

# **First Meeting of the ICA Regional Assembly for Asia and the Pacific**

*New Delhi (India) : 5-6 January 1995*

**MINUTES**



**International Cooperative Alliance**

Regional Office for Asia and the Pacific

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# Minutes of the First Meeting of the ICA Regional Assembly for Asia and the Pacific

New Delhi, January 5- 6, 1995

The First Meeting of the ICA Regional Assembly for Asia and the Pacific was held in New Delhi, India, on 5<sup>th</sup> & 6<sup>th</sup> January, 1995. 112 delegates/observers from 15 countries viz. Bangladesh, China, India, Israel, Japan, Korea, Malaysia, Mongolia, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Vietnam, Turkey and ACCU attended the meeting. In addition, representatives of SCC and ILO also attended the meeting. The list of participants of the meeting is annexed.

The Meeting was inaugurated by Hon'ble Dr. Bal Ram Jakhar, Union Minister of Agriculture, Government of India, and presided over by Hon'ble Mr. Arvind Netam, Union Minister of State for Agriculture and Cooperation, Government of India.

The inaugural session was also addressed by Mr. B. S. Vishwanathan, President, National Cooperative Union of India (NCUI), Mr. Yang Deshou, Chairman, ICA Regional Assembly for Asia and the Pacific, Mr. M. Horiuchi, ICA's Vice President for Asia and the Pacific, Mr. Lars Marcus, President, ICA, Dr. Jurgen von Muralt, Director - Enterprise Development & Cooperatives, International Labour Office, and Mr. G.K. Sharma, Regional Director, ICA ROAP.

Welcoming the delegates, Mr. B.S. Vishwanathan, President, NCUI, said : "Visualising intense competition for the cooperatives in the face of privatisation, the five point strategy for cooperative development has been adopted. The strategy involves specific policy enunciation by the Government for cooperatives; amendment of cooperative law to democratise the functioning of cooperatives; strengthening of base level structure; reorientation of the working of federal cooperatives to strengthen their primaries and enhancing active involvement and; participation of members, especially of rural poor in cooperative sector".

Mr. Yang Deshou of China said "some of the governments in Asia and the Pacific region had obtained better understanding of the role and need of cooperatives in the new social and economic situation and are already reviewing and revising cooperative laws. This indicates that governments have come to realise the effectiveness of cooperatives in ameliorating the economic condition of the weaker sections of society. The present dramatic changes characterised by marketing and economic conditions, provide a new situation for most of the developing countries of this region. The situation however, also provides an opportunity to the cooperatives to sort out their problems and strengthen themselves with a view to facing the competition".

Mr. M. Horiuchi, Vice President of ICA, in his greetings emphasized that the ICA has been restructured to meet the new challenges. He complimented the Indian Cooperative Movement in hosting the ICA Regional Assembly.

Mr. Lars Marcus, President, ICA, in his remarks observed that there are great challenges ahead for cooperatives in the context of the changed economic scenario. The strength of cooperatives lies in their capacity of solving the problems through mutual sharing.

Dr. Jurgen von Muralt, Director - Enterprise Development & Cooperatives, spoke of the growing collaboration between ICA and ILO.

Mr. G.K. Sharma, Regional Director, ICA ROAP, said: "The cooperative movements in the region is passing through a crucial period, particularly in view of the market economy being adopted by most of the countries. It gives new challenge to cooperatives. While on the one hand it provides greater opportunities and scope to operate it would also result in many cases lesser patronage and assistance from the governments. In market economy, it is the survival of the fittest and no one is concerned with

weaker sections of the society. The importance of cooperatives, therefore, gets much more significant in the market economy as they must provide a vehicle particularly to those who are not much fortunate to have larger capital resources and contacts. The Assembly will consider issues which will help the cooperatives in the region to march forward in this fast changing global scenario.”

Appreciating the role of the International Cooperative Alliance in promoting cooperatives in the Asia and the Pacific region, Hon'ble Dr. Bal Ram Jakhar stated that in the present context the ICA has greater responsibility as it has to work for regional integration of cooperatives and development of human resources. It has to be a resource centre for cooperatives of the region. It should also assist to establish International Trade Relations on cooperative basis and economic collaboration.

Presiding over the inaugural function, Mr. Arvind Netam, Minister of State for Agriculture and Cooperation, said that the cooperative movement has been able to provide quite a strong shield for the weaker sections of the community against the middlemen and the exploiters. He was hopeful of further development of cooperative movement, in the region and pointed out that there was every possibility of bringing power and energy sectors under cooperative fold.

Mr. B.D. Sharma, Chief Executive, NCUI, expressed his thanks to the hosts and organisers of the Regional Assembly for their support and collaboration.

Full text of the speeches are annexed to the minutes.

#### **Agenda Item No. 2 : Approval of the Agenda**

The items listed in the <sup>agenda</sup> were approved.

#### **Agenda Item No. 3 : Confirmation of the Minutes of last Regional Consultation in Beijing, April '93**

The Minutes of the ICA Regional Meeting for Asia and the Pacific held in Beijing, China, on 21 & 22 April, 1993 were confirmed.

#### **Agenda Item No. 4 : Election of Chairman and Vice Chairman**

Mr. B.S. Vishwanathan, India, was elected as Chairman of the Regional Assembly for the next two years, and Prof. Ungku Aziz, Malaysia was elected Vice-Chairman.

#### **Agenda Item No. 5 : Consideration of the amendments to the Rules of the ICA Regional Assembly**

The meeting approved the recommendation of the Executive Council in its meeting held in Colombo in July 1994 regarding addition of clause 4 (c) to Rule 4 of the ICA Regional Assembly as under :

##### **/c. Associate Members**

- i. National level cooperative organisations from the region which are not members of the ICA could be admitted as Associate Members of the Regional Assembly on payments of subscription fee as decided by the Regional Assembly.

##### **Observers**

- ii. Parastatal organisations and others at national and regional levels directly concerned with the promotion and support to the cooperatives could be admitted as observers on payment of subscription fee as decided by the Regional Assembly;

##### **Special Invitees**

- iii. Special invitees like international organisations and others whose presence may be useful and desirable could be invited as a special invitees. For special invitees no subscription fee will be applicable.



The Associate Members, Observers and Special Invitees will be entitled to submit written papers in advance and present their views in the meetings, but will not be entitled to vote or contest in elections.” //

The meeting also approved to modify Rule 7 to include ICA Congress, General Assembly and Board as also to modify the word “Regional Council” with “Executive Council”. Accordingly, the amended Rule 7 will be read as under :

#### “7. Elections

The Regional Assembly shall elect at its first session a Chairman, normally from the host organisation, who shall preside over the meeting.

The Assembly may elect one or more than one Vice Chairman as deemed necessary.

The Chairman and Vice Chairman will continue till their successors are elected in the next meeting of the Assembly.

The Regional Assembly shall also nominate one candidate for election as ICA Vice-President by the General Assembly. Each member organisation, and international member, in the region is entitled to submit nominations. Candidates must have served on one or more ICA governing bodies for at least two years. The Governing Body shall include : ICA Executive Committee, Regional Assembly, Executive Council. If there is no unanimity, voting is to be conducted by secret ballot. The Regional Director shall be responsible for communicating the name of the regional nominee to the ICA Secretariat not less than three months prior to the next General Assembly.

The Vice President shall serve a four-year term and is eligible for re-election if nominated again by the Regional Assembly.”

#### **Agenda Item No.6 : Approval of the Rules of the Executive Council**

The draft rules of the Executive Council, including an amendment regarding membership of the ICA Vice-President from the region in the council, were approved.

#### **Agenda Item No.7 : Presentation and consideration of the Third Draft of the “Cooperative Charter”**

The ICA Director-General, Mr. Bruce Thordarson, described the background and process of the current review of the cooperative principles. Dr. Y. Paz, member of the Resource Group working with Dr. Ian MacPherson, highlighted in detail the proposals contained in the third draft of the “Cooperative Identity Statement”.

Mr. Y. Kato, Vice President of JA-ZENKYOREN, Japan, said on behalf of Japanese JA-Group that he would like to say a word about the proposed revision, there are several points we want to see modified, as a matter of fact. However, in light of the limited time available today, he would confine his address my address only on the issue of cooperative capital.

He said that under the current Principles of 1966 share capital shall only receive a strictly limited rate of interest, if any. The proposed revision, instead says that “cooperatives might pay interest on capital” and keep silence about “limited” interest.

Behind the proposed line of revision, is a situation where for some cooperatives the principle of limited interest rate on share capital is a hindrance to raising capital. Such a problem could be approached by introducing more diverse ways of raising capital; ways which would stall limited interest rate and protect the governing right of the cooperative by not allowing capital contributors other than members to have any say in the affairs of the cooperative.

He further stated that it is an issue of adaptation to reality; it has to be our fundamental principle that “members mutually contribute shares to capital of their cooperative, for which there is a limit

placed on interest.” To provide that “cooperatives might pay interest on capital without providing for any limitation could well; drive cooperatives to run the business for the purpose of raising income to pay return on capital. Danger there is that the business of cooperative will start to be run for a wrong purpose where the means become the end.

JA-Group thinks that a revised principle should stipulate the concept of limited rate of interest on share capital. He emphasised that a well considered thought be given by ICA authority on this important point.”

Mr. Shigenori Takemoto, President, JCCU, Japan, highly appreciated Dr. Macpherson’s definition of cooperatives, in which he states clearly ‘that a cooperative is an autonomous association of people united voluntarily’. He mentioned that this definition was stated properly in the contemporary context. In addition, he would like to pay respect to MacPherson’s proposal since he has reflected their comments in formulating the new principles with regard to the different roles of members and employees in the participatory democracy, the significance of reciprocal education among cooperators and so on. He believe that these viewpoints were crucial not only for Japanese cooperatives but also for the Asian Cooperative Movements.

In Japan, he believed that consumer cooperative movement has developed through practising cooperative principles. The notable characteristics of Japanese movement is the practice of participatory democracy and autonomy. The participatory democracy can be exercised by members in three factors as investment in cooperative capital, utilisation of cooperatives facilities and participation in the cooperative business operation by members. He understand that the trinity of these three factors has enhanced members’ sense as main actors in consumer cooperative movement and it has brought a good result to cooperative business as well. Besides, they have made strenuous efforts to organise autonomous and viable consumer cooperatives. Although Japanese movement has never received any subsidy from Government and it has evolved to be a socially and economically independent movement. However, it is needless to say that independence from Government doesn’t mean isolation. Consumer cooperatives have always tried to realise their ideals by collaborating with consumer organisations, women’s and the other citizen’s groups.

Lastly made a short comments concerning the “Declaration for the Cooperative Movement in the twenty first Century”.

“It has been fifty years since the World War II ended. Now that the cold war has come to an end, we are seeking a new global order. However, we are still confronting such problems as regional conflicts, starvation, poverty and environmental destruction. It is imperative for us to ask ourselves how we can contribute to the everlasting peace of the world.

Japanese cooperators have learned the “importance of peace” from the bitter experience of the World War II including that of the atomic bombing. Japanese consumer cooperatives plan to conduct the following three activities in these three years;

1. Promote study meetings and international exchange activities among members and double the fund raising to contribute to the UNICEF programs for children and mothers in the world.
2. Study about the history of Japanese fore’s invasion of Asian countries during the World War II in order to enhance public opinion not to repeat the same fault and to promote the friendship with the Asian people.
3. Promote members’ peace campaigns and raising public opinions for the elimination of atomic bombs which will destroy the mankind and the global environment.

In this conjunction, I would like to strongly urge the ICA and its member organisations can take initiatives for building the lasting peace.”

Mr. S. Chandra, India, emphasised” Literally ‘Principle’ means ‘Fundamental Truth as basis of reasoning or ‘General law as guide to act’. If this interpretation of the world ‘Principle’, which is

universally accepted, is also applicable to the cooperative movement, every cooperator should base the working of cooperatives on the fundamentals set by the pioneers of the movement. Fundamentals do not change, despite the changing socio-economic conditions. The fundamentals of cooperation were that it stood for, 'honesty and for such virtues that count for so much in the whole lives of people'.

The Rochdale Pioneers had never conceived of propounding any principles of cooperation. They had formulated certain rules which were understood by all members and whose application was successfully demonstrated.

The background paper of Dr. Macpherson captioned, 'Cooperative Identity in the 21st Century' denotes that some prediction might be made about the structure and role of cooperatives in the next century. The identity of cooperatives as such is well known from the beginning. It is because of their identity based on certain rules of business that they were identified distinctly from other forms. The caption also does not indicate that an attempt is being made to re-structure the principles of cooperation. Vol.87, No.3, 1994 of the Review of International Cooperatives says that Dr. MacPherson, "is also responsible for the ICA project on the re-definition of the Cooperative Principles". Earlier, in this paper it has been shown that an attempt to codify the principles in 1921 was found to be hasty as it affected the membership of cooperative other than consumer cooperatives in the ICA and something was immediately done to make them more practical and universal.

The ICA Commission on Cooperative Principles, which codified them for acceptance by all, in my opinion, was a marriage of convenience. On the one hand, it was to be seen that the countries of both the capitalist and communist blocks accepted them. the acceptance of Non-aligned nations was equally important. The big question was "Can there be common concept of cooperative organisation which would be valid in America as in Russia and in India and many countries of Africa and Asia?" The concern of the commission was whether it could work out a common set of principles acceptable to all or formulate different principles for Western countries, under developed countries and the socialist countries. The opinions were sharply divided. The Western countries had a strong feeling that there could not be cooperation in socialist countries.

He said that he used the term 'marriage of convenience' for acceptance of the principles by all the member countries of ICA because not only the net result of the work of the Commission but the composition of the Commission itself represented a balance between the capitalist countries, socialist countries and developing countries.

It is an exaggeration when it is said that acceptance of the reformulated principles as Vienna Congress of the ICA held in 1966 was a near miracle. Now when we are talking about the cooperative identity in the 21st century, in the last decade of 20th century, we find whole hog changes in the economies of the world. The bi-polar world with an additional pole of developing countries has now become uni-polar. Those who still feel that they practise their own ideologies have also adopted in big measure the process of liberalisation of their economies.

The legal framework for cooperatives has undergone changes which include assumption of powers by Government/ Registrar of Cooperatives to supersede elected board of directors, to nominate the board including the chairman, to merge, amalgamate and divide cooperatives and so on and so forth. In the developed world also things have changed and it is difficult to presume as to what shape the work of 21st century is going to take politically and economically. One may hazard a guess but based on such a guess it would be rather fatally hazardous to pre-determine the cooperative identity in the 21st century.

In the Asia-Pacific Region, the role of the Government in the cooperative movement has been accepted even by the ICA. The Sydney Declaration, which was followed up by consultations organised by ICA Regional Office for Asia and the Pacific and the conferences of Ministers of Cooperation have very clearly brought out the fact that in some of the countries, the Governments have over stepped their legal powers in respect of cooperatives. The organisation of these events resulted in a growing consciousness in some of the countries, the Governments have over-stepped their legal powers in

respect of cooperatives. The organisation of these events resulted in a growing consciousness in some of the governments of the Region to reformulate their cooperative laws to make them more democratic, providing for more autonomy for the cooperatives. However, in some countries this still remains to be done.

Thus the shape of the cooperative movement to come in the 21st century in some of the countries is still fluid. In what shape it is moulded will depend on many factors including the type of polity that ultimately takes from there, and whether the process of liberalisation of the economy takes root all over the world or some countries reverse the process in the 21st Century. Keeping these in view, one has to think as to how the cooperative identity could be maintained.

Dr. MacPherson has prepared a draft Charter (Declaration). All said and done the movement must have the perspective for the 21st century but the perspective should that may be universally accepted without resorting to marriage of convenience or acceptance by diluting the fundamentals. For this it is suggested that ICA should not define any principles because principles as they exist today, were the rules of business of earlier cooperatives. In the diverse situations, as exist in the world today and some diverse situations in different cooperatives within a country, within a region, and in the world, it would be better if they are left to work out their own rules of business which one may like to term as principles. The Declaration may contain some details about the situation and for this purpose I feel that the efforts of Dr. MacPherson are commendable. They talk about the weaker sections, the role of government, etc. but it should confine itself to two things viz : (i) The fundamental values, and (ii) The definition of Cooperative. If we leave the entire issue to these two things and allow each cooperative to formulate its own principles, as per the local situations and needs, we would have more autonomous cooperatives because they would not be judged by certain codified principles, but would be judged by their performance vis-a-vis their own rules based on the definition of a cooperative and the fundamentals set by the Rochdale Pioneers.”

Mr. Kidai Uchida, President, Japan Workers Cooperative Union, said : “ First of all, I wish to express my greetings of solidarity to the cooperators of ICA office and the colleagues of Asian and Pacific regional cooperatives.

At this moment, it become more and more important to promote solidarity among the cooperative movements in the world, especially in Asian and Pacific region. Because, in order to gain good future for people, it is indispensable to establish a new economy system based on people against the control by the multinational companies for attaining people’s controlling future. In this context, we have been interested in the process of modification of ICA cooperative principles and the charter. I wish to speak recent activity of our organisation and to comment on the draft of the principles and charter, on behalf of the Jigyodan, Japan Workers Cooperative Union, wishing to make better principles and charter.

Jigyodan held “’94 National Meeting on Cooperation” last November, on the subjects of “creating new jobs useful for citizen and community - What is new job style and cooperative work?”

Mass unemployment and uneasiness to lose job are now haunting over the Japanese society and people. An overwhelming money first principle and bureaucracy and easiness to lose job are now haunting over the Japanese society and people. An overwhelming money first principle and bureaucracy are controlling Japanese society, and are throwing out the necessity of job creating which people really need to.

On the other hand, we can find a small but a new wave of creating good work and community by “new cooperatives “ in Japan.

Our national meeting which gathered grass roots movements discussed a new direction of cooperation, especially with local governments and public sectors.

Many new types of cooperatives gathered in our national meeting, for example, such as follows:

- A safety and high quality foods producer cooperative tying up with urban citizen.

- A community development cooperative controlled by citizen, not depending on big business and Central Government.
- Senior aged persons cooperatives to create jobs and social services.
- Women cooperatives to create useful social work to the community.
- Education or school cooperative to promote human development of the children against educational bureaucracy and conformism.
- A culture cooperative combining artists and audience to protect a living of performer and develop good culture.

We believe in that this new movement will grow as an important sector to change broad skirts of Japan's economy and society.

I would like to mention my view on the principles according to the first version of final draft made by the Macpherson group.

First point is to clarify "good work" as a basic character of the cooperative business is desirable. We welcome a phrase of commitment to service in the 4th principle (commitment to service) and at the same time we think it would better to add "good works" next to "services". The reason why we assert is that cooperative business are being required as their mission to create new production and new living system by transforming traditional mass production and mass consumption system.

Secondly, we suppose that its is better to insert a phrase something like "to seek democratic change of enterprises as a whole and market" in the 8th principle, as a responsibility of cooperatives to the external community. I think Cooperatives should have a will to give effectiveness to private companies and public sectors as one of their objects in the 21st century.

Cooperatives can and must promote cooperation among producers and consumers and citizens in order to create high quality and safety products and serves and employment and a faithful social standard for labour. To create a democratic controlled market becomes also a basement of fair international economic order.

Third point we stress is that it is important to recognise of the social and public character of cooperatives. Cooperatives also realise public interest. So cooperatives should have power to promote a democratic law making and social policy of the Government in order to develop community. We think "Public interests oriented character" of cooperatives should be inserted in the 5th principle (Autonomy)

Finally, how cooperates contribute to overcome the modern world crisis and problems such as global environmental pollution, monopolistic control of multinationals, exploitation of labour and resources, widening the difference of the rich and the poor, unceasing of wars and ethnic violence.

It should insert any adequate expression that cooperative is a entity of seeking the development and survival of the humankind.

Dr. R.C. Dwivedi, India, said : "I would only confine my views on certain recommendations which was made by Sydney Conference. One very important recommendation was government and cooperatives relationship to combine basic values, social economic objectives and competitiveness. The credit goes to Mr. Lars Marcus that he initiated discussion on basic values in Stockholm Congress and he used the word "basic values". Let us be very clear what are the basic values and what are values which are not basic. I gave a lot of thought to it and I am preparing a document for the Manchester Congress. I feel basic values are those which are above time, which are above space, which are above individual. I do not agree with my friend Mr. S. Chandra that values and principles are to change according to the diversification of cooperatives....Therefore this subject is so vast and I am happy that the finality will be done in Manchester. We should be very clear as to what the basic values are which will remain the same....These values must reflect in the cooperative principles. You cannot have the principles which will weaken the values. The principles are to strengthen the values and the



instrument which is very influential in strengthening and making cooperative principles and values operative is the cooperative law. At least in this part of the world every country has a law and the provisions of the law should be such that they should reflect the cooperative principles and the values of which the principles are the best. In the Indian Cooperative Laws we have now defined what are the cooperative principles. In the new laws, it reflects in every provision of the Act, the cooperative principles and also the values and therefore my submission in short is that we should be very clear what are the values, what are the cooperative principles."

Prof. Ungku Aziz, Malaysia, said : "Honesty is universal value, conflict of values and cooperatives are 99% involved in business. We must examine the question whether they are really universal values in the areas where cooperatives are practising."

Mr. Lars Marcus, President, ICA, said: "I will not talk about basic values and principles. I will talk about the ideas behind the process that started in the late 80's are now arriving to the final stage. There were political thinking behind this work of the ICA. We have clarified the understanding of our work with a wide membership when I say that the cooperatives in Asia are in my eyes. You have engaged into discussions about the true nature of cooperatives, discussions about our economic efficiency, about right to become more successful in business. Some cooperatives tend to move according to the post-era thinking than other movements we have identified. The matter returns to the Board and it is upto the Board to decide upon how this should be presented at the Congress in Manchester. The initiative in 80s came from the Board and now the Board will go back to the Congress and present the results of the work that has been done.

#### **Agenda Item No. 8 : Three Year Development Programme of ICA ROAP and Work Programme for 1995-96 and reports by Specialised Committees**

The ICA Regional Director and Project Advisers described the Regional Office's development programme and its eight technical projects : Policy Development and Legislation, Development Planning and Coordination, Agricultural Cooperative Development, Consumer Cooperative Development, Human Resource Development, Gender Integration, Agricultural Management Training, and Rural Women Leaders' Training. Other activities are undertaken in the areas of environment and worker-owned enterprises.

Mr. K. Fogelstrom of the Swedish Cooperative Centre (SCC) said that a recent SCC-sponsored evaluation of the ICA's development programme was generally positive but that weaknesses existed in the areas of planning, establishment of performance indicators and donor coordination. He said that SCC's future approach towards ICA would involve supporting activities rather than institutional development, and that this approach would include a gradual shift of SCC's support from Asia to Africa.

In addition, the Chairmen of the Consumer and Fishery Specialised Committees briefed the RA about their respective committee meetings.

Mr. B.D. Sharma, India, made the following suggestions : (1) ICA should document a study on the Taxation Laws in Cooperatives, (2) Technical cooperation in the field of insurance cooperatives (3) Structural Reforms - specific study or specific experiences should be documented, (4) ICA ROAP Data Bank - It would be difficult for one person to undertake the entire activity. That division requires strengthening, (5) Strengthening of National level Consumer Cooperative Federation (6) Gender Integration - NCUI had held a workshop in collaboration with ILO in which ICA was represented and in that workshop a very specific set of policy norms were recommended. Future work programme of gender integration could be modelled on those policy norms. The Indian Cooperative Movement has decided that NCUI could formulate some sort of training modules on women cooperatives, women employees in cooperatives and personnel management policies in relation to gender integration in cooperatives, (7) Room for closer collaboration between HRD Project of ICA and NCUI - HRD Project should operate through only NCO so as to avoid anomalies. There is no coordination between INCOTEC and HRD Committee, (8) India should be allotted more seats in the ICA/Japan Agricultural

Management Training Course, (9) In the SCC Leadership Programme, NCUI would like to have collaboration on this.

Mr. Hakaru Toyoda, President, JA-ZENCHU, Japan, made the following statement :

“First of all, let me offer our sincere congratulations upon success of the first regional assembly and let me thank President Marcus, Mr. Vishwanathan, Mr. Yang and Mr. Sharma and other host cooperators for the great efforts.

Last September, JA-group held its 20th National Congress, and passed a resolution on “Re-structuring of Japanese Agriculture, and Reformation of JAs towards the 21st century.

It contains three main points:

1. ”restructuring agriculture and revitalisation of rural communities;
2. ”strengthening of cooperative activities and promotion of rural development;
3. ”reformation of JA business activities and organisational structures.

It was also mentioned that JA-group establish closer relationship with overseas cooperative movements and international organisations like ICA.

As it will be reported in the next agenda, JA-group established IDACA 30 years ago and has been collaborating with ICA in promotion of agricultural cooperatives. In recent years, JA-group has done projects in Thailand and the Philippines having support from the Government of Japan. We are hoping to activate more of such cooperation activities including Women-In-Development projects in the region. Thank you for listening.

#### **Agenda Item No. 9 : Report on IDACA Activities**

The Regional Director, Mr. G.K. Sharma, described the nine courses completed during 1993 by IDACA, including three that were carried out in collaboration with ICA ROAP.

He informed the meeting that Mr.Y.Nakaoka has taken over as Managing Director, IDACA, in place of Mr. Shiro Futagami.

Mr. Riazuddin Ahmed, Pakistan, wished that IDACA should organise a special study tour programme of 10-15 days for policy-makers in Japan, India, Korea and other countries which have something to show about the cooperative movement so that they come back more motivated in promoting the cooperative movement. The RD informed the meeting that we were trying to get some donor for this programme including Japan, but somehow we have so far not succeeded. In this regard JA-ZENCHU may perhaps be able to persuade the Government of Japan to consider including this in the programme.

Dr. V. Kumar, India, was highly appreciative of the training programmes being conducted by IDACA. He felt that the time is right now where we can have better exchange to the Indian Cooperative Movement on the training aspect and we can have participants from countries like Japan, Korea, Malaysia, who are better off in terms of agro-business enterprises. We could provide some sort of facilities for inter-acting kind of programme that could also be in curriculum exchange with IDACA.

#### **Agenda Item No. 10 : To consider the paper : “The Conversion Syndrome - A Review of the Conversion of Australian Cooperatives into Investor Owned Firms”**

The Regional Director introduced the paper prepared by Mr.Garry Cronan, Manager (Cooperative Development), Department of Local Government & Cooperatives, New South Wales, Australia, concerning the tendency for Australian Cooperatives to convert into investor-owned firms.

