may be made to organise short duration functional courses for the key personnel of wholesale and department stores.

1.2.17 Sales Budgeting and Sales Planning constitute an integral part of the activities of the stores. Such budgets are prepared in Japan monthly and departmentally. The National Cooperative Consumers' Federation of India has worked out a management accounting system, with the help of technical experts. This system may be introduced quickly in all the stores. A training programme at the Vaikunth Mehta National Institute of Cooperative Management for the accounts personnel of Cooperative stores may be arranged.

1.2.18 Closely connected with the proper maintenance of accounts is the timely audit of the societies. When accounts are not up-to-date, the audit of societies remain in arrears. Audit of Cooperative institutions in India is the statutory responsibility of the Registrars of Cooperative Societies. Since cooperative stores have to handle business transactions on a day-to-day basis, arrangements have been introduced in several stores for concurrent audit. Experience has demonstrated the usefulness of concurrent audit and it would be desirable to extend this system to all the stores. The audit fees charged by the Government should be reasonably low and should not prove a crippling burden on their finances.



Some of the cooperative super markets have started the system of testing the food items in their own laboratories. This is a view of such a laboratory in a super market.

III. ROLE OF GOVERNMENT AND OTHER SOCIAL ORGANISATIONS

1.3.01 In a country like India, Government have an important role in the promotion of the consumer cooperative movements. The Government have already invested large sums of money in consumer cooperatives, with the object of developing consumer cooperatives as a means of ensuring equitable distribution of consumer goods at fair prices. While government assistance may have to be continued for some more time, it should aim at withdrawal, and allow the movement to grow with its own strength. A deliberate policy of strengthening the wholesale organisations should be made so that the movement would draw help from the wholesale organisations as in Japan and Sweden. The Government should also stop the practice of nominating Board of Directors on the Managing Committees of Societies and should allow democratic set up to operate. Special emphasis should be laid on development of consumer cooperatives amongst labour groups by providing the minimum facilities.

1.3.02 Consumer cooperative movement in India should receive large support from the trade union movement. So far, there has not been enough support from the trade unions. A dialogue should be started between the consumer cooperative movement and the trade union movement. It is also essential that Consumer Associations, Consumer Councils etc, should be set up and their activities intensified, so that, they can build up consumer resistance with the help of consumer cooperatives. The Japanese Consumer Cooperatives have to a large extent been helpful in building up consumer resistance to price rise, pollution, adulteration etc. In these areas social service organisation could be highly useful.

2. INDONESIAI. LONG-TERM PLANS OF CONSUMER COOPERATIVE DEVELOPMENT

2.1.01 Since 1966, the standard of living of Indonesia has generally improved in connection with the socio-economic growth, due to political stability of the Government. In view of the above consideration, there is a need now for the establishment of Supermarkets to further raise the standard of living of the lower and middle working class people.

2.1.02 Supermarkets can be established in the district level in the first instance, followed by Departmental Stores, in thickly populated area, e.g. Jakarta, Bandung, Jokjakarta, Surabaya and Semarang. At present there are consumer stores which cater for farmers in general, by mainly providing food commodities. This service, through cooperatives could be enlarged by adding more facilities to provide fertiliser, medical, agricultural implement, clothing, educational materials, etc. This would enable for further agricultural and economic growth of our country, to improve the living condition of the people who will be potential buyers. As there are three seasonal paddy crops being the staple food of Indonesia, this would definitely add to higher income of the farmers in particular, and the society in general.

2.1.03 Remarkable efforts have been made by the Government to improve the living standard by providing land scheme and free education, Encouragement and financial assistance are also given to further improve the cooperative movement in Indonesia in general. Consumer Cooperatives should make effective use of this assistance.

Note: 1 US \$ = 378 Rupiahs

II. ROLE AND FUNCTIONS OF NATIONAL/STATE PRIMARY CONSUMER COOPERATIVES

2.2.01 Although Consumers Cooperative Movement in Indonesia has experienced many failures, there is a great need for the development of Cooperative Supermarkets in line with the Civil Servants Cooperative Supermarket. Through the experience gained in this study discussions, I have gathered that the Consumer Cooperatives here developed greatly in Japan and Sweden.

2.2.02 Bearing in mind of the above situations, and also the cooperative movement in my country which started mainly as credit societies in the early 1900, similar to the conditions in other countries, the existing cooperatives have to change into multipurpose activities to meet the continuous changing economic position of the country. To achieve this purpose, I propose that the consumer, agricultural and credit societies should be amalgamated to make it effective and a strong organisation. This can serve best, the members in particular and the public in general.

2.2.03 At the moment there are general chain stores in rural districts in Indonesia, and these chain stores could be developed to look into the need for whole-sale activity to supply to the proposed Supermarkets.

2.2.04 Before that, the proposed Amalgamated Body should undertake the following specialised activities.-

- a. Planning, feasibility studies for location and layout, investment and operational budget and further expansion.
 - b. Organisational set up to look into retail units and the types of services to be rendered to members and public.
 - c. Personnel management, selection of staff, security of tenure, training and welfare.
 - d. Educational and member activities to propagate cooperative awareness and interest among the members and public. In this connection, Japanese example of Women's Guild and Han Groups could be adopted.
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- e. Business arrangements, assortment, procurement of goods from wholesales, sales promotion and management control.
- f. Finance to be obtained from the Central Cooperative Bank, National Federation of Civil Servant Cooperatives, National Federation of Batik Cooperatives, and from the Government in order to pool their resources.

2.2.05 In conclusion, in order to succeed and to achieve the objectives, assistance and expert guidance should be available from Swedish and Japanese cooperative movements through the International Cooperative Alliance.

III. ROLE OF GOVERNMENT AND OTHER SOCIAL ORGANISATIONS

2.3.01 The Government should advance interest free loans for the establishment of chain store organisation for different urban areas where there are immediate needs to open cooperative supermarkets to bring price stabilization and thus come to the rescue of millions of citizens who are facing hardship due to continuous price rise.

2.3.02 The Government should give import licences and export of oriented consumer goods.

2.3.03 The Government should guarantee supplies at factory rates and make it a point that the cooperative chains get regular and undisturbed supplies from manufacturers at reasonable prices.

2.3.04 The Government should help in launching a full fledged public relations programme for the promotion of consumer movement and try to educate people on Radio & T.V. through documentary programmes.

2.3.05 The Government should contact foreign cooperative movements to develop inter-cooperative business relations with them, and get the services of specialists to help in the establishment of supermarkets.

2.3.06 The Government should pass statutory amendments to existing cooperative law to make it obligatory on the existing cooperative societies to invest in the new supermarket project.

2.3.07 The Government should try to integrate the present consumer movement and the efforts should be made to centralize operations of the societies specially, buying, employees training and member education.

2.3.08 Trade Unions and other social organisations concerned, should help in the establishment of good image for the intensification of cooperative movement by way of establishing cooperative chains and affiliate them with the parent project.

2.3.09 The Government should at all cost, urge the trade union movement to cooperate with the cooperative movement, so as to have a compact organisation, which would integrate the societies, on the whole. This move may be initiated by the Government by suggesting amendments in the societies' constitutions in the overall interest of the people. An attempt should be made by the Government to educate the public with regard to Cooperative Principles in order to achieve the cooperative awareness among themselves.

I. A LONG-TERM PLAN OF CONSUMER COOPERATIVE DEVELOPMENT3.1.01 Enactment of Consumer Cooperative Law.

The consumer cooperative Law which has not been made yet should be enacted as soon as possible to regulate all matters regarding consumer cooperative activities. Such a course of action for consumer cooperative Law enactment should be strongly initiated by the all existing cooperative organizations concerning consumers' interests to such Government authorities as Ministry of Health and Social Welfare, Ministry of Commerce and Industry and Ministry of Agriculture and Forestry for them to take an **immediate** action for making the Law.

The Law should include ;

- 1.1 General provisions
- 1.2 Functions
- 1.3 Memberships
- 1.4 Administration
- 1.5 Organization
- 1.6 Dissolution and Liquidation
- 1.7 Registration
- 1.8 Supervision
- 1.9 Penal Provisions

3.1.02 Drawing up of a long-term plan for consumer cooperatives.

In compliance with the enactment of consumer cooperative Law, feasibility study on over-all retail business situation must be carried out to find out a possible way of consumer cooperative development, which can be used as a basic data for setting up a long-term plan.

1 US\$ = 315 Won

A. Five Year Plan of Consumer Cooperative

i) Organisation

The consumer cooperatives should be organized in centralized management.

All stores established by the Agricultural Cooperative Law are affiliated to the consumer cooperative societies being newly formed as well as establishing stores even in an urban area. The stores in urban area should be the type of supermarket and those in rural area should be chain store type which are existing now.

ii) Expansion of Business Volume.

Business volume and number of stores (estimated)

(in Billion Won)

	National Purchasing Power			Cooperative			No. of Store [§]		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
1972	300	112	412	3.0	1.1	4.1	10/10	300/300	310/310
1973	330	133	463	6.6	2.6	9.2	12/12	330/630	242/652
1974	359	146	505	10.5	4.2	14.7	13/35	300/930	313/965
1975	387	160	547	17.4	5.6	23.0	23/58	270/1200	293/1,258
1976	414	176	590	20.7	8.5	29.2	11/69	300/1500	311/1,569

Remarks: 1. Increasing rate of national purchasing power per annum is assumed ;

	(1973)	(1974)	(1975)	(1976)
Urban:	10%	9%	8% and	7%
Rural	10%	10%	10% and	10%

2. Cooperative Store share by year is assumed;

(1972)	(1973)	(1974)	(1975)	(1976)
1%	2%	3%	4%	5%

3. § New Store/Store Total

§§ Existing Stores are included.

4. Sales volume of each store per annum ;

Urban = 300 million Won., Rural = 4 million Won.

B. Finance1. Financial requirements (fixed assets only)

(in million Won)

Building and Facilities

	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
1972	500	600	1,100
1973	600	660	1,260
1974	650	600	1,250
1975	1150	540	1,690
1976	550	600	1,150

Remarks:

1. Costs of per Coop.

Urban	50 million Won
Rural	2 " "

B.2 Sources

§ Government grant	30%
§§ Bank Loan	40%
§§§ Own Capital	30%

§ Government has already set up the Five Year Plan for so called Distribution Revolution in which budgets of marketing facilities have been settled.

§§ Urban supermarkets from the National Development Bank and Rural Chain Stores from the National Agricultural Cooperative Federation.

§§§ Share capital being mobilized by year and profit of business performance of the cooperatives.

3.1.03 Business Management

- A. Establishment of Distribution Centre
- B. Own Production Facilities
- C. Coop brand goods from (1) Own Production
(2) Contracted manufacturers products.
- D. Sales Promotion ; Strengthening on farming "Livelihood Ke" which has been existed in rural area for last some two hundred years.

3.1.04 Training Programme

- A. Internal Training
- B. External Training
- C. Advice of foreign experts in retailing should be utilised.

3.1.05 Business creation other than retailing

- A. Housing
- B. Insurance
- C. Welfare: barber shop, public bath, mutual cooperation in an occasion
- D. Clinic.

II. ROLE AND FUNCTIONS OF NATIONAL/STATE AND PRIMARY CONSUMER COOPERATIVES

Planning

3.0.01 In order to modernize the distribution channels of consumer goods, and to help the farmer members have better livelihoods through the efficient purchasing, all of the basic managerial initiatives for the cooperative chain business should be derived from the primary agricultural cooperative societies under the arbitration of Central Office of Cooperative Chain Store (C.O.C.C.)

3.2.02 To achieve those tasks the chain stores of primary cooperative societies should be established as follows :

	<u>No. of primary cooperatives</u>	<u>No. of Stores</u>
1970	5,995	260
1971	4,140	620
1972	1,500	930
1973	1,500	1,220
1974	1,500	1,500

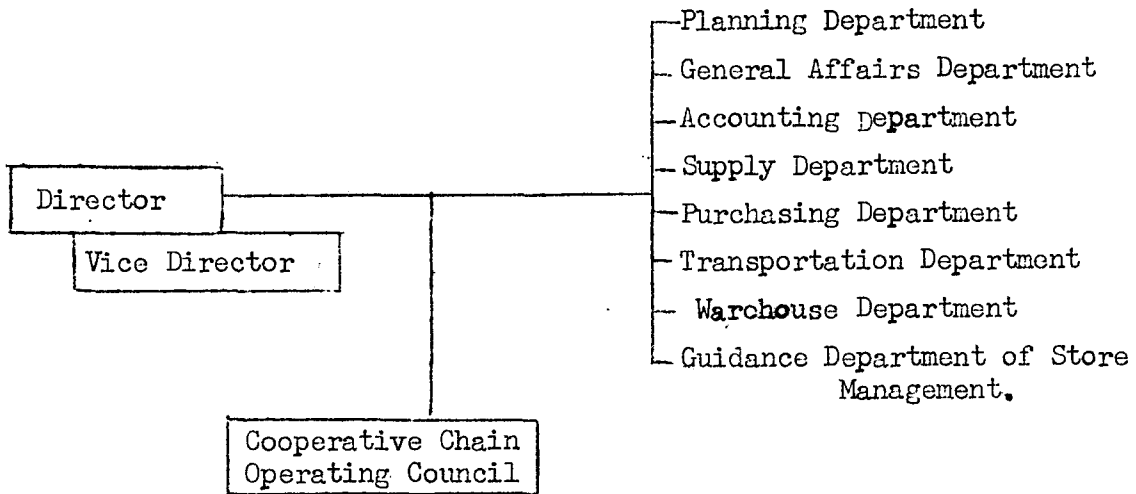
2.2.03 A plan for six distribution centres to be constructed by 1974 should be settled and they will be operating as a supply departments, one of which is to be the national distribution centre, consisting of 4,000 pyong (13,200 m²) and also including one super market.

3.2.04 A specialized organisation on store management should be established in every provincial branches, and central office of Co-op chain stores of N.A.C.F., so that, trained full time employees should be appointed to the respective position.

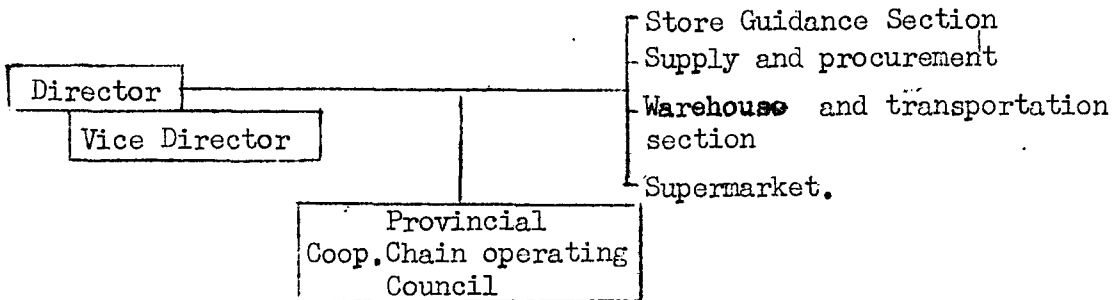
3.2.05 Every distribution Center should have their own super market, operating under the "C.O.C.C" in the urban area, and in rural area stores should be chain store type which are existing now.

3.2.06 International Organization

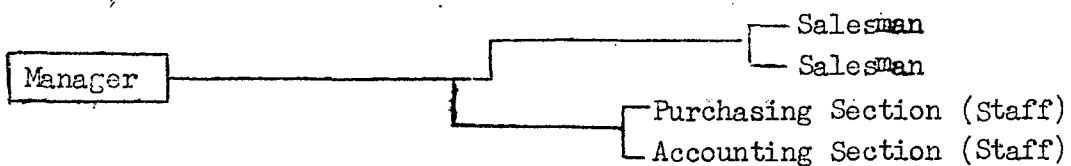
(a) Central Office



(b) Distribution Center



(c) Chain Store and Super-market.



3.2.07 Personnel Management

(a) All of the full-time employees should be subject to the provisions of cooperative society as well as they should do their best for promotion of the economic interests of the societies.

(b) It will be a basic principle that each member of fulltime employees should be accepted through strict examination on basic knowledge of the shop management.

(c) All the employees should have their own reports on assigned subjects every month.

(d) Training is of paramount importance when ordinary employees attempt to run their own business, so that all the employees should be attended to business training course every year.

3.2.08 Member activities:

Consumer representative council called as Women's Livelihood Societies which are existing now in every village should be re-organised so that they can actually participate in the chain operation as a same type of "Han Group" in Japan.

3.2.9 Business operation

The composition of items will be as follows :-

	Composition of items		No. of Goods
	Food	Non-food	
Chain Stores	20%	80%	1,000 - 2,000
Supermarket	60%	40%	2,000 - 2,500

3.2.10 Formation of chain store organisation and integration of retail distribution

(a) Ordering and delivery of the individual store:

The individual store sends an order sheet to the distribution centre in which the item, brand, quality, etc, the store desires to buy and the date the store wants to receive are indicated in detail.

(b) The distribution centre immediately orders the goods designed by the store to send to the manufacturers concerned and while some items, known being sold quickly such as sugar, soap, prestored in the distribution centre will be sent directly to the store along with the store order.



