

INTERNATIONAL COOPERATIVE ALLIANCE

REPORT OF THE EXPERTS' CONFERENCE ON

**THE ROLE OF GOVERNMENT
IN COOPERATIVE DEVELOPMENT**

BANGKOK (THAILAND)
JANUARY 17-27, 1966



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I. INTRODUCTION

The Experts' Conference on "The Role of Government in Cooperative Development" convened by the Regional Office and Education Centre of the International Cooperative Alliance, New Delhi, in collaboration with the Ministry of National Development, Government of Thailand, was held in Bangkok, Thailand from 17th to 27th January 1966. The conference was attended by 17 experts from Ceylon, India, Japan, Republic of Korea, Malaysia, Nepal, Pakistan (East), Philippines, Singapore and Thailand. Observers from the International Labour Organization, Food & Agriculture Organization, Economic Commission for Asia and Far East and International Confederation of Free Trade Unions also participated in the conference.

2. In the countries of South-East Asia, Cooperative Movement has been largely initiated by Government. After the achievement of political independence, in the development plans launched, these countries have adopted a deliberate policy of encouraging the organisation of cooperatives in different

fields of social and economic activity and implement the plan projects wherever possible, through cooperative agencies. The cooperatives are also being given increasing technical and financial assistance by the government so that they could discharge the duties expected of them in an efficient way. The State, therefore, has been taking an active interest in the promotion and development of cooperatives and in many cases, the State is closely associated with the working of cooperative institutions. In many countries in the region, this has given rise to a number of problems which, despite the great diversity of conditions in the region, seem to have much in common and call for similar policy measures. The Conference was organised with a view to providing a forum for cooperators and for those responsible for the formulation of cooperative policy, for exchange of experiences and for a discussion of mutual problems relating to cooperative development vis-a-vis the role of government in the countries of the region. The Conference also aimed at suggesting a pattern of relationship that should exist between the Government and the Cooperative movement so that a healthy growth of the Cooperative Movement could be achieved.

3. His Excellency Mr. Pote Sarasin, Minister of National Development, Government of Thailand inaugurated the Conference on 17th January 1966.

4. Plan of the Report

The report is divided into four sections, including the Introduction. A brief description of the role played by government in the development of Cooperative Movement in the countries of the region is presented in Section II.

Section III which is the main part of the report, presents a gist of the discussions and suggestions made at the Conference. A brief summary of the recommendations of the Conference is presented in Section IV.

II. ROLE OF GOVERNMENT IN THE DEVELOPMENT OF COOPERATIVES: HISTORICAL PERSPECTIVE

5. The countries of this Region are mainly agricultural. During the later part of the nineteenth century, the conditions of the agricultural community deteriorated to a great extent. In their attempts to find a solution to the problems of agriculturists, the governments of these countries thought that organisation of cooperatives among the agriculturists would help to solve the problems of peasant communities and contribute to their social and economic uplift. Cooperative Movement in these countries, therefore, was first initiated in the agricultural sector. Even now cooperatives in the agricultural sector account for a large number in these countries. In fact in many countries, serious attempts in the organisation of cooperatives were launched particularly after the 1929 depression. In the organisation of societies among the peasant communities many problems had to be faced. Majority of the agricultural population was illiterate and their agricultural industry, both production and marketing, was largely controlled by a host of intermediaries. There was, therefore, a great need to educate the population and to impress upon them of the value of joint and organised effort in bringing about improvement in their social and economic condition. Due to various reasons, social and/or political leaders did not evince adequate interest in the education and organisation of the peasants for their economic and social betterment.

It became, therefore, necessary for the governments to shoulder this responsibility of initial education of members and organisation of societies. In these countries, therefore, the part played by the Governments was much more active as compared to western countries and constituted the main spring of cooperative development.

6. Registrar/Commissioner and Cooperative Department

For the purpose of undertaking the work of promotion and development of cooperatives, in all countries, separate Departments were established under the charge of a Registrar/Commissioner. In India, for example, when Cooperation was first introduced, Registrars of Cooperative Societies were appointed in the Provinces (now States), whose duties were expected to correspond to those of similar officials in Europe and to relate mainly to registration and dissolution of societies. In practice, it was found that, both in India and in other countries, the departments were busy in educating the farmers and others to the possibilities of the cooperative method and later actively promoting the formation of cooperatives and providing all assistance.

7. The work of the Departments involved not merely auditing but frequent inspection, attendance at cooperative meetings and continuous help with book-keeping and clerical work. In carrying out all this work, the Cooperative Departments in these countries have gradually built up considerable staff of regional officers, auditors, supervisors and inspectors. Efforts were also made for creating facilities for the training of personnel of the Department in organising cooperatives and in supervising their functions.

8. Even after about six decades of the introduction of cooperatives in these countries, the work of promotion, supervision, audit etc., are still largely performed by the Cooperative Departments of Government. These are in addition to other functions such as registration, enquiry and inspection, audit, arbitration and dissolution of the cooperative societies. In a few countries, promotion and supervision work in certain sectors is looked after by the concerned Departments of the government. However, the statutory functions are ultimately concentrated in the Department of Cooperatives which is headed by the Registrar/Commissioner of Cooperative Societies.

9. Role of Government Today

It was indicated earlier that in these countries governments have started sponsoring cooperatives as a matter of deliberate policy. These cooperatives are also given increasing financial and other support. Experience has shown that in certain specified sectors, cooperatives have succeeded fairly well. It is, therefore, hoped that though in the initial stages, these cooperatives rely on outside agencies for educational purpose and financial and other assistance, in the course of time, they will become completely autonomous and independent. The experience so far gained suggests that given the necessary positive approach, it is possible for the Cooperative Departments to promote sound and viable cooperative organisations. Simultaneously, attempts are also being made in these countries to pass on as much as possible the promotional work of cooperatives to non-official organisations. In Japan, for example, the National Union of Agricultural

Cooperative Associations and the Regional Unions look after the promotional work. In India also, educational and propaganda work is being gradually transferred to the cooperative organisations. By and large, it may be observed that, in all these countries, cooperatives and other voluntary organisations have been rather slow in assuming this function.

10. Nature of State Assistance

The assistance given to cooperatives by the State may be broadly classified into three categories; Legislative, financial and others.

11. Cooperative Legislation

In all countries of this region, special legislations have been passed for the organisation and working of cooperative institutions. In Japan, in the beginning of the present century, cooperatives were organised under the Industrial Cooperative Association Law of 1900. Later in 1947, after the Second World War, Agricultural Cooperative Association Law was enacted. In this country separate laws are also enacted to cover different types of cooperatives. In India, the Cooperative Movement was initiated with the passing of the Cooperative Credit Societies Act in 1904. This was later amended in 1912 to provide for the organisation of societies for purposes other than credit and for the formation of federations of primary societies. Subsequently, with the introduction of Montague Chelmsford Reforms in 1919, cooperation became a Provincial (now State) subject and a number of States enacted separate legislation wherever the central act of 1912 proved inadequate to meet the needs of the movement. It may be recalled that Pakistan was separated from India much later in 1947 and the central legislation was applicable to Pakistan till it acquired sovereign political status.