Interventions were made by Dr. S.S. Sisodia, India, Mr. Han Seung Hee, Korea, Prof. Ungku Aziz, Malaysia, Mr. Yehuda Paz, Israel, Mr. B.D. Sharma, India, Mr. Riazuddin Ahmed, Pakistan, who strongly opposed to the idea of any conversion syndrome. They felt that this issue has been raised on

account of lack of capacity of cooperatives to mobilise their resources. We should improve our efficiency and we should have structural integration from grass root level upto the national level. We should concentrate our efforts on structural integration, mobilise resources through adoption of practical measures etc. It will not be fair to the cooperative movement to allow cooperatives to be both cooperatives and capitalistic company at the same time. The cooperative movement should maintain their cooperative identity and sustain their competitive strength into the 21st century.

Mr. Ravi Shanker, India, said that there is a need for greater integration among state and national cooperative laws. Many members very much appreciate the paper which they considered logical and thought providing.

Based on the discussions, it was felt that cooperatives must maintain their identity. Every country has to find their own solution to maintain their identity. We have to be alert, cautious, adopt ourselves to the changing times and maintain our identity.

#### **Agenda Item No. 11 : Report on the Third Cooperative Ministers Conference held in Colombo, Sri Lanka**

Mr. Robby Tulus, Senior Policy Adviser, ICA ROAP, summarised the conclusions and the recommendations of the July 1994 Ministerial Conference, held in Colombo, Sri Lanka, in four major areas : government-cooperative relationship, cooperatives in the market oriented economy, regional coordination, and international operation. The next conference is scheduled to be held in Thailand.

The RD informed the meeting that the full report containing all the papers will be issued in 4-6 weeks and will be sent to all the members of the RA.

#### **Agenda Item No.12 : Consideration of the Report on draft proposal for recognition of Cooperatives by ICA**

The Regional Director reported that the Executive Council had recommended the appointment of a small committee to examine the proposal for recognition of cooperatives by ICA.

The Committee met on 4th January and after detailed discussions, came to the following conclusions :

1. The Committee, in principle, agrees with the proposal with the suggestion that it should be called "Recognition of the genuine and efficient cooperatives".
2. The criteria laid down in the Agenda need reconsideration and readjustment. It would be desirable not to have three criterias but one criteria should be there on weightage basis. Based on weightage, they could be graded for recognition award.
3. The criteria may be re-examined by Mr. B.D. Sharma, Chief Executive of the NCUI and Mr. G.K.Sharma, Regional Director, ICA ROAP together and a revised proposal would be sent to all members of the committee for their comments and advice.
4. The proposal should be implemented on pilot basis in select countries where member organisations are interested to implement it.
5. A report on the progress made in this regard may be submitted in the next Regional Assembly Meeting

The above recommendations of the committee as circulated were agreed.

#### **Agenda Item No. 13 : World Summit for Social Development convened by the U.N., March 1995, Copenhagen - Role of ICA and Coops in Social Development**

Dr. Daman Prakash of ICA-ROAP described the background to the United Nation's March 1995 Social Summit and the role which the cooperatives could play in influencing and implementing the meeting's themes of poverty alleviation, employment creation, social integration.

In response to a question from Mr. B.D. Sharma, India, about cooperative participation at the Social Summit, Mr. Bruce Thordarson reported that ICA would be represented both at the official meeting and at the parallel NGO forum in Copenhagen.

**Agenda Item No.14 : Presentation on a "Profile of Cooperatives in India"**

The National Cooperative Union of India provided information on the cooperative movement in India, which officially includes some 350,000 cooperatives with a membership of 164 million.

**Agenda Item No.15 : Any other item with the permission of the Chair**

**1. Letters from Mr. M. Horiuchi, Vice President, ICA, to President, ICA, and RD, ICA ROAP, about the position of President from Asia-Pacific Region**

Mr. M. Horiuchi announced his intention to retire as ICA Vice President at the Manchester Congress in September 1995. He proposed that Mr. Hakaru Toyoda, President of JA-ZENCHU, be nominated by the region to succeed him for the remaining two years of his term. This was supported by Mr. Vishwanathan, seconded by Dr. Paz.

The RA unanimously nominated Mr. H. Toyoda for election to the post of Vice President of ICA in next General Assembly.

The RA also appreciated the services rendered by Mr Horiuchi to this region.

**2. Letter of Mr. M. Ohya, Executive Director, JCCU, Japan on the establishment of a Advisory Committee on the direction of ICA Asia & Pacific Region**

Mr. M. Ohya, Executive Director, JCCU, suggested a proposal to establish an ad hoc Advisory Committee that would review the structure and operation of the Regional Office, and make recommendations to the Regional Director. Mr. Yang spoke in favour of this proposal, which was accepted.

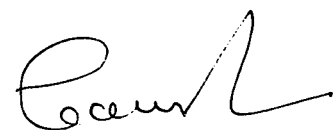
**3. Mr. Kyu-E Lee, Chairman & President of the Korean Federation of Community Credit Cooperatives (KFCCC),** after the election of Chairman thanked ICA for letting them join the ICA family and introduced his organisation, KFCCC has been admitted into ICA membership in 1994.

**4. Mr. Yang Deshou, China,** informed that the All-China Federation of Supply and Marketing Cooperatives had been separated from the Ministry of Agriculture at the beginning of 1995, and that plans were underway for the first Chinese Cooperative Congress, to be held in May or June of this year, in order to finalise the restructuring of the movement. He invited all participants to attend the Congress and indicated that in the future the Chinese cooperatives would be able to place more emphasis on international activities. Mr. Yang also expressed thanks for the support he had received as Chairman of the Regional Assembly.

**Agenda Item No. 16 : Venue and date of the next meeting**

Prof. Ungku Aziz, Vice Chairman of the Regional Assembly proposed that the 1996 Regional Assembly be held in Malaysia, this was accepted by the RA. The date will be finalised by Secretariat in consultation with host movement.

The meeting terminated with a vote of thanks to the Chair.



**G. K. SHARMA**  
Secretary

New Delhi  
10 February, 1995

**First Meeting of the ICA Regional Assembly  
for Asia & the Pacific  
New Delhi, 4-7 January, 1995**

**LIST OF PARTICIPANTS**

<b>COUNTRY</b>	<b>NAME</b>	<b>DELEGATE/OBSERVER</b>
<b>BANGLADESH</b>	<b>1. Mr. Shahidullah</b> General Secretary Bangladesh Jatiya Samabaya Union, 9/D Motijheel C/Area Dhaka-2, Bangladesh	Delegate
<b>CHINA</b>	<b>2. Mr. Yang Deshou</b> Secretary General All China Federation of Supply & Marketing Coops., 45, Fu Xing Men Nei Street Beijing, China.	Delegate
	<b>3. Mr. Rong Jun</b> Deputy Chief International Department All China Federation of Supply & Marketing Cooperatives, 45, Fu Xing Men Nei Street Beijing, China	Observer
<b>INDIA</b>	<b>4. Mr. B.S. Vishwanathan</b> President National Coop Union of India 3, Siri Institutional Area New Delhi 16	Delegate
	<b>5. Mr. B. D. Sharma</b> Chief Executive National Cooperative Union of India, 3, Siri Institutional Area New Delhi 16	Observer
	<b>6. Mr. P. R. Reddy</b> Chairman IFFCO 34 Nehru Place New Delhi 19	Delegate



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| <p><b>7. Mr. R. P. Singh</b><br/> Vice Chairman<br/> IFFCO<br/> 34, Nehru Place<br/> New Delhi-19.</p>   | <p>Observer</p> |
| <p><b>8. Mr. U. S. Awasthi</b><br/> Managing Director<br/> IFFCO<br/> 34, Nehru Place<br/> New Delhi 19</p>  | <p>Observer</p> |
| <p><b>9. Dr. V. Kumar</b><br/> Marketing Director<br/> IFFCO<br/> 49-50 Nehru Place<br/> New Delhi 19</p>  | <p>Observer</p> |
| <p><b>10. Dr. G. N. Saxena</b><br/> Senior Manager (Coop Serv)<br/> IFFCO<br/> 34, Nehru Place<br/> New Delhi 19</p>   | <p>Observer</p> |
| <p><b>11. Mr. T. V. K. Chari</b><br/> Manager (CR)<br/> IFFCO<br/> 34, Nehru Place<br/> New Delhi</p>  | <p>Observer</p> |
| <p><b>12. Mr. Harjit Singh Parmar</b><br/> Chairman<br/> National Federation of<br/> State Cooperative Bank Ltd.,<br/> Post Box No. 9921<br/> Shivshakti, B.G.Kher Marg<br/> Worli, Bombay 400018</p>                          | <p>Delegate</p> |
| <p><b>13. Mr. B. Subrahmanyam</b><br/> Executive Director<br/> National Federation of<br/> State Cooperative Bank Ltd.,<br/> Post Box No. 9921<br/> Shivshakti, B.G.Kher Marg<br/> Worli, Bombay 400018</p>                    | <p>Observer</p> |
| <p><b>14. Mr. K. Sivadasan Nair</b><br/> Chairman<br/> National Cooperative<br/> Agriculture &amp; Rural Development<br/> Banks' Federation Ltd.,<br/> Shivshakti, 2nd floor<br/> B.G.Kher Road, Worli<br/> Bombay-400 018</p> | <p>Delegate</p> |

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**Welcome Address by  
Mr. B. S. Vishwanathan  
President, National Cooperative Union of India  
at the Inaugural Function  
of  
First Meeting of ICA Regional Assembly for Asia & the Pacific  
5th January, 1995**

Respected Chief Guest Bal Ram Jakhar, Hon'ble Union Minister of Agriculture, President of the function Mr. Arvind Netam, Hon'ble Union Minister for State for Agriculture and Cooperation, Mr. Lars Marcus, President, ICA, Mr. Horiuchi, Vice-President, ICA, Mr. Yang Deshou, Chairman, ICA Regional Assembly, Mr. Bruce Thordarson, Director-General, ICA and Mr. G.K.Sharma, Regional Director, ICA ROAP, distinguished delegates from abroad, my colleague cooperators from India, Ladies and Gentlemen !

1. At the outset may I convey very warm and respectful greetings to all of you, who have assembled here on the first meeting of ICA Regional Assembly after the restructured organisational system of ICA. We feel greatly happy and privileged in hosting this first meeting of the distinguished cooperative leaders. This meeting would not be a merely routine international get together of cooperators, but, I hope, could be a milestone in promoting cooperative solidarity within the ICA fraternity, in general, and Asia and the Pacific region in particular.
2. On this occasion we have amongst us a veteran cooperator and Union Agriculture Minister Dr. Bal Ram Jakhar. Himself a progressive farmer, horticulturist and scholar of distinction he is a great advocate of cooperative values and ideology. His presence on this occasion is matter of great satisfaction and encouragement to all of us in furtherance of the objective of cooperatives. I extend him a very respectful and warm welcome on behalf of members of ICA Regional Assembly, and on my own behalf.
3. Mr. Arvind Netam, who is the Minister of State in charge of Cooperation in the Government of India has kindly agreed to preside over the inaugural function. Mr. Arvind Netam basically is a cooperator and a very renowned champion of the weaker sections of the community. He is a leader of tribal and indigenous people in our country with long standing public life. He was also Chairman of a national level Tribal Cooperative Marketing Development Federation of India. I also extend a very friendly and warm welcome to him.
4. Mr. Lars Marcus, President of ICA, Mr. Horiuchi, Vice-President of ICA; Mr. Yang Deshou, Chairman, ICA Regional Assembly, Mr. Bruce Thordarson, Director General ICA and Mr. G. K.Sharma, Regional Director, ICA ROAP are inseparable part of ICA family. On behalf of Indian Cooperative Movement and my own behalf I extend very warm welcome to them.
5. I welcome their excellencies from embassies of different countries; representatives of ILO; AARRO; FAO who have kindly graced the function. I extend very sentimental and emotional welcome to all the delegates who have come to India in spite of their travel hazards and pre occupations at home. I also accord warm welcome to all the distinguished invitees and representative of national cooperative federations.

6. Friends, as you know cooperation is intrinsically woven into the social and cultural fabric of our country "Vasudhaivkutumbham" i.e. "whole world is one family" is our cultural motto. This was the philosophy which influenced our founding fathers and the great leaders namely Mahatama Gandhi and Pt. Jawaharlal Nehru to assiduously promote cooperation as an important instrument of development after independence. In our development strategy cooperation was accepted as an important vehicle of socio-economic transformation particularly that of the rural people and the weaker sections of the community. It was made incumbent upon States to provide multifaceted support to cooperatives.
7. As a result of the collective efforts of the people and the Government we are having a very strong cooperative sector consisting of 353000 cooperative societies of all kinds with the membership of 164 millions and a total working capital of more than 800000 millions. There is no segment of our economy which has been left and untouched from the influence of cooperatives. In some of the segments particularly agriculture and agro processing, the cooperatives have acquired commanding position. However, presently our cooperative movement is passing through a period of transition as cooperative movements of other countries of the world.
8. Our national economy is being subjected to extensive privatisation, marketisation and globalisation by dispensing away with the control of State in economic activities. Obviously, cooperatives can not remain unaffected from these changes. The greatest challenge before them, therefore, could be how to ensure their distinct identity and their organisational values. Discouraged with State sponsored and supported cooperatives, some cooperators have started thinking to go for cooperative companies. However, this concept does not have acceptance of the cooperative movement as a whole.
9. In September, the National Cooperative Union of India organised an Expert Consultation in collaboration with ILO to formulate an action programme in regard to positioning of cooperatives in market oriented economy. The consensus opinion that emerged in Expert Consultation was that cooperatives must maintain their distinct identity and values. The Government was also called upon to recognise cooperatives on different footing as they are the organisation of persons of limited means. The Government should create a conducive environment where cooperatives function as self-regulated, self-managed and self-reliant units.
10. We have adopted a five point strategy for cooperative development. The strategy involves a specific policy enunciation by the Government for cooperatives; amendment of cooperative laws to democratise the functioning of cooperatives; strengthening of base level structure; reorientation of the working of federal cooperatives to strengthen their primaries and enhancing active involvement and participation of members, especially of rural poor in cooperative sector. In line with this strategy the movement has taken a number of initiatives for structural adjustments and to establish cooperatives in new areas. We have set up "National Cooperative Bank of India" to remove the systemic gaps within the cooperative banking and financing sector. Now, we are organising a cooperative insurance system. We also propose to set up an International Cooperatives Trade Promotion Organisation for providing trade and technology support to the cooperatives particularly in the field of agro-processing. I call upon the international community, particularly the cooperative community, to support our endeavours so that one of the largest cooperative sectors in the world could withstand the forces of market oriented economy.
11. I hope this Assembly meeting would also give serious consideration to the issue of positioning cooperatives in the market-oriented-economy.
12. In eighties ICA Regional Office had difficult times, which reached a critical stage where the Regional Office was likely to be wound up and building sold. However, with the timely support of Indian Cooperative Movement and prudent decision of the ICA Headquarters, it was saved. Today ICA Regional Office in India has stabilised well. Much credit goes to the vision, far-sightedness and action-oriented approach of Mr. G.K. Sharma, the Regional Director.

13. The ICA Regional Office for Asia and the Pacific has done tremendous cooperative developmental work practically in every field of cooperative activities. New strategies suggested by ICA Regional Office have been very useful to the movement in the region particularly in the spheres of human resource development, agricultural cooperatives and consumer cooperatives. Indian cooperative movement also contributed to ICA's endeavours whatever it could. We feel emotionally involved and identified with the efforts of ICA in furtherance of cooperative values and philosophy. I hope this meeting would further strengthen our solidarity and resolve to preserve, protect and restore cooperatives in the service of the poor who may be worst victims of market orientation during the transition period.

With these words I once again welcome all of you.



## **Welcome Speech by Mr. Yang Deshou**

**Chairman, ICA Regional Assembly for Asia & the Pacific**

Hon'ble Dr. Bal Ram Jakhar, Union Minister for Agriculture, Mr. Arvind Netem, Union Minister of State for Agriculture and Cooperation, President of NCUI, Mr. Vishwanathan, President of ICA, Mr. Lars Marcus, Ladies and Gentlemen, Fellow Cooperators :

First of all, as the Chairman of the Asia Pacific Regional Assembly, I would like to express my warm welcome to all of you for coming to this Regional Assembly Meeting and I would also like to convey my heart-felt thanks to NCUI and all other Indian cooperative organisations as well as all staff of ICA ROAP for their great efforts made for this conference.

This Regional Assembly marks that the establishment of our new regional governing body has been preliminarily completed, which is of great importance to the cooperatives not only in our region but also in the world. Asia and the Pacific Region is a growing area and an area enjoying the fastest economic development throughout the world. With its long history, vast land, abundant resources, big population and great potentials, our region has become the focal point of the world's attention. It is all the same for the cooperatives in this region. The cooperatives in our region consist of 62.5% individual membership and 28% institutional membership of the ICA, and they are widely scattered in middle-east, south, west, south-east, far-east and the pacific region. The cooperatives in this region have a big potential and bright future.

Through the joint efforts of ICA ROAP and all our member organisations, the relationship between cooperatives and the governments in our region has been largely improved and strengthened to our satisfaction. As of last July, three cooperative ministerial conferences had been convened, through which we exchanged views with the government and expressed our hopes. And positive impacts have been in many countries. The government has obtained a better understanding on the role and need of cooperatives in the new social and economic situation and some of the governments in this region have already taken up to review and revise cooperative laws. This indicates cooperatives as the organisation of the weak are becoming more and more concerned by the people and the governments.

Obviously, cooperatives are also confronted with some problems. The world economy is experiencing a deep and dramatic changes. The market economy characterised by competition and the world economic integration are becoming the main trend of the world economy. For most developing countries in Asia and the Pacific region, this is a new issue.

The cooperatives are not exception. How to grasp the opportunity and face the new challenges under this new situation is an overhead problem for us. And it is for the very reason that ICA adjusted its structure to attach more emphasis on regional works. That is why we gather here today to discuss the Rules of our Regional Assembly for making it more adaptive to the social and economic situation of our region and to consider our development programme and work for making our regional structure play its full role in the course of promoting the cooperatives in this region to develop into healthy, self-reliant and strong-ones. Therefore, I hope all distinguished delegates present here to actively contribute your talent and ideas to the conference and to the cooperative development of our region.

Finally, I once again express my welcome and thanks to you for coming to this conference, and I wish this Regional Assembly a great success.

Thank you.

**Opening Remarks by  
Mitsugu Hori-uchi  
ICA Vice President for Asia & the Pacific**

Thank you, Chairman Yang !

Honorable Speaker. Honourable Ministers ! President Marcus! Mr. Viswanathan ! Dear Cooperators!  
Ladies and Gentlemen!

I am Mitsugu Horiuchi, the Vice President representing our region on the ICA.

On behalf of ICA member Organisations in the region, let me first of all, thank National Cooperative Union of India, and other ICA members in India playing host to this first ICA assembly of our region.

Then, I welcome you all, ICA members, to the first assembly meeting.

Today, your Vice President have two points to submit.

1. That it is, indeed, commemorable, that we have come to be able to be meeting in the first of our Regional Assembly, and I would like to share with you all, this special jubilee.

That we, the cooperators, in the region of Asia and Pacific are gathered together for a Regional Assembly is a crystallization of our past efforts towards restructuring and regional structuring of our ICA. As we all remember, the Stockholm Congress of 1988 instructed to have "the organizational and management structures of ICA" reviewed. It was taken up by the Structure Committee. The committee report of 1991 recommended, among other things, "the establishment of 4 new regional assemblies (including one in Asia and Pacific) in recognition of the growing importance of regional issues and trends within the ICA", which was adopted by the Tokyo Congress of 1992.

Following that decision, we met in Consultation Meeting in the spring of 1993 at Beijing to pave the way for a regional structure including adoption of the Rules of the Regional Assembly under the Chairmanship of Mr. Yang Deshou of China. On the occasion of the first Assembly meeting of today, let us hope that we shall see all our movements to make further progress based on "collaboration among the ICA member organisations at regional level and provide a forum for discussion" for which our new regional structure is meant to become an effective instrument.

2. Now, let me say a word about how members are expected to support the ICA.

Last September, the President, Vice Presidents including myself gathered in Geneva and discussed about future activities of ICA. Some proposal will be submitted from the Board to the General Assembly in Manchester.

I want to borrow this occasion and appeal that members in Asia and Pacific Region may also stand to support the International Cooperative Movement as it enters the second century at the next Congress.

With these two-point message as Vice President for your region, let me conclude by wishing a great success of our first Assembly Meeting.

Thank you.

## **Speech by Mr. Lars Marcus**

**President, ICA**

**At the Inaugural Session on January 05, 1995**

Mr. Chairman, Hon. Minister of Agriculture, representatives of cooperative organisations, honoured guests, cooperators and friends,

ICA has a long history. This year, it celebrates its centennial. This could offer a very good reason for a look at times which have passed.

I believe, history could be of interest but of importance only if you understand the present and are prepared to analyse the future in order to change. This is the simple and only safe way to cooperative success. However, this could be a problem. Please accept that my message, for this reason, will be incomplete, I will omit the historic aspect in my message.

How then shall present times be understood by cooperators? In comparison with previous generations, no one amongst us can today claim lack of information. Let me sort out from the affluence four trends, I believe, to be of special importance to the cooperators.

The first is about the discussion on a globally free trade and the formation of multi-national markets on all continents. The consequences are already there and will change the situation for us who serve a national, regional or generally local membership. Those of you who do not understand that they need international networks are wrong, completely wrong. The ICA offers one, but commercial alliances you have by yourselves. Look for partners inside ICA.

The second is about the rich, the global capital and the OECD on one side and the poor every where, but not least in Africa, Central America and South East Asia on the other. Will cooperatives, again and again, be a force to strengthen those with the right claim for a decent life and safer future? Times will be tough for us, but cooperative solutions will be more and more frequent.

The thirds are the strong and increasing immigration waves due to pressing economic, social and political but unfortunately also more and more military conditions. Literacy and modern communications move people away to uncertain futures. It is fair to describe this as a brain drain, increasing impoverishment of the South and strength of the North.

My fourth point is this, a divided world. An isolate - an island of rich and intelligencia, in an ocean of poverty, illness and illiteracy - offer an unbearable thought. It means a world of unrest, setbacks and wars. In the frontline of victims you will find, more than 700 million cooperators and their families, whom we in the ICA represent.

More than half of us live in Asia and the Pacific, the majority under severe economic pressure. It is not to say too much that a tremendous responsibility stays with you, the Asian leaders, and by that also with this Assembly.

It is true that our main responsibility is due to the economy in local societies. But to defend the interests of members, we can not afford a near-sightedness caused by geography as well as by racial, ethnical and political prejudices. We have to reach out for our neighbours. We have to represent the forces of democracy, internationalism and solidarity with the unfortunate on the national arena.

What, can we ask, is the importance of four regional assemblies inside the ICA Network?

The ICA membership is very diversified, both in different sectors of activities and geographically. Our specialised organisations cater for our increasing number of branches. The Regional Assemblies

are intended to serve the purpose of stronger geographical links. The idea is as simple as this. Collaboration between equals is natural and easy. The banker in Switzerland and a fisherman from Sri Lanka can have a common base in cooperative ideas, but talking business is likely to mean a somewhat limited conversation. The Regional Assemblies are also aimed at being umbrellas for a sectoral work.

To me the creation of four Regional Assemblies also means that the ICA has passed a milestone. The size of our membership and above all its strength is not the least in your region, which has made it possible to shrink the previous European domination in the ICA affairs and on its agenda.

Cooperators in Africa, the Americas and Europe will, like you, have a better chance every second year to turn to their own continents, their problems and opportunities. I am convinced that this will not diminish our common interest in a global organisation.

As you know the other three regions have already held their Assemblies. Let me now tell you of three major issues at their meetings.

Africa is a continent where the cooperatives are the weakest. For almost 50 years, they have been given support from the colleagues in the OECD countries. The money has mainly come from government agencies. Evaluating the progress made today, you find donors are more and more reluctant. Supporting national apex organisations costs money and have little grassroots effect. At the same time African overall situation is growing worse and worse with the fortunate exception of South Africa and a growing European responsibility is identified. More aid is in the pipeline. Will a cooperative alternative be attractive?

On an ICA initiative and in collaboration with European members, a report was presented to our African friends at their Assembly - about setbacks about governmental interference and about inefficiency and corruption in cooperative ranks. Self criticism was called for and a new policy to attract donors was presented. Such medicine does never taste everybody well, but was accepted. It was also understood that more cooperative support, and increased support, would be forthcoming but not as a pay off for the colonial exploitation, but as an investment for expected well defined results.

In the Americas, the Assembly represented a start and with enthusiasm. Their leading theme was 'Commercial Collaboration' but also to get to know each other. A meeting of this size between cooperators from South, Central and North had never taken place and between equals. This was not for those in any one's backyard.

The European Assembly also held a new element and several old ones. Here our members had the ICA for a century but they seconded our work with a strong structure of multinational sectoral bodies. There was on many minds some fear that the ICA should interfere in or limit in such work. Should ICA open a Regional Office in Brussels? Some wanted us to, but others felt uneasy about the thought. Even though it was made clear before the Assembly that the ICA was to respect what what existed and avoid any overlapping in activities but concentrate on European, East-West relations and development support, together with the members and not behind their backs. Some fear and doubt was there when the meeting began. However, the assembly was well prepared and a very promising work plan was adopted in unison. Graham Melmouth, European ICA President and of our Vice Presidents had certainly two hot days but a happy ending.

The result of your Assembly will be known tomorrow, but only on paper and in your minds. Another step will be taken on a ladder without end, but also note that the future is up there to be caught.

Please have high expectations and see to that they are fulfilled. This was my greetings and from colleagues world wide.

Let us all meet in Manchester, later this year.

Thank you.