An outside view of a cooperative super market in the Republic of Korea. Note particularly the proximity of the store to the main road, and the wide windows for display.

III. ROLE AND FUNCTIONS OF GOVERNMENT AND OTHER SOCIAL ORGANISATIONS IN THE PROMOTION OF CONSUMER COOPERATION

Long-term Plan of Overall Marketing Development

3.3.01 Marketing development plan as a whole in Korea has never been set not only for the agricultural products but also for the manufactured and imported goods. In general, the Ministry of Agriculture and Forestry taken measures to increase farmers' and fishermen's income through better marketing of primary products as well as the Ministry of Commerce and Industry has played a role of improving manufactured and imported goods marketing for the people engaged in mostly secondary industry. Least effort has been put on the consumer side, even though the anxiety on self-help and self-defence movement has become great, particularly since last few years.

3.3.02 Integrated plan of distribution development covering whole aspects of marketing goods should be urgently set up not only for the consumers but also for the producers including those engaged in primary industry, although the five year plan for the manufacturers has partially already settled by the Ministry of Commerce and Industry. Long-term marketing development plan, the consumer's self-help organization should, of course be considered as a means of consumer protection.

3.3.03 Many distribution organizations can be taken into account as a developmental means to achieve the best result of the plan through rationalized business combination. Consumer cooperative store should be reckoned by the Government as one of the most effective distribution body so that required Government support can be provided.

3.3.04 Master plan for overall marketing development should be initiated by the Economic Planning Board as a whole rather than Ministry of Commerce and Industry or Ministry of Agriculture and Forestry as a side work.

3.3.05 The new organization which will be established under the provisions of the Consumer Cooperative Law must play a major role of carrying out long-term plan settled by the Government for the marketing development of consumer goods.

3.3.06 Training Personnel required. Personnel elements to plan and direct the consumer cooperative particularly the store have to be well trained in order that they could efficiently implement the jobs given to them from the beginning stage of the cooperative business. Such an overall personnel training must be carried out by the Government, programme through either internal training course or external training scheme in the advanced country in such a business world.

3.3.07 Invitation of foreign experts for the training and advisory purpose must be greatly helpful for the planners and operators to have their cooperative management included the most possible operational way of business, and before starting training some feasibility study should be done by the foreign experts.

3.3.08 Financial Support: Financial requirements for the consumer cooperative operation to a certain extent should be met by the Government which it has also to arrange the other part of requirements for cooperatives to obtain from various relevant institutions.

3.3.09 The sources of monetary supply can be as follows :

- (i) A certain amount of Government subsidy should be provided according to the long-term marketing development plan as well as consumer protection programme.
- (ii) Funds for fixed assets of cooperative could be loaned by the banking institutions.
- (iii) National Development Bank for the urban consumer cooperatives.
- (iv) National Agricultural Cooperative Federation for the rural consumer cooperatives.

3.3.10 Cooperation among the consumer cooperative type organizations:

The existing organizations relating to the consumer cooperative should have close cooperation with newly established consumer cooperatives. They include the consumer cooperatives for the employees of institutions, secondary school pupils and university students, women's friendly organization, church and livelihood cooperation group. Government should arrange all of such organizations to get together with new consumer cooperative body so that the common interests of economical and social self-defence of the consumers can achieve their goals through the entire cooperation among the consumer cooperative type organizations.

4. MALAYSIA (West)I. LONG-TERM PLANS OF CONSUMER COOPERATIVE DEVELOPMENT

4.1.01 A brief background of West Malaysia is relevant to be included herein and which is hereunder:

- i) Area = 52,000 sq.miles.
- ii) Geographical location = close to the equator and bounded on the north by Siam and by Singapore on the south. On the east coast of West Malaysia is the China Sea and on the west coast the straits of Malacca. It is close to the shortest equidistant between these two land masses.
- iii) Population = 9,000,000 (1969 Census)
- iv) The per capita income has increased from approximately \$650 in 1958 to \$1060/- in 1969.
- v) Road communication in West Malaysia is good. Several hundred miles of feeder roads have been built in the first Five Year Plan of the Government's Rural Development Programme. Accessibility to villages does not present a problem.
- vi) There has been a steady increase in the number of lorries and vans. In 1960, there were 28,922 of such vehicles and in 1970 there were 52,392. There was also an increase in private vehicles from 92,217 in 1960 to 218,616 in 1970. Approximately 110,000 of these vehicles are in Kuala Lumpur district.

4.1.02 Present Position of Consumer Cooperative Societies - In 1960 there were 221 Consumer Cooperative Societies and in 1969 the figure dropped to 150. Practically all these societies are small in size. A majority of them are weak, inefficient and cannot withstand the strong competition from the private sector. More and more of these societies may have to be struck off the register. Their parent organisation known as the Malayan Cooperative Wholesale Society has now ceased to function.

Note: 1 US \$ = 3 M\$

The primary societies have been working independently of one another. Amongst others the main causes for the unsatisfactory state of affairs of a majority of the societies are (a) excessive granting of credit (b) inefficient and dishonest managers (c) lack of working capital, (d) disloyalty of members (e) indifferent or incompetent committee of management (f) unfair external competition and (g) unjustifiable leakages.

4.1.03 Future Development : Although it is realised that the cooperative consumer movement has a definite role to play but if the present state of affairs is allowed to continue the situation may worsen further. Under the present existing condition these societies may not survive and hence a different line of approach should be adopted if the movement is to be revived. This should be as follows :-

(i) The conversion of the single purpose urban thrift and loan societies into multi-purpose. This may enable them to invest their funds in the consumer movement. These societies are financially sound and most of their funds are kept in commercial banks as fixed deposits. A few of these societies have been converted into multi-purpose ones and have been undertaking the functions of bulk supplies and the operation of petrol pumps. Because of improper planning and inco-ordinated efforts they are facing problems.

(ii) The conversion of the rural credit societies into multi-purpose. This will enable the societies to undertake the functions of credit, marketing and consumer supplies.

(iii) The Malayan Cooperative Insurance Society has been investing its funds into several ventures and they are considering investing into the consumer movement.

4.1.04 From the foregoing it will be seen that the question of adequate finance for the consumer movement may not be problem. However, government assistance may be required to a certain extent in such matters as the acquirement of state land for supermarkets, chain stores and warehouses at low prices and the granting of import and export permits etc.

4.1.05 From past experience the formation of small stores societies has been found impractical. As such the following line of action may be the solution :-

(i) Short-Term Plan for Wholesaling Business (1971-1975)

The establishment of a Wholesale Distribution Centre is to be sited in Kuala Lumpur. As Malaysia is served by good roads the area of operation of the Distribution Centre should be within easy reach within the country.

(ii) Long-term Plan (1975-1980)

Depending on the progress and success of the Wholesale Distribution Centre, other such Branches may be established in the other major towns of Ipoh and Alor Star in the North, Johore Bharu in the South, Khantan and Kota Bharu in the East Coast. Thus by 1980 the whole of West Malaysia will be covered through branches and retail units opened at central places.

(iii) United into Union

To consolidate and strengthen their position, it may be necessary for Branches of Distribution Centre and other consumer cooperative societies to form a consumer cooperative union at the National level. Amongst others the functions of the Union should be :-

- (a) Framing of policies;
- (b) Undertake research and formulate the standardisation of quality;
- (c) Education and Training;
- (d) Propagation of cooperation; and
- (e) To protect consumers from being victimised by private traders etc.

(iv) The establishment of Chain-Stores (1971-75)

To put it simply the principle of running a Wholesale Distribution Centre is that it purchases goods in bulk and hence it should be able to obtain them at a lower price. Apart from other factors the viability of the establishment of such an organisation depends to a great extent on volume. It is therefore not possible to state here the number of chain

stores/supermarkets that should be established to ensure sufficient volume for the economical operation of the wholesale organisation unless surveys and feasibility studies are made. However, for the purpose of this exercise and considering the income and buying habits of the urban populace, for the Kuala Lumpur Wholesale Distribution Centre, the stores should be sited at the following :

Kuala Lumpur District	...	4
Kajang	...	1
Seremban	...	2
Kuala Pilah	...	1
Klang	...	1
Malacca	...	1
Muar	...	1
Total ..		<u>11</u>

In the case of Ipoh Wholesale Distribution Centre (Branch) the Stores should be sited at the following :

Ipoh	4
Talok Anson	1
Taiping	1
Batu Gajah	1
Tapah	1
Parit Buntar	1
Total ...	<u>9</u>

The sizes of the chain stores/supermarkets may vary from that of a superlet to a supermarket.

(v) The establishment of chain stores (1975-1980)

Each of the Cooperative Wholesale Distribution Centre at Alor Star, Johore Bharu, Kuantan and Kota Bharu should be able to serve at least 10 chain stores/supermarkets each.

(vi) The existing Cooperative Consumer Shops - One of the main problems of these societies is the procurement of goods at reasonable prices. The Wholesale Distribution Centre and the branches may be able to assist these societies in the matter of goods procurement. There are still quite a number of these societies that are functioning well.

(vii) Supplies to the Rural Multi-purpose Societies - The Cooperative Wholesale Distribution Centre may be able to assist these societies in the procurement of goods.

4.1.06 To run the Cooperative Wholesale Distribution Centre; and the chain stores/supermarkets successfully, there are several factors to be taken into consideration such as the availability of skilled managers and management staff, the loyalty of members and the availability of funds. It is, therefore, imperative that even before the establishment of the Distribution Centre and Chain Stores/Supermarkets a great deal of cooperative propagation, education and training have to be carried intensively and if need be the potential managers should be sent overseas for their training.

II. ROLE AND FUNCTIONS OF NATIONAL/STATE, PRIMARY CONSUMER COOPERATIVES

4.2.01 Planning - The importance of planning need hardly be emphasised. The lack of training has been one of the main causes of the decline of the consumer cooperative movement in West Malaysia. Since the cooperative stores have been operating independently of one another and have no unions of their own either at States or national levels the Cooperative Department working in collaboration with Cooperative College of Malaya should undertake this important task. As an interim measure nucleus research section should be created in the Cooperative College. This section should not be a permanent feature of the college but a temporary measure until such time as an organisation on a national level is established when this nucleus body could be either transferred to the organisation or be disbanded. Sometime ago Mr. Ragnar Arvidsson of the I.C.A. Regional Office and Education Centre, New Delhi, made a feasibility study on the establishment of supermarkets on cooperative lines in West Malaysia. The study was concentrated on two areas namely Kuala Lumpur and Penang. More feasibility studies are therefore necessary to cover other towns and areas in the country. The research section of the College should select towns and areas to undertake such studies with a view to establishing chain stores/supermarkets. Sizes, locations of the chain stores/supermarkets,

their functions and activities and future expansion can then be planned based on the findings of the feasibility studies.

4.2.02 Organisational set up - The present set up of the consumer co-operative movement has been found ineffective. A different approach is therefore necessary. We suggest that it should be on the line of the chain stores system as in Japan with Wholesale Distribution Centre or Distribution Depots to service the stores in matters of goods procurement, management and sales promotion etc. As West Malaysia is small in size probably three or four of such Wholesale Distribution Centres or Depots will suffice to cover the whole country. In the meanwhile the existing cooperative shops should undertake the other different sales activities such as bulk purchase, home delivery service, mail order and co-purchasing as a means of increasing sales and gaining experience in such sales techniques. The next step then will be the formation of a Union of the Distribution Centres on a national level. Taking into consideration the size of the country and on the ground of uniformity there would be only one consumer cooperative movement in the country to cover both the urban and rural sectors. The existing cooperative should be made voluntary chain stores and assisted by the Wholesale Distribution Centre in matters of goods procurement, goods display, assortment, sales techniques and advice on management.

4.2.03 Personnel Management - The scarcity of skilled managers has been a major problem for the consumer cooperatives in West Malaysia. This is due to the fact that the consumer cooperatives have not projected an image in the public eye and therefore it is difficult to obtain the services of skilled managers. Furthermore, there is no security working in cooperative shops and also there is a big difference in salary scales when compared to the private sector. For the future development of the consumers cooperative movement on the line given above it is considered most essential that there should be a proper selection of staff and training. The type of education given by the Cooperative College of Malaya does not include in its curriculum management training.

It is time that Government should give consideration to this and make provision for such training in the Cooperative College. As an interim measure and to meet immediate requirements arrangement may be made with the MARA Institute of Technology for the training and education of potential managers and staff of cooperative chain stores. Alternatively recruitment may be possible from among graduates of this College who have undergone business management course. However, should it be decided to establish a supermarket in the near future the potential manager and key personnel should first undergo specialised management training overseas as such training course is not available in the country.

4.2.04 Member Activities - amongst others, the success of the business operation of a chain store depends very much on the loyalty and support of the individual members. Member education on cooperative principles, history and cooperative work as a means of rousing members' interest, though important, may not suffice. The members should be involved more in group activities such as the Hans group system as introduced by the Japanese Consumer Cooperative Movement for example. It may not be possible to adopt this system fully because of prevailing traditions, customs and social outlook and also because most of the members of the consumer cooperatives are men. It may be possible to be implemented to a limited extent in the urban cooperatives where members have a broader outlook and more responsive to new ideas and techniques. Notwithstanding all this, however, what is of utmost importance is members' involvement in their societies and the Hans system may have to be modified and adjusted to suit local conditions. An interesting feature that we have observed in the Japanese urban consumer movement is the women membership and their active participation through group activities like the Hans groups. In West Malaysia practically all members of the consumers cooperatives are men and seldom if ever women take active part. Considering the fact that it is the housewives who do most of the purchasing of consumer goods they should therefore be encouraged to join the consumer cooperative movement.

4.2.05 Business Management - How important the assortment is in the cooperative retail business can be seen from the mistake made by the Malayan Cooperative Wholesale Society and a number of cooperative shops in their choice of goods and the quantities purchased. Several items of goods became shop soiled and had to be sold much below costs.

4.2.06 It is important therefore that careful study and investigation be made on the assortment. The items of goods should not be too many nor too much. On the other hand it should not be too few for otherwise the shop may lose patronage. The Japanese Urban Consumer Cooperatives have made intensive research on this aspect of the consumer retail trade. On the question of goods procurement the consumer cooperative societies in West Malaysia have been discriminated against by the private wholesalers. It also often happens that the managers of the cooperative shop are induced to purchase from certain wholesales because of "hidden commissions" given to such managers. This results in the prices of goods in such shops being high and therefore not competitive when compared to those in the private shops. The answer to this problem is centralization at the national level of merchandising, management, planning, sales promotion and financing.

4.2.07 At present, because of poor image, the consumer cooperatives should not consider the matter of Co-op Brand Goods. When the movement has attained stature and strength and is able to negotiate effectively with manufacturers and importers and also have established its own research division then only can this matter of Coop Brand Goods be given serious consideration.

4.2.08 Finance - There seems to be two sources of funds : (a) from the government in the form of subsidies and loans at a low rate of interest, (b) from the urban cooperative societies and also from rural credit societies either in the form of share investment or loans to the Cooperative Wholesale Distribution Centres. The Distribution Centres should not be solely dependent on loans but must have substantial capital of their own

for otherwise it may not be viable. In regard to the chain stores/supermarkets, the sources of funds would be from individual members, either in the form of shares or deposits. Such stores must have sufficient capital of their own and not be greatly dependent on the parent organisation for finance.

4.2.09 With a number of chain stores/supermarkets operating it is essential that there should be uniformity in the accounting system.

4.2.10 The amalgamation of the existing cooperative shops and converting them into chain stores of the Wholesale Distribution Centres should only be undertaken with the objective of consolidation and economic viability. In case such a step is not necessary then the already established stores should as far as possible be given assistance by the Wholesale Distribution Centres in the form of goods procurement, etc. On the other hand, if after investigation and study, it is considered to form a chain store in a location where a cooperative shop has been in operation but inefficiently then the shop should either be liquidated or amalgamated with the chain store.

4.2.11 To conclude the above, therefore, we can attain the problem of soaring prices through two ways.

i) The first phase should be to organise Wholesale Distribution Centre and its branches responsible for procurement of essential consumer goods in areas where there are developing population centres and satellite towns. First of all, we may only confine to the assortments of very limited essential food items and some non-food items for distribution through home-delivery system and was done by Nada-Kobe Society a decade back. The deliveries may be controlled through a sales force which will be communicated between registered members i.e. households

residing within the radius of 2,500 metres or more around the Distribution Centre. The supplies may be made to them at comparatively lower margin of profit as compared to private sector, so that the benefit of this movement is understood by the members and the movement has the real impact through travelling salesmen who should be paid commission on business done as in case of insurance business. The members may be called in monthly meetings to exchange views on assortment prices, quality service and other allied problems.

ii). The second phase should be taken up either subsequently or simultaneously to control a chain of Co-op stores/supermarkets in various areas where the planning and investigations justify the location. This may require lot of capital and so the existing Co-op movement or the government has to give a liberal financial help.

4.2.12 However, this paper merely outlines the possible steps that may be taken to develop the cooperative consumer movement in West Malaysia. Of course intensive feasibility studies should be carried out first before implementation. The cooperative consumer movement simply cannot afford further failures.