In East Pakistan, the Central Act of 1912 still provides legal foundation to the Cooperative Movement in that country.

12. The Cooperative Movement in Ceylon received legal status with the passing of Cooperative Credit Societies Ordinance No.7 of 1911. This was followed by Cooperative Societies Ordinance No.34 of 1921. The legislation now in force is Ordinance No.16 of 1936 as amended by Act No.21 of 1949.

13. In Philippines the Rural Credit Law (Act 2508) of 1915 formed the legal basis for cooperatives. This act provided for the formation of only credit societies. With the enactment of Cooperative Marketing Law (Act 24 and 25) in 1927, organisation of Cooperative Marketing societies was facilitated. The agricultural and non-agricultural sectors of the movement were governed by the same legislation until 1952 when the Republic Act 821 created Agricultural Credit and Cooperative Financing Administration (ACCFA) for the promotion and financing of agricultural cooperatives. The non-agricultural movement remained under the Cooperative Administration Office, also a government agency. However, it was only in 1957, Republic Act 2023, the Philippine Non-Agricultural Cooperative Act, was enacted. In 1963 Republic Act 3844 known as the Agricultural Land Reform Code was passed. The Land Reform Code divided the functions of the ACCFA and created two other organisations; the Agricultural Credit Administration (ACA) and the Commission on Agricultural Productivity (CAP), the former extends finance to agricultural cooperatives and the later is entrusted with the promotion, organisation and supervision of agricultural cooperatives.

14. In Malaysia, the Cooperative Societies Enactment was passed in 1922. This provided for the organisation of mainly thrift and credit societies. Subsequently, in 1948, the Cooperative Societies Ordinance was passed paving the way for the development of other societies both in rural and in urban areas. In Singapore, the Cooperative Societies Ordinance was passed by the Straits Settlement Government in 1924 and came into force a year later.

15. In Thailand, in the beginning, Cooperative Credit Societies were organised under the Association Amendment Act 1916. Later, in 1928, Cooperative Societies Act B.E. 2471 was promulgated giving wide scope for the organisation of all types of cooperative enterprises.

16. Among the countries in the Region, in the Republic of Korea and Nepal, the law to regulate Cooperative Movement was passed only about a decade ago. In the Republic of Korea, the Agricultural Cooperative Act was enacted together with the Agricultural Bank Act in 1957. When this Act came into force, agricultural cooperatives were organised at the local and national levels for providing services other than credit and the function of providing rural credit was entrusted to Korean Agricultural Bank. It is reported that these two organisations did not have coordination between themselves and that there was duplication and competition in their business operations. With a view to eliminating the inherent defects of the organisational structure between the agricultural cooperatives and the Korean Agricultural Bank, the government promulgated a new Agricultural Cooperative Act in 1961. By this Act, the cooperatives and the Korean Agriculture Bank were amalgamated into one systematic organisation designed to handle credit and other business

activities. In Nepal an Ordinance was promulgated in 1954 for regulating the working of cooperatives. Later in 1959, Cooperative Societies Act was passed.

17. Financial Assistance

In all countries in the region, cooperatives are given considerable financial assistance in the form of loans and grants or subsidies. In recent years, the quantum of financial assistance given to cooperatives and in particular to agricultural cooperatives has increased substantially. This is because of the fact that in most of the countries in the region, agriculture has been or in some measure a depressed industry, almost always undercapitalised needing in particular both long-term capital in order to modernise its production and considerable short-time loans in order to move crops on to the market. There are, however, no comprehensive statistical data available for making an estimate of the total annual value of State assistance to cooperatives throughout the countries in the region. The purpose for which the governments have been providing financial assistance to cooperatives in the countries are indicated below.

- i) Loans and subsidies are given to cooperatives for certain specific development programmes which in their initial stages are not likely to attract finance from regular financing agencies. Some of these purposes are; land reclamation and soil conservation by farming societies, construction of buildings and store-houses, purchase of sale-depots, purchase of machinery and other equipment, purchase of transport vehicles etc. For certain purposes, these loans are extended at concessional rates of interest.

- ii) Subsidies are also made available for opening branches of cooperatives so that they could extend their services in the interior areas. In India, Cooperatives are also given financial assistance so that the cooperatives could liberalise their loaning policies and meet the credit requirements of marginal and sub-marginal cultivators and also of other weaker sections in the economy.
- iii) In certain cases government also provides subsidises to the cooperatives for reducing the rates of interest on loans for certain specified purposes. In Japan, for example, subsidies for reducing rate of interest are made to several national and regional cooperative federations.
- iv) Loans and subsidies are also given for the rehabilitation of weaker societies and to meet the cost of managerial personnel of certain societies in their initial stages. In certain cases, government also deputes their personnel to work as Managers or Secretaries of the Societies. The cost of these personnel is borne either by the government or the society or is shared by both.
- v) In many countries, governments have created specialised institutions for providing financial assistance to cooperatives. These institutions are, however, run on commercial lines. For some of these institutions the resources are entirely provided by government through initial appropriation from government budget. Again in Pakistan and India, the Central Bank of the country provides finance to cooperatives for various purposes at concessional rates of interest.

- vi) In certain countries, governments have organised cooperative institutions at the national level through contribution to the share capital of the institutions and providing other financial assistance. In Nepal, the funds for the Cooperative Bank of Nepal are largely provided by the government. In Ceylon, government contributed to the extent of fifty percent to the share capital of the People's Bank.
- vii) Another way by which government has been assisting cooperatives is by providing guarantee on behalf of the cooperatives for the payment of principal and interest. In India, for example, such guarantees are given by the State Governments on behalf of the cooperatives to the Reserve Bank of India and State Bank of India. Again in India, the State governments also guarantee the debentures floated by the Land Mortgage Banks. In certain States in India, guarantee is also provided in respect of deposits collected by cooperative banks in order to induce people and other public agencies to deposit their surplus funds with the cooperatives.
- viii) With a view to assisting the cooperatives in increasing the borrowing power of the societies and also in generating the confidence among the commercial institutions in financing the cooperatives, in some countries, governments have contributed to the share capital of the societies and have thus become active partners in the development of cooperatives.
- ix) Financial assistance for the purpose of carrying on cooperative education and propaganda work is given to Cooperative Federations and Cooperative Unions.

18. Other Forms of State Assistance to Cooperatives

Cooperatives are also given support and encouragement in other ways. Some of the ways in which the support is given to cooperatives are indicated below.