**Remarks by  
Mr. G. K. Sharma  
Regional Director, ICA ROAP**

1. The restructuring of the ICA was approved in Tokyo Congress in October, 1992. Prior to that, the highest policy body in the region was the Regional Council which consisted of two delegates from each country. As a result of restructuring Regional Council has been replaced by a Regional Assembly in which all the members in the region are entitled to participate. In the meeting of all the members in the region held in Beijing, China, in April 1993, the constitution of the new Regional Assembly was adopted which has been approved by the General Assembly. Based on this constitution, the first meeting of the reconstituted Regional Assembly is being inaugurated today.
2. There are many important issues before the Assembly for consideration which includes certain amendments to its rules with regard to membership, consideration of the cooperative charter relating to Cooperative Principles to be considered in the Manchester Congress next year, the Three-Year Development Programme of the ICA ROAP, U.N. World Summit for Social Development to be held in Denmark in 1995 and the Role of ICA and Cooperatives in Social Development, as also a paper on Conversion Syndrome - an issue being raised in many countries of cooperatives versus cooperative companies.
3. The Regional Assembly is highest policy body in the region to promote collaboration among the ICA member organisations at the regional level and provide a forum for discussion of regional as well as global issues. It is to guide Regional Office on its programmes of activities and has to make recommendations and to submit proposals and resolutions for consideration by the General Assembly.
4. The Regional Office for Asia and the Pacific was first office established by the ICA in the region and was inaugurated in 1960 by the then Prime Minister of India, late Pt. Nehru. The office had the privilege of having Mrs. Indira Gandhi, who later became the Prime Minister of India, as the Honorary President of the Regional Council for more than a decade. Initially, the Regional Office was acting as a Education Centre with financial support from the Swedish Cooperative Movement. However, in course of time it became a fullfledged Regional Office providing a useful forum for the movements of Asian Pacific Cooperative Movements.
5. As a result of the restructuring the Asian Region which was earlier confined upto Iran has been extended upto Israel and its membership has increased from 16 to 25 countries. The new countries from whom membership have been added to the region are Iraq, Jordan, Israel, and Kuwait and three CIS countries from the former Soviet Union, namely, Uzbekistan, Kyrgystan and Turkmenistan. Myanmar, which had left ICA membership in sixties rejoined ICA recently and Mongolia which was not so far a member, also joined the ICA. Consequently, today there are 62 national level cooperative organisations as its members from 25 countries representing around 460 million individual members. In addition, there is a regional organisation, ACCU as its member.
6. The ICA will be celebrating its centenary next year. The Asia-Pacific Region's association with the ICA is as old as ICA itself. In the First Congress Meeting of ICA held in 1895, a professor, Mr. Krishna Menon, from Agricultural University in Madras was present. It may be mentioned that initially ICA was established by 12 countries from Europe and India was only country from Asia present in it. In the Fourth Congress held in 1900 in Paris, a representative of the then British Indian Cooperative Union, Calcutta, attended the meeting as a member. This was followed by a delegate from Australia in the Fifth Congress held in 1904. The third country from Asia to join

the ICA was Japan which attended the Eighth Congress held in 1910 in Hamburg. Today, even though the institutional membership from Asia accounts for only 28%, it account for two-third of the individual membership of the ICA.

7. The cooperative movements in the region is passing through a crucial period, particularly in view of the market economy being adopted by most of the countries. It gives new challenge to cooperatives. While on the one hand it provides greater opportunities and scope to operate, it would also result in many cases lesser patronage and assistance from the governments. In market economy it is the survival of the fittest and no one is concerned with weaker sections of the society. The importance of cooperatives, therefore, gets much more significant in the market economy as they must provide a vehicle particularly to those who are not much fortunate to have larger capital resources and contacts. The Assembly will consider issues which will help the cooperatives in the region to march forward in this fast changing global scenery.



**Inaugural Address by  
Dr. Bal Ram Jakhar  
Hon'ble Union Minister of Agriculture  
Government of India**

Friends, I join Shri B.S. Vishwanathan in welcoming you all, particularly the members of ICA Regional Assembly. It is a matter of privilege for the Indian Cooperative Movement to host the very first meeting of ICA Regional Assembly after re-structuring of the ICA. I appreciate the NCUI for inviting the Regional Assembly to meet in India. About five years ago, the Indian Cooperative Movement enjoyed the privilege of hosting ICA Central Committee Meeting in Delhi. We welcome such meetings/events as significant source of guidance to us. To some of my friends, the Delhi climate may be a little un-comfortable since mercury is going down. Nevertheless, I hope, you will feel at home and enjoy your stay. We welcome you with all our warmth of hearts.

2. Cooperatives occupy in the Asia and Pacific Region an important place in the economy of all the countries. It is also a common feature that the governments in this region have a positive and supportive attitude towards cooperatives. Though cooperatives were organised in India in the eighties of the 19th Century, in its present form the Indian Cooperative Movement started in 1904 when the first Cooperative Societies Act was passed. Thus it is nearing a century of its useful existence. During this period, it has faced many challenges. However, it has constantly progressed. Cooperatives constitute the third important sector of our economy, the other two being private and public sectors. Its significance is fully manifested in the vision that it has to play a balancing role between public and the private sectors. It is highly diversified, covering all the important areas of the economy.
3. In all, there are nearly 35 million cooperatives with nearly 200 million individual members. It has covered practically all the half million villages of India. Structurally, it has a sound vertical and horizontal framework. Interestingly, there are tiny cooperatives with small membership as also giant cooperatives having thousand of members. In the field of agriculture, cooperatives have played a very crucial and strategic role by supplying agricultural credit and other inputs, marketing and processing facilities etc. But for cooperatives it would have been difficult to achieve the green revolution which has made India, not only self-reliant in foodgrains, but we are in a position to export foodgrains. Cooperatives have become a model for production, processing and distribution of milk. As a result of deliberate policy of the government, cooperatives have played important role in improving the socio-economic conditions of weaker sections of the society. However, not all is well in the cooperative sector, as we have various problems. Cooperative development is imbalanced in different parts of the country. Some of the States are cooperatively well developed, while some are coming up, still others are lagging behind due to various cumulative factors. The Government of India has designed special schemes for under-developed States. The membership, by and large, is non-participative. The Governments have also involved themselves more than required, making the cooperatives too much dependent on government for finances and other support. There is a need to build professionalised cadres to improve the working of cooperatives. The primary societies at the village level, which serve the individuals, are very weak. They need to be strengthened. This is our greatest concern. The target, as was envisaged by Pt. Jawaharlal Nehru to convulse India with cooperation is yet to be achieved. The journey is long, but we are marching with determination.
4. Government of India has taken a decision to transfer the power and authority from the Registrar

of Cooperative Societies to the members. The laws are being amended substantially with the objective to allow free play of the cooperative principles as was recommended by the Cooperation Ministers' Conferences convened by ICA Regional Office for Asia and the Pacific at Sydney, Jakarta and Colombo. Our direction of cooperative development is to combine "cooperative values, socio-economic objectives and competitive strength".

5. In the context of emerging new economic order as a result of liberalisation, marketisation, privatisation and globalisation of economy, after dis-integration of the communism, new challenges have surfaced before cooperatives. The challenge is that cooperatives will have to face competition with multi-nationals and big business houses. This calls for making cooperatives managerially efficient, cost effective and quality-conscious. That is the only way to survive in the environment of competitive markets and global impact. There is no alternative to it. As cooperative leaders, you have to find new ways and means to ensure that performance of cooperatives is not only at par with private enterprises, but still better. While the multi-nationals have certain financial and operational advantages, you have edge over them because of structural framework and large membership. What is needed is better service to the members so that they develop more faith in and reliance on their cooperatives. In Indian situation, it is crucial to strengthen primary cooperative societies to meet the challenge. National Cooperative Union of India, in collaboration with ILO, organised recently an Experts Consultation on "Role of Cooperatives in New Economic Policies" to consider measures for preparing cooperatives to new situations. I appreciate the concern being felt by the cooperative movement.
6. In market oriented economy the apprehension that the weak, both individuals and nations may be exploited. We live in a world of unequal and disparities. The developing countries in the region have problems of poverty, unemployment, infrastructural deficiencies etc. Government and cooperatives have to jointly work to solve these problems. We would welcome any kind of assistance from other countries in regard to this. We assure you whatever assistance we can give. Cooperation is mutuality. I suggest that you give your serious thought to evolve and establish an international cooperative system in the region through which exploitation of any nation by any sector of economy is avoided. There should be mutual benefits. It is a difficult task no doubt, but strengthening of cooperation as a bridge between various countries is most suitable way of peaceful co-existence. My vision is that, as Nehru envisaged, Cooperation should not be confined to economic activities alone it should be extended to solve other problems as well so that it promotes international understanding, high sense of human values and lasting peace. Long term international peace will go a long way in accelerating the pace of economic development in the region.
7. I am well aware of the role the ICA is playing in assisting cooperative to improve their functional efficiency in this region. Its guidance both to government and cooperatives has given new direction of action at government and cooperative level. In the present context, the ICA has greater responsibility in the region. It has to work for regional integration of cooperatives and development of human resources. It has to be a resource centre for cooperatives of the region. It should also assist to establish international trade relations on cooperative basis and economic collaboration. While expecting the ICA to be more helpful, it is necessary to strengthen its resources. It should give guidance to make cooperatives more efficient and genuine in character. It should also assist cooperatives to establish trade relations on cooperative basis, and develop human resources. It is to give valued counsel both to Government and the Movement. India has always supported ICA's efforts for development of cooperatives and we shall continue this support. This Assembly is the highest forum of cooperatives in the region. I hope you will deliberate upon the various issues and come out with recommendations which will make the cooperatives strong, competitive and value oriented. I once again welcome you and wish your stay comfortable.

*JAI HIND*



## **Presidential Address by Mr. Arvind Netem**

**Hon'ble Union Minister of State for Agriculture & Cooperation**

Chief Guest of the function, Dr. Bal Ram Jakhar, Hon'ble Union Minister for Agriculture, Mr Lars Marcus, President, ICA, Mr. Horiuchi, Vice-President, ICA, Mr. Yang Deshou, Chairman, ICA Regional Assembly, Mr. Bruce Thordarson, Director-General, ICA, Mr. B.S. Vishwanathan, President, NCUI, Mr. G.K. Sharma, Regional Director, ICA, distinguished guests, my colleague cooperators from India, ladies and gentlemen.

Let me take this opportunity and privilege to greet you all and convey my best wishes for a very happy and prosperous New Year. I would also specially like to thank all the participants who have assembled here from different parts of the world to deliberate on present crucial and sensitive issues which need due consideration in the forthcoming discussions in this Regional Assembly meeting. This is the first international business meeting of cooperators and cooperative experts, being hosted by Indian Cooperative Movement in the auspicious New Year. I am sure it will mark a good beginning for promotion and development of cooperative activity, all over the world in general and in India in particular and the same tempo and endurance will continue in future.

As I have perceived, cooperative movement in India has made multi pronged, multi-faceted and multi-dimensional development. On many counts it has been able to provide a quite strong shield for the weaker sections of the community against the middlemen and the exploiters. I have all appreciation for the efforts made and support provided by the ICA ROAP, New Delhi, (India), in making the Indian Cooperative Movement value based, objective oriented, democratically vibrant and sustainable. Indian Cooperative Movement has hardly spared any activity from its coverage. Establishment of National Cooperative Bank, filling the systematic gaps in rural credit has proved a landmark. Likewise cooperativisation of insurance system in India, for which the stage is almost set, again will prove a boon in reducing premium payment burden coupled with need based facilities to both, cooperatives and the members. I am also told that continuous researches are also being made to bring power and energy sector under cooperatives and for all this I would like to recognise and congratulate the cooperative leaders, experts and also the professionals.

The Government, with a view to effect reforms in Indian economy has come out with a New Economic Policy providing for privatisation, market competition, globalisation and withdrawal of economic support and state control. This will have some effect on work styles of cooperatives as they are state protected and state supported institutions. The Indian cooperatives, thus have to ensure, preserve and maintain their ideals, philosophy as also the values by making them sustainable.

I feel happy to learn that in order to provide due status and recognition to Indian cooperatives, possible legal hurdles are being removed by further amending the cooperative legislation. Similarly, the cooperatives at the primary level are being strengthened along with improving efficiency of the higher level cooperative structure. The members have also been made aware about their rights and responsibilities through a well established network of cooperative education and skill and expertise development of staff is done through cooperative training organisations. To make all our efforts successful I would like to make a call to this international expert body, the ICA to provide needed guidance and support.

Being actively engaged with cooperatives right from the base upto national level, I have close association with ICA ROAP, New Delhi, and I feel proud in expressing that ever since its establishment

it has been doing good and appreciable services for the growth and diversification of our national cooperative movement.

I am sure the deliberations in this Regional Assembly will help in drawing a practical programme/schedule for development of cooperatives all over the region. I wish all success to this Regional Assembly meeting.

*JAI HIND.*





**ICA Regional Assembly for Asia and the Pacific**  
**5-6 January 1995, New Delhi India**

Masao Ohya  
Executive Director  
Japanese Consumers' Co-operative Union  
Chairman  
ICA Consumer Committee for Asia and the Pacific

Respresenting the ICA Consumer Committee for Asia and the Pacific, as the chairman, let me make a report on the Consumer Co-op Development Project for 1993-94.

Thanks to the endeavour of ICA Regional Office, and especially Mr. Pradit Machima, Consumer Adviser, the project has been steadily carried out and it has provided consumer co-op leaders and staff of the region with various opportunities to learn and exchange the experience and information.

Present Consumer Co-op Development Project can be devided into three main categories, i.e. seminars and workshops, training and exchange programs, and meetings.

The seminars and workshops are usually organized nationally or sub-regionally by ICA and local organizations, partly financed by ICA budget.



This type of project such as workshops on national consumer co-op management, university co-op operation, sub-regional seminar for managers were held recently several times in Indian sub-continent region and Thailand. Some of them were organized on self-finance basis. As a result of continuous seminars and workshops in several countries, university co-ops in our region have set up University Co-op Network. The network will function to promote the exchange of information and experience among university co-ops.

As for training and exchange programs, overseas programs are common such as store managers trainings in Japan and Singapore, Training cum study visit of Vietnamese co-op leaders in Thailand and an exchange program of Fijian women co-op leaders and staff in Japan. These exchange programs and training programs offer very good opportunities to co-op leaders and staff to widen their scope and to acquire some hints to improve their own co-op management.

Consumer Committee meetings are held twice a year so that all the members can follow the progress of the project and exchange the information of member countries. This year, with the assistance of Consumer Committee, medical co-op leaders had their regional forum for the first time in Sri Lanka. Since medical co-ops had no history of interchange until the forum, even though there are many similar societies in the region, it is expected that this forum should be an icebreaker for the future co-operation of medical and healthcare co-operatives.

Beside these programs, Consumer Co-op Development Project contains research and fact-finding programs to broaden and deepen its perspective. In the last fiscal year, ICA sent a fact

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent data collection procedures and the use of advanced analytical techniques to derive meaningful insights from the data.

3. The third part of the document focuses on the implementation of data-driven decision-making processes. It provides a detailed overview of the steps involved in identifying key performance indicators (KPIs) and using data to inform strategic decisions.

4. The fourth part of the document discusses the challenges and risks associated with data management and analysis. It addresses issues such as data privacy, security, and the potential for bias or misinterpretation of data.

5. The final part of the document provides a summary of the key findings and recommendations. It emphasizes the importance of ongoing monitoring and evaluation of data-driven processes to ensure their effectiveness and relevance in a rapidly changing business environment.



finding mission to Myanmar to inquire into the present situation of Myanmar consumer co-ops and the feasibility of their participation in the international co-operation of consumer co-ops. Following the report of the mission, as a program of 1994-95 Consumer Co-op Development Project, the first consumer co-op seminar was successfully held in Myanmar last November.

Another team ICA had dispatched was a mission to Fiji. Two ICA staff visited Fiji and the other South Pacific countries to do in-depth study of co-operatives in the countries. The report is to be published by ICA Regional Office.

Consumer Co-op Development Project of 1994-95 is at present being carried out in the similar way as 1993-94. And we are preparing for the plan of 1995-96 so that the project will become more relevant to the practical needs of members.

The discussions on the operational guideline of consumer co-op are going on in both Europe and Asia-Pacific region, which will be completed at ICA Manchester Congress in coming September.

ICA Consumer Committee for Asia and the Pacific is functioning relatively active these days. But its progress is not satisfactory because of some reasons such as the considerable diversity of development level of consumer co-ops, social and economic condition of each country. This Committee will make continuous efforts to assist the development of consumer co-ops of the member countries, whereas what is most important is the will of self-reliance of each co-operator. Urbanization is going on rapidly in step with the economic growth. Consumer co-op leaders are challenged to chalk out appropriate measures to encounter changing circumstances so that co-operatives can work for the

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. The text notes that without clear documentation, it becomes difficult to track expenses, revenues, and other critical data points. This section also touches upon the legal implications of record-keeping, suggesting that organizations must adhere to specific regulations and standards to avoid penalties or legal challenges.

2. The second part of the document focuses on the role of technology in streamlining record-keeping processes. It highlights how digital tools and software solutions can significantly reduce the time and effort required to manage large volumes of data. The text mentions various types of software, such as accounting systems, CRM platforms, and data management tools, and explains how they can integrate with existing workflows to improve efficiency. Additionally, it discusses the benefits of cloud storage and data backup, which ensure that records are secure and accessible from anywhere at any time.

3. The third part of the document addresses the challenges associated with record-keeping, particularly in large organizations or those with complex operations. It identifies common issues such as data redundancy, inconsistent formatting, and the risk of data loss. The text provides practical advice on how to overcome these challenges, including the implementation of standardized protocols, regular data audits, and the use of robust security measures. It also suggests that organizations should invest in training for their staff to ensure they are equipped with the necessary skills to manage records effectively.

4. The final part of the document concludes by reinforcing the overall importance of record-keeping and offers some final thoughts on best practices. It reiterates that maintaining accurate and up-to-date records is not just a legal requirement but also a strategic advantage that can help organizations make better decisions and improve their performance. The text ends with a call to action, encouraging readers to take the steps necessary to optimize their record-keeping processes and ensure long-term success.

benefit of consumers in each country. Assistance and support of Governments are also needed. As the big commercial businesses flood the traditional market, citizens or consumers cannot stay aloof from the drastic change of the social scheme. Consumers ought to have their own base to protect their rights. When consumer co-ops are firmly established, I believe the fruits of the economic growth will be brought to consumers.



The ICA Regional Assembly for Asia and the Pacific  
New Delhi, India January 5-7, 1995

## SOME COMMENTS ON THE CO-OPERATIVE IDENTITY AND DECLARATION

Shigenori Takemoto  
President of JCCU

Chairperson and fellow co-operators:

Herewith I would like to make some comments on the Co-operative Identity proposed by Dr. MacPherson.  
*Mr. B. Thorderson*

Managing directors of major primary co-ops have had continuous discussions on the revision of Co-operative Principles at a JCCU's committee to consider the grand design of consumer co-op movement into the 21st century. Such discussions have been also held among co-operators all over the country. In the process of the discussions, we have invited Dr. MacPherson to Japan to hear his views and to exchange ideas. I highly appreciate Dr. MacPherson's definition of co-operatives, in which he states clearly that a co-operative is an autonomous association of people united voluntarily. I think that definition is stated properly in the contemporary context. In addition, we would like to pay respect to Dr. MacPherson's proposal since he has reflected our comments in formulating the new principles with regard to the

different roles of members and employees in the participatory democracy, the significance of reciprocal education among co-operators and so on. I believe these viewpoints are crucial not only for Japanese co-ops but also for the Asian co-operative movements.

In Japan, I believe consumer co-op movement has developed through practicing co-operative principles. The notable characteristics of Japanese movement is the practice of participatory democracy and autonomy. The participatory democracy can be exercised by members in three factors as investment in co-ops' capital, utilisation of co-ops' facilities and participation in the co-ops' business operation by members. I understand the trinity of these three factors has enhanced members' sense as main actors in consumer co-op movement and it has brought a good result to co-operative business as well. Besides, we have made strenuous efforts to organize autonomous and viable consumer co-ops. Although Japanese movement has never received any subsidy from Government and it has evolved to be a socially and economically independent movement. However, it is needless to say that independence from Government doesn't mean isolation. Consumer co-ops have always tried to realize their ideals by collaborating with consumer organisations, women's and the other citizens' groups.

Lastly, and not the least, I would like to make a short comments concerning the "Declaration for the Co-operative Movement in the twenty first Century".

It has been fifty years since the World War II ended. Now that the cold war has come to an end, we are seeking a new global order. However, we are still confronting such problems as regional conflicts, starvation, poverty and environmental destruction. It is imperative for us to ask ourselves how we can contribute to the everlasting peace of the world.

Japanese co-operators have learned the "importance of peace" from the bitter experience of the World War II including that of the atomic bombings. Japanese consumer co-ops plan to conduct the following three activities in these three years;

1) Promote study meetings and international exchange activities among members and double the fundraising to contribute to the UNICEF programs for children and mothers in the world. 2) Study about the history of Japanese force's invasion of Asian countries during the World War II in order to enhance public opinion not to repeat the same fault and to promote the friendship with the Asian people. 3) Promote members' peace campaigns and raising public opinions for the elimination of atomic bombs which will destroy the mankind and the global environment.

In this conjunction, I would like to strongly urge the ICA and its member organizations can take initiatives for building the lasting peace.

Thank you for your attention.





**Remark of JA-Group on Revising the Co-operative Principles**

First Assembly Meeting of ICA Asia & Pacific Region

January 5th, 1995 at New Delhi

I am Kato, President of JA-Ama, a primary society, and Vice-president of JA-ZENKYOREN, the National Mutual-Insurance Federation of Agricultural Co-operatives.

On behalf of Japanese JA-Group, I would like to say a word about the proposed revision of Co-operative Principles. Studying the third draft for revision, there are several points we want to see modified, as a matter of fact. However, in light of the limited time available, today, I confine my address only on the issue of co-operative capital.

The current Principles of 1966 put, as we all know, that "share capital shall only receive a strictly limited rate of interest, if any." The proposed revision would, instead, say, "co-operatives may pay interest on capital ." and keep silence about "limited" rate.

Behind the proposed line of revision, we are told, is a situation where for some co-operatives the principle of limited interest rate on share capital is, in fact, a hindrance to raising capital. Such a problem could be approached by introducing more diverse ways of raising capital; ways which will still limit interest rate and protect the governing right of the co-operative by not allowing capital contributors other than members to have any say in the affairs of the co-operative.



However, that is an issue of adaptation to reality; it has to be our fundamental principle that "members mutually contribute shares to capital of their co-operative, for which there is a limit placed on interest." To provide simply that "co-operatives may pay interest on capital" without providing for any limitation could well drive co-operatives to run the business for the purpose of raising income to pay return on capital. Danger there is that the business of co-operative will start to be run for a wrong purpose where the means become the end.

JA-Group thinks that a revised principle should stipulate the concept of limited rate of interest on share capital. We ask that a well considered thought be given by ICA authority on this important point.

Thank you for listening.



ICA ROAP, New Delhi, 4th January 1995

OUR COMMENT ON CO-OPERATIVE PRINCIPLES  
AND THE CO-OPERATIVE CHARTER

Kidai UCHIDA, President of  
Japan Workers Cooperatives Union

First of all, I would like to express my greeting of solidarity to the cooperators of ICA office and the colleagues of Asian and Pacific regional cooperatives.

At this moment, it become more and more important to promote solidarity among the cooperative movements in the world, especially in Asian and Pacific region. Because, in order to gain good future for people, it is inevitable to establish a new economy system based on people against the control by the multinational companies in order to attain poeple's controlling future. In this context, we have been interested in the process of modification of ICA cooperative principles and the charter.

Simple and distinct and decent expression. These are our impression over the ICA draft. We appreciate Professor MacPherson and others who have devoted to this draft.

I wish to speak recent activity of our organization and to comment on the draft of the principles and charter, on behalf of the Jigyodan, Japan Workers Cooperative Union, wishing to make better principles and charter.

1. Appearance of "New cooperatives"  
in Japan

Jigyodan held "'94 National meeting on Cooperation" last November, on the subjects of "Creating new jobs useful for citizen and community. - What is new job style and cooperative work?".

Mass unemployment and uneasiness to lose job are now haunting over the Japanese society and people. An overwhelming money first principle and bureaucracy are controlling Japanese society, and are throwing out the necessity of job creating which people need to.

On the other hand, we can see a small but a new wave of creating good work and community by "new cooperatives" in Japan.

Our national meeting which gathered grass roots movements discussed a new direction of cooperation, especially with local governments and public sectors.

Many new types of co-operatives gathered in our national meeting, for example, such as follows;

- A safety and high quality foods producer cooperative tying up with urban citizen.



- A community development cooperative controlled by citizen, not depending on big business and Central Government.

- Senior aged persons cooperatives to create jobs and social services.

- Women cooperatives to create useful work to the community.

- Education cooperative to promote human development of the children against educational bureaucracy and conformism.

- A culture cooperative combining artists and audience to protect a living of performer and develop good culture.

A scheme of mass production and mass consumption and mass garbage under the capitalistic production system plunge human kind into dangerous deep water and can not provide the opportunity of employment to many persons. So called "a new cooperatives" is appearing as a practical alternative to the existing production system.

We believe in that this new movement will grow as an important sector to change broad skirts of Japan's economy and society.

I would like to mention my view on the principles according to the first version of final draft made by Macpherson group.

#### 1. To clarify "good work".

To clarify "good work" as a basic

character of the cooperative business is desirable. We welcome a phrase of "services" in the 4th principle (commitment to service) and at the same time we think it would better to add "good works" next to "services". The reason why assert is that cooperative business are being required as their mission to create new production and living system by transforming traditional mass production and mass consumption system.

If we will seek a community which realizes worthwhile work and high living quality and humanistic bandage motivated by the integrated cooperative sector, then cooperatives will receive sympathy and favorable support of citizen for its further development.

#### 2. Democratic change of enterprises and market.

Secondly, we suppose that it is better insert a phrase "to seek democratic change of enterprises in general and market" in the 8th principle, as a responsibility of cooperatives to the external community.

It is clear that companies in the 21st century should be valued through their responsibility to the opportunity for job gaining, humanizing of labor, quality of the products and services and





environment and a community. Cooperatives should have a will to give effectiveness to private companies and public sectors as one of their objects.

Cooperative can and must promote cooperation among producers and consumers and citizens in order to create high quality and safety products and serves and employment and a faithful social standard for labor. To create a democratic controlled market becomes also a basement of fair international economic order.

3. To establish a help system to cooperatives.

Third point we stress is that it is important to recognize of the social and public character of cooperatives. Cooperatives also realize public interest. So cooperatives should have power to promote democratic law making and social policy of the Government in order to develop community. We think "Public interests oriented character" of cooperatives should be inserted in the 5th principle(Autonomy).

4. International solidarity to survive humankind.

How cooperates contribute to overcome the modern world crisis and problems such as global environmental pollution, monopolistic control of multinationals, exploitation of labor and resources, widening the difference

of the rich and the poor, unceasing of wars and ethnic violence.

It should insert any adequate expression that cooperative is a entity of seeking the development and survival of the humankind.

That concludes our opinion of the Japanese workers cooperatives Union.

Thank you for your kind attention.



Remark on Agenda Item No. 8

Hakaru Toyoda  
President, JA-ZENCHU

Thank you, Mr. Chairman.

I am Hakaru Toyoda, President of JA-ZENCHU, or Central Union of Agricultural Co-operatives. On behalf of JA-group, I would like to say a few words.