III. ROLE OF GOVERNMENT AND OTHER SOCIAL ORGANISATIONS

4.3.01 In the light of past experience it is not proper for the Government to make use of the consumer cooperative movement to facilitate its own programme of food distribution. In a country like West Malaysia with its many socio-economic problems the consumer cooperative movement has certainly a definite role to play. It is therefore incumbent on the part of the Government to assist its development to a stage when it can be on its own. The assistance should not be carried out as in the

past by giving substantial loans to the Malayan Cooperative Wholesale Society without proper planning and ensuring that there was coordination and cohesion between this organisation and the primary societies.

Assistance by Government could be in the following manner:-

- (a) Subsidies to the Cooperative Wholesale Centres or Depots upto 25% of the total capital outlay;
- (b) Loans at cheap rate of interest;
- (c) Subsidising the costs of management of the Distribution Centres or Depots for a period of 3 years;
- (d) Subsidising the education and training of potential managers and staff initially; and
- (e) Assisting the movement to acquire suitably located state lands for shops or supermarket premises at reasonable prices;

4.3.02 For the movement to be wholly dependent on Government for assistance is not appropriate. It should tap all resources including the trade unions. It can be said that only a very small percentage of the trade union members are directly involved in the consumer movement. The trade union fight for higher wages and better working conditions for their members but any increase in salary will be meaningless if they have to pay unduly high prices for their consumer goods. So far the cooperative consumer movement has not been in collaboration with the trade unions and the time is now opportune to get not only the trade unions but also the Consumers' Associations of the country interested in the consumer movement because there have now been signs of increase in the prices of consumer goods in the country.

5. PAKISTAN (West)I. LONG-TERM PLANS OF CONSUMER COOPERATIVE DEVELOPMENT

5.1.01 In Pakistan the history of Consumers' Cooperative shows that a large number of societies have collapsed, and that most of the surviving societies remain stagnant or rudimentary. Most of the societies are "Institutional" with the purpose of operating within the framework of an institution or government office. Few of them have managed to survive because of interest free investment, rent free building and other facilities. The reasons for huge number of failures are as follows :-

1. Private retailers are merchants of trade knowing fully the intricacies of business.
2. Location of their shops is in traditional bazars.
3. They work for longer working hours.
4. They have limited assortment with fast turnover.
5. They earn extra profit due to day to day fluctuations in retail/wholesale prices.
6. They also earn extra profits through short weighment, evading controlled prices and resorting to adulteration.

5.1.02 As cooperatives can not look for their income by running shops on such lines therefore they are left with limited margin on which to operate their business. Besides, the defects also lie in the overall management of the consumer cooperatives lack of planning and inadequate training of employees etc.

5.1.03 After going through the above defects/handicaps it was concluded that government could influence considerably more on price formation in the interest of consumers by supporting the cooperative set up on entering into the manufacturing and wholesale fields. Finally, it was decided to

Note: 1 US\$ = Rs. 4.8

establish an apex organization to act as wholesaler and distributor to the retail societies. Further, it should coordinate the activities of the existing retail societies in respect of procurements and assortment of stocks, price policy, sales promotion, accountancy and staff training. Alongside it should run its own retail outlets in the open market to be an operative factor in respect of stabilizing prices and improving commodity quality. The retail branches as well as warehouse/processing units may be equipped with modern equipment and managed according to modern business principles.

5.1.04 In the light of the great need for reorganization of the present system of distribution of consumer goods all over West Pakistan, this project may be regarded a small attempt.

West Pakistan Cooperative Consumer Society.

5.1.05 The scheme was implemented mainly through government financing in the year 1969 and the position on date stands as below:

1. A modern central warehouse has been built with a covered area of about 26,000 sq.ft. on 5 acres of land.
2. Wheat milling plant, pulses and spices milling plants have been installed.
3. Following machinery and equipment has been received from Royal Government of Denmark as their contribution.
 - 3.1 x Cash Registers for 30 shops
 - 3.2 Shop Equipment.
 - 3.3 Office Equipment
 - 3.4 Packing and sealing machines.
 - 3.5 Weighing machines
 - 3.6 Airconditioning and cold storage plant.
 - 3.7 Cool Room/Freezing plant for meat/fish.
 - 3.8 20 Refrigerated cool desks.
4. 21 cooperative shops are functioning in Lahore/Sargodha and Lyallpur and further 33 are going to be established within 100 miles radius from Lahore.

Financial requirements

5.1.06 The Punjab Government is the main financier of this scheme and the funds are going to accumulate into a "Revolving Fund" for expanding the activities of the project to other towns. The share capital is also raised from member societies as well as consumer members and the denomination of consumer members' share is only Rupee one.

Special feature - General Meeting

5.1.07 At the General Meetings member societies and individual members through the branches of West Pakistan Cooperative Consumer Society Ltd. have one vote for every complete Rs.50,000 worth of gross purchases in the preceding year. Every member society and branch of W.P.C.C.S. is entitled to send a delegate to the general meeting for every vote at its disposal, however, at least one delegate.

Special feature - Audit

5.1.08 The society is required under its by-laws to always appoint qualified Chartered Accountants as its Internal Auditors and also qualified Chartered Accountants as its External Auditors.

Staff Training

5.1.09 The Cooperative Institute of Management, Lahore and the Cooperative Training College^{at}/Lyallpur are looking after the staff training. The plan to have training programme of employees will be further refined on the recommendations/proposals made in the Seminar, as there is a growing need to make it an integrated part of the society's long term policy.

Public Relation Scheme.

5.1.10 Along with the growth, it is very necessary to introduce and run a powerful public relation programme. The general public because of the history of consumer cooperative failures has developed a very bad

image about cooperatives. They have to be educated the benefits of cooperative idea and cooperative membership and also told about their exploitation by the private trader. Cooperative Union's public relation wing is helping at present and through Cooperative Union's handouts some impact is being created. Yet an intensive plan of publicity and mass contact has to be developed and the proposals under discussion at Seminar with special reference to Japanese way of working shall be tried.

Future Plans of W.P.C.C.S.

5.1.11 W.P.C.C.S (Coops), it is clear, cannot within a short time radically modernise this trade and stabilize prices by direct intervention i.e. taking a substantial part of the market share (50-60%). This would require huge investment and create problems of organisation and it could only succeed if the project was given same priority as is given in case of National Shipping Lines, large Hydro-electric Projects of International Airlines.

5.1.12 Consequently it is thought that indirect approach is necessary i.e. for the W.P.C.C.S. to take a sufficiently large share of trade to leave an impact which would :

- (a) make the public demand modern standardized products hygienically packed with honest measure and stable prices and
- (b) make Pakistani investors aware of the fact that there is money in this business and induce them to invest and operate in competition with W.P.C.C.S, maintaining W.P.C.C.S. standards.

5.1.13 The question is what minimum market share should suffice for W.P.C.C.S. to create the desired impact and it is felt that 5% coupled with intensive propaganda would be adequate. This follows that for this one warehouse unit we must reach Rs.3 crores of sales per annum in 3/4 years. However, we have only achieved 30% of the target in our 1½ years of operation and the plans are under action to also include perishable trade like vegetables, fruit, meat, fish poultry and dairy products which is

expected to bring the targets nearer. Besides geographical expansion of stores is being sought and within 100 miles radius from Lahore, 33 shops are being added which shall be fed also from the existing warehouse facilities.

5.1.14 More processing plants are also being installed to control the price formation of some lines as soon as possible.

Operational Results

5.1.15 The shops on their opening reach the sales targets immediately sufficient to recover the operational burden of expenditure and also contribute something to the Head Office overheads. But the present volume is not sufficient to recover the non-operational expenses like depreciation and interest on investment and made on fixed assets. This will only be recovered in 1974/75 when full utilization of the existing facilities is made and break-even sales are reached.

Country-wide Plan

5.1.16 On the basis of the present experiment W.P.C.C.S. will plan to create 6/8 warehouses, each to cover 75-100 miles radius functioning as an independent distribution centre with 40/60 shops within its regional beat and thus cover whole of West Pakistan within next 10/15 years.

5.1.17 As such an extensive geographical and vertical expansion programme is being undertaken country wide subject to availability of funds.

II. ROLE AND FUNCTION OF NATIONAL/STATE PRIMARY CONSUMERY COOPERATIVES

5.2.01 Planning, short range as well as long range, has not been given due importance in consumer cooperative sector in Pakistan. Due to its absence, therefore, some unwanted collapses have been witnessed. Whatever has been achieved in the movement does not owe its success to rational planning but other factors like indirect subsidies etc. But the

goals and targets are hazy and there is no defined route which has to be followed for the overall social amelioration of the masses within the movement. As such the immensity of purpose demands that future endeavours should undergo thorough planning so that goals are set and resources are channelized in the best way to achieve the desired results.

5.2.02 West Pakistan Cooperative Consumer Society Ltd., is a humble start with overall objectives to bring price stabilization through indirect intervention by controlling 5-10% market share of essential consumer goods and modernize the distribution system of the country through dynamic selling techniques, customers' services and assuring quality good at reasonable prices. Feasibility study was carried out in Lahore in 1964/65 and finally it was decided to open a number of cooperative supermarkets (excluding perishables for the present) and simultaneously act as wholesalers/advisors to existing consumer cooperatives in order to modernise their working and improve their economics. The feasibility study was carried under the supervision of Danish Consultants taking care of the following points.

1. Different population concentration areas and their purchasing pattern.
2. Market share target for cooperatives.
3. Sources of finances.
4. Sources of supply and government help.
5. Availability of Personnel and their training.
6. Public relation measures.

5.2.03 The society started functioning with number of supermarkets supported with a central warehouse and processing plants. The following are the problems on date for which the solutions shall be found in the light of Japanese experiences.

(a) Phasing of Investment was not advised correctly with the result that the composition of fixed capital expenditure and working capital expenditure is 70:30. New funds for employment as working capital and thus increasing the operations are being procured from various sources including government to revise the ratios.

(b) As explained earlier, the voting power and ultimately the management of society shall vest in the one rupee share-holders (consumer members) through election of their delegates for every Rs.50,000/- sales. Immediately the full democratic organism can not be brought in view of very heavy government investment. The position at present is that board of directors is nominated but there is full representation from existing cooperative movement as well as public with two directors from the government, including the Chairman of the Society. Some election base has to be developed so that the government interests are also secure and consumer participation is also guaranteed. We might start the consumer participation on the pattern of Hans of Japan with some modifications.

(c) Since the sales turnover is not yet sufficient to recover non-operational costs like depreciation and interest on fixed capital expenditure, the efforts are being made to ask the government to subsidize these recurring losses till 1974-1975 when the budgets start showing surplus, otherwise the erosion of capital may result in bankruptcy of the society. The existing cooperative movement, however, is reluctant to share anything so the approach has to be made to the government.

(d) Since the economies of the project demand immediate expansion of sales turnover to dilute the overhead burden, the emphasis is being laid on the implementation of 2nd phase which provides for expansion within 100 miles radius from Lahore central warehouse capable of meeting the additional requirements. The problems of public contacts and management control are expected to multiply but in the light of Japanese

experience as well as discussion with resource persons, the following may be contemplated.

i) Home Delivery Service through creating a separate cell to function on commission basis to reach the break-even sales.

ii) Decentralization of powers to shop managers stationed at distant places, who shall be engaged after full scrutiny of their background and educational status. They will have the choice to engage their near and dear ones (subject to restrictions from Head Office) so that the question of shortages and pilferages is minimised.

iii) To arouse the public interest on more solid lines so that they realise the benefits of becoming members of cooperatives, the Japanese way of membership promotion shall be tried so that the membership is increased resulting to the increase in sales.

There is also a proposal under consideration that local bodies may be requested to register themselves as 'A' Class members and provide at least Rs.25,000/- as share capital and rent free shops. This could be considered as a part of their social duty towards the residents of that local body to provide a modern self-service supermarket with full assortment which they do not have now.

iv) The government may be asked to release customs confiscated goods only to cooperatives which will act as an incentive for increasing membership of cooperatives.

v) Special employees training programme may be started on the lines of Japanese system of imparting education and training to the employees. At present they are inadequate although cooperative college and cooperative union are both looking after this aspect.

vi) Regarding control of operational results, we have recently reorganized the functional duties to have more defined zones of authority and responsibility. We have also reorganized the system and procedures keeping

in view the special requirements and the things are well set on even keel. The statistical section has been created to advise facts for management decisions which are taken through weekly meetings of executive committee constituted of General Manager, Marketing Manager, Procurement Manager and Finance Manager.

5.2.04 Budgeting and budgetary control is also on way in a humble form and it is expected to be in full go in the immediate future. For profitability of each branch the concept of contribution to Head Office expenses method will be introduced as suggested by resource persons and Japanese movement. The analysis and interpretation of accounting results may further be refined in the light of the Japanese experience.

III. ROLE OF GOVERNMENT AND OTHER SOCIAL ORGANISATIONS

5.3.01 In developing economies the cooperative image is not good. People lack confidence and are reluctant to invest their savings because investment opportunities are almost insignificant. Besides developing the movement on traditional lines i.e. European way, will require a very long period of time where democratic organism is created through 2 tier or 3 tier pyramid having full representation at the apex level. For the fast urbanization and price spirals which has become the order of the day in the developing countries with other mal-practices like short weight, adulteration etc, the government is being pressed hard to introduce statutory control to bring price stabilization. The statutory price controls being imposed since years could not bring the desired results and the consensus of opinion is that some economic solutions have to be found out. For government promoted endeavours therefore, efforts in cooperative sector are considered to be the most practical way of tackling this problem.

5.3.02 The role of the government may be enumerated as follows :

i) The government should provide finances to float big-size chain projects in different population concentration areas of the country. The funds should preferably be given as "Revolving Funds" to be used for further expansion of the movement to small towns and villages.

ii) The Industries Department of the Government should help in the establishment of small allied manufacturing and processing plants to improve the economics of such distribution centres.

iii) The existing cooperative movement should be asked by the government to affiliate, integrate themselves with these projects and work collectively for the growth of the movement as a whole.

iv) The government should within the scope of its economic policies sanction import licenses for import of consumer goods as is being done by the private sector through sanctioned entitlements.

v) The government should through its Industries Department fix a distribution quota of national brands to be sold only through Coops. This will ensure a regular supply of essential consumer goods to Coop. members.

vi) In order to democratise the net work the existing democratic institutions like municipalities and corporations (local bodies) may be required to participate in the cooperative endeavours as far as possible. Some arrangement should be made to allow the elected representatives of local bodies to share democratic control.

vii) The government should promote the public relation programme of the movement as is done in case of agricultural activities and Radio and Television medias should be given cost free time for documentary presentation of the usefulness of the movement.

viii) The government should continue giving Income-tax exemption on the consumer cooperatives' profits.

5.3.03 Regarding role of Trade Unions etc, such associations can also play an important role in the movement by organizing superlets types and affiliate them to the parent projects so that the questions of financial control, assortment, supply, training and membership promotion is looked after by the parent body. However, in a country like Pakistan, trade unionism is yet to develop into an effective and useful organ and the trade unions may have to be inducted to the usefulness of the cooperative movement under the proposed structure.

5.3.04 Regarding other associations doing social work, a lot may be done through them and their activities may be channelized towards developing the overall movement.

I. LONG-TERM PLANS OF CONSUMER COOPERATIVE DEVELOPMENT

6.1.01 Consumer Cooperatives Movement came to legal existence when Commonwealth Act No.565 was enacted in 1940. Prior to this, however, several attempts were made to set up consumer cooperatives, especially among the university population. But these did not thrive for some time. From 1940 to 1957, quite a number of consumer cooperatives were set up, but again most of those organized did not last for various reasons. On June 22, 1957, Republic Act No.2023 was enacted consolidating all laws on non-agricultural cooperatives. This is the law presently regulating the operation of consumer cooperatives and other types of non-agricultural cooperatives. Considerable activity is now going on to promote new consumer cooperatives and strengthen existing cooperatives. At the current session of Congress, a Bill is now under consideration which would consolidate all cooperative laws and which would provide a system for developing cooperatives. When enacted into law, added impetus, would be given to the development of a stronger cooperative movement.

Current Problems and Projections:

With the world-wide spiralling of prices, consumers are beginning to realise their rights and interests. More so in the Philippines today due to the adoption of the floating rate of exchange, the enactment of an increased minimum wage law and unreasonably high prices of consumer goods.

6.1.03 Within the context of these developments therefore, the Government through President Ferdinand E. Marcos has initiated a development programme for the establishment of consumers cooperative in every town and city. With this vigorous interest on the part of the government and complimented by civic and religious groups and also big business in the country, we

 Note: Current exchange rate US \$1 = ₱ 6.51 (Philippine Peso)
 One Philippine Peso is sub divided into one hundred Centover.

firmly believe that we will steadily progress and succeed where previous attempts have miserably failed. Correct procedures in setting up new cooperatives avoiding the causes of past failures are now being followed.

6.1.04 Based on these inter-related and contributory factors, we have initiated a general and central planning schedule upon which all our endeavours will be based and directed. If you will note from the table on our projections, you will notice that initially, we are to establish so many stores with the proper feasibility study and safeguards. These cooperatives shall be amalgamated later for more effectivity and economy purposes. If the plan is carried out successfully, we are very optimistic that within the ten year period plan, membership in the consumer cooperatives will aggregate from 60% - 80% of the total population of the country.