- i) Cooperatives are given support by the government in recognising them as suitable agencies for undertaking various activities. In India, for example, during the Second World War procurement and distribution of controlled and other necessary commodities was entrusted largely to cooperatives. Cooperatives are also given the work of distribution of fertilizers, cement, iron and steel required by the farmers. The cooperatives are also utilised in the food procurement operations. In Ceylon, the entire food rationing scheme in the city of Ceylon is implemented through cooperatives.
- ii) In Ceylon, cooperatives are utilised for implementing the Guaranteed Price Scheme for agricultural commodities. In the Republic of Korea, the Rice Lein programme is mainly operated through cooperatives.
- iii) Cooperatives are given preferences in conducting import and export trade. In Ceylon, for example, the Cooperative Wholesale Establishment, a State Corporation, which supplies consumers goods to cooperative societies, acts as the sole importer of items in short supply.
- iv) In India and Ceylon, certain types of works such as construction of roads, drains, bridges, etc., are reserved for Labour and Construction Cooperatives. Similarly, in auctioning rights to operate certain economic enterprises like fisheries, cooperatives are given preference.

v) Again in India, State governments have adopted as a matter of deliberate policy, of purchasing some of their requirements mainly from the Cottage and Small-Scale Industrial Cooperatives. In making these purchases, a marginal price preference is also allowed for products of such cooperatives.

19. Appointment of Committees of Enquiry

Another way by which governments have assisted the Cooperative Movement is through appointment of Committees of Enquiry from time to time with a view to suggesting measures for strengthening the Cooperative Movement. In recent years, governments have also been providing financial assistance to professional organisations and Universities for undertaking research in pertinent fields of Cooperation. In some countries and particularly in India, a few of the States have cells for undertaking research in different fields of the economy including Cooperation.

20. Fiscal Privileges

Some of the fiscal privileges which the cooperatives enjoy are, remission or concessions in certain taxes such as exemption from income tax, stamp duty and registration fee, and exemption upto a point from other taxes and custom duties. Cooperatives also enjoy facilities of free remittance of funds. The tax concessions given to cooperatives have been of great value in the past and still have a value in developing countries where cooperatives are individually small and lack resources. The privileges given to cooperatives in the execution of awards through government agencies, exemption of shares or interest of members from attachment may also be mentioned.

21. Trends in Cooperative Policy - An Analysis of Background factors

The need for some sort of relationship between the Government and the Cooperative Movement arises because of the considerations as indicated below:-

- i) To give legal recognition to cooperative societies and to provide for their proper management and supervision in the interest of the Cooperative Movement.
- ii) To safeguard the rights of the people vis-a-vis the Cooperative Society
- iii) To prevent any abuse of privileges accorded to the cooperative society.

22. As indicated earlier, in many countries in the region, governments have taken active interest in the promotion of cooperatives and this is considered as a recognised function of the government. Some of the factors contributing to the government assuming active role in promoting cooperatives are:

- i) A recognition that the cooperative method is a suitable means for achieving national development and also in securing the participation of small producers and workers for their benefit.
- ii) Among the rural communities particularly in the developing countries, the literacy level is low and the people lack initiative. It is, therefore, necessary for the government to take initiative in organising the people for cooperative effort.
- iii) Cooperatives contribute significantly to the development of leadership at the local level. This will help in passing on to the rural communities the technical knowledge offered by the State and in supporting a progressive rural economy.

23. The active role played by the governments in the promotion of cooperatives coupled with the desire of the government, in recent years, to execute plan projects in short periods of five or ten years through cooperatives has given rise in a few sectors, to certain unhealthy features in the Cooperative Movement. In certain cases people have been compelled to form cooperatives for undertaking the functions envisaged in the Plan; because of the monopoly given to cooperatives people in need of services provided by the cooperatives are coerced to join the societies; when monopoly given, cooperatives take things for granted affecting the efficiency of cooperatives; societies are organised in haste to achieve certain Plan targets have experienced difficulties in securing trained people to manage the societies, where government personnel are deputed to manage the societies, considerable scope is provided for the exploitation of cooperatives for political purposes; Government personnel deputed to work on the societies neglected their main function of providing education and training to non-officials in the management of societies. It is further said that in view of the considerable financial investment by the government in the cooperatives there is less desire on the part of the government to de-officialise the movement. The Conference discussed these and other problems and suggested a number of measures aiming at achieving a healthy growth of the Cooperative Movement consistent with its democratic character and autonomy.

III. ROLE OF GOVERNMENT IN THE DEVELOPMENT OF COOPERATIVES : CONFERENCE SUGGESTIONS

24. The Conference considered the extent to which cooperative development could be adjusted to a fixed time scheme as is being envisaged in the development plans of these countries. It was felt that cooperatives should not be organised in haste without preparing the ground work through education and training of members. If this ground work is not prepared, it may result in the plan schemes being implemented by government under the name of cooperatives. With a view to achieving the proper development of Cooperative Movement, the Conference suggested the following:-

- i) While recognising the need to have a time scheme for development purposes, it was suggested that government should assess the capacity of the Cooperative Movement and that the work entrusted should be in commensurate with the abilities of the cooperatives to implement them efficiently. Wherever necessary the efforts of the cooperatives could be supplemented for the time being, by other socially acceptable means such as State agencies or suitably guided private enterprises.
- ii) For the purpose of ensuring the democratic character of the Cooperative Movement, government should invariably consult the Cooperative Federations on all important matters pertaining to the working of cooperatives. Government intervention should be exercised in a manner which will help strengthen the cooperative principles of mutual aid and democratic management. Mismanagement of cooperatives should be corrected by the cooperatives themselves with the help of their own federations. In matters of supersession, for instance, government should consult the Cooperative Federations.

- iii) Government nominees on the managing body of cooperatives, if at all they are appointed for some period of time, should work mainly in an advisory capacity and that they should not in any way weaken the initiative and responsibility of the members. In the somewhat unusual situation of external representatives, either of the government or of other bodies like the financing institutions, finding a place on the managing bodies of cooperatives, it is of utmost importance to have a cooperatively sound code of conduct for these representatives as also for the representatives of the cooperatives. All government personnel having to do with the cooperatives should be properly briefed about the cooperative principles and policies.
- iv) The Federal Structure of the Movement should be set up as early as possible in order that a sufficiently strong body of cooperative thought would be available for influencing cooperative policies as well as cooperative action.
- v) In the development of cooperatives, proper leadership is necessary, In developing this much needed leadership, it was suggested that government should welcome bodies of cooperative opinion to meet at frequent intervals to review the existing situation and to formulate suitable policies.
- vi) Being preoccupied with the achievement of plan projects, the education of members and democratic working of the cooperatives are likely to get neglected. Cooperatives should be given adequate supervision by the Cooperative Departments, and the democratic character of the

Movement should always be maintained. The advisory and educational functions undertaken by the Movements themselves should receive full support from the government.

25. Promotion of Cooperatives

The Conference appreciated the policy adopted by the Governments of the countries in the Region of promoting and organising cooperatives on a large scale. It was felt that under the present social and economic conditions prevailing in these countries, it is necessary for the governments to undertake this work as a part of their planning. It was further argued that there is nothing inherently wrong if the State takes up the work of sponsorship in order to assist the coming-up of a sound Cooperative Movement. That the State did not do so in the past, nor does it even today, as in some of the western countries, cannot be an argument for not doing the same now in the countries of the Region of South-East Asia. The Conference, however, cautioned that in pushing forward the movement, the essential ingredients of cooperation should not be lost sight of. It is also necessary to see that the people do not feel that the movement is being thrust upon them from above.