First of all, let me offer our sincere congratulations upon success of the first regional assembly, and let me thank President Marcus, Mr. Viswanathan, Mr. Yang, Mr. Sharma and other host co-operators for the great efforts.

Last September, JA-group held its 20th National Congress, and passed a resolution on "Re-structuring of Japanese Agriculture, and Reformation of JAs towards the 21st Century.

It contains three main points:

- One: "re-structuring agriculture and revitalization of rural communities ;
- Two: "strengthening of co-operative activities and promotion of rural development ;
- Three: "reformation of JA business activities and organizational structures.



It was also mentioned that JA-group establish closer relationship with overseas co-operative movements and international organizations like ICA.

As it will be reported in the next agenda, JA-group established IDACA 30 years ago and has been collaborating with ICA in promotion of agricultural co-operatives.

In recent years, JA-group has done projects in Thailand and the Philippines having support from the government of Japan. We are hoping to activate more of such co-operation activities including Women-In-Development projects in the region. Thank you for listening.



Agenda Item 10: To Consider the  
paper: "The Conversion Syndrome -  
A Review of the Conversion of  
Australian Cooperatives into Investor  
Owned Firms."

Comments

by

Mr. Han Seung-Hee

Senior Executive Vice President

National Agricultural Cooperative Federation  
(NACF)

Korea





First of all, on behalf of the Korean Agricultural Cooperative Movement, I would like to extend my deep appreciation to the National Cooperative Union of India and the ICA Regional Office for Asia and the Pacific for their great efforts in hosting and preparing this first Regional Assembly meeting here in New Delhi.

I would like to appreciate the author of the paper on "The



Conversion Syndrome". He gave us a very excellent picture of the dilemma now being faced by the Australian cooperative movement under an increasingly deregulated, competitive, and open economy. It is all the more striking to learn that in Australia, the cooperatives that have so far converted into investor owned firms have been large-scale and successful cooperatives.

The author presented two major reasons for the conversion: one



is the absence of integrated and supportive cooperative structures and networks; another is the lack of options available for cooperatives to raise sufficient equity funds, coupled with limited return on capital.

I fully sympathize with Australian experience with the identity crisis of cooperatives. However, I strongly feel that an integrated cooperative structure alone will not solve the problem, and that under the new



System of the World Trade Organization, the ~~competitive~~ <sup>increasingly</sup> competitive business environment, both national and international, will impose a host of difficult constraints on future sustainability of world cooperative movement and philosophy.

In this regard, I would like to take this opportunity to call upon the International Cooperative Alliance and the Regional Office for Asia and the Pacific to mobilize their efforts and resources





to help member cooperative movement to maintain their cooperative identity and sustain their competitive strength into the 21st century. This would require, I think, a more expanded flow of information among member cooperative organizations, and ICA could expand its role in collecting and disseminating the relevant information on member cooperative movement.

Thank you.





Regional Office for  
Asia & the Pacific

## First Meeting of the ICA Regional Assembly for Asia and the Pacific

### Agenda Item no 11.

A report of the follow up of the Asia Pacific Co-operative Ministers Conference in Colombo from July 26 to 30, 1994, was presented by Mr. Robby Tulus, Senior Policy Advisor of ICA ROAP.

The report reads as follows :

"It has become apparent from the Third Asia Pacific Ministerial Conference held in Colombo in 1994 (also known as the "Colombo Conference") that a new trend has emerged in policy agendas and legislative reforms on co-operative development promoted by governments in many countries in the region. A significant shift seemed to have occurred in the adoption of new policies on co-operative development, for which some governments have displayed a shift from their old role as custodian of co-operative development to a new role which has a more empowering character. Needless to say, one needs to conduct a further study to assess the extent to which transformations are actually taking place. Where such shift takes place, it is equally important to assess the consistency of change when government policies are being operationalized at the level of the bureaucracy. The real test, however, rests with the actual operations of co-operatives themselves in terms of their firm commitment to shift from dependency to interdependency, and actual level of self-reliance as they become more member driven.

The above shift in policies was also spurred by the emerging forces of the market-economy and structural adjustment processes in many Asia Pacific countries. This combined issue of co-operative legislation & policy, vis-a-viz the positioning of co-operatives in the market economy, drew out constructive debates both during the Regional Consultations, and at the Colombo Conference itself.

The "COLOMBO DECLARATION" spelled out this new paradigm shift succinctly. Governments and the co-operative movement agreed "to take administrative, legislative, organizational, structural, and operational measures to ensure economic viability and competitiveness of co-operatives. While effecting organizational renewal in the co-operatives, the preservation of co-operative character, basic values, and principles, should be endeavoured. The government, however, should continue to provide assistance, particularly to co-operatives of people with small means".

Background documents from ICA ROAP and country papers were presented and debated at the Regional Consultation in Malaysia in April of 1994, and addressed at the Co-operative Ministers Conference in Colombo in July 1994. Transparency was key to analysing co-operative laws and legislation enacted in various countries such as the Philippines, Indonesia, Sri Lanka, Fiji, Malaysia, and Israel, in which fundamental changes have occurred in providing more independence and autonomy to co-operatives. It also



became apparent that in India, Japan, Thailand, Myanmar, and Vietnam, new legislative amendments or new laws on co-operatives have been drafted and are still being actively debated for due hearings in their respective parliaments. As well, governments from various countries in the region such as in Iran, Iraq, Kuwait, Jordan, Uzbekishtan, Tonga, and Myanmar, have been well exposed either during the Consultation in Kuala Lumpur or at the ensuing Conference in Colombo about the intricate processes towards the passage of co-operative laws and legislation.

In short, the conceptual understanding of economic democracy, and the need for a more enabling legislation, seemed to have been adequately perceived by most governments on account of their active participation in all previous Co-operative Ministers' Conferences : Sydney in 1990, Jakarta in 1992 and Colombo in 1994.

There were four main conclusions and recommendations adopted by the Colombo Conference. The first set of recommendations pertain to the subject of government-cooperative collaborative strategies, for which 11 recommendations have been adopted. The second one pertains to the positioning of co-operatives in the market-oriented economy, for which 10 recommendations were adopted. The third one pertains to the Regional Coordination and future Ministers' Conferences, for which a Secretariate was warranted under the auspices of ICA ROAP, whereas the fourth one deals with international cooperation.

It is considered pertinent, therefore, that the First Meeting of the ICA Regional Assembly for Asia and the Pacific adopts a resolution to sanction and reaffirm the conclusions and recommendations of the Third Asia Pacific Co-operative Ministers Conference held in Colombo from July 26 to 30, 1994, and give its full support to the ICA ROAP in delivering its practical follow-up action as contained in the Policy Development and Legislation Project (PDLP) entitled "POLICY DEVELOPMENT : Government-Cooperative collaboration on Co-operative Competitive Strength", sponsored by the CCA and SDID.

#### RESOLUTION

BE IT RESOLVED that the First Meeting of the ICA Regional Assembly for Asia and the Pacific endorses and reaffirms the conclusions and recommendations of the Third Asia Pacific Co-operative Ministers Conference held in Colombo from July 26 to 30, 1994, and renders its full support to the ICA ROAP in delivering the practical follow-up action as contained in the Policy Development and Legislation Project (PDLP) entitled "POLICY DEVELOPMENT : Government-Cooperative collaboration on Co-operative Competitive Strength", sponsored by the CCA and DID.



Agenda Item No. 12

Consideration of the Report on draft proposal for recognition of cooperatives by ICA

The Executive Council, while considering this Agenda in its meeting held on 24th July, 1994 in Colombo, Sri Lanka, had decided to appoint a small committee to examine the proposal and the Chairman was authorised to constitute the said Committee.

Accordingly, the Chairman constituted the committee consisting of the following:

- |    |                                    |   |          |
|----|------------------------------------|---|----------|
| 1. | Mr. Lionel Samarasinghe, Sri Lanka | - | Chairman |
| 2. | Mr. M. Ohya, Japan                 | - | Member   |
| 3. | Mr. H. Nishido, Japan              | - | Member   |
| 4. | Mr. Yong Jun Kim, Korea            | - | Member   |
| 5. | Hj. Mahmud Yusuf, Malaysia         | - | Member   |
| 6. | Mr. B.D. Sharma, India             | - | Member   |

The committee met in the afternoon of 4th January '95. Mr. Tadashi Tori of JA ZENCHU sent his written comments on the proposal on behalf of JA ZENCHU for consideration of the committee. Mr. Mahmud Yusuf of ANGKASA, Malaysia, could not attend the meeting.

After detailed discussions, the committee came to the following conclusions:

1. The committee, in principle, agrees with the proposal with the suggestion that it should be called "Recognition of the genuine and efficient cooperatives".
2. The criterias laid down in the Agenda need re-consideration and re-adjustment. It would be desirable not to have 3 criterias but one criteria should be there on weightage basis. Based on weightage, they could be graded for recognition award.
3. The criterias may be re-examined by Mr. B.D. Sharma, Chief Executive of the NCUI and Mr. G.K. Sharma, Regional Director, ICA ROAP together and a revised proposal would be sent to all members of the committee for their comments and advice.
4. The proposal should be implemented on pilot basis in select countries where member organizations are interested to implement it.
5. A report on the progress made in this regard may be submitted in the next Regional Assembly Meeting.

The meeting ended with a vote of thanks to the Chair.







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## AGENDA 13. SOCIAL SUMMIT ICA REGIONAL ASSEMBLY, NEW DELHI. JANUARY 5-7 1995

Notes by Daman Prakash

### Introduction

The Principles of Cooperation are the strongest and most potent principles which can most effectively safeguard Human Rights. They are most democratic, humane, clear and emphatic on social and political issues, and have high economic-orientations towards the members of cooperatives and the community at large. These are also called the ICA Principles. The International Cooperative Alliance has the keenest appreciation for the United Nations, its Charter and its actions aimed at empowering people and protecting them from fear, poverty, lawlessness and economic exploitation. The ICA has also been working in this sector now for 100 years. It has been a steady and genuine witness to our modern history.

The second half of the century has, of course, saddened the ICA as well. Unemployment, poverty, crime, inter-ethnic violence and civil warfare are on the rise. Human values, work ethics, human conduct have eroded to the extent that there is mistrust, disbelief and loss of confidence in the society. Social tensions have increased. Crumbling political stability in one nation threatens peace and security in others. Citizens try to address their problems to NGOs more often than to their own governments.

The NGOs, have, therefore been active in providing relief to the people. The United Nations has also, in the recent past, remained inactive in providing relief to the people since its constituents are member-governments. The UN system has been busy in solving some of the military-oriented problems through the medium of Security Council where poor and smaller nations have no say. The UN Economic and Social Council could not assert itself and remained highly dependent on donations, grants and contributions from member-states to provide social justice to the people. For instance, the UN system presently does not contribute to or participate enough in cooperative development activities. If at all there is any instance, it is done through the government channels.

The UN Charter promotes "higher standards of living, full employment, and conditions of economic and social progress and development with a view to the creation of conditions of stability and well-being". Cooperative institutions also aim at achieving the same objectives.



With a view to have a fresh look at the objectives of the UN, and to help re-orient the strategies of its member-states, a World Social Summit of heads of governments has been convened by the United Nations in Denmark, March 6-12 1995. Three principal topics will be discussed at the summit. These are:

1. Reduction and elimination of widespread poverty;
2. Productive employment and reduction of unemployment; and
3. Social integration.

#### Objectives of the Summit

Besides the governments, international organisations, non-governmental organisations and prominent leaders of the world, including, of course, the International Cooperative Alliance, have contributed in identifying the objectives of the summit. Some of the major ones are the following:

- 01 Place the needs of people at the centre of development;
- 02 Secure international, governmental and non-governmental policies that promote social development and enable the active involvement of all citizens;
- 03 Place special priority on the social development needs of the least developed countries;
- 04 Attain an appropriate balance between economic efficiency and social justice;
- 05 Address creatively the interaction between the social functions of the state, market responses to social demands and the imperatives of sustainable development;
- 06 Identify common problems of socially marginalized and disadvantaged groups and promote social integration;
- 07 Promote legal protection, effective social welfare and education and training for all;
- 08 Ensure effective delivery of social services to the disadvantaged;
- 09 Mobilise resources for social development at all levels;
- 10 Recommend effective action and policies for the UN system.

Cooperative institutions throughout the world have carved out a place for themselves and have rightfully established themselves in the form of an independent sector - the cooperative sector. Examples of success are available in plenty in many countries where cooperative institutions have not only met the economic





needs of their members but have also played a significant part in the social development of their members and the community in general.

Contrary to the common belief that cooperative institutions do not deliver social goods, some of the recent studies strengthen the argument that cooperatives are indeed people's organisations which can respond more effectively to the felt-needs of their members. A close 'social audit' of such institutions would reveal that leaders with vision in collaboration with enlightened membership and with the cooperation of dedicated and devoted management can transform our 'civil society' into a place of security, opportunities and satisfaction. These NGOs can effectively help eliminate poverty, sustain environment, provide employment and enrich social standards of the people. Governments only have to recognize their relevance and significance and give them the freedom of action and treat them with respect since they personify the initiatives of grass-roots people of limited means and resources. Governments can help these cooperatives to be member-driven institutions rather than state-controlled agencies.

The ICA has, in the recent past, been concerned with inculcating values - the basic values - in the behaviors of cooperative leaders, members, citizens and governments, to ensure that the internationally-accepted Principles of Cooperation are upheld, respected and actually observed. The Social Summit is, therefore, of great significance for the World Cooperative Community. The ICA leaders have been participating in the preparatory work of the Summit. The ICA Regional Office for Asia and the Pacific has also contributed at the regional level by participating in UN/ESCAP meetings and workshops. The significance of the Summit and its relevance to the cooperative world was brought to the notice of the 3rd Asia-Pacific Cooperative Ministers Conference held in Colombo in July 1994, and now is being brought to the attention of this Regional Assembly.

In addition, the ICA ROAP has developed some extension material and issued several write-up on the relevance of the Social Summit. Two recent publications issued by the ICA ROAP are:

- a. Social Objectives of Cooperatives
- b. Our Civil Society and Cooperatives

What can the ICA Member-Organisations do?

The member-organisations of the ICA in the region can help the World Summit and the United Nations in various ways. Some of the suggested methods are:

- a. Interacting with the governments in their respective countries on the social aspects of cooperatives through dialogues, case studies, articles, information sheets, through which it is highlighted that cooperatives, as NGOs,



have helped in generating employment, removal of poverty, disparities, provision of social security, creation of educational and developmental opportunities for the members, their families and the community at large;

- b. Impressing upon the governments that greater 'freedom in decision-making' is given to cooperatives through review and revision of existing complicated and highly-government-oriented cooperative laws and through policy pronouncements, and do away with the practice of controlling cooperatives through government officials, share capital and political pressures;
- c. Asking the governments to increasingly loosen their controls on cooperatives and let cooperatives be member-driven institutions;
- d. Asking the governments to give liberal concessions and facilities to cooperatives as they are people's organisations with a view to empower and enable them to serve their members more effectively;
- e. Asking the governments to allocate higher financial allocations for the education of cooperative members, training of cooperative employees, and creating educational and training infra-structural facilities;
- f. Offering to the governments, development plans and projects which are aimed at enhancing the social standards of members through using cooperative means and to which the governments should contribute financially.

It is the wish of the International Cooperative Alliance that the member-organisations would continue to support the United Nations System and at the same time continue to impress upon the System to give more attention to social aspects, and particularly to the development of cooperative institutions.





Agenda Item No 14

Sub: Letters from Mr. M. Horiuchi, Vice President, ICA, to Mr. Lars Marcus, President, ICA, and RD ROAP about the position of Vice President from Asia-Pacific Region

In the Regional Consultation held in Beijing in April 1993, Mr. M. Horiuchi was nominated as Vice President candidate. Accordingly, he was elected Vice President in the General Assembly held in Geneva in July 1993 for a term of 4 years. At that time Mr. Horiuchi was the President of JA-ZENCHU. Since then Mr. Horiuchi's term as President of JA-ZENCHU has expired and Mr. Hakaru Toyoda is presently the President of JA-ZENCHU.

Mr. Horiuchi has sent a letter to the President of ICA seeking his opinion about his continuance or otherwise as Vice President of ICA. A copy of his letter is enclosed..

A copy of his letter has been forwarded to the Regional Director, ICA ROAP, with the suggestion to table this matter before the Regional Assembly Meeting in Delhi.

The Regional Assembly may consider the letters and take a view in the matter accordingly.





CENTRAL UNION OF AGRICULTURAL COOPERATIVES  
(ZENKOKU NOGYOKYODOKUMIAI CHUOKAI)

8-3, Otemachi 1-chome, Chiyoda-ku, Tokyo 100, Japan

September 5th, 1994

Mr. Lars Marcus  
President  
International Co-operative Alliance

Dear President Marcus:

It is indeed a great pleasure for me and for us all that ICA will see centenary of its foundation in 1995.

At that time, you will retire as ICA president, which I would say is a commendable idea. I am told that you wanted to know what I think about my future, with the year 1995 coming in sight.

ICA region for Asia & Pacific will hold its first regional assembly this October and it will step into the track of new regional structure. In this sense, I think about myself the same way like you.

However, in my case, as I was given the trust of being vice-president for a four-year term under the new system of regional election, it does not look proper for me just to throw away the trust from the region half-way of the assigned term.

I am also told that, as to what comes after, you would know how Mr. Toyoda thinks. On this point I consulted with him thinking that my duty to our region will have been done if Mr. Toyoda, representing Zenchu as

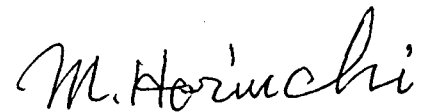


president, will take it up for me. I am, herewith, making a response to your inquiry with him. He understands that this is a term for which Zenchu is responsible and if our region agrees with the idea he will succeed it.

The above being the case, if you would give your guidance in this regard, then I feel I could step down with a piece of mind together with you as a long time friend.

Looking forward to your good insight and guidance, and with high regard,

Yours sincerely

A handwritten signature in cursive script that reads "M. Horiuchi".

Mitsugu Horiuchi  
ICA Vice-president  
for Asia & Pacific

Senior Advisor

JA-Zenchu





**CENTRAL UNION OF AGRICULTURAL COOPERATIVES**  
(ZENKOKU NOGYOKYODOKUMIAI CHUOKAI)

8-3, Otemachi 1-chome, Chiyoda-ku, Tokyo-100, Japan

September 9th, 1994

Mr. G. K. Sharma  
Regional Director  
ICA Regional Office for Asia & Pacific

Dear Mr. Sharma :

As you will kindly see by a copy of the letter from Mr. Horiuchi, ICA vice-president for Asia & Pacific to President Marcus dated 5th instance, he submitted intent of resignation at the time of ICA Centenary Congress in the autumn of 1995.

Only thing for him was what will become of the trust given JA-Zenchu by the region because he would not simply throw away the responsibility just like that halfway the entrusted term.

He consulted with Mr. Hakaru Toyoda, president of JA-Zenchu about it, and received a favorable response saying that as this is a term Mr. Horiuchi representing Zenchu is responsible he will take it for him with the consent of the region.

I might additionally inform you that this is well supported in Japan by all ICA member organizations from consumers, fishery, to forest-owners, not to mention our agricultural co-operative group.

Let me ask you, therefore, that this matter be tabled at the coming





Regional Assembly in October for consideration and hopefully favorable action.

With co-operative greetings and kind regards,

Yours sincerely

鳥居 匡

Tadashi Tori-i

Executive Director





## **JAPANESE CONSUMERS' CO-OPERATIVE UNION**

Seikyo-kaikan 4-1-13, Sendagaya, Shibuya-ku, Tokyo, Japan

Phone : 03-3497-9103 Fax : 03-3497-0722

Telex : 2423380 NCOOP J Cable : CONSUMUNION TOKYO

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November 18, 1994

Mr. G. K. Sharma  
Regional Director  
ICA ROAP

Dear Mr. Sharma,

With regard to the agenda of the Regional Assembly, I'd like to propose on the establishment of the Advisory Committee on the direction of ICA Asia & Pacific Region in the latter half of 90's in Agenda Item 16. My idea is as follows;

**Background:** The rapid and globalized change has given the great impact on the national co-op organizations as well as the international organizations. It's not possible for them to continue what they had used to do. The ICA ROAP should respond to these changes so as to meet the needs and expectations of the member organizations more effectively. So far, the ICA ROAP has the sectoral 3 years plans, but we should review the all the structure and functions in the longer perspectives.

**Objectives:**

1. to review the current governing bodies and secretariat functions of the ICA Asia & Pacific Region.
2. to make the recommendations on the policies and directions of the ICA Asia & Pacific Region.

**Name:** Advisory Committee on the direction of ICA Asia & Pacific in the late 1990's towards 21st Century.





- Members: A limited 5-6 members who have deeply committed with ICA activities and have the independent ideas will be appointed by Regional Director to discuss the problems in depth. (Members are not the country representatives.)
- Term: within half a year
- Finance: basically self-financed  
(some common expences can be shared)
- Secretary: an ICA ROAP staff
- Decision: The report of the Committee will be submitted to the next Executive Council by Regional Director and decisions will be made according to its recommendations.

I hope you to take due consideration to this proposal and wait for your further positive idea.

Sincerely yours,

Masao Ohya  
Executive Director



Address by Kyu - E Lee Chairman & President of  
Korean Federation of Community Credit Co-operatives

January 5. 1995

Mr. Lars Marcus, president of ICA, Mr. B.S Viswanathan president of N C U I, Mr. G.K Sharma Regional Director, distinguished delegates from ICA member organization in Asia and Pacific region.

It gives me great pleasure to have this opportunity to make a greetings, on behalf of all Community Credit Cooperatives and their members on the occasion of this First Meeting of the ICA Regional Assembly for Asia and the Pacific.

First of all, I would like to extend my appreciation to Mr. Lars Marcus and the Board members for accepting the Korean Federation of Community Credit Cooperatives into ICA membership on April 22 1994.

CCC Movement started a rural community in 1963 to get out from the life of poverty of the inhabitants after the 1950 Korean War.

Thanks to great efforts of CCC leaders, at the end of November 1994, the number of CCC is 3,073, the number of individual members is over 9 million and total assets reached to 21 billion US dollars.

During the past 30 years, CCC contributed much to improve the economic, social, and cultural status of the members and to develop the local society and the national economy.

CCC will continue to better serve for the members and develop the local society and economy in the year ahead.





From now on as a member of ICA, KFCCC will observe the ICA rule, principles and decisions by the Congress, Board, Authorities, and closely cooperate with the Regional office for Asia and the Pacific and ICA member organization in this Region.

We will actively participate in all meeting, seminar program of ICA and we want to contribute for the development of Co-operatives in Asia and the Pacific region.

I hope for eternal progress of ICA and its member organizations.

Thank you for your kind attention.



# **First Meeting of the ICA Regional Assembly for Asia and the Pacific**

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**New Delhi, India  
October 5 -7, 1994**

**A G E N D A**



**International Cooperative Alliance  
"Bonow House" 43, Friends Colony (E)  
New Delhi - 110065, India**



# **First Meeting of the ICA Regional Assembly for Asia and the Pacific**

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**New Delhi, India  
October 5 -7, 1994**

**A G E N D A**



**International Cooperative Alliance  
"Bonow House" 43, Friends Colony (E)  
New Delhi - 110065, India**



**TENTATIVE PROGRAMME**  
**ICA ROAP First Regional Assembly Meeting,**  
**New Delhi, India.**

**Venue : Banquet Hall, 3rd floor**  
**Ashok Hotel, New Delhi**

*Dates : 5-7 October, 1994*

**4th October, 1994**

15.00 - 16.30 Registration of delegates for Regional Assembly.

**5th October, 1994**

08.30 - 09.30 Registration

10.00 - 11.00 Opening

11.00 - 11.30 Tea Break

11.30 - 13.00 Business Session :

Agenda Item 2 : Election of Chairman/Vice Chairman

Agenda Item 3 : Approval of Agenda

Agenda Item 4 : Confirmation of the Minutes of last Regional Consultation held in Beijing, April, 1993

Agenda Item 5 : Consideration of the Amendments to the Rules of the ICA Regional Assembly

13.00 - 14.30 Lunch

14.30 - 15.30 Business Session :

Agenda Item 6 : Approval of the Rules of the Executive Council

Agenda Item 7 : Presentation & Consideration of the second draft of the "Cooperative Charter"

15.30 - 16.00 Tea Break

16.00 - 17.00 Business Session : Agenda Item 7 (contd)

**6th October, 1994**

09.00 - 10.30 Business Session :

Agenda Item 8 : Three-Year Development Programme of ICA ROAP and Work Programme for 95-96 and Reports by Specialised Committees

Agenda Item 9 : Report on IDACA Activities

- |               |  |
|---------------|--|
| 10.30 - 11.00 | Tea Break  |
| 11.00 - 13.00 | Business Session :   |
|               | Agenda Item 10 : To consider the paper: " The Conversion Syndrome - A Review of the Conversion of Australian Cooperatives into Investor Owned Firms" |
| 13.00 - 14.30 | Lunch Break  |
| 14.30 - 15.45 | Business Session:  |
|               | Agenda Item 11 : Report on Third Cooperative Ministers Conference held in Colombo  |
|               | Recommendations & Follow-Up.   |
|               | Agenda Item 12 : Draft Proposal for Recognition of Cooperatives by ICA   |
| 15.45 - 16.15 | Tea Break  |
| 16.15 - 17.30 | Business Session:  |
|               | Agenda Item 13 : World Summit for Social Development of UN - Role of ICA and Cooperatives in Social Development                                      |
|               | Agenda Item 14 : Presentation on " Profile of Cooperatives in India"   |
|               | Agenda Item 15 : Any other item with the permission of the Chairman  |
|               | Agenda Item 16 : Venue and Date of the next meeting.   |

**7th October, 1994**

- |           |   |
|-----------|---|
| forenoon  | The meeting may continue, if necessary. |
| afternoon | Sightseeing/Departure                   |



**ICA REGIONAL ASSEMBLY  
FOR THE ASIA & THE PACIFIC REGION  
NEW DELHI (INDIA) 5TH-7TH OCTOBER, 1994**

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9. Report on IDACA activities.	20
10. To consider the paper : The Conversion Syndrome " A Review of the Conversion of Australian Cooperatives into Investor Owned Firms".	24
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12. Consideration of the Report on draft proposal for recognition of cooperatives by ICA.	29
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15. Any other item with the permission of the Chair	35
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**Agenda Item No. 1    Opening Session**

**Agenda Item No. 2    Election of Chairman & Vice-Chairman**

The members of the Regional Assembly (RA) are requested to elect a Chairperson and Vice-Chairperson.