Unit Consumer Cooperative Development and Sales Projections

<u>Year</u>	<u>Number of Stores</u>	<u>Sales volume (000) ₦</u>
1970	220	₦ 46,436
1971	250	56,652
1972	280	70,815
1973	310	90,643
1974	340	119,648
1975	400	163,918
1976	350	232,763
1977	300	344,489
1978	250	530,513
1979	200	848,821
1980	150	1,426,019
1981	150	2,566,834

6.1.05 Long-Range Plans

- i. Establishment of a consumer cooperative in every town and city.
- ii. Amalgamation of consumer cooperatives in urban or bigger cities for large-scale operations (Supermarkets) which will result in bulk buying and more economical operation;

- iii) Large scale super markets to be established in big cities.
- iv) Filipino Cooperative Wholesale Society, Inc. (FCWS) in collaboration with local unit consumers cooperative to establish retail outlets like super markets, superlets and the like;
- v) Establishment of regional and provincial cooperative wholesale societies;
- vi) Establish closer trading relations with the agricultural cooperatives if not initiate them into the consumer cooperative movement towards a stronger and compact cooperative movement in the country as a whole.
- vii) The FCWS on a joint venture basis or on its own shall establish factories to supply the needs of consumer cooperatives.
- viii) FCWS has initiated consultancy services on all aspects of the consumer cooperative movement, particularly on management, financing and other related matters and has Plans to train and develop personnel along the cooperative concept.
- ix) The FCWS is working hard to obtain additional capital from the members themselves, from civic groups, from business associations and other sources available to enable it to engage in large scale or bulk buying to reduce the cost of commodities;
- x) Through FCWS representations with the Department of Commerce Industry, we are developing closer business relations with private industry groups again to reduce cost; and
- xi) The FCWS is now trying to get direct contacts with foreign manufacturers - exporters to reduce the cost of distribution channels which will again ultimately reduce the cost of goods for distribution to its members and is also trying to go into the export business for a nominal profit to help as much as possible foreign or overseas cooperatives and ultimately their own members too.

II. ROLE AND FUNCTIONS OF NATIONAL/PROVINCIAL/PRIMARY LEVEL OF CONSUMERS COOPERATIVE ORGANISATIONS.

6.2.01 Recently a Philippine Cooperative Development Council has been established by Presidential Decree to work out an integrated cooperative development plan. In this Council all government institutions and national cooperative organizations existing in the Philippines which have to do with the promotion and development of cooperatives are presented. The Chairman belongs to the Cooperative sector and the Cooperatives Administration Office (CAO) serves as its secretariat. This Council is concerned with the development of long-term action plans for both the agricultural and the non-agricultural sectors of the cooperative movement. The Council has laid down certain goals to be achieved and it has solicited the active leadership of national cooperative organizations in the over-all planning and achievement of these goals.

6.2.02 Planning - The Filipino Cooperative Wholesale Society, Inc. (FCWS) in collaboration with provincial and primary level consumer cooperatives should be responsible for over-all planning in the development of consumer cooperatives in the Philippines. It should set up a ~~department~~ **whose concern shall be the formulation of long-term goals and objectives, undertake feasibility studies, work out investment and operational budgets, promotion and development of regional distribution centres and retail outlets, such as ~~supermarkets~~ and superlets.**

6.2.03 ORGANIZATIONAL SET-UP - The national organisation of consumers cooperatives shall undertake wholesale business and enter into retail trade in places where this would be necessary, provide management consultancy services, and provide supervision over the provincial and primary consumer societies. It should set-up a "Control Room Function" and project the development of the ~~societies~~ as a whole. It should assist unit cooperatives in developing regional-provincial cooperative wholesale societies where this is feasible due to geographic factors and provide know-how in the organization and development of retail cooperative societies in cities and municipalities where required.

6.2.04 PERSONNEL MANAGEMENT- The cooperative societies at the primary and provincial levels in collaboration with the FCWS should develop a national system of personnel management. It should be possible to develop a range of positions in the cooperative service so that it would be possible for management personnel particularly, to be moved from one society to another in the development of the career service. The training of management personnel should initially be undertaken in training centres to be run jointly by the FCWS, the Central Cooperative Educational Board (CCEB) and the CAO. In bigger retail societies, the work of training their sales and administrative personnel is now being carried out by them as part of their in-service training programmes. The FCSW should develop and carry out training programmes for the developing units.

6.2.05 MEMBER ACTIVITIES - The establishment of consumers cooperatives presently is preceded by extensive pre-membership information and education activities through study circles and "Kapit Bahay" groups. Attendance in pre-membership education classes is now being made a requirement for membership in the cooperative societies. Once established, the cooperatives, in collaboration with the CCEB¹⁾ and the CAO²⁾ continue with the membership education process. With the Philippine delegations' observations on the working of the "Han group" in Japan, the delgation now proposes that the FCWS with the assistance of the CAO take the leadership in activating our "Kapit Bahay" or neighbourhood groups to carry on membership educational activities and to make the members actively participate in business and other cooperative activities.

6.2.06 BUSINESS MANAGEMENT - Presently the assortment of goods handled by the FCWS is very limited. It is confined to the essential commodities like canned milk, canned fish, canned meat and rice. It has started handling products of industrial cooperatives like shoes and other leather goods,

- 1) Central Cooperative Education Board
- 2) Cooperative Administration Office

mosquito nets, brassieres for women, and blankets. Presently retail societies obtain their assortment of goods which they sell from private wholesalers and manufacturers and they do not enjoy big quantity discounts. The FCWS should therefore handle a wide variety of goods which are usually sold by retail societies. It should establish distribution centres immediately for the purpose of serving at least the Luzon area. In some of the food items, the FCWS should take the initiative of going into production on its own and start introducing COOP branded goods where this is necessary. This must of course be discussed thoroughly on a nation-wide basis with the retail outlets and it should be related with a campaign against adulteration and goods containing ingredients injurious to health.

6.2.07 FINANCE - At the primary level, consumers cooperatives should develop a system of financing similar to the system practised by agricultural cooperatives in Japan wherein members' savings are built-up continuously and are utilized to finance other business activities of the society. These cooperatives eventually should be made to provide funds to their regional and national wholesale federations. Government should assist the national and regional wholesales by way of investing share capital which should be non-interest bearing and non-voting, provide some form of subsidy in the establishment of supermarkets and distribution centres and provide further soft loans, to meet operational capital requirements and building and other facility requirements in the setting-up of distribution centres. As suggested later in this paper, this should be handled through the Cooperative Banks. A uniform system of accounting for consumer cooperatives in the primary and regional levels should be developed by the national wholesale organization. national

6.2.08. AUDITING - The FCWS should take the initiative in setting-up a ^{national} auditing office similar to the pattern set-up by KF of Sweden. Under this proposed system, it should set-up a pool of independent certified public accountants duly accredited by the CAO whose job shall be to provide auditing services mainly to the regional and primary societies.

promotion, organization, development and supervision of consumer cooperatives. Registration is a function that is vested in the Government.

6.3.03 FINANCIAL ASSISTANCE - The Government should provide financial assistance in the form of soft loans, both short and long terms. Whenever required by particular cooperatives, as provided in the proposed legislation, Government should assist by putting up share capital in some societies, such capital to be non-interest bearing and non-voting. Government loans and other forms of financial assistance should be handled through the cooperative banks and Government should provide financing in developing the cooperative banking system in the Philippines.

6.3.04 TECHNICAL AND OTHER ASSISTANCE - In the field of cooperative education and research, it is provided in the proposed legislation now pending consideration in the Congress of the Philippines that Government shall set up a National Cooperative Education and Research Centre and ten Regional Training Centres. These Centres shall eventually be donated to the cooperative movement, hence, provision should be made by the Filipino Cooperative Wholesale Society, Inc. (FCWS) and other cooperatives to eventually support and maintain these training centres.

6.3.05 Social organizations and religious communities in the Philippines are very active in the field of cooperative education and training and in the organization and development of cooperatives. Their activities are being encouraged in the Philippines and a Cooperative Advisory Council, composed of cooperative leaders and representatives of social and religious organizations, is in the process of organization. Through such a Council, Government seeks to coordinate all such activities of social organizations and the cooperative sector in order to have direction and coordination in carrying out the national integrated cooperative development plan.

I. LONG-TERM PLANS OF CONSUMER COOPERATIVES DEVELOPMENT

7.1.01 Co-operation first made its appearance in Singapore in the year 1925. Forty five years have since passed and now Singapore has about 94 Cooperative Societies of over 10 varieties, ranging from the traditional Thrift and Loan Societies to Thrift and Investment, Marketing and Consumer Cooperatives, with total membership of about 50,000. This only shows about 1 in 40 persons, subscribes to the cooperative movement in Singapore. Therefore, much more can be done to provide for more membership representation, with sustained and continuous effort to recruit for membership. There are 12 consumer societies in Singapore.

7.1.02 In Singapore the handful of small consumer cooperatives have not progressed due to the following reasons :

- a. Exploitation by middle-men in the field of supply and marketing of goods.
- b. Lack of funds.
- c. Lack of bargaining power on account of scattered nature and small size Consumer Cooperatives.
- d. Low technical and managerial entrepreneurs.
- e. Low level of efficiency
- f. Competition from large scale shops

7.1.03 Singapore being an island of 225 sq.miles, there is no national, state, primary Cooperatives as such, however, there are following types of Cooperatives :-

Thrift & Loan.	40
Thrift & Investment	14
Consumers	12
Marketing	3
Urban Credit	9
Rural Credit	3
Housing	3
Cooperative Bank	1
Cooperative Union	1
Miscellaneous	8
Total	94

Note : 1 US\$ = 3 S.\$

7.1.04 However, there is a great need for the formation of Consumers Cooperatives and the existing Societies are aware of this trend. They are in the process of amending their respective by-laws and rules to go into multipurpose-functions so that they can go into Consumer activities.

7.1.05 In view of the present situation in Singapore with fast expansion in the field of urbanisation and industrialisation, and considering the changes in the Socio-economic infra-structure of the nation there is a great need for Cooperative Supermarket projects. These supermarkets are likely to be successful because of the establishment and rapid development of satellite estates, the changing habits and pattern of purchasing, and the mode of living of the people of Singapore with a population of about 2 million, of which more than 50% is less than 18 years of age.

7.1.06 It is likely that the public may want to make their purchases from a service centre which offers a suitable assortment of goods and other allied services at a reasonable price under one roof, provided there is easy accessibility and parking facilities.

7.1.07 More Supermarkets will be the answer for such demand, just like the present private Supermarkets, Emporiums and Departmental Stores, which are fast becoming popular with people today.

7.1.08 The retail price index shows that there has been an increase in the retail price during the period 1960-70, while there is no marked wage increase during the same period. It is also expected that prices will keep on increasing, if no check is made right now. In our opinion, Supermarkets will provide the best solution to the problem.

7.1.09 The building structure of such supermarkets should be one storey at the first instance, with foundation designed for upward expansion, when the need arises, to develop it into a variety/Departmental Store. The size of the Supermarket area could be about 20,000 sq. feet with building area of 6,000 sq. feet. The balance of 14,000 sq. feet land area to be used for parking of about 70 to 80 cars. This area can be utilised for future extension as well, if the need arises. The expansion can be above the car park in view of land shortage in Singapore.

7.1.10 Planning, publicity and campaigning should start immediately, bearing in mind the Housing Board Estates which are constructed in various parts of Singapore.

7.1.11 However, the success of Cooperative Supermarkets will depend on the establishment of **expert committees** to look into the following various types of organisational work which are essential and important :-

- (a) The aspect of planning, feasibility studies, location and layout of Supermarkets, investment and operational budget.
- (b) A formation of organisational set-up to look into the types of retail units and services to be rendered to members.
- (c) A large-scale retail operation is a new activity, therefore, loyal dedicated skill-personnel are needed from within and outside Singapore. Personnel planning, job-analysis, development and training of staff-cadre should be centralised within the movement.
- (d) Member activities **are** very important, and this should precede the starting of Supermarkets. Members should be made to be involved in various advisory groups for the success of this project. Various types of member activities and member education should be undertaken immediately in a planned and integrated manner. The planning and coordination of member activities should be centralised and should be a continuous process. In this connection we should follow the Japanese societies' example of forming the Han Group but suitable to our conditions.
- (e) The procurement of goods from whole-salers should be centralised to achieve large-scale purchasing at cheaper and reasonable price. It may be necessary to import goods from other countries and cooperative manufacturers **or** factories in addition to the procurement from local whole-saler.
- (f) As for strong financial need, both Trade Union and Cooperative Societies should pool their resources together to start this important project

7.1.12 With regard to the existing consumer stores, steps should be taken to organise them into distribution centres **for home delivery** as in Japan. **In doing so, we hope delivery services would contribute towards setting up of consumer cooperative supermarkets.**

II. ROLE AND FUNCTIONS OF NATIONAL/STATE AND PRIMARY CONSUMER COOPERATIVES

7.2.01 The financial resources could be acquired from the various Thrift and Loan Societies, which collectively have a membership of 50,000 and a subscription/~~share~~ capital of S\$25,008,184 with the working capital of about S\$30,370,525. Individual societies should undertake multi-purpose activities in the field where small units can function effectively and efficiently in the promotion of consumer cooperatives.

7.2.02 Small Supermarkets (superlets) can also be established in various housing estates and residential areas where there are Resident-Owners Associations. The services can further be extended even to include home delivery.

7.2.03 From the long-term point of view, these Supermarket projects, should be undertaken jointly by the Trade Union and the Cooperative Movements. These two movements should consider the great need for such strong Consumer Cooperative Markets. If such projects are not soon undertaken to go into large scale retail business, the private retailers will further develop and strengthen their position.

III. ROLE AND FUNCTIONS OF THE GOVERNMENT AND OTHER SOCIAL ORGANIZATIONS IN THE PROMOTION OF CONSUMER COOPERATION

7.3.01 In the setting up of Supermarkets a great amount of working capital is needed, which will contribute to the prosperity of not only the individual but also of the nation as a whole. Therefore, it is felt that Government's assistance in the form of a long term loan should be requested to stimulate and encourage the setting up of the organisations which would benefit bulk of the people. However, the ultimate action must come from the people themselves who should provide the initiative and sacrifice in voluntary leadership, effort and money.

7.3.02 To-day, the Trade Union have recognised and accepted their future role and have modernised in present day society. The Cooperative

Movement in Singapore, unfortunately has remained lethargic and indifferent to the social and economic advancement due to many reasons. The total membership in the Trade Union movement is 125,000, whereas the membership of the Cooperative Societies is about 50,000 with 94 registered societies, about 50 of them are thrift and loan societies. Although the Credit Societies ought to be commended for the loan facilities, they provide for its members, thus releasing them from the clutches of moneylenders, it is important that they should also expand their present limited functions, so as to promote welfare and advancement of their members on a broader economic and social field.

7.3.03 Both Cooperative and Trade Union Movements, by virtue of their being organised by common people such as labour, are bound together by their common aims and objectives. Therefore, it is only through closer collaboration between the two organisations that the undertaking of Supermarkets could be realised as early as possible.

7.3.04 The area for cooperation between the two organisations is broad. This could be done by the setting up of joint committees or by closer liaison between the two movements, to embark on the following activities :-

- (a) Joint education programmes for its members
- (b) Organised effort to propagatc the basic principle of cooperation and self-help
- (c) The many advantages that could derive through joint activity
- (d) Training courses to meet the scarcity of qualified leaders and trained personnel to manage cooperative enterprises
- (e) Seminars should be organised so as to strengthen the collaboration between the two movements.

7.3.05 Commendable effort has been made in the field of cooperation, when the National Trade Union Congress (N.T.U.C.), which represents the labour movement in Singapore, took the initiative of forming Cooperative Insurance Commonwealth Enterprise Ltd, (INCOME), to help raise the standard of living of workers through cooperation. The N.T.U.C. has also formed a Taxi and General Transport Cooperative recently. Similar cooperative activities, with the theme of mutual aid, should be undertaken by the Cooperative Movement in Singapore or jointly with the N.T.U.C. to help both to raise the standard of living and to stabilize the rising cost of living. In this connection a Consumers' Association was formed recently by the N.T.U.C.

7.3.06 While the above long-term project is being contemplated, the various existing Trade Unions and Cooperative Societies, should initiate bulk-purchasing of popular goods at cheaper and reasonable price to be delivered to member s' home as part of their multipurposes activities.

8. THAILANDI. LONG-TERM PLANS OF CONSUMER COOPERATIVE DEVELOPMENTPresent Position

8.1.01 At present the consumer cooperative societies in Thailand, in general, operate the small retail shops. These societies/stores supply ready-made non-food articles to farmer consumers who come to town to sell their produce. Most of the consumer societies/stores are situated in the urban areas. We have about 70 such societies/stores in the province and each store has the selling area of approximately 300 sq.ft. The goods in these societies/stores are bought from the sub-agents who deliver the goods to these societies/stores.

8.1.02 In Bangkok there is one cooperative super market which supplies both food and non-food articles. At the ground floor, it has the space of 220 sq.m. for food and the first floor of 540 sq.m. is used as a variety store.