26. Role of Cooperatives and other Voluntary Organisations

Simultaneously, efforts also should be made to encourage voluntary organisations to assume responsibility of promotional work so that in course of time, these organisations will be in a position to shoulder these responsibilities and discharge them effectively and efficiently. In the countries of this Region, cooperatives or other voluntary organisations have been rather slow in assuming this function. This is mainly because of the poor financial resources of the societies and their inability to have able persons for

carrying on this work. The Conference, therefore, suggested that cooperatives and particularly Cooperative Unions and Federations of Cooperatives should be given increasing financial assistance so that they could undertake promotional work in a systematic way.

27. Registration of Cooperatives

The main value of registration is the acquisition by a cooperative society of a legal personality with certain attendant advantages. Through registration, the society acquires the right to representation by officials and the right to sue and to be sued, and to recover debts. This also carries an obligation on the part of the society to keep proper books of accounts and their presentation to the government authorities.

28. The Conference felt that registration of cooperative societies is the legitimate function of the government and that the responsibility for registration should rest with the Registrar/Commissioner. However, it was suggested that the procedure for registration of a society should be simplified and less time consuming.

29. In many countries, in recent years, quite a good number of societies proved a failure within a few years of registration. This is largely because of the fact that before organising a society no proper measures are undertaken to educate the members. In many cases, the societies are registered mainly with a view to achieve the planned targets. Such failures are likely to do considerable harm to the movement. The Conference, therefore, suggested that the government should explore the possibility of provisionally registering a cooperative society and providing it with facilities by making it legally

practical for it to do business pending final registration. Simultaneously, adequate measures must be undertaken for imparting instructions in cooperative principles and practices to members and potential members.

30. Cooperative Legislation

Legislation to regulate the organisation and working of cooperative enterprises have existed in all these countries for a considerable period of time. The Conference, however, felt that the existing legislations are, to some extent, complicated and in many cases, they do not provide the needed protection to the Cooperative Movement. In improving the existing cooperative legislation, the Conference recommended as follows:

- i) Cooperative Laws should be simple and comprehensive so that ordinary persons could take adequate advantage of them.
- ii) Cooperative Laws should be so framed that in essential matters experts' interpretation would not be needed.
- iii) Cooperative legislations should have clear provisions with regard to
 - a) the nature of exemptions that cooperative societies will enjoy;
 - b) provisional recognition of a society till it can be finally registered after due evaluation.

31. The Conference also suggested that draft legislations on all cooperative matters should be circulated by the government among the various cooperative agencies at the national level. The comments received from these agencies should be given due recognition before enacting any legislation pertaining to cooperatives.

32. Bye-laws of Cooperative Societies

- In some countries and in respect of certain cooperatives, governments have imposed certain bye-laws on cooperative societies. While deprecating this policy, the Conference felt that the model bye-laws prepared by the Departments should be mainly intended for providing guide lines to cooperatives and that such bye-laws should not be imposed on a cooperative without regard to the needs of the society. The cooperatives should also have independence in making necessary alterations in the bye-laws as demanded by the situation obtaining in a particular area and the nature of the operations the society is engaged in.

33. Supervision

In the countries where a large majority of the people are illiterate, external guidance and control over the cooperatives and educating the members, office-bearers and employees of the society in the theory and practice of cooperation for securing an efficient and smooth working of the cooperatives, need hardly be emphasised. External guidance and control over cooperatives is undertaken by the special machinery provided for Supervision.

34. Supervision covers financial, administrative and promotional and educational aspects. It has the important aim of promoting and not merely testing the efficiency of a society. Supervision differs from audit in the sense that it does not aim merely at testing the efficiency of a society but helping it to be efficient. It seeks to ensure that the defects noted at the audit have been rectified and that the operations of the society are undertaken on business like and on genuinely cooperative lines.

It also comprehends the task of instructing the members and office bearers in cooperative principles and the propagation of the movement by the organisation of new societies. In this sense, Supervision should also be distinguished from that of office Inspection of cooperative organisations usually undertaken by the staff of Cooperative Departments as a part of their normal administrative duties. Effective supervision, therefore, is an essential ingredient in building-up a strong Cooperative Movement. The functions of the Supervisor differ to some extent according to the type of the society supervised. Broadly, the functions of the Supervisor include:

- i) to see that the resources of the society are properly utilised.
- ii) to check the accounts of the society and to see that they are properly maintained.
- iii) to ensure that the society operates in a business like manner and maintains its cooperative character, and
- iv) to remedy the weaknesses and defects indicated in the audit report.

35. Nature of Suitable Supervisory Agency

The Conference considered the nature of the agency suitable to undertake the work of Supervision of Cooperatives. It was felt that the supervision work undertaken by the Departmental staff has a number of drawbacks. In the countries of this region, the plans for cooperative development are formulated by the government and the execution of the plans also largely rests with the government. It is, therefore, argued that in such a situation if the Supervisors are Departmental Officers and that they are also controlled by the Departments, the Departments often largely utilise the services of the

Supervisors in the organisation, registration or amalgamation of societies so as to achieve the targets of organising societies in the plan period. The Supervisors are also likely to get engaged in other routine work of the Department such as collection of statistics, etc., required by the Cooperative Department. Obviously, Supervisors are not likely to perform the duties expected of them in an efficient and effective manner. Their contribution, therefore, in imparting cooperative education and in generating cooperative consciousness among the ordinary members and office-bearers of the societies, which, in fact, is very important, is not given the importance it deserves. The Conference, therefore, felt that the Supervision work of the societies should be undertaken by the respective Cooperative Federations in different sectors of the Cooperative Movement. For example, the working of Primary Credit Societies should be supervised by the Central Cooperative Banks and that of Industrial Cooperatives, should be supervised by the Federal Agencies of the Industrial Cooperatives at the district levels.

36. Role of Cooperative Federations in Supervision

The Cooperative Federal Agencies are the suitable agencies for undertaking Supervision work because of the fact that in the development of the Cooperative Movement and in providing finances and other assistance to the cooperatives, either in the field of agriculture or small industries, Federal Agencies are expected to play a crucial role and it would, therefore, be difficult for these Federal Agencies to effectively administer the cooperative system in the absence of control over Supervision Machinery and its close association with it. It is also natural for the primary cooperatives to seek

guidance, advice and instructions in all matters affecting their business from the Federal Agencies which would support them with funds required for their business.

37. The assumption by the Federal Societies of the responsibility of Supervision work of their affiliated constituents will also contribute to the building-up of self-reliant and self-regulation in the Cooperative Movement. The arguments in support of these are:

- i) this will provide a sense of belonging to each other so that the primary, the central and apex level societies, feel part of one integrated structure,
- ii) each higher body, through the medium of Supervision, can take promotional interest in propagating the movement as well as protective interest in looking after the constituent societies in distress,
- iii) this would pave the way for the eventual transfer of some of the statutory functions of the Registrar of Cooperative Societies which the Federal Societies are best fitted to discharge.

