

REPORT
OF
THE ICA REGIONAL SEMINAR ON
ORGANISATION & FINANCING OF
CONSUMERS COOPERATIVES

ICA
New Delhi

ICA Library
334.5(5)(063)
ICA 00879

REPORT

OF

THE ICA REGIONAL SEMINAR ON ORGANISATION & FINANCING OF

CONSUMERS COOPERATIVES

held at

Bangkok (Thailand)

June 10-22, 1963

INTERNATIONAL COOPERATIVE ALLIANCE

11 Upper Grosvenor Street
London W.1.
England

Education Centre & Regional Office
6 Ganning Road, New Delhi-1
India

International Cooperative Alliance
Education Centre
6 Conning Road
New Delhi.1 India

ICA REGIONAL SEMINAR ON ORGANISATION & FINANCING OF CONSUMER COOPERATIVES

Bangkok (Thailand) June 10-22, 1963

REPORT

Introduction

A regional seminar on Organisation and Financing of Consumer Cooperatives was organised by the International Cooperative Alliance Education Centre in collaboration with the Ministry of National Development, Government of Thailand, in Bangkok between June 10 and 22, 1963. Representatives from Ceylon, India, Japan, Pakistan, Singapore, Federation of Malaya, and Thailand, and observers from Food and Agriculture Organisation of the United Nations, International Labour Organisation, and International Confederation of Free Trade Unions participated in the Seminar.

The Seminar was inaugurated by His Excellency Phra Prakas Sahakorn, Minister of State for National Development, Government of Thailand. Representatives from United Nations Commission for Asia and Far East, FAO, ILO, UNESCO and the Ministry of National Development, Government of Thailand, took part in the inaugural session.

Besides the ICA staff, three guest lecturers participated in the Seminar. Mr M.R. Bhide ICS, Secretary to the Government of India, Ministry of Community Development, PR & Cooperation; gave two introductions, one on Optimum Size of a Society and the other on Management Structure. Mr Lampoon Savigamin, Chief, Consumers Cooperative Division, Ministry of National Development, Government of Thailand, gave an introduction on Cash Trading. Mr M.N. Kaka from India introduced the subject "Line and Quality of Goods Handled".

A list of the participants and observers to the Seminar and the programme are attached at the end of the report.

ICA Education Centre
6 Canning Road
New Delhi.1 (India)

ICA Regional Seminar on Organisation and
Financing of Consumers Cooperatives: Bangkok
June 10-22,1963

REPORT

Growing Need for Consumers Cooperation

The countries of South East Asia are presently passing through a phase of economic development which is associated with fast urbanization, industrial growth, and more stress on a monetary economy. Increasing proportions of the population are becoming literate. Although the bulk of the population is found in the rural areas and is dependent on agriculture, the more educated groups are attracted to the urban areas.

With monetization of economy, retail trade activities gain in importance. In several South-East Asian countries, the private retail trade agency does not offer proper goods or the services required by the consumer. The private retailer often sells adulterated goods, some of which endanger the health of the consumer. In addition to this, many instances were cited to show other malpractices practised by the private trader. Among these can be mentioned shortweights and excessive pricing, particularly in periods of scarcity. In many South-East Asian countries there are large scale manufacturing enterprises which have some monopolistic control over the market and can fix retail prices at levels which are not advantageous to the consumers. In many instances producers have created vertical cartels extending their tie control in price fixation upto wholesale and retail organisations. Prices, thus, tend to remain at excessive levels.

To correct the deficiencies of the private trade as a retail distributive agency during the present stage of economic growth when cash incomes are increasing for large groups of population, the need for developing consumer cooperative movement is very great indeed. Such a movement would restore healthy competition in the distributive trade, check arbitrary price-raising and sell unadulterated goods to its customer-members. The profits accruing from retail trade business would, in the case of a consumer cooperative society, be utilised for its long-term development, as also passed on to the members on the basis of patronage.

Experiences of advanced movements show that the decisive factor in the development of the movement has often been the creation of a strong central wholesale organisation. It may be difficult for consumer cooperatives to compete with private traders if they confine themselves to the retail field only. But if cooperative societies can enter the wholesale field, and utilise the wholesale

margins for strengthening their capital resources, the movement is much more likely to be successful as a competitive force in the distributive trade. Eventually, the consumer cooperative movement ought to enter the production field as well, and thereby guarantee a steady supply of standardized high quality products in the cooperative shops.

Among the consumer problems to which the cooperative movement has primarily to attend, consumer education can be mentioned. The cooperative movement must teach its members to weigh price against quality, and teach them the principles and advantages of Cooperation. A well-devised member education programme is a very important activity of a consumer cooperative movement.