**Agenda Item No. 3    Approval of the Agenda**

The members may consider the Items listed in the agenda for approval.

**Agenda Item No. 4    Confirmation of the Minutes of the last Regional Consultation held in Beijing, China, 21-22 April, 1993**

The Minutes of the ICA Regional Meeting for Asia and the Pacific held in Beijing, China, on 21-22 April, 1993 have been circulated to all the member-organisations of the ICA ROAP. No comments have been received. The minutes may be confirmed.

For Minutes, please see annex to these notes on page 36.

**Agenda Item No. 5    Consideration of the amendments to the Rules of the ICA Regional Assembly**

**Rules 7 Elections**

Under rule 7 relating to elections of Vice Chairman the nominated "Candidates must have served on one or more governing bodies for at least two years. The Governing Body shall include; ICA Executive Committee, Regional Assembly, Regional Council".

Under the old and the new Standing Rules of the ICA, Congress, General Assembly and Board is also included under Governing Body. Apparently, by over sight, they could not be included in the Draft Rules in the last meeting. The members may consider to include them now by amendment.

Similarly, as the Regional Council has been replaced by the Executive Council, the word "Regional Council" be substituted by "Executive Council.

**Rule 4 Membership**

Under Article 4 of the rules approved by the Regional Assembly Meeting held at Beijing, China, on 21-22 April, 1993, the membership of the Regional Assembly consists of representatives appointed by the ICA member organisations with head office in the region and the ICA international member organisations who have members in the region.

Non-members of the ICA such as international organisations, governments and para statal organisations concerned with the promotion of cooperative principles and cooperatives and supporting ICA activities could be invited to the Regional Assembly Meetings as observers and would be allowed upon payment of registration fee as decided by the Regional Assembly.

There are number of national level bodies like the Cooperative Development Authority in the Philippines, the National Cooperative Development Corporation, India, and others who are exclusively working for promoting and supporting cooperatives and having close collaboration with the ICA. It would be desirable that such bodies are associated with the ICA more closely than being invited as observers. Also there are national level cooperative organisations who are financially weak and cannot afford to be ICA members but would like to participate in regional activities.

The Executive Council at its recent meeting held at Colombo (Sri Lanka) on 24 July 1994 discussed at length and recommended addition of new clause 4 (c) as under :

“4 (c) Associate Members

- i) National level cooperative organisations from the region which are not members of the ICA could be admitted as Associate Members of the Regional Assembly on payment of subscription fee as decided by the Regional Assembly;

Observers

- ii) Parastatal organisations and others at national and regional levels directly concerned with the promotion and support to the cooperatives could be admitted as observers on payment of subscription fee as decided by the Regional Assembly;

Special Invitees

- iii) Special invitees like international organisations and others whose presence may be useful and desirable could be invited as special invitees. For special invitees no subscription fee will be applicable.

The Associate Members, Observers and Special Invitees will be entitled to submit written papers in advance and present their views in the meetings, but will not be entitled to vote or contest in elections.”

A copy of the rules of the Regional Assembly is enclosed.

# **Rules of the ICA Regional Assembly for Asia & the Pacific**

## **1. Name & Status**

It shall be called the ICA Regional Assembly for Asia and the Pacific and forms part of the governing structure of the International Cooperative Alliance in accordance with Article 16 of the ICA Rules.

## **2. Objects**

The basic purpose of the Regional Assembly for Asia and the Pacific is to promote collaboration among the ICA member organisations at the Asia-Pacific regional level and provide a forum for discussion of regional as well as global issues.

## **3. Functions**

The Regional Assembly for Asia and the Pacific shall :

- a. submit reports proposals and resolutions for the consideration of the General Assembly;
- b. establish the priorities for the ICA work programme in the region;
- c. establish policies for the financing of ICA office(s) in the region;
- d. establish Regional Specialised Committees and approve their constitutions;
- e. implement the decisions of the ICA General Assembly in the Region;
- f. nominate one candidate for election as ICA Vice President;
- g. draw up its business procedures and representation rules, subject to approval by the General Assembly.

## **4. Membership & Representation**

- a. The Regional Assembly for Asia and the Pacific shall consist of representatives appointed by the ICA member organisations with head office in the region, and by the ICA international member organisations, who have members in the region. No specific term is fixed for such appointments. The representatives will continue representing their organisation till written intimation is received by ROAP about their withdrawal or replacement from the appointing organisations.
- b.
  - i. Every member organisation shall be entitled to appoint/nominate at least one voting representative.
  - ii. Member organisations from countries in the region shall be entitled to additional votes/delegates based on multiple of ICA Geneva membership subscription or as otherwise approved by the Regional Assembly.
  - iii. The total number of voting representatives from any country shall not exceed the maximum number of member organisations from any country in the region.

Member organisations from the region shall have the right to send non-voting observers to the Regional Assembly, with no limit imposed on their number, upon payment of established registration fee for observers.

ICA members from other regions may also attend Regional Assembly meetings as observers upon payment of the registration fee for observers.

Non-members of ICA, International Organisations, Governments and Parastatal Organisations concerned with the promotion of Cooperative Principles and cooperatives and supporting ICA activities may be invited to the Regional Assembly meetings as Observers and will be allowed to attend the meeting upon payment of the registration fee as decided by the Regional Assembly.

## **5. Meetings**

The Regional Assembly shall, as a rule, take place every second year, alternating with the General Assembly.

Time and venue of the meeting shall normally be decided by the previous Regional Assembly.

An extraordinary meeting of the Regional Assembly may be convened by the Regional Director in consultation with the Chairman of the Regional Assembly for specific agenda.

The Regional Director shall be responsible for preparation and circulation of meeting documentation, and together with host organisation, for practical organisation of the Regional Assembly.

All questions on which the Regional Assembly votes shall be decided by a majority of the votes cast. Voting by correspondence may be allowed if voting representative is not able to attend in special circumstances.

The languages of the Assembly shall be English. Delegates using other than English shall arrange their own interpreters.

The meeting shall be on self-financing basis.

## **6. Finance**

The delegates and their member organisations shall be responsible for covering the expenses of their participation at the Regional Assembly.

A registration fee will be charged in order to offset the cost of ICA documentation, interpretation, staff participation, etc. as decided by the Regional Assembly.

Basic costs of organising the Regional Assembly shall be borne by the host organisation(s).

## **7. Elections**

The Regional Assembly shall elect at its first session a Chairman, normally from the host organisation, who shall preside over the meeting.

The Assembly may elect one or more than one Vice-Chairman as deemed necessary.

The Chairman and Vice-Chairman will continue till their successors are elected in the next meeting of the Assembly.

The Regional Assembly shall also nominate one candidate for election as ICA Vice-President by the General Assembly. Each member organisation, and international member, in the region is entitled to submit nominations. Candidates must have served on one or more ICA governing bodies for at least two years. The Governing Body shall include : ICA Executive Committee, Regional Assembly, Regional Council. If there is no unanimity, voting, is to be conducted by secret ballot. The Regional Director shall be responsible for communicating the name of the regional nominee to the ICA Secretariat not less than three months prior to the next General Assembly.

The Vice President shall serve a four-year term and is eligible for re-election if nominated again by the Regional Assembly.

## **8. Special Dispositions**

The Rules and Procedures of the Regional Assembly, and any subsequent amendments, shall be subject to approval by the General Assembly, as laid down in Article 16 of the ICA Rules.

The Regional Assembly, as the policy-making body of ICA in the continent (s), shall not duplicate with the functions of the Regional Directors/Regional Offices/Regional Councils, which are the technical arm of ICA as laid down in Articles 22 and 23 of the ICA Rules.

**Agenda Item No. 6 Approval of the Rules of the Executive Council**

The Regional Meeting for Asia and the Pacific held at Beijing, China, in April 1993 had recommended ROAP to prepare draft rules for the Executive Council. Accordingly, ROAP attempted the draft rules of the Executive Council and placed it before the recent meeting of the Executive Council held at Colombo, Sri Lanka, on 24 July, 1994 for consideration.

The Executive Council adopted the draft rules as proposed in the agenda with the suggestion to include Vice President of the ICA from the region to be included in the Council. Thus Article 3a (iv) would read as under :

“3a (iv) Vice President of the ICA from the Region.”

The draft rules incorporating the above suggestion of the Executive Council are placed below for consideration and approval by the RA.

# **The Draft Rules of the ICA ROAP Executive Council**

## **Preamble**

1. The Regional Assembly for Asia & Pacific Region in its meeting held on 21-22 April, 1993 in Beijing, China, decided to have a Regional Executive Council consisting of representatives from the National Cooperative Movements of the Asia-Pacific Region. The Council shall be known as the "Executive Council for ICA ROAP".
2. The Council shall be to :-
  - a) advise on the overall policy and programmes of the ROAP;
  - b) review the results of the activities of the ROAP; and
  - c) make recommendations to the Regional Assembly on matters concerning the cooperative movements in general and the Asia-Pacific region in particular;
  - d) serve as a permanent contact organ between the national cooperative movements and the ROAP.
3. The Executive Council will consist of :
  - a) i. One delegate from each member country;
  - ii. Chairmen of Specialised Committees in the region;
  - iii. One delegate from each member regional organisations.
  - iv. Vice President of the ICA from the region.
  - b) i. The Apex Members National Union from each country would nominate one delegate to the Executive Council.
  - ii. In countries where there is more than one National Organisation as members, the nomination shall be through consensus of the members within the country. When there is no agreement, the Chairperson of the Regional Assembly may nominate the delegate from such a country).
4. The meetings of the Executive Council may be convened in between the Regional Assembly Meetings and prior to the meetings of the Regional Assembly. Notice shall be issued to the members normally not less than three months in advance of the date of the meeting. However an urgent meeting may be called with a notice of at least 3 weeks
5. The Chairperson and Vice Chairperson of the Executive Council shall be elected by the members at the meeting of the Executive Council from a period of two years or till the next meeting of the council whichever is later.
6. A member of the Executive Council shall continue till either he is withdrawn or replaced by another delegate.
7. The members of the Executive Council may submit items for inclusion in the agenda of the Council meetings. Such items shall be submitted at least six weeks in advance of the date of the meeting.
8. The Regional Director shall be the Secretary of the Executive Council.



**Agenda Item No. 7    Presentation and consideration of the second draft of the “Cooperative Charter”**

Mr. Bruce Thordarson, Director-General, ICA, would present the latest position in this regard. Meanwhile, a draft paper “The Cooperative Identity” received from Dr. Ian MacPherson is enclosed. In case more details are received before the meeting, it will be circulated to the members.

# The Cooperative Identity

## (Second Draft)

### DEFINITION

A cooperative is an autonomous association of persons united voluntarily to meet their common economic and social needs through a jointly-owned and democratically-controlled enterprise.

Cooperatives are joined together locally, regionally, nationally, and internationally in federations, alliances and other joint undertakings so that they can meet member needs most effectively.

### VALUES

Cooperatives are based on the values of self-help, mutual responsibility, equality and equity. They practice honesty and transparency in all their activities.

### PRINCIPLES

Cooperatives seek to build a better world, pursue their objectives, and practice their values by applying the following principles as general guidelines in their activities.

**Membership :** Membership in a cooperative is voluntary. Within their capacity to admit members, cooperatives are open, without social, political, religious, cultural, or gender discrimination, to all who can contribute to, and benefit from , their activities.

**Democracy :** Cooperatives are democratic and participatory organisations actively controlled by their members. In primary cooperatives, members enjoy equal voting rights, on a one member, one vote basis; in cooperatives at other levels, control is exercised in a suitable democratic manner. Men and women elected or appointed by the membership to administer cooperatives, appropriately involve members, managers and other employees in making decisions; they are accountable to the members for their decisions and actions.

**Equitable Financing :** Members contribute equitably to the capital of their cooperative and share in the results of its operation, usually, at least a portion of a cooperative's capital is indivisible, intended to further the long-term purposes for which the cooperative exists. After rewarding capital and labour fairly, members allocate surpluses for any or all of the following purposes : (a) developing the business of the cooperative; (b) providing and improving common services; (c) benefiting members in proportion to their involvement in the cooperative; (d) encouraging the further development of the cooperative movement.

**Cooperation among Cooperatives :** All cooperative organisations, in order to best serve the interests of their members and their communities, actively cooperate in every practical way with other cooperatives at local, national and international levels.

**Autonomy :** Cooperatives are autonomous, mutual-help organisations controlled by their members within existing legal frameworks. If they enter into agreements with governments and other organisations, they do so freely and on terms that will ensure their autonomy.

**Service :** Cooperatives are committed to providing the best possible quality services and products in a prudent, sound and efficient manner.

**Education :** Cooperatives encourage and benefit from the development of people through educational programmes. They provide for the education of member, elected leaders, and employees so they can play informed and active roles effectively. Cooperatives inform the general public - particularly young people - about the benefits of the cooperative movement.

**Community :** Cooperatives are concerned about the communities in which they exist. While focussing on member needs, they strive for the sustainable development of those communities through policies acceptable to the membership.

## **Agenda Item No. 8 Three-Year Development Programme of ICA ROAP and Work Programme for 1995-96 and Reports by Specialised Committees**

The International Cooperative Alliance Regional Office for Asia and the Pacific (ICA ROAP) budgets and work plans are valid for periods from 1st July to 30th June. The budget and work plans are prepared by the Regional Office after consultation with the different Regional Committees and presented to the Regional Council for possible comments. As almost no activity can be carried out without financial support from the different donor organisations, the final approval is given by the donors and ICA Head Office at the so called Annual Planning Meeting held every year in November/December at the ICA Regional Office in New Delhi, where ICA Head Office and all ICA ROAP donors participate.

With the reorganisation of the ICA structure, the ICA member organisations in the Region through their Regional Assembly and Regional Executive Council have to play a greater role in guiding and financing the activities of the Regional Office. Today only 10% of the administrative costs are covered by direct member contribution from four member countries; 17% by ICA Head Office; and 73% by donor organisations.

Looking at the total costs of the ICA ROAP including all activities, an increasing part, about 30%, is covered by the ICA member organisations for expenses in connection with regional and national educational activities, meetings, consultations, research, etc.

The ICA Asian and Pacific region has increased and geographically it includes member countries in West Asia as Israel, Jordan, Iraq and Kuwait and new countries of the former Soviet Union. All together ICA ROAP serves 25 countries with 61 member organisations. More than 63% of the total ICA individual membership is coming from the Asian and the Pacific region.

### **Objectives**

In its development work the ICA ROAP strives to achieve the following objectives :

- i. The establishment and growth of independent, democratic and economically viable cooperative organisations in which men and women participate on equal terms;
- ii. Strengthening of collaboration between cooperative organisations;
- iii. Influence public opinion, governments, international authorities and international organisations on matters pertaining to development of cooperative organisations;
- iv. Enhancement and encouragement of the involvement of the weaker sections of the society as women and youth in the activities of cooperatives; and
- v. Promoting awareness among the cooperative organisations of the importance of an environmentally sustainable cooperative development.

### **Priorities**

The priorities for the ICA ROAP activities are as follows :-

- i. To achieve appropriate cooperative legislation;
- ii. To promote understanding and economic cooperation between cooperatives at Regional level;
- iii. To develop Data Bank in ROAP and NCOs for better planning, improved information sharing and assessment of progress of cooperatives;
- iv. Formation of NCOs where they do not exist and bring the movement under ICA membership from such countries;
- v. To promote and strengthen national cooperative organisations and inculcating among them

- the concept of "Cooperation among Cooperatives" and "self-reliance";
- vi. To strengthen national sectorial cooperative organisations;
  - vii. To create an awareness among cooperative members on the protection of environment and encourage the cooperatives to play a positive participatory role; and
  - viii. To encourage the participation of women and youth in cooperatives.

### **Target Groups**

The direct target groups for ROAP's development programme would be :

- i. National level business and promotional organisations and cooperative training institutions;
- ii. Cooperative leaders and management personnel at national level; and
- iii. Government ministries and departments responsible for cooperative development.

The indirect target groups would be :

- i. Cooperative leaders and management staff in secondary and primary level cooperative societies;
- ii. The individual members and their family members being the ultimate beneficiaries of ICA ROAP's development work; and
- iii. Weaker sections of the society, women and youth.

In development projects where ICA ROAP is the implementing agent the indirect target groups may also be direct target groups.

### **Development Projects**

The ICA ROAP Development Programme is carried out through the following eight technical projects :

1. Policy Development and Legislation Project;
2. Development Planning and Coordination Project;
3. Agricultural Cooperative Development Project;
4. Consumer Cooperative Development Project;
5. Human Resource Development Project;
6. Gender Integration Project;
7. Agricultural Management Training Project; and
8. Rural Women Leaders Training Project.

Additional technical projects may be established on an ad-hoc basis depending on how and when financial resources are available.

### **The Work Plan and Budget for 1994-95**

This work plan and budget has been agreed upon with ICA Head Office and donor organisations at the Annual Planning Meeting held in New Delhi in November 1993, and will be reviewed at the next Annual Planning Meeting.

The activities for 1994-95 are planned as follows :

### **Overall Programmes**

- ICA Executive Council Meeting, Colombo, Sri Lanka, 24th July 1994.

- 3rd Ministers' Conference, Colombo, 25-30 July 1994.
- ICA Regional Assembly Meeting, New Delhi, October 1994.

### **Programmes According to Projects**

#### *Policy Development and Legislation Project (PDLP)*

- Consultations with member organisations on policy development and legislation reforms;
- Policy legislation studies, advisory service and research;
- Inception of Government-Movement Forums;
- Study and research on cooperative credit and banking;
- Technology transfer and technical cooperation on credit, banking and fishery; and
- Preparatory meetings for Symposium on cooperative enterprise including private/public sectors.

#### *Development Planning and Coordination Project (DPCP)*

- Develop and expand ICA ROAP Data Bank and support member organisations in data bank activities;
- Planning, coordination and evaluation of ICA ROAP activities through meetings with member organisations and donors;
- Project identification, formulation and follow-up with member organisations and donors; and
- Interaction with member organisations, prospective members, governments, UN and other international organisations.

#### *Agricultural Cooperative Development Project (ACDP)*

- Annual meeting of ICA Regional Committee on Agriculture for Asia and the Pacific;
- ICA/JA ZENCHU/IDACA Regional Seminar on Perspective Planning;
- Assist member organisations in formulation and implementation of perspective planning for projects;
- Regional seminar on Agro-Processing;
- Regional seminar on Agricultural Cooperative Marketing in the Rep. of Korea; and
- Consultancy on Australian Cooperative Development Project.

#### *Consumer Cooperative Development Project (CCDP)*

- Two meetings of ICA Committee on Consumer Cooperation for Asia and the Pacific;

#### *Training Programmes on Consumer Cooperatives :*

- Managers from Bangladesh/Sri Lanka/India in India;
- Managers from Korea/Malaysia in Japan;
- Leaders from Vietnam in Thailand;
- Store managers from Singapore in Japan and from Indonesia/Malaysia/Philippines in Singapore;
- Modern management for leaders/managers/staff in Bangladesh/Sri Lanka/India; and
- National seminars/workshops in Thailand, Myanmar and Malaysia.

*Programmes for university cooperatives :*

- Follow-up workshop in India; and
- Regional Sub-committee.

*Gender issues :*

- Women consumer' coop leaders from Fiji to Japan;
- Technical cooperation on women cooperatives in Bangladesh, Indonesia, Vietnam and the Philippines; and
- Income generating activities for women cooperatives in Bangladesh and India.

*Consultancy:*

- Fact finding mission to Nepal;
- Action plan for consumer coops in the Philippines; and
- In Thailand by a consultancy from Singapore.

*Human Resource Development Project (HRDP)*

- Assist member participation projects through training of 20 animators from five countries;
- Adopt Han model of member participation methodology in two countries;
- Assist one national member organisation in re-designing the cooperative education/training systems;
- Consultancy in two countries on personnel policies to enable member organisations to evolve better personnel policies, planning systems and implementation strategies;
- Strengthen the network of HRD institutions in the Region;
- Assist member organisations on youth projects and programmes;
- Survey on school cooperatives in eight countries and one regional overview; and
- Technical support for cooperative development agencies to identify and work out proposals for two projects for disadvantaged groups.

*Gender Integration Project (GIP)*

- Orientation workshop on gender issues for policy makers and trainers;
- Support national cooperative organisations in organising national gender awareness workshops;
- Assist member organisations in conducting women empowerment projects;
- Country networking of women cooperatives and women members;
- Collect and compile and publish data on gender;
- Workshop on gender awareness; and
- Liaison with UN and other institutions on gender issues.

*Agricultural Management Training Project (AMTP)*

- To plan, organise and be responsible for a six months training course for strengthening management of agricultural cooperatives in Asia for 15 participants from the Asia-Pacific region;

This is the 9th Course carried out by ICA ROAP. The programme will consist of lectures and field studies in India, study visits in Indonesia, home country assignments, lectures at the Institute for the Development of Agricultural Cooperation in Asia (IDACA) and study visits in Japan.

- Follow-up workshops in Indonesia and China for former participants of previous Courses.

#### *Rural Women Leaders Training Project (RWLTP)*

- This activity consists of one Course for six women from three countries of the Asia-Pacific region and is held for four weeks duration at IDACA.

In addition to the programmes under the above eight projects, ICA ROAP may be asked to carry out activities which are not included in the work plan and budget. These activities may become part of the above projects or form separate projects.

#### **ICA-CICOPA-NCUI Field Project in India**

For 1994-95 the ICA International Committee of Industrial, Artisanal and Service Producers' Cooperatives (CICOPA) has started a project in India in collaboration with the ICA ROAP and the National Cooperative Union of India (NCUI), to strengthen artisanal cooperatives. The project operates from two field stations, Delhi and Bangalore. The objectives are to improve the overall performance of artisanal cooperatives through better management, improved production and marketing skills and establish and strengthen institutional building efforts.

#### **Environment & Cooperatives**

Since 1991 the ICA Regional Office has taken keen interest in environment-related issues. Several documents and field studies on Environment and Cooperatives have been published. A number of articles on the subject have been prepared and issued for publication in the region. A presentation on the subject was also made at the 30th ICA Congress held in Tokyo in 1992. It is now planned to encourage the member-organisations to convene national level action-plan oriented workshops aiming at generating a greater awareness on environment-related issues and developing national plans of action.

## **Agenda Item No. 9 Report on IDACA Activities**

### **I. TRAINING PROGRAMMES COMPLETED IN 1993**

The following 9 courses have been completed during the year 1993.

1. *The 7th ICA/JAPAN Training Course for strengthening Management of Agricultural Cooperatives in Asia, Part II*  
21.2-25.4.1993 15 participants from 11 countries Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Thailand & Vietnam
2. *General Course on Agricultural Cooperatives*  
24.5-16.7.1993 20 participants from 20 countries Bangladesh, Brazil, Cameroon Central Africa, China, Colombia, Egypt, India, Indonesia, Kenya, Malaysia, Mexico, Morocco, Nepal, Paraguay, Philippines, Vietnam, Bulgaria, Poland and South Africa
3. *ICA Training Course for Leaders of Rural Women in Asia*  
12.6-8.7.1993 6 participants from 3 countries Bangladesh, Thailand and Vietnam
4. *Training Course on Agribusiness Management Development for Pondok Pesantren Leaders of Indonesia*  
11.7-2.8.1993 22 participants from Indonesia
5. *Training Course for Cooperators from selected Countries*  
19.8-15.9.1993 13 participants from 2 countries Thailand and Korea
6. *Training Course on Rural Development and Agricultural Cooperative System*  
23.8-8.10.1993 10 participants from China
7. *Farm Guidance Course with special reference to Environmentally friendly Agriculture*  
20.9-7.10.1993 9 participants from 3 countries Indonesia, Sri Lanka and Tonga
8. *Training Course on Agricultural Cooperative System*  
20.9-10.10.1999 35 participants from China
9. *ICA/CUAC/IDACA Regional Seminar on Perspective Planning for Regional Development of Agricultural Cooperatives*  
8.11-26.11.93 17 participants from 10 countries Fiji, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, Sri Lanka, Vietnam



## TOTAL NUMBER OF PARTICIPANTS RECEIVED BY IDACA FROM 1963 TILL MAY 1994

<b>A. Group Training Programmes</b>	<b>2,616</b>
1. ICA Training Courses including those organised in collaboration with ICA	738
2. AARRO Training Courses	253
3. JICA Training Courses	1,072
4. Training Courses with MAFF's Grants	252
5. Other Training Courses	301
<b>B. Individual Participants</b>	<b>504</b>
<b>TOTAL</b>	<b><u>3,120</u></b>

## TOP TEN COUNTRY-WISE NO. OF PARTICIPANTS DURING THE LAST TEN YEARS (as of April 1994)

1. Korea	136
2. Thailand	113
3. India	86
4. Indonesia	83
5. Malaysia	81
6. China	78
7. Brazil	75
8. Philippines	69
9. Sri Lanka	61
10. Bangladesh	43
Other Countries	207
<b>TOTAL</b>	<b><u>1,032</u></b>

## II. TRAINING PROGRAMMES PLANNED FOR 1994

The following ten courses are planned for the year 1994.