38. Role of Cooperative Unions

With regard to Supervision, some of the delegates made a distinction between the financial supervision and supervision from the point of view of educating the members and office bearers. In making such a distinction it was suggested that the Central Banks or the business federations of the cooperatives might provide only financial supervision whereas the Cooperative Unions might provide supervision covering the educational aspects of members and office bearers. It was felt that since in many countries, the Cooperative

Unions are increasingly taking-up educational work, the work of supervision of cooperatives by Unions would also avoid duplication of work between the Business Federations and the Cooperative Unions.

39. Organisation of Cooperative Federations

The Conference noted that in some countries and in certain sectors of the Cooperative Movement, Central and Apex Societies have not been organised at present. The conference emphasised the need for the formation of Federal Societies where they do not exist at present. Besides, in many sectors of the Movement, the Central and Apex Federations are not uniformly strong and they do not have adequate resources for the appointment of qualified supervisory personnel. In overcoming this difficulty, the Conference suggested that, in the initial stages, the governments might consider the possibility of providing adequate financial assistance to the Cooperative Federations so that they could shoulder the responsibility of supervision work. Simultaneously, efforts also should be made for the building-up of cadres of qualified and trained personnel at the apex and central levels so that the task of supervision is discharged in an effective and efficient way.

40. Audit of Cooperatives

Audit aims at checking the accounts and books of a business in such a manner that the report submitted thereon reflects its correct condition and progress. Audit involves a systematic examination of the financial transactions of a business as recorded in its books which will enable the auditor to satisfy himself whether or not the balance sheet has been drawn up properly so as to exhibit a true and correct view of the state of affairs of an enterprise.

It includes a skillful and diligent scrutiny of the genuineness of the transactions recorded in the books of accounts. The main object of the audit of a cooperative society is to ensure that it has carried out the requirements of law governing the working of cooperative societies as also that it functions on sound lines in accordance with cooperative principles and practices.

41. Present Audit Agency

In all countries of the region, audit of cooperative societies once a year is a statutory function of the Registrar/Commissioner of Cooperative Societies. § In some countries, the practice of entrusting audit of cooperatives particularly of large societies, to certified auditors is also prevalent. These auditors are generally selected by the Registrar/Commissioner and put on a panel.

42. Suitable Agency for Audit

The Conference considered the nature of agency that is suitable for conducting the audit of cooperative societies. In this connection, two aspects were considered;

- i) Whether audit should at all be with the government, and if so,
- ii) whether it should be the responsibility of the Registrar/Commissioner or of some other authority of the government.

In one state in India viz., Uttar Pradesh, the audit of cooperative societies is the responsibility of the Chief Audit Officer working under the control of the Finance Department.

43. With regard to the first point, the Conference felt that cooperatives should have their own arrangements for providing audit services to cooperatives, as is being done in some of the western countries where audit is in the hands of the Federal Cooperative Institutions. The Conference, therefore, suggested the need for encouraging the federations for providing audit services to their affiliated cooperatives. Alternatively, the possibility of organising separate Audit Unions might be considered. It is needless to add here that the governments would reserve their right to have a test audit and to take other necessary measures for the proper working of the societies in the interest of the community at large.

44. With regard to the second point, the Conference suggested that the responsibility of auditing the cooperative societies should lie with the Registrar. It was felt that the Registrar of Cooperative Societies is responsible for the proper conduct of cooperatives and that he cannot fulfil his responsibilities unless he keeps himself in close touch with the working of the societies by keeping their accounts audited under his direction and control.

45. The Conference also considered the extent to which independence and objectivity of audit would be impaired if the responsibility for audit rests with the Registrar/Commissioner. It was felt that because of the deep involvement of the government in the promotion, financing and management of societies, the audit of societies by the Registrar may not be impartial and objective and help to providing a true picture of the Cooperative Movement. For remedying such a situation, the Conference suggested that audit and administrative staff should be separated and the Chief Auditor should be responsible directly to the Registrar/Commissioner of Cooperative Societies.

46. Separation of audit and administrative staff would contribute to securing independence to audit work. This system will also have other advantages. For example, when audit work is undertaken by the Cooperative Department through interchange of staff between audit and administrative section, it is possible to have audit staff with the right background of administrative experience. This is necessary because cooperative audit involves just not fault finding but it is expected to provide, in the process, education towards avoidance of such faults in future. There should not, however, be frequent interchange of staff between the two wings. On the contrary, in the day-to-day work, there should be strict division of work between the audit and administrative staff and the interchange of staff between the two wings should be effected as and when necessary from the point of view of providing the audit staff the necessary experience in administrative work.

47. The argument that audit by the Registrar cannot be objective also loses much of its validity in view of the generally agreed plans in the countries for the transfer of the work of promotion and supervision of cooperatives to Cooperative Unions and Federations. When this is largely achieved, the Department of Cooperatives cannot be considered as having a stake in the working of the cooperatives in the sense in which it is considered at present.

48. State Financial Assistance to Cooperatives

The Conference appreciated the financial assistance that is being given at present by the Governments to cooperatives for various purposes.

The Conference, however, suggested that in providing financial assistance, the governments should keep in view the criteria as indicated below;

- i) The need of the cooperatives for financial assistance from the State in the initial stages of growth is obvious. This assistance should be made binding on the State by means of regulations framed under the Cooperative Act and that no scope should be given for the government to use normal financial grant as a lever for forcing its views on the movement or for influencing free operations of Cooperative Institutions. The procedure for granting financial assistance to cooperatives by the Government should, therefore, be made as impersonal as possible. Again, the financial assistance given, both from the point of view of the procedure and the amount, should be compatible with cooperative principles.
- ii) The assistance should help to enhance the business efficiency of cooperatives. All assistance to cooperatives should be so framed and administered as to provide incentive for securing improvement and efficiency of cooperatives.
- iii) The desire for securing quick implementation of programmes leads government occasionally to bypass the cooperative financing institutions in the matter of financing some of the activities which are normally the concern of the Movement. The Conference, therefore, suggested that whenever government feels the need to supplement the financial resources of cooperatives by government loans, this should be made either through the Cooperative Financing Institutions or through other channels which would help to lend strength to these institutions so that they would eventually be able to do without the government assistance.

- iv) The assistance should have some relationship with the resources raised by the cooperatives themselves through savings or through contribution to share capital from members. However, in respect of certain societies, for example, those comprising of weaker sections of the community, larger financial assistance might be given. The governments might also provide grants to such cooperatives for implementing programmes of dairy, fishery and poultry in the interest of the weaker sections of the society. The attempt should be directed towards bringing the weaker sections to a level of self-sustenance by concerted efforts.
- v) As a rule, operational costs of cooperatives should not be subsidised by the government. However, in case of cooperatives having potential for a sound and self-reliant activity but which are not able to tide over the initial stage without some financial assistance, temporary subsidy covering specific items of expenditure, should be given directly to the organisation.