Future Plan

8.1.03 For the expansion of the consumer cooperative store in Thailand we have first to educate the people. This can be done through the assistance of the Cooperative League of Thailand. We can also suggest the "Han-group" system to be practised in Thailand. These Han groups will be in the villages and the needs of the villagers can be communicated through the Han groups to the stores. In this way we may be able to have more articles for sale in the present stores and expand their business.

8.1.04 In our opinion the future plan should be to have cooperative supermarkets in the middle class residential areas. This can be single storey structure in the beginning but with the prospects for future expansion. The required land area should be purchased keeping expansion in view.

8.1.05 The land area should be in the region of 17,000 sq.ft. and the built-in area should be around 6,000 sq.ft. leaving 11,000 sq.ft. for parking area. This should be able to accommodate approximately 70-80 cars in its parking space.

Note: 1 US\$ = 20 Bahts

8.1.06 The supply of funds for these projects can be in the form of long-term Government loan. If the Plan is successful, we should build more supermarkets in the similar middle class areas elsewhere but not in the heart of city. When we have got two or three super-markets going on, we can expand one of supermarkets in a Department Stores by adding another floor to the building. This is our long-term policy of about 15 years. By this period we hope to see great change in the thinking of our Thai people.

8.1.07 We hope to have about 3 super markets and one Department store by then. Home delivery service can also be added to the activities of these super markets.

II. ROLE AND FUNCTIONS OF NATIONAL/STATE PRIMARY LEVEL OF CONSUMER COOPERATIVE ORGANISATIONS

8.2.01 As mentioned in the first part, the present situation of Consumer Cooperative Societies in Thailand is the small retail shops, and the cooperative supermarkets located in the shopping area confronting the strong private super-stores' competition. A manageable plan of action may be suggested as follows :-

8.2.02 Education of members, committeemen, staff and employees is the first step to be initiated by the Cooperative League of Thailand. The League should enlarge its functions not only giving the technological assistance, but also act as good coordinator among various cooperative societies too. Supermarkets in Bangkok serve well-educated middle class consumers. However, at least 15-20 supermarkets could be now established in the big provinces, some have same number of population as in Bangkok- the capital of Thailand.

8.2.03 Thailand is usually divided into 5 regions, northern, north-eastern, eastern, central and southern regions. Head office of the Cooperative League of Thailand is located in Bangkok. It should be responsible for the promotion of consumer cooperation in the central region and it should set up 4 more branches in other regions. The activities of regional branches should be directed from the Head Office which are its proper functions.

To begin with small retail stores should be developed into super-lets with distribution of food and non-food stuff. Moreover, the home delivery service may also be introduced.

8.2.04 Personnel Management is considered as the important and immediate requirement. Lack of qualified top executive is the main problem of Thai Cooperative Movement. Due to un-attractive salaries offered to the Managers, they are forced to be less loyal and dishonest in order to lead a normal standard of living. Manager's and employee's training need to be done seriously throughout the country by bringing modern cooperative management concepts and techniques to these people. The communication and information system between the managers and employees should be improved. In order to stimulate them, the retirement benefits and the other motivating facilities should be accorded.

8.2.05 It is obviously noticed that most of the members are not interested in the aims and objectives of cooperatives, but on the contrary the increasing number of members are satisfied with successful business transactions. The way to encourage the member activities is to improve many small societies first. After the successful functioning of societies is achieved the "Han Groups" system should be practised in Thailand. These "Han Groups" will be in the villages and urban localities and the needs of the consumers can be communicated through the "Han Groups" to the stores.

8.2.06 To achieve a higher level of consumer cooperative development in the future, supplying of funds can be in the form of long-term government loan or bank facilities.

8.2.07 Accounting is the important activity for running business, not for recording the transactions alone. The accounting system should be revised in order to give business information in management reports which is to be presented by the Manager to the Board of Directors. These reports will help him in preparing necessary action plan for the forthcoming period.

8.2.08 Auditing should, at least, be annual and monthly. The monthly auditing or internal check could be assigned to the employees and elected auditors but annual auditors should come from outside.

8.2.09 Integration of retail distribution is the great problem of consumers cooperative stores because of differences in pattern of trades from other countries. Wholesale trading in Thailand is done not only through central selling agencies but wholesalers also sell insignificant amount of goods on a retail basis to ultimate consumers. The wholesale companies run their business through import, wholesaling, retailing and also home delivery service. In this context it may be suggested that the Cooperative Marketing and Purchasing Federation of Thailand should take part in the import and other marketing activities.

8.2.10 At present it may be said that most of consumer cooperative stores stand upon the government support both in respect of money and personnel. In some societies, the manager and employees' salaries are paid by the government in order to reduce the administrative expense. Sometimes the government put qualified persons to manage and solve the problems of weak societies.

8.2.11 Two consumer cooperative stores in Bangkok are very successful now. The government assistance in popularising the successful domestic and overseas cooperative societies through mass media of communication is very important. Moreover students at schools should learn more about cooperatives and their achievements.



An effective arrangement for the display of commodities in a cooperative super market in Thailand. Note particularly the eye level which can cover the goods lying in the shelves.

APPENDIX 'A'

REGIONAL SEMINAR ON SHOP PLANNING AND MANAGEMENT
TOKYO (JAPAN) - MAY 7-23, 1971

LIST OF PARTICIPANTS, OBSERVERS & RESOURCE PERSONS

INDIA

1. Mr. S.P. Srivastava
Managing Director
Bihar State Federation of Wholesale Consumer
Cooperative Store
Patna
2. Mr. V.B.L. Mathur
General Manager
Super Bazar
The Cooperative Store Ltd.,
New Delhi
3. Mr. M.K. Puri
General Manager
National Cooperative Consumers' Federation
25, Ring Road, Lajpatnagar,
New Delhi 24.
4. Mr. G.V. Ramaswami
Secretary, The Coimbatore District Central
Cooperative Supply & Marketing Society Ltd.,
Coimbatore 2 (Tamil Nadu)
5. Mr. N.R. Viswanathan
President, Simpson & Group Companies Employees
Wholesale Cooperative Society Ltd.,
73, Infantry Road, Bangalore-1.
6. Mr. C.R. Hiremath
Deputy Director
Ministry of Agriculture,
Department of Cooperation, Government of India
New Delhi.

INDONESIA

7. Mr. Darwis Siddik
Djl. Pinangasia II No.9A
DJAKARTA

JAPAN

8. Mr. Yukihiro Yoshihara
National Purchase Federation of Agricultural
Cooperative Associations (ZENKOREN)
8-3, 1-chome, Ohtemachi, Chiyoda ku, _____
Tokyo

- JAPAN (Contd.)
9. Mr. Yasuo Oishi
Japanese Consumers' Cooperative Union
General Affairs Department (International Section)
Seikyo-Kaikan, 1-13, 4 Chome, Sendagaya
Shibuya-ku, Tokyo.
10. Mr. Junkichi Satoh
Japan Cooperative Trading Co., Ltd.
Export & Import Organ of Japanese
Consumers' Cooperative Union
Seikyo Kaikan 1-13, 4 chome, Sendagaya
Shibiya-ku, Tokyo
- KOREA
11. Mr. Young Ju Kim
Assistant Manager
National Agricultural Cooperative Federation
75, 1-ka, Choongjung-Ro, Sudaemoon-ku
12. Mr. Young In Park,
Marketing Specialist
National Agricultural Cooperative Federation
Seoul
- MALAYSIA
13. Mr. Syed Mansur Bin Syed Salim
Senior Cooperative Marketing Officer
Department of Cooperative Development
Jalan Swettenham, Kuala Lumpur
14. Mr. Mohd. Ghazali B. Ahmed
Chairman, Rubber Industry Replanting Board
Ipoh, Perak.
15. Mr. K. Rasalingam
36, Jalan Ampang
Kuala Lumpur
- PAKISTAN
16. Mr. Hasan Khan
Managing Director
West Pakistan Cooperative Consumer Society Ltd.,
Mode Town, Lahore (W. Pakistan)
- PHILIPPINES
17. Mr. Orlando N. Pagulayan
Acting Director
Cooperative Administration Office
Department of Commerce & Industry
Quezon City.
18. Mr. Virgilio C. Berina
Legal Assistant
Filipino Cooperative Wholesale Society, Inc.,
Dona Petra Bldg., 304 Quezon Blvd. Ext.
Quezon City

- PHILIPPINES (contd.)
19. Mr. Hermenegildo R. Navalta
Senior Market Analyst
Filipino Cooperative Wholesale Society, Inc.,
Quezon City.
20. Mr. Antonio S. Asperilla
Chief, Disbursement Audit Division
Filipino Cooperative Wholesale Society, Inc.,
Quezon City.
- SINGAPORE
21. Mr. Henry Paul
265-A, Macpherson Road
Singapore
22. Mr. K. Thiagarajan
34, Lorong Penchalak
Singapore-19
23. Mr. Zainal A. Nasoetion
34, Lorong 41,
Singapore 14
- THAILAND
24. Mr. Chamroon Kupachaka
Deputy Manager
Phranakorn Cooperative Store Ltd.,
228/4, Lampoo Road, Phranakorn District
Bangkok
25. Maj. Wichai Nutasiri
Military Cooperative Manager
Military Cooperative Store Ltd.,
10, Bangkloy Nonthaburi
Bangkok
- OBSERVERS
26. Mr. Shyohei Sato
Japanese Confederation of Labour
Yuai-Kaikan, 2-20-12,
Shiba, Minato-ku,
Tokyo
27. Mr. Makoto Fujita
~~Executive Secretary~~
World University Service of Japan
c/o Waseda University
1-647 Totsuka
Shinjuku-ku, Tokyo

ICA, NEW DELHI

28. Mr. Ragnar Arvidsson (Course Leader)
Specialist in Consumer Cooperation
ICA Regional Office & Education Centre for
South-East Asia,
43, Friends' Colony, New Delhi-14 (India)
29. Dr. Dharm Vir, (Rapporteur)
Joint Director (Education)
ICA Regional Office & Education Centre for
South-East Asia, New Delhi-14.

SECRETARIAT

30. Mr. Hidetane Togawa
Managing Director
Institute for the Development of
Agricultural Cooperation in Asia (IDACA)
24-9, 6 Chome, Funabashi Cho, Setagaya ku
Tokyo.
31. Mr. Shigeo Oshima
Japanese Consumers' Coop. Union, Tokyo.
32. Mr. Umekichi Tsuda
IDACA, Tokyo.
33. Mr. Hiroyuki Ishia
IDACA, Tokyo
34. Mr. Shiro Futagami,
International Department,
Central Union of Agricultural Cooperatives,
Tokyo
35. Mr. Takatsugu Nakamura
National Purchase Federation of Agricultural
Cooperative Associations, Tokyo.

SEMINAR SECRETARY

36. Mr. Gurcharan Singh,
ICA Regional Office & Education Centre
for South-East Asia,
43, Friends' Colony,
New Delhi-14. India.

RESOURCE PERSONS

1. Mr. Ragnar Arvidsson
Specialist in Consumer Cooperation
International Cooperative Alliance
Regional Office & Education Centre, New Delhi 14. India.
2. Mr. S. Fukuda
Managing Director
Japanese Consumers Cooperative Union of Japan
Seikyo-Kaikan, 1-13, 4 Chome, Sendagaya
Shibuya-ku, Tokyo, Japan
3. Mr. Y. Yamashita (ZENKOREN)
National Purchasing Federation of
Agricultural Cooperative Association,
8-3, 1 Chome, Otemachi, Chiyoda ku, Tokyo, Japan.
4. Mr. T. Nakamura (ZENKOREN), Tokyo, Japan.
5. Mr. K. Katsube,
Japanese Consumers Cooperative Union of Japan, Tokyo.
6. Mr. S. Oshima,
Japanese Consumers Cooperative Union of Japan, Tokyo.
7. Mr. M. Oya, Deputy Director, Textile Business Department,
Japanese Consumers Cooperative Union of Japan, Tokyo.
8. Mr. Y. Ban (ZENKOREN), Tokyo.
9. Mr. M. Mil (ZENKOREN), Tokyo
10. Mr. T. Kobayashi,
Director, Institute of Coop. Shop Management,
Tokyo, Japan.
11. Dr. Dharm Vir,
I.C.A. Regional Office & Education Centre,
43, Friends' Colony, New Delhi-14. India.

APPENDIX- B

REGIONAL SEMINAR ON SHOP PLANNING AND MANAGEMENT
TOKYO, JAPAN

PROGRAMME

Thursday, 6th May 1971

Arrival in Tokyo and Registration at IDAGA

Friday, 7th May, 1971

- | | | |
|-----------|----|--|
| Forenoon | 1. | Inauguration |
| Afternoon | 2. | Modern Retailing in Europe with particular reference to Cooperatives.
- Introduction by Mr. R.Arvidsson. |
| | 3. | Current Position and Problems of Consumer Cooperatives in the Region.
- Introduction by Mr. R.Arvidsson. |
| Evening | | Welcome Reception by the Central Union of Agricultural Cooperatives and the National Purchasing Federation of Agricultural Coops. Association at CHIN-ZAN-SO Restaurant. |

Saturday, 8th May, 1971

- | | | |
|-----------|----|--|
| Forenoon | 4. | Consumer Goods Supply Business by Agricultural Cooperatives in Japan.
.. Introduction by Mr.Y.Yamashita and Mr. T.Nakamura. |
| Afternoon | 5. | Consumer Cooperative Movement in Japan: Present and future Policies and Practices.
- Introduction by Mr.K. Katsube. |
| Evening | 6. | Group Work - Dr. Dharm Vir |

Sunday, 9th May, 1971

Study visits to Cooperative Supermarkets in Tokyo (Tokyo Consumer Cooperative Society).

Monday, 10th May, 1971

- | | | |
|-----------|----|--|
| Forenoon | 7. | Feasibility Study: Market Research, Programming, Investment, Budgeting and Operational Budgets.
- Introduction by Mr. R.Arvidsson |
| Afternoon | 8. | Functions and Layout of a Supermarket
- Introduction by Mr. S.Oshima. |
| Evening | 9. | Group Work - Dr. Dharm Vir |

Tuesday, 11th May, 1971

- Forenoon 10 International Organisational Set up of a Society and a Supermarket.
- Introduction by Mr. M.Oya.
- Afternoon 11. Personnel Management and Staff Training
- Introduction by Mr. M.Oya.
- Evening 12. Group Work - Dr. Dharm Vir

Wednesday, 12th May, 1971

- Forenoon 13. Composition of Assortment, Market Intelligence and Inventory Management in a Supermarket.
- Introduction by Mr. Y.Ban
- Afternoon 14. Functions and operation of a Distribution Centre
- Mr. M. Mio
- Evening I.C.A. Reception at Happon Restaurant

Thursday, 13th May, 1971

- Forenoon 15. Group Work - Dr. Dharm Vir
16. Functions of a National Procurement Agency and its Integration on the Regional and Local Level.
- Introduction by Mr. T.Nakamura.
- Afternoon 17. Own Production and 'CO-OP' Branded Goods.
Introduction by Mr. K. Katsube.
18. Role and Functions of a Cooperative Chain Store Organisation and its Integration with Wholesaling and Production.
- Introduction by Mr. R.Arvidsson
19. Group Work - Dr. Dharm Vir

Friday, 14th May, 1971

- Forenoon 20. Group Work - Dr. Dharm Vir.
21. Sales Budgeting and Sales Planning for a Cooperative Society and a Cooperative Supermarket
- Introduction by Mr. S.Oshima.
- Afternoon 22. Sales Management and Sales Promotion Activities in a Supermarket.
- Introduction by Mr. S. Oshima.
- Evening 23. Group Work - Dr. Dharm Vir

Saturday, 15th May, 1971

- Forenoon
24. Group Work - Dr. Dharm Vir
25. Financial Management, Control and Audit
- Introduction by Mr. T. Kobayashi.
- Afternoon
26. Amalgamation of Societies to achieve Large-Scale Operation.
- Introduction by Mr. R. Arvidsson

Sunday, 16th May, 1971

F R E E

Monday, 17th May, 1971

- Forenoon
27. Group Work - Dr. Dharm Vir
28. Member Activities and Member Education
(Women's Guild, Han Groups, etc.)
- Introduction by Mr. S. Fukuda.

- Afternoon
29. Group Work - Dr. Dharm Vir.

Evening

Preparation for Departure for Study Tour

Tuesday, 18th May, 1971

Study visits to :

to

(A) Mikkabi-cho Agricultural Cooperative Society

Friday, 21st May, 1971

(B) Nada-Kobe Consumer Cooperative Society.

Reception by Japanese Consumers Cooperative Union of Japan.

Saturday, 22nd May, 1971

- Forenoon
30. Presentation of Programmes of Action for the Development of Consumer Cooperatives by the Delegates.

31. Final Plenary : Chairman Dr. Dharm Vir

Discussion on how to adopt and implement the findings of the Seminar in the respective countries of the delegates.

Evening

Departure of participants from Osaka Airport.