### 1. Training Programmes to be Organised in Collaboration with ICA ROAP

#### (1) *The 8th ICA/Japan Training Course for Strengthening Management of Agricultural Cooperatives in Asia, Part II*

Funding Institution	: ICA/MAFF Govt. of Japan
Period	: Feb. 21-April 25, 1994
No. of Participants	: 15 from 11 countries
Invitation issued from	: ICA ROAP

(2) *ICA/CUAC/IDACA Regional Seminar on "Perspective Planning for Regional Development by Agri. Coops*

Funding Institution : CUAC/IDACA  
Period : Oct.17-Nov.5, 1994  
No. of Participants : To be decided  
Invitation issued from : ICA ROAP

(3) *Training Course for Leaders of Rural Women in Asia*

Funding Institution : ICA/MAFF, Govt. of Japan  
Period : Oct.17-Nov.12, 1994  
No. of Participants : 6 from 3 countries  
Invitation issued from : ICA ROAP

**2. Training Programme to be organised in collaboration with Afro-Asian Rural Reconstruction Organisation (AARRO)**

(1) *AARRO Seminar*

Funding Institution : AARRO  
Period : Nov. 20-Dec 10, 1994  
No. of Participants : 18 from member countries  
Invitation issued from : AARRO

**3. Training Programmes to be Organised by IDACA with Grants from MAFF, Government of Japan.**

(1) *Training Course for Cooperators from selected Countries*

Funding Institution : MAFF, Govt. of Japan  
Period : Aug.19-Sep.15, 1994  
No of Participants : 13 from 2 countries  
Invitation issued from : IDACA

(2) *Farm Guidance Course with special reference to Environmentally-friendly Agriculture*

Funding Institution : MAFF, Govt. of Japan  
Period : Sep.20-Oct.9, 1994  
No of Participants : 9 from 3 countries  
Invitation issued from : IDACA

(3) *Training Course on Agricultural Cooperative System*

Funding Institution : MAFF, Govt. of Japan  
Period : Sep.19-Oct. 9, 1994  
No of Participants : 5 from China  
Invitation issued from : Asian Agri. Tech. Exchange

**4. Training Programmes Commissioned by Japan International Cooperation Agency (JICA)**

**(1) General Course on Agricultural Cooperatives**

Funding Institution : JICA  
Period : May 16-July 8, 1994  
No of Participants : 17 from 17 countries  
Invitation issued from : JICA

**(2) Training Course on Rural Development and Agricultural Cooperative System**

Funding Institution : JICA  
Period : Aug.22-Oct.7, 1994  
No of Participants : 10 from China  
Invitation issued from : JICA

**5. Training Programme Commissioned by Japan/Indonesia Science and Technology Forum**

**(1) Training Course on Agribusiness Management Development for Pondok Pesantren Leaders of Indonesia**

Funding Institution : Govt. of Indonesia  
Period : June 19-Aug.13, 1994  
No of Participants : 20 from Indonesia nominated by Government of Indonesia

**Agenda Item No. 10 To consider the paper : “The Conversion Syndrome - A Review of the Conversion of Australian Cooperatives into Investor Owned Firms”**

It is more than a decade that in Australia the Western Farmers Cooperative Limited, which was one of the strongest cooperatives got itself into a joint stock company. Some people said that even though it got converted into a joint stock company, it continued to follow Cooperative Principles and Policies. However, others felt that it was no more a cooperative any aspect.

Recently, the Taxi Drivers Cooperative in Singapore (COMFORT) has changed itself into a private company. The reasons are stated to be that under the cooperative law they could not raise enough capital needed for its expansion programme.

In India also discussions are going on the concept of cooperative companies and provision to allow cooperatives conversion into companies. As Australia had the longest experience of conversion and experience of working cooperative companies, Mr. Garry Cronan, Registrar Cooperatives, Department of Local Government & Cooperatives, Registry of Cooperatives, New South Wales, Australia, was asked to prepare a paper on this subject which he very kindly agreed to attempt. This is his own contribution to the ICA.

As the subject is relevant and would of interest, members may consider the paper for discussions (Please see paper at Annex-II - page 42) .

**Agenda Item No. 11 Report on the Third Cooperative Ministers' Conference held in Colombo, Sri Lanka.  
Recommendations and Follow-up**

The Third Cooperative Ministers' Conference was held in Colombo from July 26-29, 1994. The conference was attended by around 121 delegates from 23 countries. This included eleven Cabinet Ministers and two Vice Ministers. AARRO, FAO, ILO CCA, SDID and SCC representatives also participated. The Minister of Food, Cooperatives and Janasaviya, Government of Sri Lanka, announced a contribution of USD 20,000 to the Cooperative Ministers' Conference. Earlier, the Governments of Indonesia and Malaysia had contributed USD 25,000 and USD 20,000 respectively.

While the detailed Report of the Conference is under preparation, a copy of the Conclusions and Recommendations of the Conference is enclosed.

The members may peruse the recommendations and initiate follow-up action where it is desirable and feasible.

**THIRD ASIA-PACIFIC COOPERATIVE MINISTERS' CONFERENCE**  
**Colombo, Sri Lanka : 26-30 July, 1994**

**COLOMBO DECLARATION**

The Third Cooperative Ministers Conference held in Colombo from 26th to 30th July, 1994 adopts the following statements to be called 'the Colombo Declaration'.

"The Cooperative Sector is as important and imperative as public and private sectors in its contribution to the socio-economic well being of the people -- especially in view of rapid and drastic changes in the environment arising from deregulation, privatisation, marketization, and globalization of the economies in the Asia Pacific Countries -- in as much as the Cooperative Sector basically encourages initiatives and popular participation of people (peoplization), democratization, ensuring at the same time social justice and economic decentralisation".

"The Governments and Cooperatives shall take administrative, legislative, organizational, structural and operational measures to ensure economic viability and competitiveness of cooperatives".

"While effecting organizational renewal in the cooperatives, the preservation of cooperative character, basic values and principles shall be ensured".

"Human resources development shall get the highest priority for achieving qualitative improvement in the working of cooperatives".

"The Governments shall continue providing assistance, particularly, to cooperatives of people with small means".

"In view of the positive impact of the last two Cooperative Ministers conferences, the Cooperative Ministers of the Asia Pacific Region shall continue meeting periodically to review the progress and problems of cooperatives in the region".

**COLOMBO CONCLUSIONS & RECOMMENDATIONS**

On the basis of the above Declaration, the Third Conference of Ministers In-Charge of Cooperatives and Cooperative Leaders in the Asia-Pacific Region, held at Colombo in 26-30 July 1994, adopts the Conclusions and Recommendations, on the following broad issues:

- i. Government-Cooperative Relationship,
- ii. Cooperatives in the Market-oriented economies,
- iii. Regional Coordination and Future Ministers' Conferences,
- iv. International Cooperation.

**1. GOVERNMENT-COOPERATIVE RELATIONSHIP**

**The Conference :**

1.1 Appreciates the follow-up action taken by both Governments and Cooperative Movements in various countries in the region towards amending the cooperative laws and related policies in the light of the Sydney and Jakarta Ministers Conferences; the Conference, however, suggests that the implementation of the recommendations of the Sydney and Jakarta Conferences be accelerated in view of the rapid changes currently taking place in the global economy which are affecting the economy in various countries.

1.2 Recognizes the continuing need for government support in building an environment conducive to the growth of cooperatives. It recommends that this be done through reforms in the economic, and financial policies to include favourable tax treatment for cooperatives, de-politisation of cooperatives, and establishment of consultative mechanisms between the government and the movement to allow greater autonomy for cooperatives in decision making.

1.3 Affirms the importance and relevance of cooperatives in the changing national economic environment in the interest of the weaker sections and other disadvantaged groups in society.

1.4 Proposes that governments formulate policies that can recognize and strengthen cooperatives as a

specific third sector in economic development along with private and public sectors and thereby enhance the public image of cooperatives.

1.5 Recognizes that the rehabilitation of weak cooperatives as a result of greater autonomy is the responsibility of the movement, however, government assistance could be sought when necessary.

1.6 Acknowledges the need to promote and preserve the people's faith and confidence in the cooperative philosophy, ideals, and capacities to meet their needs, thereby enhancing members loyalty and participation in the cooperative affairs.

1.7 Believes that the vertical and horizontal integration of cooperatives should be strengthened to foster greater cohesion of the cooperative movement. Being composed of autonomous organisations, however, the movement should be allowed to decide on matters relating to such an integration.

1.8 Re-affirms the necessity of a relevant and dynamic human resource development programme for the continuing growth of cooperatives. In this connection, technical and other assistance to study and strengthen potential centres of excellence in existing cooperative education and training institutions in the Asia-Pacific region should be sought.

1.9 Upholds the need for cooperatives to become more responsive to the aspirations of their constituencies and continue to do so through democratic processes.

1.10 Cooperative elections, audit, education and training should, as far as possible, be undertaken by the cooperatives themselves. The governments, however, may continue to extend assistance for audit, education, and training. Towards this end, the government may consider financial assistance in strengthening the management capacities of the cooperatives.

1.11 Recommends that Governments give priority in selling public sector factories and entities to the cooperative sector with easier facilities.

## **2. COOPERATIVES IN THE MARKET-ORIENTED ECONOMY**

### **The Conference :**

2.1 Recommends, in view of the current socio-economic trends and the resulting environment in the Asia-Pacific region, that a strategy formulation for the Year 2000 be undertaken jointly by the government and cooperatives in view of the significant contributions that cooperatives can provide to the caring society.

2.2 Recognizes that globalization of the economy provide opportunities to cooperatives to enter into new and diversified economic fields, providing greater value-added,

2.3 Recognizes the need to develop new patterns of relationship with business partners, including transfer of technology, joint ventures, and strategic alliances, within and outside the respective countries,

2.4 Affirms the need for cooperatives to adopt innovative approaches and to use appropriate technologies with the objective of improving efficiency of operations and the quality of their products and services,

2.5 Affirms the need for cooperatives to build intrapreneurial and professional managerial capabilities as a strategy. Assistance from national and international agencies, be they public, parastatal, or private, which have an interest in working with cooperative, should be tapped,

2.6 Recommends that cooperative business interests should be given recognition by the government in their economic policies.

2.7 Upholds the preservation of the distinct identity of cooperative, its values and principles while competing with private business enterprises, be they national or multinational.

2.8 Noting that considerable progress on structural improvements has been achieved in some countries, the Conference recommends that a specific technical assistance be sought to study successful experiences in organizational adjustments, and formulate a suitable model for the purposes of improving the structure and organization of cooperatives in the Asia-Pacific region.

2.9 To improve capital mobilization and enhance members' confidence in management integrity of finance-related activities of cooperatives, the government could consider suitable regulatory and institutional frame-work to ensure the safety and soundness of cooperatives. In this regard, the Conference

recommends that relevant studies be conducted. Where necessary, financial assistance from bilateral or multilateral aid organization should be sought to develop the above mentioned regulatory and institutional model.

2.10 The ICA ROAP, together with the Canadian Cooperative Association, the Swedish Cooperative Centre, and other development partners, should start making sound policy dialogue with the Asian Development Bank to seek their involvement in co-financing cooperative development activities through technical assistance and study programmes. The Conference notes the need for policy support, especially policies which enhance the image of cooperatives in its entry into the Asian Development Bank and other multi-lateral agencies.

### **3. REGIONAL COORDINATION AND FUTURE MINISTERS' CONFERENCES**

3.1 This Conference endorses the Recommendations of the Kuala Lumpur Consultation, that there is a need to continue this on-going process through Government-Movement collaboration. For this purpose, it is necessary to set up a proper secretariat facility to support the preparation and follow-up activities. The secretariat will be housed at the ICA ROAP.

3.2 The Conference appreciates the assurance made by the Minister of Food, Cooperatives and Janasaviya, Government of Sri Lanka, to contribute US\$20,000 to help it become a regular Conference.

3.3 The Conference invites the participating Governments, Movements and International Development agencies and partners, to extend support to ICA ROAP in this regard.

### **4. INTERNATIONAL COOPERATION**

4.1 In an attempt to gain full support from the Asia-Pacific Region on the Secretary General's Report to the United Nations General Assembly in 1994 on the "Status and Role of Cooperatives in the light of new economic and social trends", the Conference recommends that governments from the Asia-Pacific Region considers to sponsor and support the UN Resolution on the above at their forthcoming General Assembly meeting in the later part of 1994.

4.2 The Conference recognizes the need to broaden the basis of cooperative network and cooperation at the international level and would therefore support ICA-Geneva office's proposal to conduct an International Conference of government officials and cooperative leaders during the 1995 ICA Congress in Manchester.

4.3 The Conference recognizes the importance of the 1995 UN Social Summit in Copenhagen and the role cooperatives can play in addressing the three core issues of:

- a) Reduction and elimination of widespread poverty;
- b) Productive employment and the reduction of unemployment;
- c) Social integration.

The Conference recommends that ICA request the Secretary General of the United Nations to consider in his report to the Social Summit, the inclusion of the role cooperatives can play in these three core issues.

### **VOTE OF THANKS**

The Conference extends its gratitude to the Government of Sri Lanka, especially the Ministry of Food, Cooperatives and Janasaviya, and the Cooperative Movement of Sri Lanka, in particular the National Cooperative Council of Sri Lanka, for the warm hospitality and outstanding organization of the Third Cooperative Ministers' Conference.

### **NOTE OF APPRECIATION**

The Conference notes with appreciation the offer of the Government of Thailand to host the Fourth Cooperative Ministers' Conference.



**Agenda Item No. 12 Consideration of the Report on draft proposal for recognition of cooperatives by ICA**

The proposal to recognise genuine cooperatives by ICA was attempted and placed before the Executive Council Meeting held at Colombo, Sri Lanka, on 24 July 1994. A copy of the agenda item on the subject is enclosed.

The Executive Council had detailed discussions on the subject and decided to appoint a small committee to examine this proposal and Chairman was authorized to constitute such a committee.

In case the committee is able to finalise its recommendations on the proposal, it will be placed for consideration by the Regional Assembly.

## **Consideration of Draft Proposals for Recognition of Cooperatives by ICA : Recognition Awards**

Cooperative Societies are promoted and organised in many developing countries at the initiative of the government or other agencies. Many of such societies do not follow Cooperative Principles in their working. As such these cooperatives even though have a legal status of a cooperative, they lack ingredients of a genuine cooperative. At present, there is no system under which genuine cooperatives and cooperatives only in name can be recognised or differentiated.

It may, therefore, be desirable that ICA may consider recognising genuine cooperatives based on their performance and issue "Recognition Awards". To start with, such Awards be introduced for primary agriculture, credit, banking, consumer, industrial, artisans workers, fisheries, tourism, insurance and other trading cooperatives.

ICA may prescribe an application form in which any genuine cooperative having operations for at least 3 years and interested can apply for an Recognition Award through the ICA national member organisation. ICA will have a committee of three experts who will examine these applications along with the comment of member national organisation and recommend to the ROAP for issue of suitable awards.

The National Federation/Expert Committee may get the facts verified or prescribe procedures to satisfy itself with the contents of the application. ICA may charge a fee for covering the expenses of postage, processing etc. The Recognition Award may consist of Gold, Silver and Bronze based on the performance. The gold award will be issued once in 5 years and silver and bronze once in three years to any cooperative.

The criteria for consideration of Awards as proposed is placed below for consideration of the RA.

### **Gold**

- i. Not less than 90% of the members utilise the services of the cooperative;
- ii. Not less than 75% of the business of the cooperatives is with its members;
- iii. Have democratically elected management.
- iv. Have provided patronage dividend to its members for the last 5 years.
- v. 75% of the members have been oriented in (a) cooperative values and principles; (b) objects, functions and working of the cooperative;
- vi. Board of Directors have attended orientation towards their functions and responsibilities;
- vii. The cooperative is free to appoint its staff including the Chief Executive;
- viii. 75% of the regular staff have been professionally trained;
- ix. Society is affiliated to the federal organisation.
- x. Have been able to finalise accounts within the prescribed period for the closing date of the accounts and accounts have been audited regularly within one year of its closing date of accounts.
- xi. Annual General Meetings and elections have been held regularly as per the law and bye-laws;
- xii. Undertakes social obligations like environment, friendly activities, community services etc.
- xiii. Society has created Education Fund.
- xiv. The percentage of Women Directors in the Board.

### **Silver**

- i. 75% of the members utilise the services of the cooperative;
- ii. At least 50% of the business of the cooperatives is with its members;
- iii. Have democratically elected management.
- iv. Have provided patronage dividend to its members for the last 3 years.
- v. 50% of the members have been oriented in (a) cooperative values and principles; (b) objects, functions and working of the cooperative;
- vi. Board of Directors have been oriented towards their functions and responsibilities;
- vii. The cooperative is free to appoint its staff including the Chief Executive.
- viii. 60 % of the regular staff have been professionally trained;
- ix. Society is a member of the federal body of the cooperatives;
- x. Have been able to finalise accounts prescribed closing date of the accounts and accounts have been audited regularly.
- xi. Annual General Meetings and elections have been held regularly as per the law and bye-laws;
- xii. Undertakes social obligations like environment-friendly activities, community services etc.
- xiii. The society created Education Fund.
- xiv. The percentage of Women Directors in the Board.

### **Bronze**

- i. Not less than 50% of the members utilise the services of the cooperative;

OR

Not less than 50% of the business of the cooperatives is with its members;

- ii. Have democratically elected management.
- iii. Have provided patronage dividend to its members for the last 3/5 years.
- iv. 30% of the members have been oriented in (a) cooperative values and principles; (b) objects, functions and working of the cooperative;
- v. Board of Directors have attended orientation towards their functions and responsibilities;
- vi. The cooperative is free to appoint its staff including the Chief Executive.
- vii. 50% of the regular staff have been professionally trained;
- viii. Society is a member of the federal organisation.
- ix. Have been able to finalise accounts within the closing date of the accounts and accounts have been audited regularly;
- x. Annual General Meetings have been held regularly as per the law and bye-laws;
- xi. Undertakes social obligations like environment-friendly activities, community welfare activities etc.
- xii. Society created Education Fund.
- xiii. What is the percentage of Women Directors in the Board.

**Agenda Item No. 13 World Summit for Social Development Convened by the United Nations, March 6-12, 1995, Copenhagen, Denmark  
- Role of ICA and Cooperatives in Social Development**

**Why a Social Summit?**

Although promising a future of accelerated social and economic progress, the end of the cold war has had a destabilising effect on many societies in the short term. Unemployment, poverty, crime, inter-ethnic violence and civil warfare are on the rise in most part of the world. Social and economic crises are eroding, often drastically, the substantial material progress achieved overall during the second half of the century.

Social tensions do not stay within national borders - they travel. Increasing migration and flows of refugees fuel xenophobia and racism. Crumbling political stability in one nation threatens peace and security in others.

In past decades, summit meetings have brought together world leaders to defuse political crises and find common ground on pressing problems. The World Summit for Social Development (WSSD-95) will likewise bring heads of State or Government together to address the social dis-integration and world disorder that threaten global security and development. Meeting in Copenhagen in 1995, world leaders will define social development and human security priorities and agree to action at national and international levels.

The Summit furthers the commitment, made in the Charter of the United Nations, to promote "higher standards of living, full employment, and conditions of economic and social progress and development with a view to the creation of conditions of stability and well-being." Three core issues have been identified:

- 01 Reduction and elimination of widespread poverty;
- 02 Productive employment and the reduction of unemployment; and
- 03 Social integration.

The Summit will tackle these issues by charting new directions for social policies. It will make a moral case for solidarity, for the integration of dis-advantaged groups and for the promotion of existing UN agreements, including those concerning human rights, labour rights and social justice. The future of the UN's work in the social and economic fields will be shaped by the policies and commitments agreed to in Copenhagen in 1995.

**Who will participate in the Social Summit?**

The two-day Summit will be held at the level of the heads of State or Government. It will be preceded by five days of meetings among their personal representatives, other high-level officials and experts. Summit consultations will also involve representatives from Governments, United Nations programmes and agencies, non-governmental organisations, inter-governmental organisations, national liberation movements recognised by the Organisation of African Unity, experts and professional associations.

In the preparatory committee meetings, the International Cooperative Alliance is actively associated.

**Background**

Noting the importance of the social component of sustainable development, General Assembly Resolution 47/92 of 16 December 1992, which calls for convening the World Summit identifies the following major summit objectives:

- 01 Place the needs of people at the centre of development;
- 02 Secure international, governmental and NGO policies that promote social development and enable the active involvement of all citizens;
- 03 Place special priority on the social development needs of the least developed countries;
- 04 Attain an appropriate balance between economic efficiency and social justice in growth-oriented, equitable and sustainable development environments, in accordance with nationally defined priorities;
- 05 Address creatively the interaction between the social function of the State, market responses to social demands and the imperatives of sustainable development;
- 06 Identify common problems of socially marginalized and disadvantaged groups and promote their social integration and attainment of equal opportunities;
- 07 Promote legal protection, effective social welfare and education and training for all;
- 08 Ensure effective delivery of social services to the disadvantaged;
- 09 Mobilize resources for social development at the local, national, regional and international levels;
- 10 Recommend effective actions and policies for the UN system in the sphere of social development, and particularly for the Commission for Social Development.

### **Cooperatives as Partners in Sustaining Social Development**

Cooperative institutions are people's organisations which are formed by the members (voluntarily), owned by them (by purchasing shares and on payment of prescribed admission fee), and run by them (democratically and in accordance with internationally-accepted Principles of Cooperation), to satisfy their social and economic needs (through active participation and mutual help). Cooperative institutions throughout the world have carved out a place for themselves and have rightfully established themselves in the form of an independent sector - the cooperative sector - along with the other two sectors - the private and public sectors. Examples of success are available in plenty in many countries where cooperative institutions have not only met the economic needs of their members but have also played a significant part in the social development of their members and the human community in general.

Contrary to the common belief that cooperative institutions do not deliver social goods, some of the recent studies strengthen the argument that cooperatives are indeed people's organisations which can respond effectively to the felt-needs of their members. A closer 'social audit' of such institutions - the cooperative non-governmental organisations - would reveal that leaders with vision in collaboration with enlightened membership and with the cooperation of dedicated and devoted management can transform our 'civil society' into a place of security, opportunities and satisfaction. These NGOs can effectively help eliminate poverty, sustain environment, provide employment and enrich social standards of the people. Government only have to recognize their relevance and significance and give them the freedom of action and treat them with respect since they personify the initiatives of grass-roots people of limited means and resources.

### **Role of the ICA**

The ICA holds Category-I Consultative Status with the United Nations Economic and Social Council (UN/ECOSOC) and has active working relations with a number of UN Specialised Agencies and other international organisations which are interested in cooperative development activities. The ICA, therefore, supports the objectives of and the organisation of the World Summit.

The ICA and its Regional Offices have been preparing material and attending preparatory meetings in order to ensure that cooperatives receive the recognition they deserve. Progress has

already been made in the draft declaration prepared for the Social Summit, which now includes several references to cooperatives.

The ICA Regional Office for Asia and the Pacific, located in New Delhi, India since 1960, represents 26 member-countries and one international organisation consisting of nearly 500 million individual cooperative members. The ICA ROAP has been interacting with governments and cooperative institutions on the issues now highlighted in the objectives of the Summit.

The ICA ROAP participated in the NGO Symposium on 'Social Development Agenda for the ESCAP Region into the Twenty-First Century' organised by the UN/ESCAP at Bangkok, July 12-15 1994. A paper entitled "Role of Cooperatives in Social Development with special reference to Poverty Alleviation, Social Integration and Employment Generation" was presented at the NGO Symposium. The Symposium was attended by 125 representatives from around 70-75 NGOs from the ESCAP Region.

The significance of the World Summit was also brought to the notice of the 3rd Asia-Pacific Conference of Cooperative Ministers and Cooperative Leaders, held at Colombo, Sri Lanka, July 26-30 1994. The Conference had wholeheartedly supported the idea of holding the Summit.

In addition, the ICA ROAP has issued several publications and articles on the subject with a view to create awareness among the cooperative community to give special attention to the achievement of social objectives of cooperatives. The following were produced and distributed in the Region:

- Social Objectives of Cooperatives by Daman Prakash, published by the ICA ROAP, New Delhi;
- Role of Cooperatives in Enriching Our 'Civil Society', an article written by Daman Prakash for cooperative journals in the Region.

### **What can the ICA Member-Organisations do?**

The member-organisations of the ICA in the Region can help the World Summit achieve its objectives in various ways. Some of the suggested methods could be:

- a. Interacting with the governments in their respective countries on the social aspects of cooperatives through dialogues, case studies, articles, information sheets, through which it is highlighted that cooperatives, as NGOs, have helped in generating employment, removal of poverty, provision of social security, creation of educational and developmental opportunities for the members, their families and the community at large;
- b. Impressing upon the governments that greater 'freedom in decision-making' is given to cooperative through review and revision of cooperative laws and through policy pronouncements, and do away with the practice of controlling cooperatives through government officials, share capital and political pressures;
- c. Asking the governments to give liberal concessions and facilities to cooperatives as they are people's organisations with a view to empower and enable them to serve their members more effectively and efficiently.
- d. Asking the governments to allocate higher financial allocations for the education of cooperative members, training of cooperative employees, and creating educational and training infrastructural facilities;
- e. Offering to the governments, development plans and projects which are aimed at enhancing the social standards of members through using cooperative means and to which the governments should contribute financially.

**Agenda Item No. 14 Presentation on a “Profile of Cooperatives in India”**

A presentation on the subject will be made by the National Cooperative Union of India (NCUI) during the meeting.

**Agenda Item No. 15 Any other item with the permission of the Chair**

**Agenda Item No. 16 Venue and date of the next meeting**

The RA shall, as a rule, take place every second year, alternating with the General Assembly. The RA may therefore decide the date and venue of the next meeting.

## **ANNEX: I**

### **MINUTES OF THE ICA REGIONAL MEETING FOR ASIA AND THE PACIFIC**

**Beijing (China) : April 21-22, 1993**

The ICA Regional Meeting for Asia and the Pacific was held at Beijing, China, on April 21-22, 1993. Seventy-nine delegates and observers from 16 countries viz. Australia, China, Fiji, India, Indonesia, Israel, Japan, Rep. of Korea, Malaysia, Mongolia, Pakistan, Philippines, Singapore, Thailand, Turkey, Uzbekistan and ACCU attended the meeting. The Meeting was inaugurated by Mr. Zhang Haoruo, Minister for Domestic Trade. The Meeting was also addressed by Mr. Pan Yao, Acting President, and Mr. Yang Deshou, Secretary-General of All China Federation of Supply and Marketing Cooperatives, Mr. Lars Marcus, President, ICA, and Mr. G.K. Sharma, Regional Director, ICA ROAP.

#### **Agenda Item No. 1 Election of Chairman of the Meeting**

Mr. Yang Deshou was unanimously elected Chairman of the meeting.

#### **Agenda Item No. 2 New Structure and Regional Assembly Draft Rules**

The discussion on the new structure of the ICA was taken up.

Mr. Bruce Thordarson, Director-General of ICA, introduced the subject and mentioned that the ICA is nearly 100 years old and it required changes in order to respond to the changing needs of the members. The goal of the new structure adopted in Tokyo Congress is to strengthen the members globally and regionally.

In order to achieve this, technical collaboration and support of the members is essential for the ICA. The technical work of the ICA would be strengthened by the technical committees in the new structure.

ICA ROAP is the largest and the oldest office of the regional structure and a large part of budget of the ICA ROAP comes from the contributions by the members.

The Tokyo Congress approved 4 Regional Assemblies and a General Assembly under the reorganization. However the regions while deciding on the regional structure would have to consider it in the light of different prevailing conditions.

Thereafter Mr. Sharma, Regional Director, explained the draft rules in the light of the recommendations of the Regional Council. The draft rules were then considered clause by clause. During the discussion the following interventions were made.

Dr. Wahab from Malaysia, desired to know the rational behind the replacement of Regional Council by the executive council.

Mr. Siddiqui from Sindh, Pakistan, proposed to add International Congresses to para 4 of section 7 after 'ICA Executive Committee.'

General Lozada from Philippines sought clarification of the basis of the subscriptions and desired to include in the rules that the minimum subscription would mean the same as applicable to the ICA HQ Geneva for membership.