In order to protect the consumers from the monopolistic disadvantages and retail trade malpractices, an extensive programme of consumers protection is desirable. Such consumer protection could be implemented by adequate legislation and development of consumers associations. The role of the consumer cooperative movement in such activities cannot be overstressed. In many countries the consumer cooperative movement has initiated various consumer protective activities which have subsequently been taken over by government agencies. The cooperative unions have also participated actively in the formulation of laws affecting the interests of consumers. Cooperative education aiming at enlightening the consumers and making them quality conscious should be one of the important activities of the movement. The main role of the consumer cooperation is to unite consumers into a strong organisation which could act as a pressure group and, much more important, to provide alternative channels of supply.

Importance of Cash Trade

Much of the retail trade in South-East Asia is carried on credit basis. This results in a kind of bondage of the customer to his retailer. The customer, who has once taken credit from the retailer, usually finds it difficult, to repay his debt on account of his limited income. As long as he remains indebted and has no cash to pay for his actual purchases, his source of purchases remains strictly limited to the retailer who has agreed to extend credit to him. The retailer, thus assured of his customer tends to take advantage of the situation by charging higher prices and selling inferior goods. A very important task of consumers cooperatives is to free the consumers of such credit slavery. This is one of the important reasons why consumers cooperatives have adopted the principle of cash trading. The habits of credit buying, however, are difficult to check without an intensive member education programme. Other methods to bring within reasonable limits the problem of credit sales, is a system of purchase deposits. .. The interest on shares and patronage dividend accruing to a member at the end of the year might be credited to his account in the society, thus enabling him to obtain purchase deposit without any cash payment. Collaboration between consumer cooperatives and wage earners' thrift and loan societies could be introduced, whereby the thrift and loan societies advance money to the consumers, for their purchases. Once the practice of cash trading has been adopted, it will bring with it important advantages. The capital of the society will rotate at a much faster rate. The society will be able to buy its own supplies in cash, whereby it will be independent in choosing its sources of supply. The individual member will learn to plan his household economy in a better way. Experiences of the early stages of consumer cooperative movement in Sweden show that the three main reasons for failure in cooperative societies

were inefficient management, bad organisation, and credit trading.

Problems of Leadership

To develop successfully the consumer cooperatives must work out means by which indigenous leadership can be developed. Efficient and devoted leadership both for positions as elected representatives and full-time employees is a pre-condition for the successful running of the consumers cooperative societies.

Usual sources of cooperative leadership in South-East Asia are government departments and groups of political leaders. This has not been an ideal state of affairs because government officers sometimes lack the commercial training and background which is necessary for successful running of consumer cooperative societies. It is of utmost importance to ensure that cooperatives are not used by political leaders to further party interests or personal political gains. Alternative sources from which cooperative leadership might be recruited are professional people such as lawyers, chartered accountants, school teachers, university professors and able business people from particular trade communities, existing in the South-East Asian countries. There is a risk that people recruited from trading communities might be interested in their own group interests rather than in the interests of the cooperative society. Therefore, even if they are good business managers, it may not be advantageous to involve them in cooperative leadership positions.

Women have an important role to play in the consumer cooperative movement since women are the planners of household economy and thus responsible for most of the household purchases. In Japan, and other developed countries, women have proved to be able and efficient leaders in cooperative activities.

It is not enough to note from where the leadership for cooperative societies can be drawn. It is also necessary to train prospective leaders. Various methods of training can be utilised. In-the-job-training has proved to be very efficient method. Study circles and correspondence courses must also be considered, not to forget about residential courses. To prepare large groups of the population for cooperative activities, it would be advantageous to introduce cooperative subjects in the curricula of primary and secondary educational institutions.

Open Membership

In South-East Asia the practice of closed consumer cooperative societies consisting of employees in a certain undertaking is very common. Such societies may render improved services to their members in a limited way. Their main draw-back is that they cannot grow above a certain size. Due to limited size, such societies often face difficulties in respect of capital formation, and hence are not in a position to take advantage of low purchase prices resulting from large-scale purchases. The principle of Open Membership is thus very important for the consumer cooperative movement from the point of view of its growth, and advantages of large scale operations. It is therefore important that the

principle of Open Membership is not restricted by economic barriers. The principle implies that anybody, irrespective of race, religion, caste or political creed may become a member. Thereby the consumers' society has an appeal for the whole population and not only a group or fraction. In order to enable ordinary persons to become members, share values should be of low denomination.

Capital Formation and Role of Patronage Dividend

To carry out successful business activities, cooperatives need substantial amounts of capital. Rapid capital formation is necessary to enable the consumers cooperative society to expand its business, to enter into other activities, and to participate in the creation of a wholesale society. The building up of internal capital, comprising of shares, reserves, and member deposits, is of crucial importance in facilitating growth of cooperative business. Internal capital secures independence of the society which will be free to act with only the aims of securing maximum possible benefit for the member-consumers. Self generated capital is also much cheaper to the society than borrowed capital. A society which mainly relies on its own capital will, therefore, be more competitive, as its cost structure will be lower.