49. State Assistance in Management

In many countries, because of the poor resources, cooperatives are not in a position to provide adequate scales of remunerations so as to attract technically trained and efficient persons to work as Managers in the societies. The Conference appreciated the financial assistance provided by the government for the appointment of qualified persons and also the deputation of government personnel to work with the cooperative societies. The Conference, however, suggested a few guide lines in the provision of management assistance by government. These are:-

- i) In deputing staff, government should depute only those officials who have secured adequate training in cooperative business management. Such deputed staff should associate local cooperative workers as their colleagues so that they could be trained in cooperative management work. This would make possible to replace an official by a person appointed by the cooperative within a reasonable period of time.
- ii) In planning their programmes, cooperative organisations should receive adequate expert official assistance.
- iii) The nascent and potentially viable cooperatives may be given with management subsidy without effecting their autonomy. This subsidy should taper-off within a stipulated period as the cooperative develops, and is in a position to meet management costs.

50. Cooperative Employees

In order to attract qualified and efficient management personnel, apart from providing adequate scales of remuneration, there is also a need for providing other incentives to the personnel such as security of service, bonus on turnover or profit of the society, possibility of promotion, etc. While considering these aspects, the Conference made a few other suggestions as indicated below;

- i) Employees of cooperatives should be given Provident Fund and pension benefits, For this purpose, government should extend necessary financial assistance.
- ii) Cooperative employees should have opportunities to improve their prospects through promotion. The Conference, suggested that Cooperative Federations and Unions might constitute management cadres for various.

categories of services. This would provide scope for giving promotion to employees. Formation of such management cadres would also help infant cooperatives in securing trained managers. The necessary resources in this effort should be given by the Government.

51. Consultative Services

Except in Japan, in none of the countries in the Region, arrangements exist for providing consultative services to cooperatives. Apart from advice in respect of administrative and procedural matters, the cooperatives also need technical advice particularly so when cooperatives expand in diverse fields and their working becomes complex. For example, the Cooperative Farming Society would require technical advice in matters such as irrigation, levelling of land, pattern of cultivation, etc. Similarly, a Consumer Cooperative would need technical advice in window display of goods, pricing, etc. The Conference, therefore, suggested for making adequate arrangements whereby cooperatives could easily secure technical guidance from the concerned Government Departments in conducting their operations. In providing such advice, the need for securing coordination of activities between the Cooperative Societies and Cooperative Departments on the one side and the Technical Departments of the governments on the other, was also emphasised by the Conference.

52. Other Forms of State Assistance to Cooperatives

In the development of cooperative movement, the cooperatives would also require government assistance or patronage in other fields. The Conference considered this aspect and suggested the following:

- i) Cooperatives should be recognised as suitable agencies for the

distribution of scarce commodities. These activities help the cooperatives in developing their business and in acquiring financial strength so that they can face competition when free market conditions are restored. The advantage to the government would be that it would be saved from operating through a huge posse of government staff with all the draw-backs that are inherent in a bureaucracy.

- ii) Certain government works like road building, construction of dams, bridges, etc., should be entrusted to cooperative societies, for example, Labour and Construction Cooperatives.
- iii) Government should, as far as possible, purchase their requirements from cooperatives, e.g. from Cottage and Small-Scale Industrial Cooperatives. In making such purchases marginal price preference should be allowed. It may be noted that cottage and other small-scale industries are largely operated by weaker section of the community. These measures would thus benefit the disadvantaged section of the community.
- iv) Government should assist the Cooperative Movement in securing advice and assistance from International Agencies as well as from movements in other developed countries for cooperative development. In this connection, the Conference noted the various activities of the Cooperative Institute of Management in Pakistan. This institute has been set up with the assistance from Denmark.

53. Taxation and the Cooperative Societies

Cooperatives are mainly intended for providing services to their members. Because of this and a few other reasons, Cooperatives are given

concessions and remissions in certain taxes. In recent years, in some of the countries, taxation on cooperatives are being gradually increased. In Japan, for example, cooperatives are generally liable to pay some of the local taxes; in certain cases these taxes are being gradually increased. In the Republic of Korea also, attempts are being made to enhance taxes on cooperatives. In many western countries, governments have gradually increased taxation on cooperatives as these cooperatives are now able to do business in competition with private trade.

54. While noting these recent trends in the sphere of taxation of cooperatives, the Conference observed that cooperative organisations should bear the normal responsibility of paying certain taxes. In the light of this observation, the Conference suggested the following:

- i) Cooperatives return a substantial portion of the surplus to members in proportion to the loyalty extended by them. Besides, a large portion of the surplus is ploughed back to reserves for building-up the organisation. In view of this, Cooperatives should be exempted from the payment of taxes indefinitely in respect of some taxes and at least for some period of time in respect of a few other taxes. The programme for imposing taxes on cooperatives should, however, be a phased one.
- ii) In the initial years of organisation, cooperatives should be exempted from all taxes.
- iii) In several countries pressure is being put on the government by the private sector for taxing the cooperatives. The Conference, therefore suggested the need for the building-up of a strong public relations policy to counter the propaganda undertaken by the private trade.

55. Role of Government in Cooperative Education
Training and Research

At present, in some countries, cooperative education of members and training of office-bearers and other employees are undertaken by the government and in a few others, government has been providing financial and other assistance to cooperatives for undertaking these activities. While appreciating the role played by the government in this sphere, the Conference observed that cooperative education of members and training of employees are the legitimate functions of the cooperatives and that the Cooperative Movement, therefore, should assume full responsibility. In order to ensure that cooperatives undertake this responsibility and discharge it efficiently, the Conference suggested as follows;

- i) Cooperative Federations embracing different sectors of the movement should be organised. They should be given necessary financial assistance by the government for carrying on educational and training activities. Financial assistance should be routed only through Cooperative Federations.
- ii) Cooperative Education of members and the training of employees should be a continuous process.
- iii) The training of cooperative employees should be more practical covering business management aspects.
- iv) The Conference noted the distinction being made at present in some countries between cooperative education and training of the members and office-bearers of the society and those of the government administrative staff. The Conference observed that this distinction is not conducive to the establishment of proper relations between the cooperative

employees and departmental staff. The officials of the department should receive their cooperative education and training along with the staff of cooperative institutions.

- v) The instructors in cooperation should be given proper training. Efforts should also be made in developing a cadre of training staff.
- vi) Government should sympathetically consider requests from cooperative agencies for financial and other assistance for organising seminars and conferences at national or international levels and for holding periodically Cooperative Congress.
- vii) The government should provide leave facilities for representatives of cooperative societies to attend cooperative seminars and conference etc., Leave of absence from duty to attend such educational events should be treated as duty leave. This is being done in Malaysia.
- viii) The subject of Co-operation should be included in the curriculum of all educational institutions. The responsibility for this should be undertaken by the government. Efforts should also be made in organising Cooperative Canteens and Stores in Schools and Colleges.
- ix) Government should encourage Cooperative Research both on fundamental problems and on applied and operational problems. For this purpose, financial assistance should be given to Cooperatives, Professional Organisations and Universities.
- x) The spread and success of the Cooperative Movement would ultimately depend upon the extent to which its basic idea has been accepted at all levels of government and also the public in general. In achieving this, the Conference suggested that cooperatives should undertake

extensive propaganda work through publication of journals and other literature and giving wide circulation to them.

- xi) There should be close liaison and collaboration between the Movement and the Government in all respects pertaining to cooperative education and employee training.