Sunday, 23rd May, 1971

Departure of participants from Osaka Airport

APPENDIX- C

LIST OF REFERENCE MATERIAL

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Cooperation in Asia (Pamphlet)
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A shop frontage in one the Cooperative Stores in Japan. Note the symbol, spaciousness, cleanliness and smartness contributing to a proper image. The entire facade is designed to project the image of the store.

APPENDIX - D

AN OUTLINE OF THE TOKYO CONSUMERS' COOPERATIVE SOCIETY

1. Basic plan of foundation of the Society (Aug.19th,1968)
 - 1.1 The Japanese Consumers' Cooperative Union (J.C.C.U.) took initiative to establish the Society with the assistance of all members' organizations of J.C.C.U.
 - 1.2 In the long-term plan, the Society is to be the nucleus of a big metropolitan society.
 - 1.3 The Society adopted the distribution system of supermarkets dealing mainly with perishables, groceries and some kinds of miscellaneous goods to meet the demands of workers and citizens.
 - 1.4 Number of stores are to be expanded in the densely populated places similar to the direction of the private regular chains.
2. Expectations on the area (trading area) in which the Society is to function.
 - 2.1 Densely populated place
 - 2.2 Site available at comparatively low price
 - 2.3 At present the society abstains from being in the severe competition with private big stores.
 - 2.4 In view of the above, the trading area in the Adachi Ward was selected.
3. Foundation of the Society (May 25th, 1969)
 - 3.1 Membership 1,026 persons
 - 3.2 Members of the Board
15 officers from J.C.C.U, local and institutional co-ops in Tokyo, university co-ops, Central Union of Agricultural Cooperative and representatives of the area in which the first shop is situated.
4. Development
 - 4.1 The first shop named "Ayase shop" was opened on September 20, 1969 and the Kameari shop was opened on December 14,1969.
 - 4.2 Size of the shops

Ayase Shop	Site 428 Tsubo (1,412.40 m ²) ₂
	Building 275 Tsubo (907.50 m ²)
	Floor space 200 Tsubo (660.00 m ²)

Kameari Shop Site 467 Tsubo (1,211.10 m²)
 Building 580 Tsubo
 (Two stories) (1,914.00 m²)
 Floor space 200 Tsubo (660.00 m²)

4.3 Figures at the end of the fiscal year 1969

(Mar. 20th, 1970)

Membership 2,040

Number of Han groups 130

Share Capital 1,850,000 yen (\$5,140)

Retail turnover 135,730,000 Yen (\$377,028)

Surplus 15,000,000 Yen (\$41,666)

Main member activities

Study tour to factories, cooking courses, joint-purchasing
 activities at Han Level.

4.4 Officers election.

The officers were elected at the second extra representative
 congress, from that time this Society established its
 independence from the J.C.C.U.

4.5 Figures at the end of the fiscal year 1970 (Mar.20th,1971)

Membership 3,211

Number of Han groups 172

Share capital 3,170,000 yen (\$8,806)

Retail turnover 417,000,000 yen (\$1,158,333)

Main member activities:

Suggestions and indents for the assortment of goods to be sold
 in the society's stores (June,1970)

Consumers' Cooperative Strengthening Month.

Meeting of Han groups and Han's heads, Co-purchasing

Movement against abolition of price freezing act, 3,500 signatu
 were collected in this movement.



Fashion goods are displayed in a realistic and attractive way so as to attract the customers and to create an environment to match the season and create demand. Note the prominent display of prices.





The management initiates members to go in for joint purchasing. Members take active interest in such an activity in Japan.

5. Objectives for the fiscal year 1971.

Basic policy :

Depending upon the membership with a view to protecting the livelihood of the membership, observe the principle of democratic management.

Stress to be made on the Hans' activities and Han organisations to absorb systematically the opinions of memberships.

To organize the movement against price raising of goods handled by the CO-OP shops.

To decide the society's policies in accordance with the members' consensus.

To organize movements to eliminate adulteration and unjust labelling of goods.

To improve the society's management and assortment of goods in the shops on the basis of the members' voices.

To propagate for the purchases of Co-op branded goods to protect the livelihood of the members.

According to the above mentioned policies aiming the targets mentioned below .- -

Membership	6,900
Number of Han groups	300
Share capital	11,000,000 Yen (\$30,555)
Retail turnover	617,000,000 Yen (\$1,713,888)
Surplus	11,890,000 Yen (\$33,027)

APPENDIX - E

AN OUTLINE OF THE MIKKABI-CHO AGRICULTURAL COOPERATIVE SOCIETY
SHIZUOKA PREFECTURE, JAPAN

The Mikkabi Agricultural Cooperative Society was started before the war but during the Second World War it was merged into Agricultural Association controlled by the Government. In 1948, the Society was again established under the new agricultural cooperative Act. From 1951-53, the new society fell into bankruptcy and the 11 employees of the Society were working for the revitalisation of the Society in order to gain new confidence among the members and to find funds for settling the society's bad debts which were carried forward from the previous years' operation. These bad debts incurred were the main cause for the society's becoming defunct. In 1953, the Society again started its business activity. In 1961, the Society was amalgamated with the other society in the area and new facilities were established outside the town of Mikkabi on the new land acquired by the society for the purpose. Through this new facility the Society was able to improve its services to the members and since then the members' confidence and loyalty towards the Society has increased from year to year and the Mikkabi Society is now playing a very important role in the economic life of the farmers in the area through a large number of activities on a large scale as can be seen from the following :

Position of the Mikkabi Town

Size (Acreage)	59.53
Number of family	3,516
Population	16,175
Farmland Acreage	hs:2,032.52 (of which 1,481.1 ha. is orange orchard)

Number of Members, Officials and Employees of the Society

Member :

(i) Regular member	2,101 families
(ii) Associate member	451 "
Total	<u>2,552 families.</u>

(Feb.1, 1970)

Officials (elected) :

(i) Members of the Board of Directors	15 (including President = 1 and Managing Director = 1 full-time.)
---------------------------------------	--

(ii) Internal Auditors 5

Employees.

(i) 175 (male 113 and Female 62)

(ii) 30 (part-time workers)

Activities

A. Farm Management department deals in supply and marketing with the following sections.

- 1) Orange section
- 2) Horticulture section
- 3) Live stock section
- 4) Feedstuff and fertilizer section
- 5) Production material section
- 6) Farm machinery section
- 7) Management consultancy section

Approximate amount of business (Yen. Million)

Supply	1,688
Marketing	
(a) oranges	1,694
(b) livestock	789
(c) others	167

B. Credit department has the following sections :

- 1) Financing Section
- 2) Insurance Section
- 3) Guidance Section

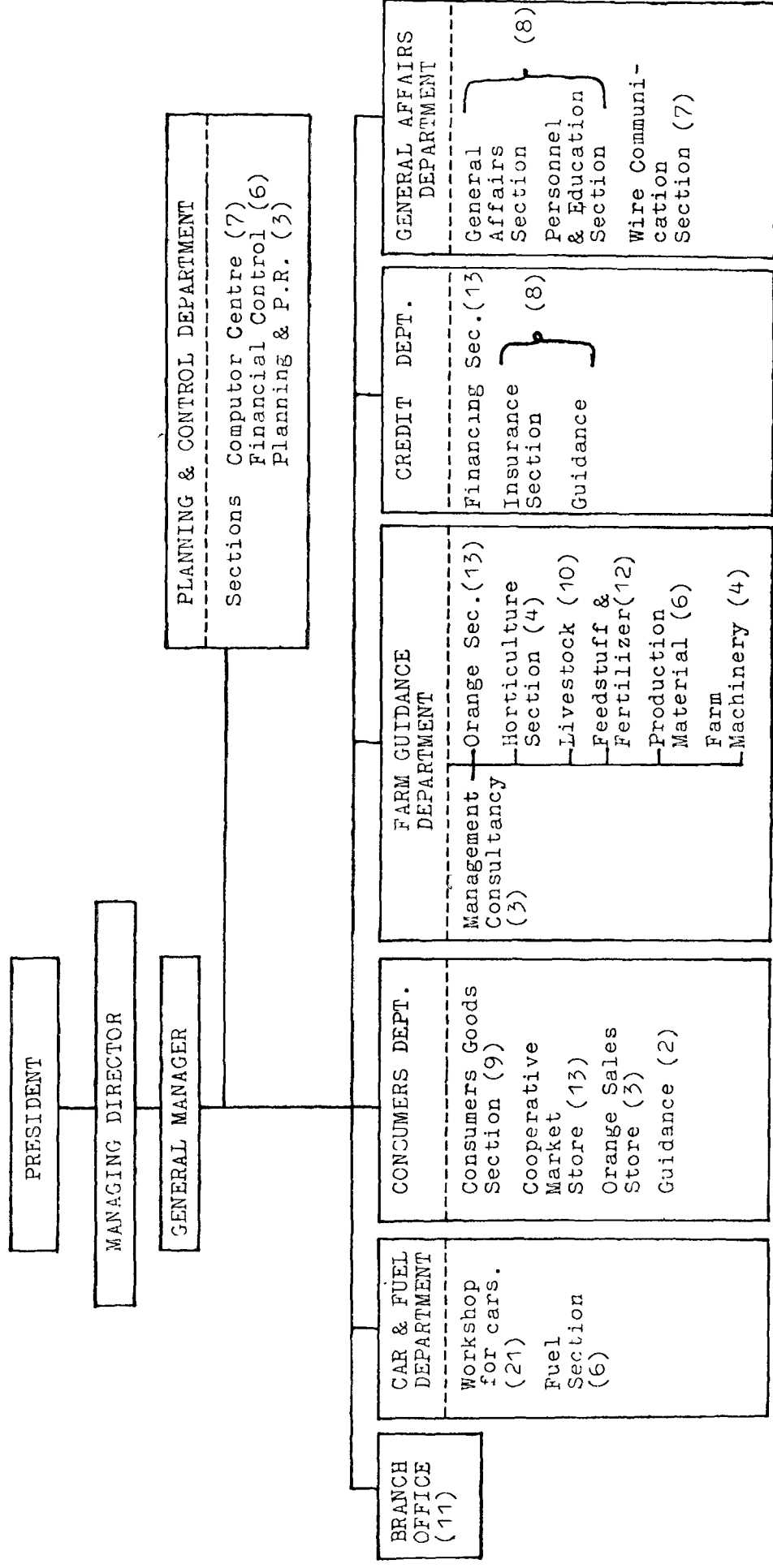
Amount of business (Yen. million)

Savings	3,213
Loans	1,326
Insurance	8,244

ORGANISATIONAL SET-UP OF MIKKABI-CHO AGRICULTURAL COOPERATIVE SOCIETY (JAPAN)

(Position as of April 1 1970)

(Figures within brackets indicate the number of staff members.)



Note: All posts in this chart are occupied by full-time employees who have been groomed within the Society to manage higher positions. The employees are often children or relatives of the members of the Society.



Employees are mostly recruited from the high schools and groomed to achieve higher positions within the Society;

C. Consumers' department has the following sections :

- 1) Consumer goods section (dealing in durable goods) (175 million [§])
- 2) Cooperative Supermarket section (253 million [§])
- 3) Stalls for selling oranges to tourists.
- 4) Home Life improvement advisers.

D. Car and fuel department has the following sections :

- 1) Workshop, including test station (195 million) [§]
- 2) Fuel depots (102 million) [§]

E. General Affairs department functions with the following section.

- 1) General affairs, personnel and education section.
- 2) Wire communication section.

The society has further a planning and control department dealing with the following sections :

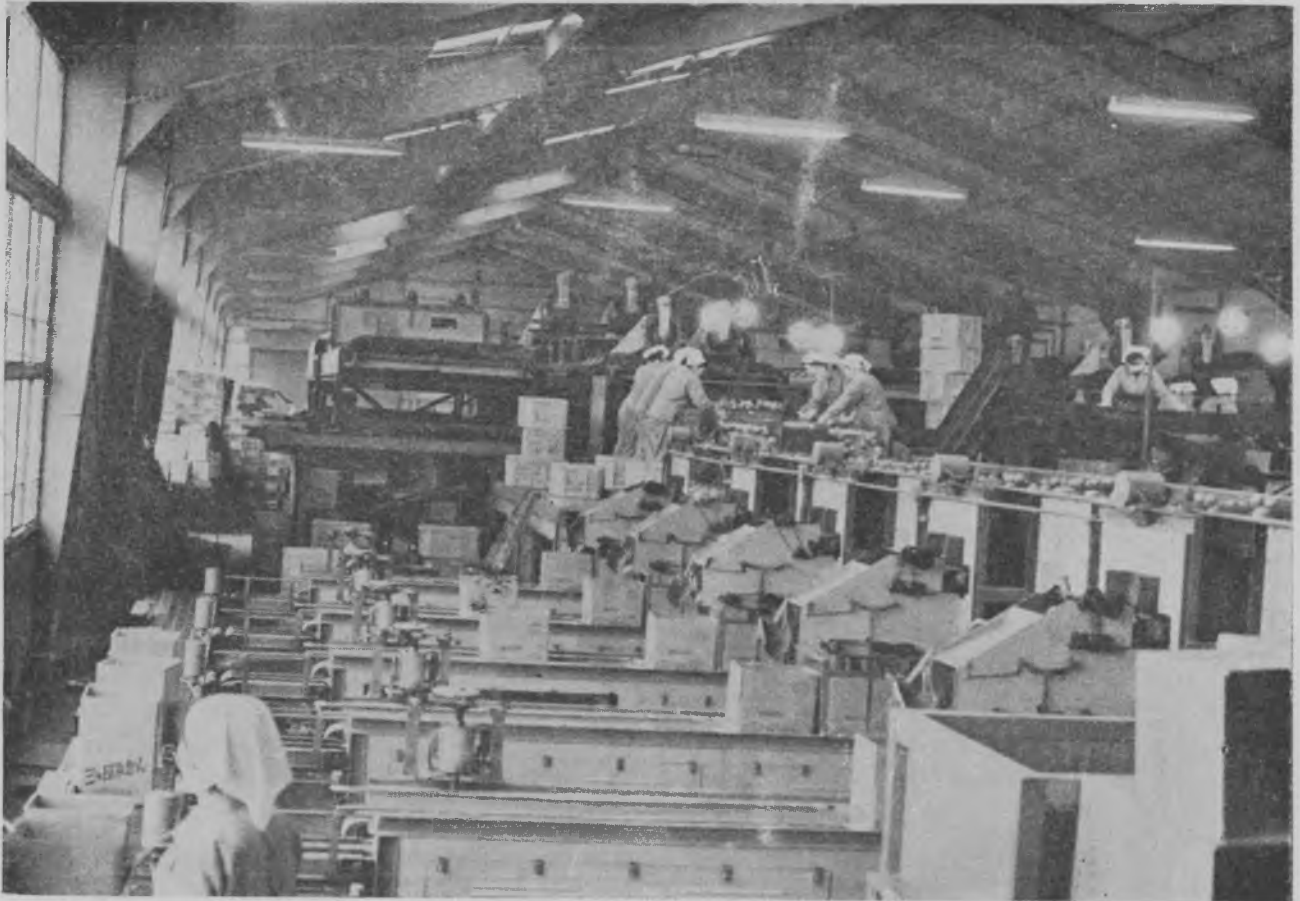
- 1) Financial control
- 2) Planning
- 3) Computer Centre
- 4) Public relations

The society has also recently established Member Consultancy Department which is headed by the General Manager of the society to extend consultancy services on any matters to the members.

The success of the society during the recent years is due to the hard work put in by the employees and the leadership of the society. The management's long-term perspective plans indicate a future rapid growth of the society in the interest of its members. The society, in the years to come, will play a still more important role in the economic life of the farmers and other inhabitants of the Mikkabi area. Another reason for the success of the Mikkabi society is that while planning its present

§ This amount of sales is included in the total supply figures shown under the farm management department.

and future activities, the society starts with the requirements of the individuals and the society's resources are geared to meet the requirements of the individual members not only with regard to the agricultural production and marketing but also with regard to welfare and other cultural aspects and the society is developing towards an Economic, Cultural and Recreation Centre for the entire community.



The members of the Mikkabe Society are mostly orange growers and the Society is operating a big plant for grading, cleaning and packing of oranges.



One of the activities of the Mikkabe Society is insurance business. Here a representative of the Society is discussing insurance plans with a member-family.



Occasionally but in a planned way entertainments such as fashion-shows, tournaments etc. are organised by the Mikkabe Society for its members. Here the local band gives a concert outside the super market.



The Mikkabe Society is also successfully operating a super market to meet the increased demand of consumer goods by its members.



Nada Kobe Society's Head Offices which has a super market (departmental store) in the ground floor.

APPENDIX- F.

AN OUTLINE OF NADA-KOBE CONSUMERS' COOPERATIVE SOCIETY, KOBE
JAPAN

History

The history of Nada-Kobe Consumers' Cooperative Society dates back to 1921 when the late Dr. Toyohiko Kagawa influenced 1,712 householders with his prominent leadership to organize themselves into a consumers' cooperative **society**.

In five decades from then on, mutual cooperation and close co-ordination between the members and workers of the society has made the **society** the largest and the most prosperous among consumer cooperatives in Japan. It serves 221,247 householders including 850,000 people, as its huge "Kitchen".

In Exhibit 1, and 2, its remarkable developments are described.