A pre-requisite for internal capital formation is the creation of surplus out of the business activities of the society. The prices charged by the society must allow for such surplus formation. Formulation of an appropriate price policy, and efficient business management are the two important factors affecting the creation of surplus. The surplus will thus consist of payment of prices by the members of the consumers cooperative which are above cost. Part of the surplus could be used in building up reserves and the rest as patronage dividend depending upon the decision regarding long term growth of the society and immediate benefit to the members. In the movement where an active price policy is pursued and immediate price benefits are given to the consumers, patronage dividend plays an important role in the capital formation. In Sweden the patronage dividend accruing to a non-member, who has become a customer of a consumer cooperative society is credited to his share capital account. Thus a customer by trading with the society can automatically become a full-fledged member. This practice enables the society to acquire additional membership and capital without forcing new members to make cash payments to acquire a share.

The consumer cooperative organisation is mainly formed to cater to the needs of the consumers. It is not an organisation of capitalists who wish to invest their money in a profitable way. It is, therefore, natural that a large part of the surplus created in a consumer cooperative society is distributed among members according to the size of their purchases or used to build up capital resources. Interest on share capital is thus limited as a rule at a rate similar to that offered on fairly long-term deposits with savings banks. To avoid excessive influence of one or a few individuals in a consumers cooperative society the maximum share holding for each individual member is also limited.

The share capital and the reserves accumulated in the reserve fund often prove insufficient for the necessary operations. Many consumer cooperative movements have adopted methods, whereby the members contribute more than mere share capital. A method adopted in North America is that of the revolving fund by which the patronage dividend or part of it accruing to a certain member is not paid out in cash immediately, but remains with the society for a limited number of years. During this period the society can utilise this capital for its current needs. Some other movements have adopted a system of family savings. According to this method, part of the patronage dividend, accruing to a certain member, is credited to a long-term deposits account of the member with the society. The money can be withdrawn from ~~this~~ account only after a member has reached 65 years or if he suffers from a severe illness or if he, or any member of his family dies. Thus the family savings are an insurance for the members as well. All these methods are devised to increase the internal working capital of the consumers cooperative organisation.

In some South East Asian countries, governments make important contribution towards capital in newly-organised consumers cooperative societies. Such shares or loans are often given on favourable terms. A method should be worked out, whereby such societies gradually replace the government capital with self-generated capital, so that they eventually gain full independence.

Size of Society

There are several ways to measure the size of a cooperative society. The most usual would be: 1. Number of members, 2. Capital resources, 3. Turnover, 4. Number of shop outlets, and 5. Geographical area covered by the society's operations.

During many years there has been a vivid discussion among cooperators in a number of countries regarding the optimum size of society, but it has not been possible to reach any general conclusion, which would be applicable to all cases. The advantages of small and large societies respectively are listed below:

Small Societies

1. Better relationship between staff and customers,
2. Cheaper and easier management,
3. Honorary work is possible,
4. Direct member participation is possible,
5. Easier to implement democracy.

Large societies

1. Ability to employ skilled staff,
2. Ability to arrange education and public relation effectively,
3. Ability to go into production or to influence producers,
4. Ability to make bulk purchases at lower costs,
5. Ability to withstand temporary set-back, because of more substantial reserves,
6. Facilitates capital formation,
7. Ability to adopt active price policy.
8. Better promotional facilities for staff.

In some of the industrialized countries investigations have been made to find out the economic efficiency of societies of various sizes. These investigations, as well as actual trends, are very much in favour of large scale societies. In the United States of America new societies are not started unless they have a very large membership and substantial paid up share capital. In Sweden where some 500 societies exist, the Cooperative Congress suggested that they should be merged, so that within a ten year period there would be only 100 independent large-scale societies. In Denmark, there is an argument for creating one single nationwide consumer cooperative society. Thus the general trend is towards larger and larger societies.

The question of internal and external economies should be carefully considered in a discussion on size of the primary society. In some cases, where there are important reasons for maintenance of small societies, creation of a very strong wholesale with far-reaching influence and functions may offset the economic disadvantages of the small units. In such a situation the wholesale society will take over a larger number of tasks for which it is better suited because of its size. In such a case small primary societies will be highly dependent on the proper functioning of the wholesale.

In the urban areas of South-East Asia, large-scale societies would probably be a better economic choice. When a small society is created, it should be ensured that its growth is facilitated to the largest possible extent. The ultimate aim wherever practicable would be to have one city-wide primary cooperative in each metropolitan area, with a large number of outlets and a substantial business turnover.