Mr. Gaité from NATCCO suggested to add clause 7 that " the chairperson/vice chairperson will continue to hold office till their successors are elected.

Based on various suggestions during the discussions the meeting adopted the Regional Assembly Rules as follows:



## **RULES OF THE ICA REGIONAL ASSEMBLY FOR ASIA & THE PACIFIC**

### **1. Name & Status**

It shall be called the ICA Regional Assembly for Asia and the Pacific and forms part of the governing structure of the International Cooperative Alliance in accordance with Article 16 of the ICA Rules.

### **2. Objects**

The basic purpose of the Regional Assembly for Asia and the Pacific is to promote collaboration among the ICA member organisations at the Asia-Pacific regional level and provide a forum for discussion of regional as well as global issues.

### **3. Functions**

The Regional Assembly for Asia and the Pacific shall :

- a. submit reports proposals and resolutions for the consideration of the General Assembly;
- b. establish the priorities for the ICA work programme in the region;
- c. establish policies for the financing of ICA office(s) in the region;
- d. establish Regional Specialised Committees and approve their constitutions;
- e. implement the decisions of the ICA General Assembly in the Region;
- f. nominate one candidate for election as ICA Vice President;
- g. draw up its business procedures and representation rules, subject to approval by the General Assembly.

### **4. Membership & Representation**

- a. The Regional Assembly for Asia and the Pacific shall consist of representatives appointed by the ICA member organisations with head office in the region, and by the ICA international member organisations, who have members in the region. No specific term is fixed for such appointments. The representatives will continue representing their organisation till written intimation is received by ROAP about their withdrawal or replacement from the appointing organisations.
- b.
  - i. Every member organisation shall be entitled to appoint/nominate at least one voting representative.
  - ii. Member organisations from countries in the region shall be entitled to additional votes/delegates based on multiple of ICA Geneva membership subscription or as otherwise approved by the Regional Assembly.
  - iii. The total number of voting representatives from any country shall not exceed the maximum number of member organisations from any country in the region.
- c. *Associate Members*
  - i. National level cooperative organisations from the region which are not members of the ICA could be admitted as Associate Members of the Regional Assembly on payment of subscription fee as decided by the Regional Assembly;

#### *Observers*

- ii. Parastatal organisations and others at national and regional levels directly concerned with the promotion and support to the cooperatives could be admitted as observers on payment of annual subscription fee as decided by the Regional Assembly;

### *Special Invitees*

- iii. Special invitees like International organisations and others whose presence may be useful and desirable could be invited as special invitees. For special invitees no subscription fee will be applicable”

Member organisations from the region shall have the right to send non-voting observers to the Regional Assembly, with no limit imposed on their number, upon payment of established registration fee for observers.

ICA members from other regions may also attend Regional Assembly meetings as observers upon payment of the registration fee for observers.

Non-members of ICA, International Organisations, Governments and Parastatal Organisations concerned with the promotion of Cooperative Principles and cooperatives and supporting ICA activities may be invited to the Regional Assembly meetings as Observers and will be allowed to attend the meeting upon payment of the registration fee as decided by the Regional Assembly.

## **5. Meetings**

The Regional Assembly shall, as a rule, take place every second year, alternating with the General Assembly.

Time and venue of the meeting shall normally be decided by the previous Regional Assembly.

An extraordinary meeting of the Regional Assembly may be convened by the Regional Director in consultation with the Chairman of the Regional Assembly for specific agenda.

The Regional Director shall be responsible for preparation and circulation of meeting documentation, and together with host organisation, for practical organisation of the Regional Assembly.

All questions on which the Regional Assembly votes shall be decided by a majority of the votes cast. Voting by correspondence may be allowed if voting representative is not able to attend in special circumstances.

The languages of the Assembly shall be English. Delegates using other than English shall arrange their own interpreters.

The meeting shall be on self-financing basis.

## **6. Finance**

The delegates and their member organisations shall be responsible for covering the expenses of their participation at the Regional Assembly.

A registration fee will be charged in order to offset the cost of ICA documentation, interpretation, staff participation, etc. as decided by the Regional Assembly.

Basic costs of organising the Regional Assembly shall be borne by the host organisation(s).

## **7. Elections**

The Regional Assembly shall elect at its first session a Chairman, normally from the host organisation, who shall preside over the meeting.

The Assembly may elect one or more than one Vice Chairman as deemed necessary.

The Chairman and Vice Chairman will continue till their successors are elected in the next meeting of the Assembly.

The Regional Assembly shall also nominate one candidate for election as ICA Vice-President by the General Assembly. Each member organisation, and international member, in the region is entitled to submit nominations. Candidates must have served on one or more ICA governing bodies for at least two years. The Governing Body shall include : ICA Executive Committee, Regional Assembly, Regional Council. If there is no unanimity, voting, is to be conducted by secret ballot. The Regional Director shall be responsible for communicating the name of the regional nominee to the ICA Secretariat not less than three months prior to the next General Assembly.

The Vice President shall serve a four-year term and is eligible for re-election if nominated again by the Regional Assembly.

## **8. Special Dispositions**

The Rules and Procedures of the Regional Assembly, and any subsequent amendments, shall be subject to approval by the General Assembly, as laid down in Article 16 of the ICA Rules.

The Regional Assembly, as the policy-making body of ICA in the continent (s), shall not duplicate with the functions of the Regional Directors/Regional Offices/Regional Councils, which are the technical arm of ICA as laid down in Articles 22 and 23 of the ICA Rules.

### **Agenda Item No. 3 Future Status of Regional Council in view of the restructuring of the ICA**

Dr Wahab from Malaysia indicated that it is too costly to send representatives to the Regional Executive Council and it appears to be the same old regional council. His opinion was that the executive committee should be smaller and elected by the regional assembly. He was also of the opinion that the Region is too large and one regional office may not be sufficient. He suggested to have sub-regional office in Malaysia.

Mr. Bashir Ahmed Siddiqui, from Pakistan, was of the opinion that the Executive Council should be nominated by the chairperson of the Regional Assembly.

Gen. Lozada agreed with Dr. Wahab that the executive committee should be smaller and suggested that it could consist of chair persons of the Specialised Committees.

Mr. Sharma explained the pros and cons of having larger or smaller executive body. He also suggested Dr. Wahab to send written proposal for sub regional office so that it could be examined with all its implications.

Mr. Yehuda Paz of Israel said that it is a question of participation vs. efficiency. He felt that there is room for more specialised committees. He felt that as the region is large it is necessary for more participation at the beginning.

Mr. Riazudin Ahmed from Pakistan supported a smaller committee consisting of the chairpersons of the specialised committees and 3 or 4 other members on rotation.

Mr. Vishwanathan from India expressed that the new structure would curtail the number of meetings. He felt that the proposed Executive Council be accepted at least the next regional assembly meeting.

Mr. Sharma explained that the term executive council has been used to distinguish it from the Regional Council provided in ICA rules. The proposed arrangement can be reviewed at the next regional assembly meeting if necessary. In regard to a question raised on the quorum he explained that it was purposely not provided in order not to have any situation where few members are present and unable to have the meeting.

Dr. Wahab wanted to know as to how one representative from each country when there are many member organizations having different priorities among themselves will be elected. Mr. Sharma stated that each country could follow the same procedure as was being followed for sending 2

representatives in the past.

Mr. Riazudin Ahmed's opinion was that it is not necessary to have election of council member. The national union could send a representative or by the national federations where national union is not existing.

The consensus was that national unions could nominate the delegate to the executive council through consensus of the members within the country. When there is no agreement, the Chairperson of the Regional Assembly may nominate the delegate from such a country.

After detailed discussion the meeting decided that the Regional Council may be replaced by Executive Council.

The Executive Council may consist of:

- a. One delegate from each member country;
- b. Chairmen of Specialised Committees in the region.
- c. One delegate from each member regional organisations

The meetings of the Executive Council may be convened in between the Regional Assembly Meetings and prior to the meetings of the Regional Assembly.

#### **Agenda Item No. 4 Nomination of Vice President from Asia-Pacific Region for ICA**

Mr. B.S. Vishwanathan proposed the name of Mr. M. Horiuchi as the nominee for the post of Vice-President from the Region which was seconded by Mr. Lozada. The proposal was carried unanimously.

#### **Agenda Item No. 5 Consideration of Registration Fee for Regional Assembly**

The meeting unanimously approved the proposal in the agenda to charge Registration fee of US\$ 100 for the Regional Assembly meetings from members and observers.

#### **Agenda Item No. 6 Basic Values**

Prof. Ian McPherson, ICA Consultant, presented a detailed paper on the Basic Cooperative Values and Cooperative Principles (Annex-VI).

Initiating the discussion, Mr. Lozada pointed out that participatory democracy and balance between social and economic issues are the key factors which will determine the values. He quoted from the coop. code of the Philippines on the social justice through cooperatives. He suggested that govt. assistance should not bring any conditions and the principle of subsidiarity to be established. Cooperative rules should be formulated through consultation and public hearing. The coop. education should be integrated at all levels.

Prof. Paz said that empowering people and decentralization are the future important approaches and tools. They will ensure social justice. He pointed out that principle should be treated as rules and the definitions should be flexible and open to take into account the different countries and cultures. It should be noted that cooperatives are meant primarily to serve members but they should also be treated as implementors of social changes. He also said that we live in a global village which necessitates the cooperatives to take a global view. His opinion was that though cooperative thinking is utopian, the issue is how to keep with the reality without losing the Utopia. i. e. to serve the members needs.

James McCall from Australia expressed the view that cooperative failure is often participatory failure but not economic failure. The law of Australia has been changed to have more business participation with members. The report should include more on obligation of members. Cartels are

a threat to cooperatives. The remark on transnational coops is interesting in this context. The flexibility is necessary to address the felt needs of the society.

Mr. Ahmed (Pakistan) said that it is not desirable to make Cooperative Principles more flexible but should be more rigid to ensure cooperative character and check misuse of cooperative name. He quoted the instances of exploitation of cooperatives by non members and the politicians and also the establishment of capitalist companies as cooperatives. The principles do not emphasise local situations. The rules look after the different types of cooperatives.

Prof. Aziz ( Malaysia) stated that while most religions originated from Asia it is Europe which gave us the cooperative movement. He emphasised that flexibility should not accommodate pseudo cooperatives. He quoted Farmers' Organisation Authority (FOA) in Malaysia. He emphasised the prevalence of indigenous types of cooperatives in Asia and also stated there are many exemplary cooperative leaders in many countries like Japan, Indonesia and China who need attention. His suggestion was to start the practice of cooperation from the school system.

Mr. Ohya (Japan) mentioned that the real decrease faced by coops. is the lack of member participation. The member should invest and do business with the coop. Tendency now is that the investments are done by non-participating members. The cooperative principles should deal with future issues.

Mr. Vishwanathan's presentation focused on prevalent set of basic values. In India the coops emerged from the backward communities. His suggestion was to change the principle of limited interest on share capital to suit the current trends.

Mr. Reddy (India) introduced the activities of IFFCO.

Mr. McPherson replying on comments stated that while participatory democracy is thought to be a product of Europe many forms of participation are prevalent in Asia.

#### **Agenda Item No. 7 Economic Collaboration among Cooperatives Chinese Efforts**

While introducing Chinese Cooperative Movement, Mr. Yang Deshou said that the Chinese movement has 70 years history. The ACFMC developed within a short period to reach a membership of 160 million people representing 78% of the rural households.

The turnover is us\$ 100 billion per year. Annual exports are in the range of \$ 5 billion.

The Chinese coops are now transforming to deal with the market economy. They should increasingly engage in business with other types of companies and joint ventures. Foreign partners could provide technology to Chinese cooperatives.

Mr. Lim Ho Seng from Singapore said that they are now seeking possibilities of collaborations with trade unions in China to set up consumer cooperatives.

#### **Agenda Item No. 8 Venue and Date of next meeting**

The Regional Meeting considered the invitation of Mr. B.S. Viswanathan, President of the National Cooperative Union of India, and recommended that the next Regional Assembly meeting be held in September/October 1994 in India.

The meeting terminated with a vote of thanks to the Chair.

New Delhi  
18 May, 1993

sd/-  
G. K. SHARMA  
Regional Director  
ICA ROAP

representatives in the past.

## **ANNEX : II**

# **The Conversion Syndrome : A Review of the Conversion of Australia Cooperatives into Investor Owned Firms**

In June this year, Australia's leading business newspaper, "The Financial Review" carried the story that one of the country's largest and most successful cooperatives was on track to be listed public company by the first half of 1995. Namoi Cotton Cooperative is the nation's largest cotton ginner and marketer, with an annual turnover of almost \$400M (AUS) and exports of approximately \$280M (AUS).

Such news items are not unfamiliar in the history of the cooperative movement in Australia.

The rate of conversion of some of the country's leading cooperatives into company structures has quickened, as competition and deregulation of the nation's economy intensify. The cooperative sector has lost million of dollars of turnover to the world of investor owned firms. Many thousands of Australians have lost their direct association with the cooperative movement.

The cooperatives that have companies have not necessarily been the failures of cooperation but rather some of its successes. In particular, agricultural cooperatives and Building Societies have been those most likely to convert.

The paper will examine the experience of general cooperative which have converted into companies, such as agriculture marketing and supply cooperatives. Reference will be made where appropriate to Building Societies, Credit Unions and other mutual financial cooperatives. The theme of the paper is that Australian Cooperatives have tended to convert to investor owned firms in the absence of alternative integrated and supportive cooperative structures and networks. Such structures and networks if present could well provide cooperatives with greater flexibility to deal effectively with the challenges of a competitive market place, without recourse to changes in identity.

### **Relevance of Experience**

Is the Australian Cooperative Movement's experience relevant when considering the wider issues of cooperatives structural adaptation and transformation occurring in the Asia Pacific region?

Much can be learnt from an understanding of why, in the context of an economy such as Australia's and as a response to competitive pressures, some cooperatives would choose the option of converting to a company structure. Such an understanding may be of interest to other countries and movements in the region dealing with similar challenges.

### **The Structure of the Australian Cooperative Movement**

Does the structure of the Australian cooperative movement, by its very nature, make cooperatives prone to conversion to investor owned firms.

In examining this I would like to use a metaphor to describe the structure of the cooperative sector in my country compared to that of many cooperative movements overseas.

It strikes me that best description of this situation is summarised in the metaphor.

"The forest versus the paddak".

For those of you who may be unsure of what I mean by the expression paddack, in the Australian context it normally means a fenced field or piece of land, generally with a scattering of trees.

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Let me explain.

In Australia we have quiet a few large well-developed primary cooperatives such as the cotton cooperative I mentioned at the start of my paper. We don't however, have any developed second or third tier cooperative structures. As a result of the absence of these unifying secondary and tertiary levels, we lack the integration and synergy that characteristics more developed cooperative sector overseas. As Dr Gary Lewis observes in his comprehensive study of Rochdale Cooperation in Australia, "there has never been a cooperative movement, as such in Australia".

This situation can be best visualised in the "forest versus the paddock" metaphor. In Australia we have a few large mature primary cooperatives (trees) generally isolated (in paddocks) but no developed movement (forest).

Extending my metaphor, we can equate the competitive forces of deregulation, privatisation and globalisation, with the winds of change blowing through the various types of cooperative movements-paddocks and forests. It is apparent which cooperatives are best able to survive the force of the wind. The forest helps support the trees within it; the paddock provides no such protection.

### **The significance of Cooperative Networks**

The layers of cooperative activity in the more developed overseas movements clearly give those cooperatives greater opportunity to respond to the competitive forces they face. The Australian cooperatives, generally isolated, are far less likely to be able to resist these forces - one manifestation of which is the conversion syndrome.

I contend that if Australian cooperatives had alternative integrated, supportive structures and networks, the option of conversion to investor owned firms would not have been so readily considered, and embraced by some cooperatives. Such structures and networks could have provided solutions for some of the structural deficiencies of cooperatives, offered precedents in management approaches and practices for dealing with competitive challenges, focused education and advisory services as well as encouraged greater governmental support and understanding for the sector.

The absence of integrated supportive networks for a sizeable portion of the movement in Australia, has meant that cooperatives have often had to deal with these competitive challenges at the level of either:

- \* the individual organisation, that often resorted to prevailing corporate culture, with its supportive infrastructure for solutions; and/or
- \* within the context of a broader industry response, that may not necessarily be concerned with cooperative sustainability.

### **Regional Context**

Mr. Robby Tulus, Senior Policy Adviser, International Cooperative Alliance, Regional Office for Asia and the Pacific (ICA ROAP), although not dealing directly with the conversion factor I am addressing, makes a relevant point in his background paper "Cooperative Competitive Strength: Positioning Cooperatives in the Market Oriented Economy". prepare for this Cooperative Ministers' Conference over 26-30 July, 1994, in Sri Lanka. When discussing the question of structural adaptation and transformation of cooperatives Mr. Tulus writes:

"Transforming cooperative structure is a vital aspect in the context of economic liberalisation. This includes identification of the gaps and superfluous links within the existing structure. In order to ensure organisational strength and efficiency of the whole system, the structural gaps should be covered, and superfluous units eliminated ..... The aim should be to improve the operational efficiency of the entire structure both vertically and horizontally, and hence build a working system".

representatives in the past.

The wisdom of these words is borne out by the Australian experience. There is an undoubted need for more vertical and horizontal integration in the cooperative movement, if it is to successfully respond to competitive challenges. We need to nurture a "working system" in Australia.

### **The Australian Economy**

The challenge to cooperatives are taking place against a background of significant adjustment and what amounts to a gradual restructuring of the Australian economy.

Australian Governments, both State and Federal irrespective of political allegiance are all committed, in varying degrees, to policies of deregulating the economy and increasing competition, both domestic and international. Such policies include the removal of regulatory restriction in the financial and rural industries, and the removal of barriers to the importation of many products, thereby, exposing Australian industry to full international competition.

Many previously government owned services or utilities have been, or are being, privatised. Government supported agricultural marketing arrangements are being removed, and producers are now expected to make their way in an increasingly competitive environment.

There have been efforts by both Government and industry to link Australia's future development with the fast growing economies of countries in the Asia Pacific area, and to focus policy makers, corporations and individuals on the opportunities in the region.

Various Governments within Australia have developed programs designed to encourage industry to adopt practices to become world competitive. Included among these initiatives are: best practice programs, total quality management, export, trade and value adding enhancements, industry restructuring packages, major new job training programs and innovative investment schemes to mention just a few.

As the Australian economy has become more competitive the position of cooperatives in some industries has been challenged. Many of Australia's more successful cooperatives have developed in industries which in the past have had a large degree of regulation. As these industries are deregulated cooperatives are facing threats to their market share not only from domestic but international competitors. In the face of such challenges, questions are being asked about the sustainability of the cooperative structure.

### **Extent of Conversion**

The current wave of conversion of cooperatives into investor owned firms, follows on from the period of the late 1950s to the 1980s when as documented by Dr. Gary Lewis "much of the traditional Australian cooperative movement was lost". In particular, Dr. Lewis records that during the 1970s "the backbone of the rural cooperative movement had gone, subsumed within capital" as cooperatives converted to company structures.

In the terms of my metaphor, the trees in paddock had begun to fall.

The conversion syndrome has occurred in almost all Australian States irrespective of the legislative arrangements existing at the time.

A list (incomplete) of Australian cooperatives, which have in recent years converted into company structures is attached (see Appendix 1). This list of 49 cooperatives (including Building Societies) represents hundreds of millions of dollars of annual turnover.

The 39 general Australian cooperatives (excluding Building Societies) included on the list may not appear numerically significant in the context of the overall number of cooperatives in Australia. It is hard to determine the exact number, no national database exists at present, however, it would appear that (excluding Building Societies, Credit Unions and other financial cooperatives), there are approximately 2300 registered general cooperatives in Australia.



Why the concern about the conversion syndrome, if only 39 of the 2300 have recently decided to convert?

The answer lies not in the actual number but in the size and strategic nature of those cooperatives that have either already converted or are thinking about doing so. As Mr. David Williams, Executive Director, Hambros Australia, a merchant banker with considerable experience dealing with cooperatives recently noted in an article in a national dairy industry journal:

“In the past two years there has been a revolution in the Australian bush. There is hardly....a significant cooperative that hasn't considered its corporate structure or the adequacy of its capital structure”.<sup>1</sup>

The problem for the cooperative movement is that it could well represent a trend that will be difficult to stop.

I would like to briefly consider some statistics in relation to New South Wales, which has probably the largest number of commercial cooperatives incorporated under discrete cooperative legislation in Australia, to demonstrate the fragility of the movement.

If the aforementioned cotton cooperative was to decide after a vote of members to convert approximately 16% of the turnover of the New South Wales cooperatives sector would be lost in that one conversion alone. The top four of the eight hundred cooperatives in New South Wales account for over 50% of the \$2.5B (AUS) turnover within the State's sector annually. The top twenty five cooperatives in the state account for 75% of the turnover annually. In other words the New South Wales sector consists of around twenty five comparatively large primary cooperatives with a much greater number of smaller less commercially significant cooperatives. Clearly if larger primary cooperatives are going to convert into investor owned firms, as is periodically suggested in the media, then the cooperative sector in New South Wales will be greatly weakened by such actions. A similar situation exists in other Australian States.

Apart from conversions generated from within, a number of major cooperatives, such as New South Wales' largest, Australian Cooperative Foods have resisted concerted corporate takeover attempts, during the last few years. These examples are additional to those listed in this paper.

### **Future Studies**

As far as I am aware, no detailed comparative study has been done within Australia on the subsequent financial results of these converted organisations. Such a study might determine if there has been an improvement in performance as a consequence of the change of ownership and governance structure. Other important questions to be considered might include:- What is the relationship of the former members with the new corporate entity? Do they now have any control over their former cooperative? Does the new company structure continue to serve their interests, or has it gone on to focus on other, perhaps more profitable, pursuits? Has it retained anything of its cooperative heritage?

Such a study is beyond the scope of this paper but has the potential to objectively evaluate the merits or otherwise of conversion.

### **Factors Contributing to the Conversion Syndrome**

I hope through the metaphor of the “paddock versus the forest” you will gain an impression of the structure of the Australian Cooperative Movement, and from the listing provided with this paper and appreciation of the extent to which it is prone (at least in part) to the conversion syndrome.

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<sup>1</sup> Williams David, “Raising Cooperative Capital”. Why members Resist, Australian Dairy Foods Journal April, 1994

I have identified twelve specific factors that have helped shape the landscape of the Australian cooperative movement. These factors illustrate the vulnerability of cooperatives and highlight some of the weaknesses inherent in the Australian cooperative sector. They all in some way affect the achievement of the supportive cooperative structures and networks that I suggest are necessary to offer cooperatives greater flexibility in dealing with competitive challenges. If we were to address them, it would strengthen and enhance the ability of the cooperative model to withstand the winds of change, as manifest by the conversion syndrome.

The identified factors are grouped under four headings:

- # Structural
- # Management
- # Education and Advice
- # Government Facilitation

### **Structural**

I have identified seven factors in the structural area relating to the overall shape and nature of movement in Australia. Some of the factors may be unique to Australia, other factors will be common to most cooperative movements throughout the world.

#### **1. Cooperative Capital**

Australian cooperatives like their counterparts throughout the world are trying to reconcile the de-emphasised role of capital within cooperatives with the need to obtain sufficient funds to remain competitive.

Cooperative fundraising was the subject of at least two major national conferences in recent years. In particular, the Cooperatives 2000<sup>2</sup> Capital Conference in Sydney in late 1993 dealt extensively with this issue. This Conference focused on the options available to cooperatives to raise additional capital while retaining their cooperative character.

The lack of options available for cooperatives to raise sufficient equity funds is often given as the main reason for a public listing in Australia. A spokesperson for Gresham Partners, the advisers to Namoi Cotton, is quoted as saying "What Namoi is about is responding to the competitive environment, getting more flexibility in its funding so that it can compete on an equal basis with the corporate processors"<sup>3</sup>.

While it is true cooperatives have less fund raising options than investor owned firms, it is also true that Australian cooperatives have not been sufficiently innovative in encouraging their members to view the "investment" of funds in their own organisations as worthwhile.

### **Equity Features of Australian Cooperatives**

It has been noted that there is a wide range of equity structures in Australian cooperatives. Mr. Ian Langdon, Chairman of Australian Cooperative Foods, in a paper to the 1992 Agricultural Cooperative Capital Update Conference in Queensland, points out that apart from normal commercial pressures the varying application of cooperative principles has resulted in a range of capital structures in agricultural cooperatives in this country. He reports that :

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<sup>2</sup> Cooperatives 2000 is a joint Cooperative/Government initiative in New South Wales, designed to develop a strategic plan for cooperative development up to the year 2000. See Capital Conference Papers for full details of proceedings.

<sup>3</sup> Australian Financial Review op.cit.p.27.

"There are a number of cooperatives that have a nil or close to nil share capital base and there are a small number who have adopted quasi revolving funds or reserves. These are very much in the minority. The dominant equity feature of Australian agricultural cooperatives is their use of a base share capital plan and extensive use of unallocated reserves".<sup>4</sup>

### **Legislative Options for Fundraising**

General cooperative legislation varies throughout Australia in regard to the options available for fund raising. The New South Wales Cooperatives Act, 1992 provides probably the greatest range of available alternatives among the Australian States. The main options include : members shares; entry fees for membership; periodic charges payable by members; loans by members, the new Cooperative Capital Units; and external borrowing<sup>5</sup>. There is no provision within any discrete State cooperative legislation for a second class of share, whether issued to members or non members.

In spite of the fact that a range of alternatives has existed in the legislation, cooperatives have not maximised the opportunity to raise funds from their members. Within New South Wales, during the ten year period 1982-1992, only approximately 50 cooperatives made use of the compulsory share and loan mechanisms available under the legislation, to raise around \$38M (AUS) in equity and \$6M (AUS) in loan funds from members.<sup>6</sup>

The new cooperative legislation in New South Wales now allows for the issuing of a financial instrument called a Cooperative Capital Unit, (CCU) which may have some of the character of either debt or in some limited sense equity. CCU's can be issued to members and non-members alike. The first issue of CCU's to the public has recently been made by Norco Cooperative Limited, a regional based dairy cooperative. The Chairperson of Norco in the information statement for the CCU issue says

"For 100 years Norco has been proving the value of cooperative ownership within the agricultural and food industries. Your investment in Norco Capital Units will help Norco grow even more strongly as it moves into its second century of service to rural Australia".<sup>7</sup> It is the dairy industry and others like it, which have a strong cooperative presence, but are facing major competitive forces, that are seeking fundraising solutions consistent with cooperative principles.