Principle

Nada-Kobe Consumers' Cooperative Society is a self-governing body maintained and operated on the Rochdale Principles. Its shares are owned by the members at 100 Yen per share, and through the **society** the members **enrich and cultivate** their cultural lives.

Present Standing of the Society:

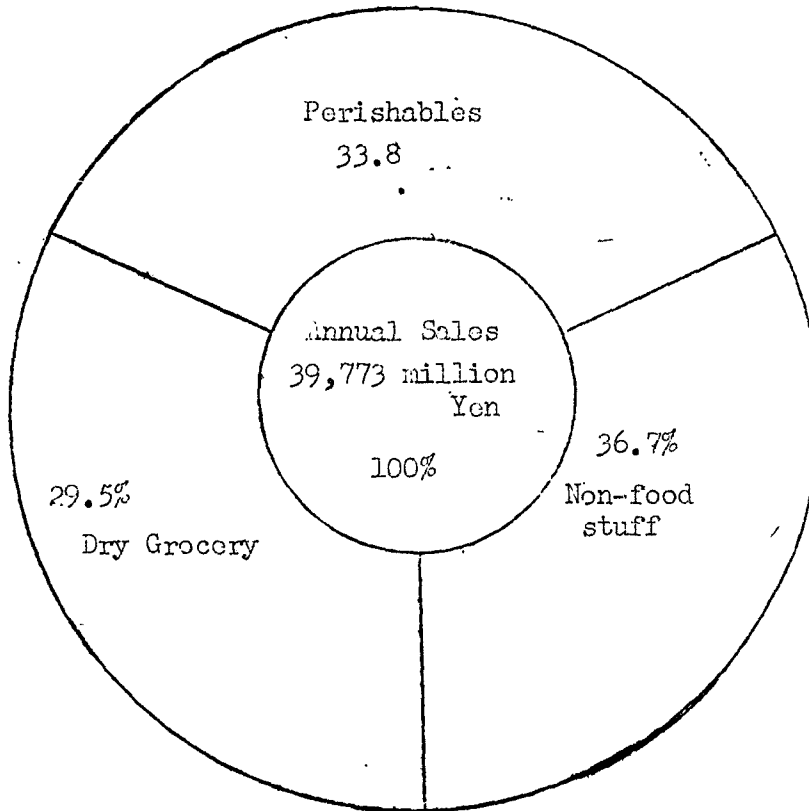
The territory served by the society covers an area stretching 50 kilometres from east to west, and 12 kilometres south to north, embracing 8 cities. The total population of this area is approximately 2,850,000 in 850,000 households.

MEMBERSHIP	221,247 (26% to the total households and 8% to the total population)
SHARE CAPITAL	4,750 million Yen (As of March 31, 1971)
CO-OP BONDS	2,071 million Yen (As of March 31, 1971)
BUILDING AND FACILITIES:	Main Office, Central Warehouse, Cold Storage, 4 Food Plants. 26 Branch Offices, 6 Detached Stores 33 Supermarkets, 36 Dormitories.
NUMBER OF WORKERS:	4,200
ANNUAL SALES	¥ 39,773 million (US \$ approx. 111 million). as of March 31, 1971.

Main Lines of commodities

All sort of foodstuff, woven goods, liquid and solid fuels, hardware and dry goods, and other-daily necessities.

Sales composition by merchandise classification)



Brief Sketch of Supply Activities

815 specially trained "Home Servicemen" are assigned to 26 branch offices scattered over the territory of operation. They visit 90,000 members' homes every other day.

This system is named "Home-Service-System", which is the traditional and unique way of distribution adopted by the Nada-Kobe Society.

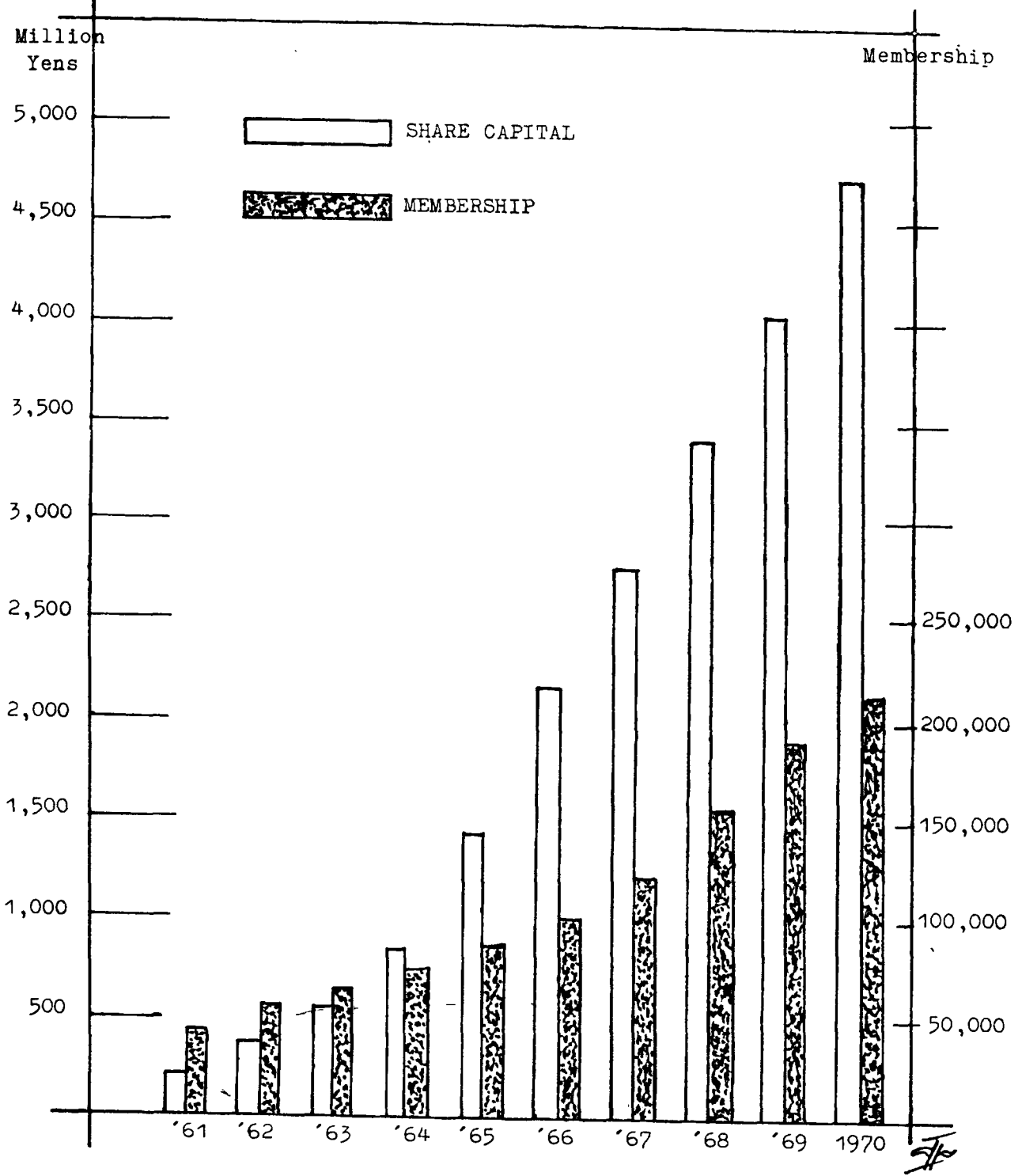
"Home-Servicemen" are not merely salesmen but organizers and preachers of cooperative spirit.

While Home-Service-System supplied nearly 41% of its total supply, 33 supermarkets supply the remaining 59% in a selfservice system.

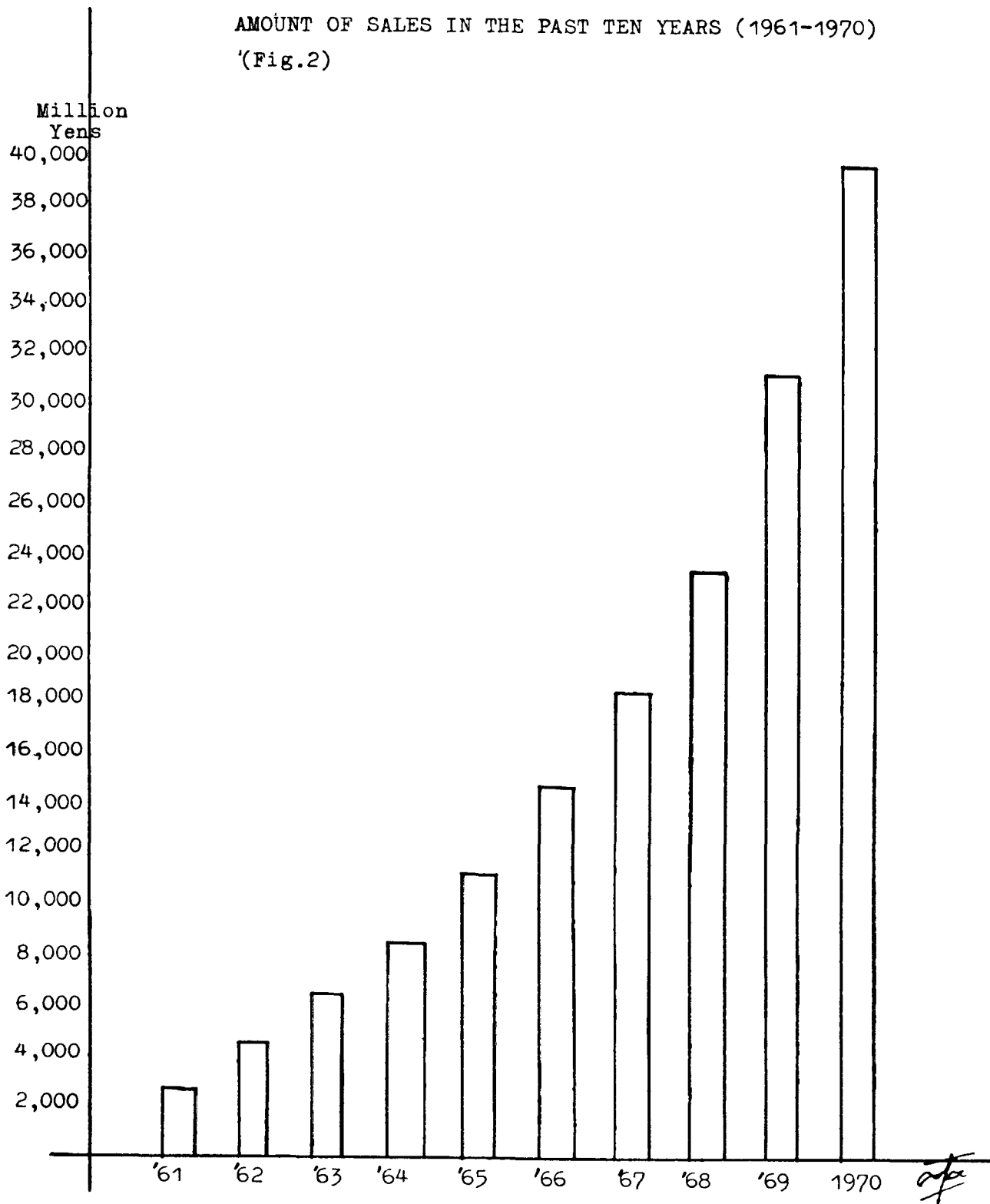


Home service is an effective sale tool in the hands of Japanese cooperative stores. Home service men are seen packing and loading goods before moving out for distribution.

MEMBERSHIP AND SHARE CAPITAL IN THE PAST TEN YEARS (1961-1970)
(Fig.1)



AMOUNT OF SALES IN THE PAST TEN YEARS (1961-1970)
(Fig.2)





In a departmental store in Japan the salesgirls evince personal interest in the customers in helping them to do the shopping. In a self service shop, the cashier plays an important role, as there are very few salesmen in the shop floor. They have to help customers when necessary.

Organization and Education activities

Monthly paper of the society named "Co-operation" is distributed to all members. In addition to 180,000 copies of "Co-operation", unperiodical pamphlets, brochures and bulletins are usually distributed every two days.

In promoting and strengthening the unity of the members, "Buying Council" and "Management Committee" are organized. Their meetings are held once a month for direct and "two way" communication between the members and the society.

Buying Councils More than 60 regular members recommended by the Women's Guild of the society meet once a month to examine the merchandises handled. This Council recommends to the Board of Directors what should be handled ^{by the society} and suggests to the members better use of merchandise through the monthly paper, "Cooperation".

Management Committees At each 45 local offices, (Supermarkets and home distribution centre) Management Committee meets every month attended by the member housewives from each district to discuss all phases of the society's activity.

Production: One of the principles of the Nada-Kobe Consumers' Cooperative is to distribute merchandise from manufacturer directly to consumer.

To meet this principle, the society produces bread, cake, Tofu (Bean curd) and noodle in its own plants that are equipped with the newest machines and the most improved techniques.

Cold Storage

In 1967, the society built the "Cold Storage Centre". The function of this storage is to meet unseasonal demand from the members for seasonal and perishable food items by distributing them at reasonable price throughout the year.

The storage includes a quick-freeze-chamber, equipped with -45°C , and processing room for meat-cutting and packaging.

Expansion programme for enlarging the storage from 400 sq.metres to 1,190 sq.metres will be under way as soon as the new distribution centre is completed in 1971.

Employee Education

Employees of the cooperative society are not only workers but are active cooperators and organizers. So, employee education is extensively conducted at all possible chances.

Regular training courses are :

- Manager course
- Supervisor course
- Foreman course
- Female worker course.

Cooperative School

Nada-Kobe Cooperative School has been in existence for the last 15 years. It provides basic education to employees. The course is of one year's duration. Courses of the school consist of :

- History of cooperative movement
- Salesmanship
- Sociology
- Economics
- Accounting
- Store Operating Technique
- Human Relations etc...

Women Movement

In consumers' cooperative movement, distribution and women's activities are fundamental like the two wheels of a cart.

Women's Guild has been active in research, studying, teaching and helping each other for the betterment of daily life.

Research groups on "Clothing", "Dwelling", "Food and Cooking", "Current Prices", "Home-Economics" are ceaselessly working. Women's Guild also carry out a variety of educational programmes such as "Dress Making", "Cooking", "Wood-Carving", "Flower Arranging", etc.



Women's activity in the Nada Kobe society.



Some of the items before putting on sale, undergo the necessary testing in a consumer cooperative society in Japan of the housewives as a part of member activity.

A Co-op Centre (7 storey building) was gifted by the Nada-Kobe Society to its members on its 50th anniversary. In this Co-op Centre all facilities for member activities are provided. The Centre and its activities are administered by the Women's Guild of the society.

Testing Room

Mostly all food items in recent Japanese market are processed to some extent. The problem is that in this process, artificial colourings or chemical preservatives, both of which might jeopardize human health, are added.

The testing room of the Nada-Kobe society is the first laboratory in Japan established by the consumers to bring about numerous informative results. In close collaboration with the "Ka-tei-Kai" (Women's Guild), the testing room collects valuable information.

Seikyo-so (Co-operative Villa)

Seikyo-so was built on the famous beach of Awaji-island in 1963. The villa facing Kobe and Osaka cities ~~across~~ Osaka Bay can accommodate 100 guests.

A four-storey white building surrounded by pine trees offers the member of the society most joyous satisfaction and relaxation.