Conditions in rural areas are considerably different. Communications and transport facilities are much less developed. Also, in general, the educational level is lower than in the urban areas. In the rural areas, therefore, a village centered approach would be advantageous until, of course, radical changes take place in the rural social and economic structure. Thus each village may have a multipurpose society running a consumer shop or a separate consumer cooperative society. These small shops will have to be served by a strong central wholesale organisation, which is large enough to make economic purchases to accumulate sufficient capital and generate the necessary leadership both for its own activities and for rendering assistance to the local societies. It may be mentioned that in some Western countries, the present trend is to amalgamate small societies into a district large-scale consumer cooperative on account of the change in economic conditions and on account of the penetration of department and chain stores of the private enterprise into rural areas. Needless to state that the desired structural change in the organisation of rural societies could be brought about through an intensive member education programme.

Line and Quality of Goods Handled

In order to give maximum benefit to its members the consumer cooperative organisation must find out the needs of the consumers, and then concentrate on dealing in such goods. For a recently established consumers cooperative without sufficient capital resources, it would be advantageous to handle only fast moving items, so as to get maximum utilisation of its capital resources. Practices in the private trade in many South-East Asian countries show that the profit margins vary substantially from commodity to commodity. With the consumer interest in view it would be advantageous for the consumers cooperative society, mainly to deal in goods where profit margins are high in the private trade. The assumption is that the consumers cooperative society may be able to sell these goods at lower prices, while it would not be able to do so with regard to goods, where profit margins are small. Naturally, with the development of size and strength of the consumers cooperative society, the trade ought to be ~~expanded~~ so as to include all types of goods. In this way the well-established society will cater to all needs of the consumers. The goods offered by the consumers cooperatives must always be of an acceptable quality. Naturally, there are different grades of commodities and the society should not necessarily concentrate on the best and most expensive variety, but rather on the grades in which its customer-members are most interested. The commodities selected should at least have certain minimum acceptable standard. Thus it would not be a good policy for the society to sell socks which tear apart after a couple of days. On the other hand, the society may well sell second or third grade rice at low prices, if its members demand these varieties.

Price Policy

In developing a price policy, the consumer cooperative must carefully examine its cost structure and analyse such items as purchase cost, storage, selling costs, depreciation of stock, etc. To be able to remain in existence, the cooperative must sell the goods at prices which enable it to cover its total costs and allow capital formation. If a society tries to sell its goods at cost prices, it will not be able to generate the capital necessary for maintenance and expansion. Adherence to such cost price policy is also very risky. The costs may have been miscalculated or the prices of commodities already bought may fall. In such a case the result could be disastrous, since there are no reserves to cushion such shocks.

The choice of price policy for an efficiently run cooperative society will lie between market price policy and an active price policy. The latter would mean that the society tries to sell goods according to its own costs and capital needs, irrespective of prevailing market price level. Whichever price policy is chosen, it must be secured that a surplus is created at the end of the year, so as to allow for (1) reserve fund allotment, (2) interest on share capital, and (3) patronage dividend. The reason for creation of consumers cooperative organisations is to secure unadulterated goods to its members at lower prices. Therefore the long-term aim for all consumer cooperatives must be the active price policy. The argument of an active price policy is based on the assumption that the quality of goods and services

offered by the private traders are comparable to those of cooperatives.

Under the conditions prevailing in South-East Asia there may, however, be cases, where newly-established consumer cooperatives, which have not yet gained sufficient strength will fear severe price competition from private traders if the cooperatives attempted an active price policy. The private retailers might make a unified action to under-bid the prices of the newly established consumers cooperative and thereby put it completely out of business. This risk is less severe in cases where government is giving financial support to the consumers cooperatives. Wherever the consumers cooperatives have to adopt market price policy, the ultimate aim should always be to change as quickly as possible to an active price policy. Even in cases where the society in general adheres to market prices, it might lower prices of at least some goods, where the prevailing profit margins are excessive. In cases where due to competition lower prices cannot be offered, the society might benefit its members by a higher patronage dividend. The ultimate lower prices would not be as evident, if this method is adopted. On the other hand, the society may strengthen its capital position by larger allocations to reserves and development funds and aim at an active price policy and better services in the years to come.

Activities of the Central Body

The function of the central body in strengthening and stabilising the consumers cooperative movement has already been outlined. The creation of such a body is important to render a number of services to the primary cooperative societies. The broad area of activities of the central body can be divided into two parts, the business and non-business activities. In some countries two bodies viz., a wholesale society and a union have therefore been created. There are however, a number of advantages in having the two types of activities under one organization:

1. The relations with member organisations will be greatly simplified.
2. Business and non-business activities will be better coordinated.
3. Due to the combined activities, more strength will be added to the central body for the benefit of the movement.