56. International Technical Assistance and the Government

The Conference noted that international and bilateral technical assistance in cooperation is being made available to developing countries and the volume of such assistance is being continuously increased by the developed Cooperative Movements. Although the experiences of the developed countries may not be relevant in all cases to the conditions prevailing in the developing countries, the available assistance in the field of techniques and equipment should be fully utilized by the developing countries. The Cooperative Movement should, therefore, impress upon their Governments to obtain maximum possible technical assistance of the above nature. The National Cooperative Federations should keep a constant vigil on the Bilateral Technical Assistance Agreements between the two countries and make the maximum possible use of such agreements for obtaining assistance. The Conference also noted the important role that is being played by the International Co-operative Alliance in channelling technical assistance from one Cooperative Movement to the other.

57. Pattern of Future Relationship Between the State and Cooperative Movement

In order that cooperatives can play their role effectively in the economic and social development of the countries, it is necessary to have

a proper understanding of the respective roles of the State and that of the Cooperative Movement. This will enable in evolving a suitable pattern of relationship between the Government and the Cooperative Movement. While noting the role assigned to Cooperatives in the development plans, the Conference observed that voluntary principle of the Cooperative Movement is compatible with economic and social planning provided the Cooperatives are allowed their freedom of action within such a planned economic structure.

58. The pattern of relationship that should exist between the Government and the Cooperative Movement would largely depend upon the existing social and economic conditions in each country. Again, the ways in which and the extent to which government utilises cooperatives in the development plans and the nature and quantum of assistance that the State should provide, needs to be determined in the light of many considerations such as the strength of the Cooperative Movement, the capacity and willingness of the cooperatives to undertake a given responsibility, the development of cooperative leadership, the extent of members' loyalty, availability of managerial personnel, etc. In developing Cooperatives and also in utilising the Movement for implementing development plans, government should ensure that the democratic and voluntary character of the movement is not sacrificed. On the contrary, the assistance provided to Cooperatives should help in achieving a healthy growth of the Cooperative Movement.

IV SUMMARY OF SUGGESTIONS

1. In achieving the Plan targets, cooperatives should not be organised in haste. There should be a proper ground-work in the form of education and training of members.
2. Government should assess the capacity of the Cooperative Movement and the work entrusted to cooperatives should be in commensurate with the abilities of the cooperatives to implement them effectively.
3. Government should invariably consult the Cooperative Movement on all important matters pertaining to cooperatives. Mismanagement of cooperatives should be corrected by cooperatives themselves with the help of Federations. In matters of supersession, Government should consult the Cooperative Federations.
4. Government nominees on the Managing Body of the cooperatives should work mainly in an advisory capacity. Such nominees should be given adequate training in cooperative principles and management.
5. Federations of cooperatives in different sectors should be organised. This would help in building-up a strong body of cooperative thought.
6. Government should welcome bodies of cooperative opinion to meet at frequent intervals for discussing aspects on cooperative policy and its implementation. This will contribute to developing of cooperative leadership.
7. In achieving Plan targets, cooperatives should not be thrust on people, and the essential ingredients of cooperation should not be lost sight of.

8. Cooperative Unions and Federations of Cooperatives should be given increasing financial assistance for undertaking promotional work of cooperatives.
9. The procedure for registration of societies should be simplified and made less time-consuming.
10. Facilities for the provisional registration of societies should be provided. Provision to this effect should be included in the Cooperative Laws. Before the final registration, members and potential members must be given cooperative education.
11. Cooperative laws should be simple and comprehensive and that they should be so framed that in essential matters experts' interpretation should not be needed.
12. Cooperative legislation should have clear provisions with regard to the nature of tax exemptions and other concessions which a cooperative society will enjoy.
13. Before enacting any laws affecting cooperatives, the opinion of the Cooperative Movement should be ascertained by the government.
14. Model by-laws should be intended for providing guidelines to cooperatives and that such or any other bye-laws should not be imposed on the cooperatives without regard to the needs of the society.
15. The need for providing Supervision to infant cooperatives is recognised. In providing this supervision, the respective Cooperative Federations in different sector of the Cooperative Movement are the appropriate agencies.

16. As far as possible financial Supervision should be provided by the Business Federations and Supervision from the point of view of educating the members and office-bearers should be provided by the Cooperative Unions.
17. Audit of cooperatives is the statutory function of the Registrar/Commissioner of Cooperatives. The Registrar/Commissioner is responsible for the proper conduct of the cooperatives. Audit should, therefore, remain under his direction and control.
18. In order to secure independence and objectivity of audit, Audit and Administrative Staff of the Department should be separated and the Chief Auditor should be responsible directly to the Registrar/Commissioner of Cooperative Societies.
19. There should be interchange of staff between Audit and Administrative Sections. This helps to giving Audit staff the necessary administrative experience which is important in auditing the cooperatives. There should not, however, be frequent interchange of staff between the Audit and Administrative Sections.
20. The need of the cooperatives for financial assistance from the State in the initial stages of growth is recognised. The normal financial grant to be given to cooperatives should not be used as a lever for forcing its views on the Movement. Government financial assistance should be made as impersonal as possible. The financial assistance given should be compatible with cooperative principles and should help to increase the efficiency of cooperatives.

21. Government financial assistance to cooperatives should invariably be given through the Federal Cooperative Financing Institutions.
22. The financial assistance given should have some relationship with the resources raised by the cooperatives themselves through savings or through share capital from members.
23. As a rule, operational cost of cooperatives should not be subsidised by the government except in certain needy cases for a short period.
24. Wherever necessary, the nascent and potentially viable cooperatives may be given management subsidy without affecting their autonomy. It should be given on a tapering-scale for a stipulated period.
25. For the purpose of managing the societies, government should depute only those officials who have secured adequate training in cooperative business management. These persons should associate local cooperative workers in the work so that they could be trained in the management of cooperatives.
26. In planning the work programme, cooperative organisations should receive adequate expert assistance from the Government.
27. Cooperative employment should be made attractive. Cooperative employees should, therefore, be provided incentives in the form of adequate scales of remuneration, security of service, bonus on turn-over or profit of the society, possibilities of promotion and provident fund and pension benefits.
28. Cooperative Federations and Unions should constitute Management Cadres for various categories of services. This provides scope for giving promotion to employees and would also help in supplying the infant

cooperatives with necessary trained managers. The required resources in this effort should be given by the government.

29. Government should provide the needed technical advice to the cooperatives. There should be a close coordination of activities of Cooperative Societies and the Cooperative Departments on the one side and the Technical Departments of the Government, on the other.
30. Cooperatives should be given assistance in other ways also. Some of these are, recognising cooperatives as suitable agencies for the distribution of scarce commodities, entrusting government works like road building, construction of dams, etc., to cooperatives and purchasing of government requirements from cooperatives.
31. Government should assist the Cooperative Movement in securing assistance in the form of technical personnel, funds, etc., from International agencies as well as from cooperatively developed countries, to the cooperatives in this region.
32. As a rule, cooperatives should bear the normal responsibility of paying certain taxes to the government. In the initial stages, however, cooperatives should be exempted from all taxes. At a later stage, certain taxes on cooperatives might be imposed. The programme for imposing taxes on cooperatives should be a phased one so that the efficient working of cooperatives is not impaired.
33. Cooperative Education of members and training of office-bearers and other employees is the legitimate function of the cooperatives and that the Cooperative Movement should, therefore, assume full responsibility in this regard. In undertaking this work, government should provide the necessary financial assistance to the Movement.