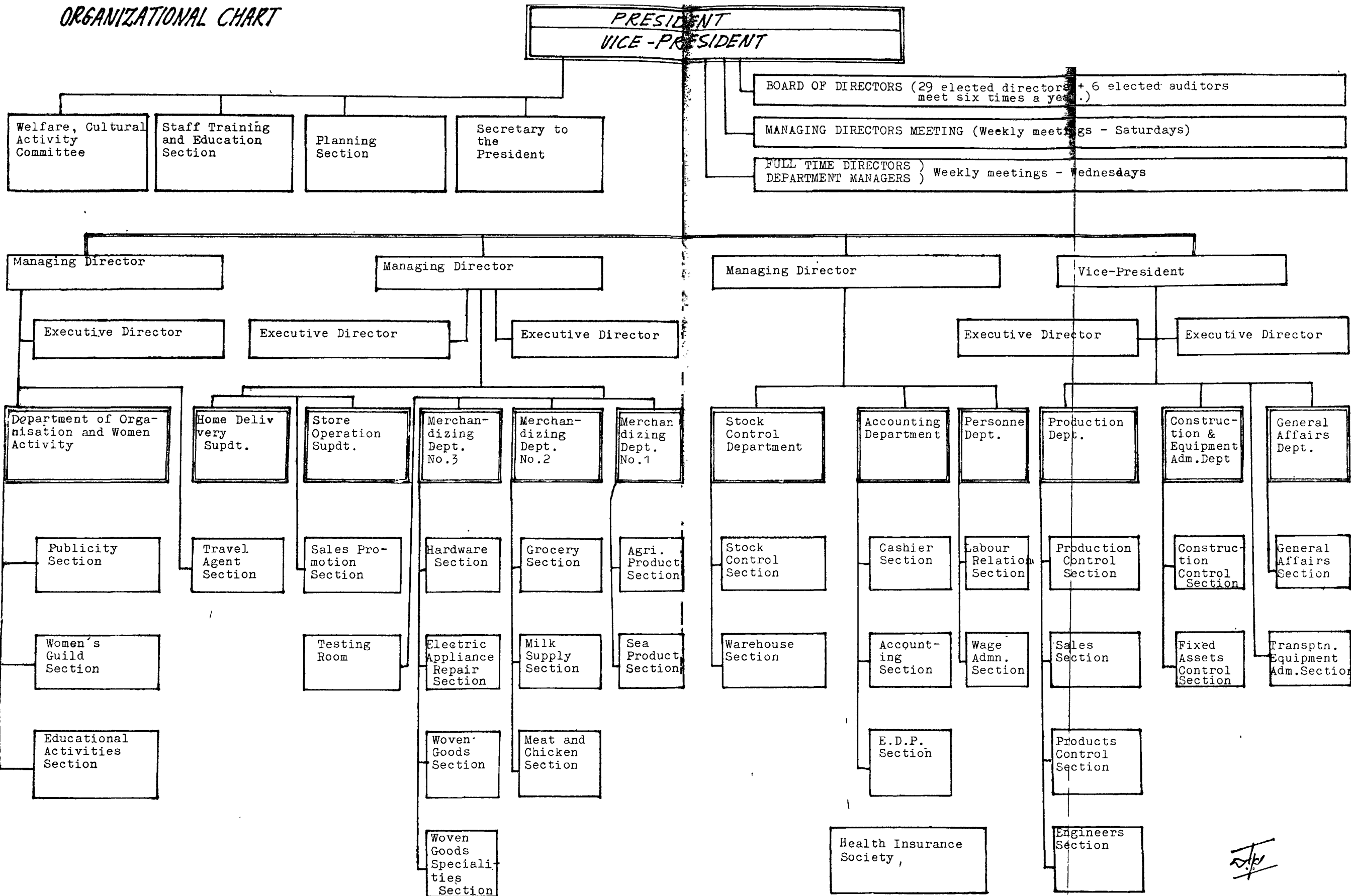
This society is the licenced Travel Agent in both domestic and overseas travel. As its popularity grows, the Travel Agency remains quite busy to serve all demands and inquiries from the members and the employees.

Cooperative Cemetery

"From Cradle to Grave" is a well-acquainted phrase symbolizing ideal society for human life. But the fewer realized this intrinsic hope in spite of men's endless aspiration.

This phrase, however, is no longer only a word of "hope" in this society. A Cooperative Cemetery was built in 1958 and 568 cooperative friends are now buried together at the cooperative cemetery located on a hillside in Ashiya city.

ORGANIZATIONAL CHART



[Handwritten signature]

REGIONAL SEMINAR ON SHOP PLANNING AND SHOP MANAGEMENT
TOKYO, JAPAN, 7th MAY TO 23rd MAY, 1971.

Place Tokyo, Japan
Dates: 7th to 23rd May, 1971
Participants: 22 (+ 3 Japanese)

I. Pre-course Information

1. How was the introductory information you received in your home country about ?

	<u>Suffi-</u> <u>cient</u>	<u>Not suffi-</u> <u>cient</u>	<u>missing</u>	<u>no</u> <u>answer</u>
a) The aim of the course	16	3		
b) The content of the course	16	3		
c) The level of the course	16	3		
d) The study literature	14	5		
e) Your host country in general	14	5		
f) Cost of living	9	8	1	1
g) Climate	17	2		
h) Personal belongings to bring to the course.	15	3	-	1
	<u>117</u>	<u>32</u>	<u>1</u>	<u>2</u>

2. Was there any other information that you felt should have been included?

Yes 4
 No / 15 = 19

If yes, what kind of information would you want to have had included?

Comments: The 4 delegates wanted to have additional information about the seminar with regard to (a) cost of living, (b) objectives of the seminar, and (c) some Japanese words.

3. How far in advance did you receive the information material?

(a) 0-1 week	7	(e) more than one month	-
(b) 1-2 weeks	3	(f) not received	1
(c) 2-3 weeks	7	(g) no answer	1
(d) 3-4 weeks	-		<u>1</u> = 19

4. How long in advance would you have liked to receive pre-course information?

(a) 0-1 week	-	(d) 3-4 weeks	10
(b) 1-2 weeks	3	(e) more than one month	1
(c) 2-3 weeks	4	(f) No answer	<u>1</u> = 19

Comments: Q. 3&4. As can be seen from the above two questions, most of the delegates wanted to have precourse information 3 to 4 weeks in advance. While in the case of this seminar 7 got the information 2-3 weeks in advance and 10 received it lesser than 3 weeks in advance.

This again stresses upon the necessity of the sponsoring organisations to nominate their delegates in time so that it is possible to send out necessary precourse information. It is to be noted that those who got the precourse information less than 2 weeks in advance are those from the countries where the sponsoring organisation made a late nomination.

II. Social aspects of the course

5. Did you receive any systematic introduction to your host country in general, their way of life, customs and habits etc. after your arrival?

- | | | |
|-----------------------------------|-----------|------|
| (a) Yes | 6 | |
| (b) No, and I didn't want any | 2 | |
| (c) No, but I would have liked to | <u>11</u> | = 19 |

6. Did you attend a training course in the language of your host country?

- | | | |
|-----------------------------------|----------|------|
| (a) Yes | 4 | |
| (b) No, and I didn't want to | 6 | |
| (c) No, but I would have liked to | <u>9</u> | = 19 |

Comments: Q. 5 & 6. No systematic introduction to the host country was given in the seminar other than through the precourse information and through booklets about Japan distributed but it is to be noted that 11 out of the 19 delegates replying to question No.5 wanted to have such introduction to the host country as a part of the seminar.

7. What is your opinion about your accommodation?

Satisfactory 19 Not satisfactory

If not satisfactory, what objections did you have?

8. What kind of accommodation would you have preferred if given a free choice?

The same as was given	18	
Hotel	<u>1</u>	= 19

9. Did you have any social and practical problems?

- | | | |
|------------------------|-----------|------|
| (a) No. problem at all | 13 | |
| (b) Minor problems | 6 | |
| (c) Serious problems | <u> </u> | = 19 |

What kind of problems did you meet ?

1. Problems of seeing other places due to **transport difficulties** = 2
2. Language difficulty = 4

Comments: Q. 7,8 & 9. The 19 delegates replying to question No. 7, all were satisfied with the accommodation and 18 out of the 19 delegates would have selected the same accommodation as was given had they been given a free choice.

13 out of the 19 delegates replied to question No.9 that they had no problem at all while 6 had minor problems. 4 out of these 6 had minor problems which referred as 'language difficulties'. The other 2 reported that they had problems of seeing other places due to transport difficulty'.

10. Did you receive assistance from the course staff to deal with practical and social problems?

(a) Sufficient	17	
(b) Not sufficient	-	
(c) No answer	<u>2</u>	= 19

Comments: As can be seen from the reply, the participants were satisfied with the assistance given from the course staff.

11. How was, in your opinion, the amount of the following :

(a) Social events and activities

(i) Too many	-	
(ii) Just right	15	
(iii) Too few	<u>4</u>	= 19

(b) Contact with colleagues from your host country

(i) Too much	-	
(ii) Just right	13	
(iii) Too little	5	
(iv) No answer	<u>1</u>	= 19

(c) Contact with other citizens of your host country?

(i) Too much	1	
(ii) Just right	7	
(iii) Too little	9	
(iv) No answer	<u>2</u>	= 19

If you feel too little had been done, suggest additional social activities that you would have appreciated.

Comments: From question 11(a) & (b) one can observe that by and large the delegates were satisfied with the number of social events and activities organised as well as contacts with the colleagues from the host country.

From question 11 (c), 9 out of the 19 delegates wanted to have contacts with other citizens of the host country and 7 out of these 9 reporting too little contacts wanted to visit Japanese families and two wanted to have more organised sight seeing tours.

III. The content of the course

12. What is your opinion about the duration of the course?

Much too long	0	
Too long	1	
Just right	14	
Too short	3	
Much too short	<u>1</u>	= 19

Comments, if any More details = 1 One week long = 3

14 out of the 19 participants felt that the duration of the course was just right while 3 wanted to have it approximately one week longer.

13. How do you consider the size of the group of participants?

Too large	1	
A convenient number	18	
Too small	<u> </u>	= 19

Give whatever comments you may have on the composition of the group of participants (e.g. as to number of countries represented, educational background, language problems).

Group of 6 from one or two countries	= 1
Specialized participants	= 1
Some language difficulties	= <u>3</u> = 5

Comments:

One can observe that 18/19 of the delegates replying felt that the group was a convenient one while one felt that the group was too large and wanted to have a group of 6 with participants from one or two countries only. One participant also wanted to meet participants with more specialisation and 3 participants reported that there was some "language difficulty" among the participants.

14. What did you think of the level of the course?

Much too high	-
Too high	-
Just right	19
Too low	-
Much too low	-

Comments, if any

All the participants felt, as can be seen from the above, that the level of the course was just right.

15. How do you rate your own standard of proficiency in relation to that of the other course participants?

Much above average	3	
Slightly above average	3	
Average	7	
Slightly below average	2	
Much below average	1	
No answer	<u> </u>	= 19

Comments, if any:

The observation from question 15 indicates that 7 of the participants felt that their proficiency in relation to other participants was average, while 6 mentioned above average and 6 reported below average. However, keeping in view the differences in the development of consumer cooperatives in the various countries of the Region, the nomination of the participants was satisfactory.

16. Do you think that the general character of the course should have been

More theoretical	-
More practical	15
No changes	<u>4</u> = 19

If changes would have been desirable, please explain why:

Study visits = 4

Shorter introduction, more discussion = 1
out

Comments: 15/ of the 19 delegates replying to the question wanted the course to be more practical while 4 reported no changes. 4 of the participants wanted to have more study visits while one stressed on shorter introduction and more discussions.

17. What subjects (or aspects of the course did you find most valuable?
State why :

Member activities	7	Sale Management	2
Sales planning	1	Standard of the Consumer	
Long-term plans	4	Cooperatives in the region	1
Personnel Management	3	Standard of the Consumer	
Feasibility Studies	1	Coops. in western countries	1
Multipurpose approach	1	Study visits	4

Comments : 7 Delegates on question 17 expressed that the most valuable aspect of the course was that related to member activities while 4 felt that longterm planning was most interesting aspect, etc.

The reply on question 17 is to be viewed in the context of difference in development in the various countries of the Region as well as general negligence by cooperatives in the Region on matters related to member activities while the Japanese movements have successfully involved the members in the society's activities.

18. What subjects (or aspects of the course did you find least valuable?
State why:

All subjects valuable.

Comments: All the participants felt that all the subjects included in the seminar were valuable.

19. Were there, in your opinion, any relevant subjects (or aspects that were not adequately covered in the course:

Yes	5
No	<u>14</u> = 19

If yes, what did you miss?

Role by Prefectural Federation	= 3
Inventory Management	= 1
Sales Management	= 1
Personnel management	= 1

Comments: 14 participants felt that all the subjects were adequately covered while 5 wanted to have more information. 3 of these 5 participants wanted to have more information about Prefectural/State level Federations. The others wanted to have more detailed information about inventory management, sales management and personnel management.

20 How was, in your opinion, the amount of the following?

(a) Lectures

Too many	= 1
Just right	=17
Too few	= 1
No answer	= - = 19

out
17/of the 19 participants felt that the lectures given were just right while one felt that there were too many and one expressed these were too few.

Least valuable	None
----------------	------

(b) Study Visits

Too many	-
Just right	=14
Too few	= 3
No answer	= 2 = 19

Which study visits did you find most valuable.	All Study Visits.
--	-------------------

least valuable	None.
----------------	-------

Suggest other study visits that might have been of value:

The comments on the study visits were as follows :

More time to study in detail	1
Prefectural level	2
Manufacturers units	1
Wholesaling business	1
Private competitors	1

Comments: 14 of the delegates replying to question 20(b) felt that the study visits were just right while 3 felt they were too few. All the study visits were very useful, the delegates reported,

21. How was, in your opinion, the quantity of prescribed study literature?

Too great	2	
Just right	16	
Too small	-	
No answer	<u>1</u>	= 19

out

Comments, if any : 16/ of the 19 participants felt that the quantity of the study literature prescribed was just right. One did not reply, while 2 felt that the study literature was too great.

22. State your opinion about the choice of study literature ?

Very good	9	
Good	7	
Fair	-	
No answer	<u>3</u>	= 19

Comments, if any : Regarding choice of study literature, 9 reported it was very good, 7 reported good, while 3 gave no answer.

23. What books did you find most valuable? State why.

a. All books	9
b. Distribution of Consumer Goods through Coops. in Japan.	= 5
c. Perspective Planning in Retailing	= 3
d. Consumer Cooperatives in the Rep. of the Philippines	= 1
e. Sale a Profile	= 3
f. Modern Cooperative Law	= 1
g. No answer	= 3
h. What books did you find least valuable? State why.	= None

Comments: 9 delegates reported that all books were most valuable, 5 reported that Distribution of Consumer Goods in Japan was most valuable, etc. None of the delegates was of the opinion that any book was least valuable, and none of the delegates suggested that other books are to be included in the course.

Suggest other books that ought to be included in the course: None

24. Did you find the available reference literature?

Sufficient	16	
Not sufficient	-	
No answer	<u>3</u>	= 19

out

Comments: 16/ of the 19 participants felt that the reference literature distributed was sufficient while 3 gave no answer.

If not sufficient, did you discuss this problem with the course staff?

25. How did you find the standard of the instructors (teachers, tutors, lecturers)?

Very good [§]	= 5
Good [§]	= 4
Satisfactory [§]	= 4
Well explained [§]	= 3
No answer	= <u>3</u> = 19

Comments: Question 25 indicates that the participants were satisfied with the standard of the lecturers. 8 participants commented that there were minor language problems.

Note: [§] These expressions were used by the participants while answering the question.

26. Did you have sufficient time for an informal, professional exchange of views with your fellow course participants?

Yes	= 17
No	= 1
No answer	= 1

Comments, if any

17 out of the 19 delegates reported that they had sufficient time for informal and professional exchange of views with fellow course participants. One participant reported that he had not sufficient time and felt that the schedule was tight and that he needed rest after the lectures.

27. How much benefit did you derive from that exchange of views on the course content?

A great deal	= 10
Much	= 9
Some	= -
Little	= -
None	= <u>-</u> = 19

Comments: 10 participants reported that they benefited a great deal from such exchange of views with fellow course participants and 9 participants reported that they were benefited much.

28. Did you find the content of the course in accordance with the information received in advance ?

Yes	= 15
No	= -
No answer	= <u>4</u> = 19

Comments: 15 participants felt that the course was in accordance with the information received in advance while 4 did not give any reply.

IV. Relevance and applicability

29. Do you find the aim of the course relevant to the situation in your country?

To a very small extent	= -
To a small extent	= -
To a sufficient extent	= 8
To a great extent	= 6
To a very great extent	= <u>5</u> = 19

Comments, if any : On the relevance and applicability of the course, 8 participants reported that it was relevant and applicable to a sufficient extent, 6 to a great extent and 5 to a very great extent.

30. Do you find the content of the course relevant to conditions in your country?

To a very small extent	= -
To a small extent	= 1
To a sufficient extent	= <u>11</u>
To a great extent	= 4
To a very great extent	= <u>3</u> = 19

Comments, if any : On the question regarding relevance of the course contents to the condition in the participants' countries, 11 reported that it was relevant to a sufficient extent, 4 to a great extent, 3 to a very great extent while one reported to a small extent.

The participant reporting to a small extent was a participant representing a country in which the distribution of consumer goods by cooperatives is not much developed. Also this participant is not directly involved in cooperative business activities.

31. Is it, in your opinion, preferable to hold this course in :

This country and this place	= 16
This country but another place	= 2
Your country	= 1
Another country	= - = 19

If you feel that the course should be held elsewhere, please state where and why :

Comments: 16 participants reported that it was preferable to conduct this seminar in this country at this place, while 2 wanted to have the seminar in this country but in another place and one recommended his home country.

32. Do you feel that your participation in this course has made you more qualified professionally?

To a very small extent	= -
To a small extent	= -
To a sufficient extent	= 12
To a great extent	= 4
To a very great extent	= <u>3</u> = 19

Comments: 12 participants felt that through the participation in this course they had to a sufficient extent been more professionally qualified, 4 indicated to a great extent while 3 to a very great extent.

33. Do you feel that the increased qualifications you may have acquired in the course will be duly recognized in your home country?

Yes	= 13
No	= <u>6</u> = 19
No answer	-
If no, state why:	

Comments: 13 participants felt that they had acquired increased qualifications through this course and it would be duly recognised in their home country while 6 participants gave no reply.

34. Do you feel you will have an opportunity to apply your increased knowledge in your home country?

To a very small extent	= -
To a small extent	= -
To a sufficient extent	= 8
To a great extent	= 8
To a very great extent	= <u>3</u> = 19

Comments, if any: 8 participants reported that they would have an opportunity to apply their increased knowledge to a sufficient extent in their home country, 8 reported to a great extent and 3 to a very great extent.