The non-business activities will mainly consist of training of employees, member education, press and publicity, organisation of consumer protection activities and member relations. The central body should also undertake red-cross activities towards its member-organisations, by way of helping weak societies to better organisation and operational efficiency. Finally, the central body must promote cooperative interests on the national level, and, wherever possible, participate in legislation of trade practices, and other matters of interest to the consumers cooperative movement.

The business activities of the central body can be divided into four main parts: 1. Purchasing, 2. Own Production, 3. Storage and 4. Selling.

It is necessary for the wholesale society to ensure that its purchases are made from sources which can offer good quality goods at lowest possible prices.

One of the functions of the purchasing division will also be quality control of the purchased goods. In some cases it may prove economically advantageous that the goods are distributed from the manufacturers directly to the local society with the wholesale as an intermediary agent only.

The Cooperative Wholesale organizations in many industrialized countries have also started their own production activities. This has helped them to create a greater impact on profit margins and costs not only in the retail trade field, but also in the production of consumer goods. It seems desirable that the cooperative wholesale society sponsors cooperative production when there is a general shortage of a certain product in the market, or when the wholesale society feels that its own production would be more economical. Unwillingness of private traders and industrial enterprises to supply to consumer cooperatives is another reason for starting cooperative manufacturing industries. Such industrial enterprises are in some countries organized as special departments in the wholesale society. In other places the industrial units are organized as independent cooperative societies, which are members in the wholesale, and the membership of which consists of local retail cooperative societies.

It is essential that the wholesale organizations acquire adequate storage facilities so as to be able to store seasonal goods and thereby secure purchases at lower prices and even out seasonal price fluctuations.

In the beginning stages of cooperative development, while the wholesale society might find it advantageous to buy goods in large quantities, it may not be able to re-sell the whole quantity to its member organizations. When such purchase policy is economically beneficial, the wholesale might sell the surplus quantity to other private retail organizations. With growing size of the cooperative business, the wholesale should more and more concentrate on its member organizations only.

As a general rule there should not be any compulsion for a local cooperative society to buy its goods from the wholesale. In the beginning stages, however, the primary societies may voluntarily agree to guarantee a certain turnover to the wholesale. Without such support from the primaries, a wholesale organization could hardly develop at all.

In the Southeast Asian conditions governments have often participated in the creation of wholesale organizations and cooperative unions. Considering the weakness of the primary cooperative societies, the governmental assistance in this sphere has been well-advised and valuable. Without it the weak primary structure would need a considerable time to develop its own central bodies. Naturally the government-sponsored, or government-assisted unions and wholesale societies are likely to be under considerable government influence. Thus for example part of the board of directors may be appointed by the government department. Wherever government assistance is necessary, measures should be worked out, whereby the local cooperative societies gradually assume more and more responsibilities regarding financing and running of the central body.

Parliamentary Structure and Management

In small cooperative organisations both parliamentary structure and management problems are rather simple. The general body consisting of all members, assembles once or twice a year, and elects a board of directors, who either participate themselves in the management of the society or employ a full time manager to perform the task of management. The employed manager will be responsible to the board of directors. The task of the board of directors will be to frame the broad policies for the society, according to the wishes of the general body.

In large societies it is not possible to use the method of direct democracy. The area of operation usually has to be sub-divided into districts. One district may preferably consist of the area covered by a single shop outlet. At the district meetings the member-customers discuss both the general activities of the society and the performance and functions of their particular shop. They will also elect delegates who will be their representatives in the general body meeting. The number of delegates at the general body will in this way be restricted so as to enable efficient discussion.

The function of the general body is usually to frame the broad policies of the consumers cooperative society, select auditors and elect a board of directors. The general body meets only once or twice a year. In the meantime, the board of directors will be the elected body, meeting at more frequent intervals, and implementing the policies, approved by the general body.

In many South-East Asian countries the board of directors participates actively in the day-to-day management of the society. In this work sometimes the board is even divided into several committees which are occupied with specialised functions in the running of the society.

This is not an altogether desirable development. The elected directors will not be able to devote their full time attention to the problems of the society. They are, as a rule, laymen, and it is, therefore, difficult for them to manage the highly technical day-to-day tasks of the society. In the purchasing, storage and selling functions, quick decisions are necessary and the intervention of the board of directors in these tasks often delays decision-making and decreases the efficiency of the society. The role of the board of directors ought to be limited to framing the general policy, supervision and decision-making in the most important matters.

It seems more advantageous if the functions of the board are limited to a few important areas. These would be: (1) appointing the key officers of the society, (2) maintaining supervision over the work of the society by scrutiny of periodic reports from the manager, (3) deciding upon the development plans and capital and current budget, (4) deciding upon the disposal of surplus.