34. Cooperative Education of members and the training of employees should be a continuous process.
35. The training of cooperative employees should be more practical covering business management aspects.
36. Governments Administrative Staff should receive cooperative education and training along with the staff of Cooperative Institutions.
37. The instructors in cooperation should be given proper training.
38. Necessary financial assistance for organising seminars and conferences at the national and international levels should be given by the government to the cooperatives.
39. Government staff should be given leave facilities for attending cooperative activities. Absence of such staff from office for attending cooperative educational events should be considered as "duty leave".
40. The subject of Cooperation should be included in the curriculum of all educational institutions. Government should take the responsibility of introducing the subject in the schools and colleges. Efforts should also be made for organising Cooperative Canteens and Stores in schools and colleges.
41. The spread and success of the Cooperative Movement depends upon the extent to which its basic idea has been accepted at all levels of government and also the public in general. In achieving this, cooperatives should undertake extensive propaganda work through publication of journals and other literature and giving wide circulation for them.

42. In order that cooperatives can play their role effectively in the economic and social development of the countries, it is necessary to have a proper understanding of the respective roles of the State and that of the Cooperative Movement. This will enable in evolving a suitable pattern of relationship between the Government and the Cooperative Movement.
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ICA/MINISTRY OF NATIONAL DEVELOPMENT
Experts' Conference on "The Role of
Government in Cooperative Development"
BANGKOK (Thailand), January 17-27, 1966.

P R O G R A M M E

Monday, January 17

- 9.00 - 10.00 A.M. Inauguration by **H.E. Mr. Pote Sarasin**, Minister of National Development
Place: Santitham Hall, Bangkok.
- 11.00 A.M. - 12.00 Noon Working Methods of the Conference
Mr M.V. Madane
Deputy Director
ICA Regional Office & Education Centre
New Delhi-1.
- 10.30 - 11.00 A.M.
(Coffee Break)
- 2.00 - 5.00 P.M.
- a. Statements by fraternal delegates
 - b. The Role of Government in Cooperative Development:
A Review
- 3.30 - 4.00 P.M.
(Tea Break)
- Chairman: Mr Chamnien Saranaga
Deputy Director-General
Department of Credit and Marketing
Cooperatives,
Ministry of National Development
Bangkok (Thailand)

Tuesday, January 18

- 9.00 - 1.00 P.M. The Role of Government in Cooperative Development:
A Review (Contd.)
- 10.30 - 11.00 A.M.
(Coffee Break)
- 2.00 - 5.00 P.M. Government and the Cooperative Movement: An Analysis
of Background Factors
- 3.30 - 4.00 P.M.
(Tea Break)
- Discussion Leader: Mr P.E. Weeraman
Commissioner for Cooperative Dev.
Echelon Square, P.O. Box 419
Colombo -1. (Ceylon)
- Chairman: Prof. D.G. Karve
Chairman: ICA Regional Office &
Education Centre Advisory Council.

Wednesday, January 19

9.00 A.M. - 12.00 Noon

Cooperative Legislation: Promotional, Supervisory and Statutory Functions of the Commissioner/Registrar

Discussion Leader: Dr P.R. Baichwal
Specialist in Agricultural Coopn.
ICA Regional Office & Education
Centre, New Delhi-1.

10.30 - 11.00 A.M.
(Coffee Break)

Chairman: Mr Robert Stearnose
ILO Regional Expert,
International Labour Office-
Bangkok (Thailand)

2.00 - 5.00 P.M.

Free

Thursday, January 20

9.00 A.M. - 12 Noon

Patterns of Government Assistance and their implications.

10.30 - 11.00 A.M.
(Coffee Break)

Discussion Leader: Mr K. Fujisawa
Professor
Cooperative College of Japan
Tokyo (Japan)

Chairman: Mr B.D. Pekurel
General Manager
Cooperative Bank
Kathmandu (Nepal)

2.00 - 5.00 P.M.

Taxation and the Cooperative Societies

3.30 - 4.00 P.M.
(Tea Break)

Joint Discussion
Leaders:

Mr Hyo Chul Ahn
Head, Public Relations Centre,
National Agricultural Cooperative
Federation
Seoul (Republic of Korea)

Mr Mak Kam Heng
53-A Jalan Buloh Perindu
Singapore-15.

Chairman: Mr M.V. Madane

Friday, January 21

9.00 A.M. - 12.00 Noon

Role of Government in Cooperative Education and Training

Discussion Leader: Mr Luciano E. Lactao
Chief Training Officer
Agricultural Credit and Cooperative
Institute
La Guna (Philippines)

10.30 - 11.00 A.M.
(Coffee Break)

Chairman: Mr S.D. Lingam
Asstt. Commissioner for Cooperative
Development, Department of
Cooperative Development,
Kuala Lumpur (Malaysia)

2.00 - 5.00 P.M.

Some other forms of Assistance to Cooperatives:
Managerial, Consultative Services, etc.

Discussion Leader: Mr M.L. Batra
Chief Executive Officer
National Cooperative Union of India
72 Jorbagh, New Delhi-3 (India)

3.30 - 4.00 P.M.
(Tea Break)

Chairman Dr P.R. Baichwal

Saturday, January 22

9.00 A.M. - 12.00 Noon

Formation of Cooperative Policy: Role of Various
Agencies

Discussion Leader: Mr M.Z. Hussain
Project Director
Pakistan Academy for Rural
Development
Comilla (East Pakistan)

10.30 - 11.00 A.M.
(Coffee Break)

Chairman: Mr S. Chakravarti
Secretary to the Government of
India, Ministry of Community
Development & Cooperation,
Department of Cooperation
New Delhi (India)

Saturday, January 22 (contd.)

2.00 - 5.00 P.M.

Pattern (s) of Future Relationship Between the
Government and the Cooperative Movement
Discussion Leader: Mr M.V. Madane

Chairman: . Mr Francis Soosay
Hony. Secretary
Cooperative Union of Malaya Ltd.
Kuala Lumpur (Malaysia)

Sunday, January 23

Sight-seeing in Bangkok

Monday, January 24

to

Wednesday, January 26

Study Tours

Thursday, January 27

9.00 A.M. - 12.00 Noon

Draft Report and Conclusions

Chairman: Prof. D.G. Karve

ICA NEW DELHI

17. Mr M.V. Madane, Deputy Director
18. Dr P.R. Baichwal
Specialist in Agricultural Cooperation
19. Mr Jai Prakash, Administrative Assistant

OBSERVERS

THAILAND

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Department of Credit and Marketing Cooperatives
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I.L.O.

24. Mr Robert Staermose
ILO Regional Expert
International Labour Office
Bangkok

I.C.F.T.U.

25. Mr D. Ramanujam
ICFTU-ARO Representative
P.O. Box 33, Killiney Road P.O.
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