The specialised managers employed by the board of directors ought to have a large freedom of decision in the day-to-day working in the society. They must be free to employ the necessary staff, to make purchases as and when they find it necessary, decide on selling prices, naturally within the policy framed by the board of directors and the general body. Only in very important matters, such as purchase of real estate or long term investment, the consent of the board should be necessary.

The function of the auditors of the society, who have been elected by the general body, will be to control the working of the board of directors and the employed management. Thereby the members will be assured that the society is properly run. -

The parliamentary and management structure in the wholesale society and union will be very similar to that of the large-size cooperative society. The membership will consist of local cooperative societies which will send delegates to the general meeting of the central body. It may be necessary to allow the larger societies to send more delegates to the general body meeting. On the other hand it must also be secured that large societies do not become too powerful. It would, therefore, be advisable to decide on the maximum number of delegates that can be sent to the general body meeting by any individual society. Also in the case of the nationwide consumers cooperative organisation it may be necessary to divide the membership into districts where representatives from societies meet at district meetings and elect delegates to the Cooperative Congress.

The common problem of the consumers cooperative movement in the region has been to secure able and efficient employees and elected representatives for the consumer cooperative organisations. Member education and employee training are very important in this respect. In order to recruit able employees, the level of salaries will have to be raised and the senior officers given adequate freedom of action without day-to-day interference by the board of directors.

Cooperative Education and Training

Cooperative education may be broadly classified into two parts viz., member education and employee training. The objectives of member education are to disseminate consumer education to ensure member loyalty, bring about increased member participation in the democratic forums of the movement, ensure steady supply of leadership by providing business and cooperative education to potential leader-members. Various methods listed below could be adopted to carry on cooperative education activities:

1. General Body Meeting,
2. Cooperative press,
3. Radio,
4. Group discussion,
5. Study Circle Method,
6. Study tours,
7. Regular training courses, and
8. Seminars and conferences.

The choice of educational methods will have to be determined on the basis of the objectives and the audiences in view. For general member education, general body meeting, cooperative press and mass communication media, like films, newspapers broadcasting can be employed. However, there exists an active body of members who are keenly interested in cooperative work. It is possible to develop programmes of intensive education for this elite group of members as also for members of the boards of directors. Concentration of educational activities on these groups would help in bringing about better functioning of cooperative societies and would ensure steady supply of leaders. The group discussion and study circle methods, which

rely on self-directed educational activity, and provide local-based and continuous education with relatively small resources, would be of considerable advantage in tackling these groups. At the secondary levels the district unions in collaboration with the wholesale societies could develop regular programmes of seminars and conferences for the leaders at various levels in order to provide facilities for frequent discussion of movement's problems and exchange of experiences. It was felt that in South-East Asia the bulk of educational programmes comprised organisation of regular training courses for members, managing committee members and secretaries. Although regular courses for important functionaries like secretaries would be necessary in educational programmes, a more selective approach concentrating on the elite members and the board members would considerably enhance the effectiveness of member education. A wider range of educational approaches than mere instructional courses should also be devised.

Employee training is necessary to create a cadre of employees for efficient operations of cooperative societies. Two broad classifications in employee training could be made. (1) Junior personnel training and (2) training of key personnel for occupying business leadership positions. On the job training for junior categories such as salesmen, storekeepers and accountant assistants could be imparted with negligible costs. The shop manager should work out practical methods of giving such training. This training could be combined with correspondence courses on subjects of interest in the shop work giving the trainees necessary theoretical background. At appropriate stages, these employees could be brought together for training at residential schools for short periods.

For leadership training, suitable persons would have to be selected and required to undergo theoretical studies combined with practical associate work in leadership positions whereby they would acquire the necessary knowledge and skills. It should be recognised that leadership training is a long-term task.

The employee training arrangements in the region usually provide basic cooperative training and have so far generally not branched out into specialised courses for various spheres of cooperative movement. Specialised consumer cooperative courses in various cooperative activities and for various categories of employees are necessary if the consumer movement is to achieve operational efficiency. -

Substantial funds are required for employee training and member education. In the early stages government might assist the cooperative movement in financing cooperative education and training programmes. Eventually, the movement itself ought to take over finance responsibilities for cooperative education. Such funds could be made available by contributions from the local consumers cooperative societies. Such contribution may be made by societies as a percentage of profits, of the societies, or on the basis of membership. The latter method would be preferable since there would be no educational grant by a society if it did not make profits during a certain year. Secondary business federations could make allocations on the basis of their turnover.

Encls: List of participants
Programme

Programme

2452
3.1.64



334.5(5)(063)
ICA

13

Thursday, June 13

9.00-12.00 noon
2.00-5.00 p.m.

Group discussion on Section I
Group discussion on Section I contd.

Friday, June 14

9.00-12.00 noon
2.00-5.00 p.m.

Discussion on Section I.
Free

SECTION II : BUSINESS ORGANISATION OF CONSUMERS COOPN

Saturday, June 15

9.00-10.00 a.m.

Optimum Size of the Society
Introduced by: Mr M.R.Bhide ICS
Secretary to the Government of India
Ministry of Community Development PR
and Cooperation, New Delhi

10.00-10.45 a.m.

Line and Quality of Goods Handled
Introduced by: Mr M.N.Kaka, Chairman, All-Bombay
Consumers' Coop Societies' Federation

11.00-12.00 noon

Questions and observations

2.00-3.00 p.m.

Price Policy
Introduced by: Mr Marian Radetzki
ICA Education Centre

3.15-5.00 p.m.

Questions and observations

Sunday, June 16

Study Visits

Monday, June 17

9.00-10.00 a.m.

Cash Trading
Introduced by: Mr Lampoon Savigamin, Chief
Consumers Cooperatives Division
Ministry of National Development
Bangkok (Thailand)

10.00-10.45 a.m.

Organisation and Business Activities of the
Central Body
Introduced by: Mr Marian Radetzki
ICA Education Centre

11.00-12.00 noon

Questions and observations

2.00-3.00 p.m.

Management Structure
Introduced by: Mr M.R.Bhide

3.15-5.00 p.m.

Questions and observations.

Programme

Tuesday, June 18

9.00-12.00 noon Group discussion on Section II
2.00-5.00 p.m. Group discussion on Section II contd

Wednesday, June 19

9.00-12.00 noon Discussion on Section II.

SECTION III : NON BUSINESS ASPECTS OF CONSUMERS COOPN

2.00-3.00 p.m. Parliamentary structure of Consumer Cooperative
Movement.
Introduced by: Mr J.M.Rana
ICA Education Centre

3.00-5.00 p.m. Questions and observations.

Thursday, June 20

9.00-10.00 a.m. Cooperative Member Education
Introduced by: Mr J.M.Rana
ICA Education Centre

10.00-10.45 a.m. Employee Training
Panel Discussion.

11.00-12.00 noon Questions and observations

2.00-3.00 p.m. Cooperative Press and Consumers' Protection
Introduced by: Mr Marian Radetzki
ICA Education Centre

3.15-5.00 p.m. Questions and observations.

Friday, June 21

9.00-9.45 a.m. Outline of Consumers Cooperative Movement in Sweden
Introduced by: Mr Marian Radetzki
ICA Education Centre

9.45-10.45 a.m. Questions and observations.

11.00-12.00 noon Group discussions on Section III.
2.00-5.00 p.m. Group discussions on Section III contd.

Saturday, June 22

9.00-10.45 a.m. Discussion on Section III

11.00-12.00 noon Final plenary and Evaluation of the Seminar.

ICA Regional Seminar on Organisation and
Financing of Consumers Cooperatives: Bangkok
June 10-22, 1963

PROGRAMME

Monday, June 10

- 10.00 a.m. Inauguration
Introduction to ICA Activities
Programme and working methods of the Seminar
Presentation of Background Papers
- 2.00-5.30 p.m. Presentation of background papers (contd)

SECTION I : BASIS & PRINCIPLES OF CONSUMERS COOPERATION

Tuesday, June 11

- 9.00-10.00 a.m. Need for Consumers Cooperation
Introduced by: Mr Bertil Mathsson
ICA Education Centre
- 10.00-10.45 a.m. Contribution of Consumer Operation to Consumer Problems
Introduced by: Mr Bertil Mathsson
ICA Education Centre
- 11.00-12.00 noon Questions and observations
- 2.00-3.00 p.m. Principles of Consumer Cooperation in the Context of
a Particular Cooperative Movement.
Introduced by: Mr Marian Radetzki
ICA Education Centre
- 3.15-5.00 p.m. Questions and observations.

Wednesday, June 12

- 9.00-10.00 a.m. Open Membership and the Size of the Society
Introduced by: Mr Bertil Mathsson
ICA Education Centre
- 10.00-10.45 a.m. Self-financing and Credit Needs of Consumers Societies
Introduced by: Mr J.M.Rana'
Education Centre
- 11.00-12.00 noon Questions and observations
- 2.00-3.00 p.m. Disposal of Surplus and Patronage Dividend
Introduced by: Mr Bertil Mathsson
ICA Education Centre
- 3.15-5.00 p.m. Questions and observations

ICA Regional Seminar on Organisation and Financing
of Consumers Cooperatives: Bangkok
June 10-22, 1963

List of Participants

1. CEYLON
 1. Mr Andrew Fernando
c/o The General Secretary
Cooperative Federation of Ceylon
455 Galle Road, Colombo.3 Ceylon
 2. Mr R.M.P.Rajapakse
c/o The General Secretary
Cooperative Federation of Ceylon
455 Galle Road, Colombo.3 Ceylon
2. INDIA
 3. Mr M.N.Kaka, Chairman
All Bombay Consumers' Cooperative Societies'
Federation
18 Military Square Lane
Fort, Bombay.1 (Maharashtra)
 4. Mr G.P.Bhave
Senior Training Officer
Committee for Cooperative Training
(National Cooperative Union of India)
34 South Patel Nagar, New Delhi-12 India
 5. Mr A. Sarkar
Deputy Director (Consumers Cooperatives)
Ministry of Community Development, Panchayati Raj
and Cooperation, Department of Cooperation
Krishi Bhavan, New Delhi.1
3. JAPAN
 6. Mr Shigery Fukuda
Japanese Consumers Cooperative Union
Rokin-kaikan, 5, 2-chome
Shiba Tamuracho, Minato-ku
Tokyo Japan
 7. Mr Akira Uchidate
Japanese Consumers Cooperative Union
Rokin-kaikan, 5, 2-chome
Shiba-Tamuracho, Minato-ku
Tokyo Japan
4. MALAYA
 8. Mr J.V.Rao
Senior Indian Cooperative Officer
Department of Cooperative Development
Kuala Lumpur Federation of Malaya
 9. Mr Chow Swee Meng
Assistant Registrar, Cooperative Societies
Department of Cooperative Development
Kuala Lumpur Federation of Malaya

List of Participants

10. Mr Abul Karim, Chairman
Malayan Cooperative Wholesale Society
c/o Post Box Number 745
Kuala Lumpur . Federation of Malaya

11. Mr Khoo Boo Hin
c/o Federal Audit
Kuala Lumpur Federation of Malaya

12. Mr Lu Kee Bay
Cooperative Insurance Officer
Malayan Cooperative Insurance Society Ltd
36 Jalan Ampang. Kuala Lumpur (Malaya)

5. PAKISTAN

13. Mr Masud Ahmed Butt
Manager
Governor's House Estate Cooperative Stores Ltd
LAHORE West Pakistan

14. Mr Iftikhar Ahmed Khari
Assistant Director, Consumers Stores
West Pakistan Cooperative Development Board
1 Mozang Road, Lahore (W.Pak)

15. Mr Sheikh Mohd Ashraf
Registrar of Cooperative Societies
Lahore Region, LAHORE (West Pakistan)

16. Mr K.A.Rehman
Registrar, Cooperative Societies
367 Bahadur Abad
KARACHI.5 Pakistan

17. Mr Abul Barkat
- Manager -
East Pakistan Provincial Coop Marketing Society
64 Motijheel Commercial Area
DACCA (East Pakistan)

18. Mr Khandker Shamsul Huq,
Executive Officer
Daeca Consumers Cooperative Stores Limited
80-82 Azimpur Government New Market
DACCA (East Pakistan)

6. SINGAPORE

19. Mr Simon Rozario
17 Leo Drive
Singapore.20

20. Mr Ye● Khee Yong
Postmaster
Kanding Kerban Post Office
Singapore.8

List of Participants

7. THAILAND

21. Mr Lampoon Savigamin
Chief
Consumers Cooperative Division
Ministry of National Development
BANGKOK
22. Mr Sanit Chittaporn
Cooperative Inspector
Consumers Cooperatives Division
Ministry of National Development
BANGKOK
23. Dr Glom Isarapandh
Cooperative Marketing Inspector
Consumers Cooperatives Division
Ministry of National Development
BANGKOK
24. Mr Kobkiat Suphanich
Cooperative Inspector
Consumers Cooperatives Division
Ministry of National Development
BANGKOK

OBSERVERS

25. Mr Skul Santikasem
Assistant Director General
Ministry of National Development
BANGKOK
26. Mr Bunharn Sirisilpa, Manager
Krundeb Cooperative Store
c/o Mr Thanu Satraphai, Registrar
Cooperative Societies
Ministry of National Development
- BANGKOK
27. Mr John S. Fox
Director
I.L.O. Liaison Office with ECAFE
366/1 Ayudhya Road
Post Box Number 1759
BANGKOK
28. Dr (Miss) Nita Soysa
FAO Regional Home Economics Officer
F.A.O. Regional Office for Asia & Far East
BANGKOK
29. Mr S. Keonetr
IGFTU Correspondent for Thailand & Ecafe Secretariat
31/18 Sulpavut Road, Group 4
Bangna Umpur Bakanong
BANGKOK

ICA

30. Mr Marian Radetzki
31. Mr J.M. Rana
32. Mr Daman Prakash