### **Growth and Cooperative Philosophy**

Mr. Langdon, in a paper delivered at the 1993 Capital Conference makes the point "the challenge is to find a practical response to the current commercial pressure to grow and to fund that growth in a manner that is compatible with both survival and cooperative philosophy".<sup>8</sup>

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<sup>4</sup> Langdon, Ian "Australian Agricultural Cooperatives - A Current Perspective", 1992, A paper presented to the Agricultural Cooperative Update Conference, September 17-18, 1992, Queensland, Australia.

<sup>5</sup> Magarey, Donald, "Guide to the NSW Cooperatives Law", CCH Australia Limited, 1994, p.93.

<sup>6</sup> Cronan, Garry, "Policy Underpinning NSW Cooperative Legislation" 1993, A paper presented at the 1993 Capital Conference, November 1993, Sydney, Australia.

<sup>7</sup> Information Statement Norco Cooperative Limited, Invitation to Invest in Norco Capital Units"

<sup>8</sup> Langdon, Ian "Capital Fund Raising Options for Cooperatives" reproduced in the New South Wales Registry of Cooperatives newsletter "Cooperation", Special Edition, January 1994, p.2. Mr. Langdon is also a director with Phosphate Cooperative Co. of Australia Ltd. and a former Dean, Faculty of Business Studies, Griffith University.

If cooperatives wait until there is an urgent need for funds then in all probability it is too late to have their needs met by members alone... external equity raises the threat of loss of control"<sup>9</sup>. I have previously noted "the dilemma for cooperatives is that by basically restricting their fund raising to their membership, they maintain control but members are often either unwilling or unable to contribute sufficient funds - either directly, or by way of retained surpluses - for the cooperative to be competitive".<sup>10</sup>

A number of Australian cooperatives particularly in the dairy industry are closely examining the model of the Irish dairy cooperatives that have introduced external equity. Fast rates of growth are achievable using similar hybrid models but if control is to be maintained in the hands of the members they will need, over time, to fund their share of that growth.

It is also worth making the point that general cooperatives in Australia are not very experienced in dealing with external equity. If equity CCU's are, for example, to become popular, cooperatives will need to avoid the conflict of competing interests developing between the members and external equity holds. Ironically one of the outcomes of such conflict may be pressure to convert.

### **Value for Members**

Cooperatives need to offer value to their members. Mr. David Williams, when discussing the issue of cooperative members' reluctance to contribute capital and the related problem of the conversion of agricultural cooperatives into companies, draws the following conclusions in regard to Australia "

"Properly advised, I have found cooperative members to be more than willing to contribute additional capital where this can be shown to provide them in adequate return. Treating them better requires communication, equitable treatment and redeemable shares. In achieving equitable treatment, cooperatives shares need to reflect their realisable value. If they do not, farmers cannot be blamed for saying they have no value. Moreover, unallocated reserves and asset value changes will encourage takeovers or restructuring which would be otherwise not justifiable" <sup>11</sup>.

### **Limited Return**

The issue of limited return on capital in a cooperative is a core consideration for members contemplating a change from the cooperative model to an investor owned firm. As Mr. Langdon notes in his paper "Valuation of Cooperative Shares - Do They Have a Value" also prepared for the 1992 Conference in Queensland :

"It is difficult for cooperatives to raise equity funds if there is limited reward for investment of capital. The prohibition of capital appreciation is a significant deterrent for members to invest in equity.....The challenge for cooperatives is to devise member based equity structures that link share ownership and patronage so that returns on capital do not breach the equitable distributions of surpluses principle. Such returns could be either in the form of allocations of operating profits or in the form of capital appreciation of shares through bonus issues, but only if shares were held on a patronage basis".<sup>12</sup>

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<sup>9</sup> *ibid*, p.5

<sup>10</sup> Cronan, Garry "The USA/Australian Experience" *Australian Dairy Foods Journal*, June, 1994.

<sup>11</sup> Williams, *op.cit.*p.50

<sup>12</sup> Langdon, Ian, "Valuation of Cooperative Shares - Do They Have a Value", 1992. A paper presented to the Agricultural Cooperative Update Conference, September 17-18, 1992, Queensland, Australia.

Shares in Australian cooperatives are normally redeemed at par value. Combining this with the fact that share registers of cooperatives have often contained a majority of inactive members can mean that a conversion will sometimes be supported simply to unlock the "real" value of the shares.

Active membership requirements have been introduced into New South Wales cooperative legislation to ensure that it is only active members who will vote in cooperatives on questions such as conversions. This however, only addresses one side of the problem. There is still a need to ensure that current and past members receive value from their participation and "investment" in the cooperative. To do otherwise in the Australian context is to ignore one of the major motivations for members to convert their cooperative into an investor owned firm.

## **Summary**

The combination of deregulatory forces, and increased competition has meant that cooperatives, particularly in some of their traditional industries such as dairying, are no longer able to operate without competitively managing their capital. Their problem is that they may lack a viable capital structure, at the very time they face their most competitive challenge - often in the form of adequately funded investor owned firms, who incidentally may have been previously locked out of these markets by regulation. They can be restricted from quickly accessing adequate funds from either their members or the market because of the operation of cooperative principles.

The nature of cooperative capital and the past practices of cooperatives in this area are often proffered as the main explanations for the conversion syndrome. The resolution of this issue for cooperatives remains central to the long term survival of the movement in Australia.

## **2. Representative Cooperative Organisations**

The recent history of representative national general cooperative organisations in Australia has not been encouraging for the long term development of an integrated movement (forest). It has appeared that for one reason or another the national structures which have been created in this country have not been sustainable in the longer term. There is a sense in which its history has been of a stop start nature. Considerable effort has been expended by the movement, but in the end, the national organisations have not been able to effectively build either lasting support from within the movement or broaden their base so that they gain wider community support for their activities.

Within the last two years the peak national organisation the Australian Association of Cooperatives, (AAC) has gone into liquidation. AAC in effect replaced the earlier Cooperative Federation of Australia, (CFA) as the peak national organisation for general cooperatives in the mid 1980's. Both AAC and CFA had themselves sought to develop links with the ICA.

Following AAC's collapse, (due in part to the failure of a banking operation for general cooperatives) a new national structure was established. The new structure was built upon some of the remaining State Cooperative Federations which had not become part of AAC, and newly formed State organisations. This organisation known as the National Cooperative Council of Australia (NCCA) has as its only members five State Cooperative Federations. Primary cooperatives cannot belong to the NCCA, rather they join their respective State Cooperative Federations. The NCCA has at this stage decided to focus more on issues of national concern rather than seeking to build and develop contacts with the international cooperative movement.

The NCCA and State Cooperative Federations are also not likely at this stage to pursue a similar commercial course to that of AAC. As a consequence their activities will be restricted to mainly representing the sector to Government. Services such as insurance, legal advice, trade facilitation will not be undertaken.

Apart from financial cooperatives, like Credit Unions and Building Societies, the general cooperative sector's representative organisations are organised not on industry groupings but on

geographical regions, specifically, the Australian States. Within the regional State Cooperative organisations there may be some industry sub-groupings.

The failure of AAC and the need for regrouping within the NCCA/State Federation structure has represented a considerable setback for the movement in Australia. At the very time when competitive pressures on the cooperative model are increasing the movement as represented by its national apex organisation is probably at its most vulnerable point for many years.

The collapse of AAC and the subsequent need for New South Wales Government assistance to smaller community cooperatives affected by the fallout, as well as the recent demise of Letona Cooperative, a large fruit and vegetable cannery and the failure of major Victorian Building Society, have not helped the public perception of cooperatives. In the last couple of years, there had been no apex general cooperative organisation able to go to the media to argue the case of the retention of the cooperative model. This is at the first time the financial and business media are reporting the increasing number of cooperatives contemplating conversion.

### **3. Cooperation Among Cooperatives**

The forest of my metaphor requires multi-layered interaction between cooperatives not only in a representative sense but in truly commercial one. For this to be achieved it requires cooperatives to believe that they can obtain real commercial advantage for their members from active cooperation among cooperatives. Such strong links can ultimately lead, in the previously quoted words of Mr. Tulus, " the improvement of the operational efficiency of the entire cooperative structure both vertically and horizontally, and hence build a working system"<sup>13</sup>

The history of general cooperation in Australian demonstrates the we have so such working system. The trees in paddock don' connect. There is no sense in which the growth of one assists with the development of other cooperative organisations. Indeed in some cases cooperatives have seen other cooperatives as their major competitors, rather than organisations they may have interests in common with. While there have been some notable exceptions (particularly in the credit union movement), the general experience has been that any attempt at commercial cooperation among cooperatives has been short lived.

By way of contrast the American agricultural cooperative system shows the advantage of doing business the cooperative way. Cooperatives both cooperate and compete with each other at various levels throughout the system. It represents unique blend of cooperation and competition. There are local cooperatives which may be either supply or marketing cooperatives. These locals then combine together to form regional, which then combine together to form inter-regional.

For example the local cooperative agricultural store may sell fertiliser which it obtains from its regional cooperative. The regional is able to offer a good price for this product because it buys in bulk for all its member cooperatives. The regional cooperatives may have come together to form an inter-regional cooperative to bulk produce the fertiliser. Cooperatives at various levels in the system are free to choose whether they will purchase the product from their affiliated cooperatives. It makes sense however, if the price and service is reasonable, to support the cooperative group they are a part of. The system benefits in a competitive sense from these economies of scale, while retaining and building a market presence for cooperatives to build a competitive working system.<sup>14</sup>

The American system enjoys some protection from the legislative effects of anti trust or anti-competitive regulation. To this extent American agricultural cooperative had time to develop these

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<sup>13</sup> Tulus, op. cit.,p25

<sup>14</sup> Tgese features of the USA cooperative system were observed, when I was member of a study tour of American agricultural cooperatives, in late 1993. The tour was organised by Monash University, Melbourne, Australia.

working cooperative systems, and so be in a somewhat stronger position, to competitively respond to market challenges such as the conversion syndrome.

Nevertheless, even given that qualification, Australian cooperatives are still not embracing the idea that one of their available competitive responses is far greater cooperation among cooperatives. This is at the time that business literature and government programs are showing corporate Australia the commercial benefits of collaborative or networking strategies.

#### **4. Cooperative Culture**

If economic considerations are finely balanced, cooperative cultural values may be the deciding factor in determining whether an organisation remains as a cooperative or converts into an investor owned firm.

In this context I have taken the term cooperative culture to mean the sum of experience, history, values and principles of cooperation, both in theory and in practice.

It would seem that there is only a limited sense of cooperative culture within the general cooperative movement in Australia and little appreciation of such values in the broader community. What historical perceptions may have existed appear to be diminishing as the pace of societal and economic change quickens.

#### **Cooperative Character**

Prof. Hans-H. Munkner in a background paper "Structural Changes in Cooperative Movements and Consequences for Cooperative Legislation in Western Europe" prepared for a cooperative meeting in Marburg, Germany in July last year, points out that cooperatives can be seen as basically either "predominantly economic structures,... or movement for socio-economic reform."<sup>15</sup> Dr Garry Lewis has characterised the history of the Australian Cooperative Movement, similarly as a struggle between pragmatists and idealists.<sup>16</sup> His verdict was that the idealists were defeated and that the pragmatists achieved some limited success.

Cooperatives in Australia whatever their past history now appear to be predominantly economic structures, as Munkner says "concentrating their efforts exclusively or mainly on the promotion of the economic interests of their members."<sup>17</sup>

One of the consequences of this is that "in large scale cooperative enterprise with professional management the features resulting from the historical roots of cooperatives and the ethical and moral foundations of the cooperative way of doing business are often considered more to be burden of the past than a source of strength for the future"<sup>18</sup>

The challenge for the general cooperative movement in Australia is to draw from its neglected history those distinctive cooperative features which have enduring value, and to marry them with best international cooperative practice to create a relevant and vigorous cooperative culture.

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<sup>15</sup> Munkner Hans "Structural Changes in Cooperative Movements and Consequences for Cooperative Legislation in Western Europe", reproduced in a Report of a Colloquium held at Marburg, 2-3 July 1993, Enterprise and Cooperative Development Department, International Labour Office, Geneva.

<sup>16</sup> Lewis op dt p 233

<sup>17</sup> Munkner Op.cit,p59

<sup>18</sup> Munkner, op. cit, p.60

## **The Demutualisation Process**

If the history and culture of cooperatives is fully understood within the movement, there is even less appreciation of the role of mutual organisations, including co-operatives, in the broader Australian Community. To this extent the cooperative movement is not alone in Australia in facing the conversion syndrome.

Media attention in New South Wales has recently been focused on a large mutual motorists organisation, which is considering a public listing. This organisation which was originally started to provide roadside vehicle service to motorists, now has many hundreds of thousands of members. As part of the services offered to members the organisation developed insurance, travel and associated capacities. The insurance business has grown to such a size that it is now one of the State's largest businesses.

The current board and management of the organisation are presently seeking member support for conversion from the mutual structure into what they propose as a more appropriate business arrangement. There has been considerable debate in the media as to the merits of such a change. Many of the points raised in the debate mirror the issues for general cooperatives. It is symptomatic of the general demutualisation of business which has been proceeding not only within the cooperative sector, but in other areas including the insurance industry.

The Cooperative model needs to be able to compete in the marketplace of ideas-mutual organisations generally need to address the challenges represented by other ways of doing business. Cooperatives do have a lasting, legitimate and worthwhile role to play in the new internationally competitive environment. However, unless this articulated and supported by cooperatives themselves, it will be hard for the broader community to see the demutualisation process, as anything other than a historical inevitability.

## **5. Funding Organisations**

General Cooperatives in Australia do not have, as do some of their overseas counterparts funding organisations specifically established to support them.

As a result cooperatives need to access funds from normal commercial sources. This has sometimes led to the suggestion that they are disadvantaged because such lenders don't really understand cooperatives. Whatever the veracity of these claims, it is clear that cooperative in this country when compared to say American agricultural cooperatives are the poorer, in terms of choice, for not having organisations such as the Farm Credit Administration and the various cooperative banks, lending funds to either individual farmers or more directly to cooperatives.

Effective long term cooperative development, almost by necessity requires a cooperative bank or equivalent organisation. Often these cooperatives lending organisations have grown out of the agricultural cooperative movements. This has not been in case in Australia-this vital piece of the forest has been missing.

For a variety of reasons including legislative restrictions, financial cooperative as represented by the Credit Unions and Building Societies are not able to lend to cooperatives in any commercially significant way. There has been a recent offer to develop a cooperative bank in Australia based on the credit union movement, however this has as yet been unsuccessful.

in a number of overseas countries the supporting infrastructure of dedicated cooperative lending institutions, whether established by the movement or the Government, have acted as a disincentive for cooperatives to convert to investor owned firms. In Australia in general no such disincentive exists. Exceptions to this are certain taxation entitlements available to agricultural cooperatives for the repayment of Government loans. However, these loans are only effectively being made in one State (Queensland) and are therefore not available to the bulk of Australian cooperatives.



## **6. Meagre Strategy**

One of the strategic responses adopted by Australian Cooperatives to competitive forces has been, not surprisingly, to merge with other cooperatives in a similar position in an attempt to gain the advantages of greater market power. In both the dairy industry and the Building Society Industry such strategies have produced far more effective and efficient organisations.

However, given the absence of developed and integrated second and third tier cooperative structural options in this country, the process of amalgamation has meant that we have ended up with larger and fewer primary cooperative organisations. The larger cooperatives have tended to soak up the smaller cooperatives around them as they strive to become more complete. Such a strategy is something of a mixed blessing for the longer term development of a more integrated cooperative movement. The result is fewer and larger cooperatives which may convert into companies upon reaching a certain size, or dominance their particular market.

Limitation on the overall size of any one cooperatives and the establishment of linkage between cooperatives are strategies which have been pursued by movements in some countries to combat tendencies.

## **7. Regulated Industries**

I have already noted that many of Australia's most successful cooperatives have developed in the shadow of regulation, the Building Societies and the dairy and sugar cooperatives probably being the best examples. To this extent deregulation has represented a challenge to the sustainability of the cooperative model because the most successful examples of individual cooperatives, or industry cooperative groupings, are also probably the most vulnerable to conversion.

If cooperatives in growing industries which traditionally have a strong cooperative presence are converting or giving consideration to conversions, then it can create an image that the organisation has outgrown the cooperative way of doing business. That there is somehow an upper limit to the size of cooperatives, given certain market characteristics and accompanying deregulatory government policies.

Nevertheless, deregulation has also represented an opportunity for cooperatives. Some of the most interesting and innovative new cooperative formations have occurred in industries which have been previously heavily regulated. Members in these cooperatives are looking, in particular, for new ways of marketing their products. Deregulation has also hastened the movement from a purely production focus to a more market oriented perspective for many cooperatives.

All Australian governments whether state or federal are considering deregulating the Statutory Marketing Authorities (SMA's). These organisations have previously had responsibility for marketing many agricultural commodities. A number of SMA's are or have considered converting into cooperative structures. The deregulatory process presents an opportunity for the general cooperative movement in Australia to develop a comprehensive strategy to establish through new cooperative organisations the necessary building blocks for a working, integrated cooperative system in this country. Such a system would be an alternative to industries dominated by large investor owned firms.

## **Management**

I have identified two features of cooperative operation in Australia which may be relevant when considering the conversion syndrome.

## **8. Directors and Managers Skills**

### *Directors*

General cooperatives are sometimes criticised for what some in the financial media regarding

less than optimum performance. This lack of performance is often coupled with concern about the skills of directors and managers of cooperatives. Such criticisms often end by suggesting that solution to this problems lies in gaining additional skills for board by converting into company thereby accessing a greater pool of experienced directors.

Directors of cooperatives in Australia have been drawn almost exclusively from within the ranks of the membership of the cooperative. There has not been a tradition in this country of independent, non-active member directors serving on the boards of cooperatives. As a result the boards have reflected the underlying skills of the membership.

Being a director has involved an element of voluntary service on the part of members of cooperatives. For many the remuneration for the service provided has been very low or non-existent.

Often the member will have no previous experience as a director, prior to being elected. There have been very few cooperatives which have offered formal training programmes for the new directors. The movement itself is only now once again starting to address the issue of director training.

The expectation of performance for cooperative directors is increasing. Not only are cooperatives becoming larger, more diversified and complex business organisations requiring a greater range of skills to effectively manage them, but government now requires a higher level of accountability and responsibility from directors. The new cooperative legislation in New South Wales has provided cooperatives with greater commercial freedom but has also increased their level of accountability and responsibility.

Provision has been made in the New South Wales legislation for non-member independent directors. Such positions are limited to one in four directors. It is hoped that a pool of experienced cooperative directors can be established, so cooperatives which lack the necessary skills from within their own ranks can have access to experienced directors who will be able to bring a broader vision to the management of the cooperative.

### *Managers*

It has been suggested that because cooperatives have not had a good image in the business community in Australia, they have had trouble attracting professional and experienced managers to work with them. If such a claim is true, it is probably because cooperatives have not been in a position to match the salaries offered by the private sector. Cooperatives have also had difficulty in knowing how to effectively recruit managers. Given such a situation the management of some cooperatives may conclude that their interests would be better accommodated if the organisation converted to a company structure.

## **9. Management Driven/IOF Background**

There has been a tendency within some of the larger cooperatives for management to appear to capture the agenda on the future direction of the organisation, without sufficient communication with, or support of the members. It is not surprising in a complex, diversified cooperative that some directors would defer to management in terms of the strategic direction of the organisation. On some occasions this strategic direction has involved the cooperative converting into some other form of organisation.

There are many more corporations in Australia than there are cooperatives. If a cooperative is seeking to recruit new and competent staff it will more than likely find the person seeking currently employed in a similarly sized or larger corporation. If recruited the managers will bring a completely new and different perspective to the role of running the cooperative. Some will make the transition to the cooperative way of operating more easily than others. For some the temptation will be to have the organisation, rather than themselves change to something they are more familiar with.

This situation is not helped by the fact that cooperatives cannot normally include their employees

as members. If these employees could identify as part owners of the cooperative they may not be so ready to convert it to another structure.

The issues I have been addressing in regard to directors and managers have also been considered by Mr. David Williams. He has summarised his views in the following words :

“All of this is not meant as a dissertation to stamp out public listings of cooperatives restructuring of cooperatives into corporate entities or external equity raising. Rather, it is an attempt to discourage the practice of changing the corporate form of cooperatives for no good reason behind the shield of illogical and unsubstantiated claims by management and directors as an excuse for a corporate vehicle with perpetual capital and less direct shareholder accountability than that offered by the cooperative”<sup>19</sup>.

### **Education and Advice**

The absence of these two factors have been of particular significance for the cooperative movement in this country.

#### **10. Lack of Educational Facilities and Commitment**

A well known American writer on cooperation has expressed his views on the importance of cooperative education in the following terms :

“Cooperatives were started by people who believed in them. They were carried through the years of early growth by people who believed in them. They will only be built into the strength and significance our country desperately needs by people who believe in them. However, efficient, cooperative business can never achieve success without the active, daily assistance of its essential companion - cooperative education”<sup>20</sup>

The ICA have recognised the importance of the role of cooperative education by making it one of the six international principles of cooperation. It has been said that a cooperative will only last for a generation and a half without a commitment to cooperative education.

Despite several attempts to create organisations in Australia devoted to cooperative education, no lasting progress has been made. Within the last two years a new organisation the Asia Pacific Cooperative Education Centre, has been established in Australia. This organisation will be focused on providing education and training not only to directors and managers of cooperatives in Australia, but throughout the Asia Pacific region. It is welcome and timely initiative and deserves to be successful.

The absence of effective and continuing cooperative education in Australia has meant that the current generation of cooperative directors and managers have operated to some extent a cooperative cultural wilderness - returning briefly to may metaphor, in a paddock without a forest in sight. The lack of effective cooperative education over the last ten to fifteen years in Australia should not be underestimated when looking for the reason why some cooperatives have had a tendency to convert into investor owned firms.

#### **11. Lack of Supporting Information and Advice**

For the cooperative movement to grow and develop it needs a supporting infrastructure service providers who can provide objective and independent advice and information. As from a few government departments and to a limited extent State cooperative federations and one or two

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<sup>19</sup> Williams, op.cit.p.50

<sup>20</sup> Webb, Glen “Its a Long Way from Toad Line”, American Cooperation 1991, p.21. In this article Dr. Webb quotes a 1954 editorial by Jerry Voorhis.

cooperative development and education organisations, no established network currently exists. Where and from whom cooperatives get their advice, particularly for major decisions like conversions, will often influence the final decision.

Large accounting and legal firms as well as merchant bank and other business advisers generally do not know a great deal about the operation of cooperatives. It is natural that they should on occasions recommend corporate structures they are more familiar with to their cooperative clients.

## **Government Facilitation**

### **12. Separation of Governmental Responsibilities**

As I have already stated the responsibility for the regulation and administration of general cooperatives in Australia resides with the various State Governments. The national Government has no direct responsibility and as a result there is no national Minister responsible for cooperatives.

One of the consequences of the States being responsible for cooperative legislation has been that the legislation is not consistent throughout the country. The lack of a national cooperative framework is increasingly being given as a reason why some of the large more nationally or internationally focused cooperatives would seek to convert into companies. As companies they could operate under Corporations Law which is the national company law framework. There are currently moves under way to address the question of the inconsistency of cooperative legislation. At least a partial solution to this problem is expected within the next twelve months.

The commitment of government resources to cooperative regulation and development vary throughout the States. If major cooperatives continue to convert into other forms of incorporation it may be that the critical mass of the sector is lost as far as government involvement is concerned and resources currently available to support the sector and withdrawn by one or more governments.

## **Financial Cooperative Regulation**

Following the failure of a major Victorian Building Society a new state based national regulatory system was developed for Building Societies and Credit Unions. Previously, these financial cooperatives were, like the general cooperatives, regulated by the various State Government Registries of Cooperatives. The new financial institutions arrangements have meant that in most States the previous Registries have been split between the new financial regulator and the former Registries of Cooperatives.

These new arrangements represent a historical break as far as government is concerned. The varying types of cooperative organisations are now the responsibility of different government departments and organisations. The policy driving the development of the various sectors of cooperative activity in this country are no longer connected at departmental level. This now also reflects the situation between the sectors on the ground where it appears that there is not any systematic attempt being made to encourage cooperation between Building Societies, Credit Unions or general cooperatives. The forest is not being nurtured.

## **Not All Bad News**

The explanations provided in this paper for the tendency of some cooperatives to convert into corporate structures may read like a bad report card on the cooperative movement in this country. In some ways it is - but this is not the whole story. There have been examples within Australian context, where the forest of my metaphor has developed.

The Credit Union movement is such an area. It is one of the success stories of the cooperative movement in Australia. Credit Unions are very competitive with other organisations offering financial services in Australia. Their industry organisations have built strong representative and commercial structures to serve and assist their members throughout the whole country. This has been achieved

in an industry which has been very competitive and one subject to major deregulatory changes. Credit Unions have also been at the forefront of many technological advances in the area of customer service. There has been a commitment by the industry to education and training. Of special interest is the fact that they still stress not only to their members and employees but the general public, their cooperative character.

The experience of the Credit Union industry demonstrates that strong cooperative movement can be nurtured and developed in Australia.

Apart from the Credit Union experience a number of recent initiatives for general cooperatives have been commenced, particularly in New South Wales, which have the prospect of addressing many of the factors contributing to the vulnerability of the sector to the conversion syndrome. The cooperatives 2000 strategic plan has identified the key issues affecting cooperative development in this country to the turn of the century. These issues are remarkably similar to the factors I have identified as contributing to the conversion syndrome.

The Cooperatives 2000 Strategic Plan is currently being implemented. Other initiatives such as the current ICA/New South Wales Registry of Cooperatives international trade project offers some opportunity to demonstrate to Australian cooperatives the Advantage of commercial cooperation among cooperatives.

Again in New South Wales we have new legislation which has made the cooperative structure much more competitive with other forms of incorporation. Over the last few years a record number of new cooperatives have been formed, perhaps the start of the forest.

## **Conclusion**

This paper has sought to provide an explanation as to why some cooperatives in Australia have decided to change their corporate identity from that of cooperative to an investor owned firm. I have not attempted to mount an argument that these conversions should not happen, rather to consider the underlying reasons why they occur.

I have pointed out that although Australia is a developed country with a high standard of living its general cooperative movement has not reach the same level of development. A number of factors have been identified as missing from the structure of the general cooperative movement which has made it prone at least in part to the conversion syndrome.

The clear lesson for the cooperative movement is that, if it is to successfully respond to the challenges of an increasingly competitive world environment than it will need to maximise its strength as a movement through much greater integration. To do otherwise is not to learn from the Australian experience which has shown that cooperatives are very vulnerable when they are not a part of the forest

Thank you.

## List of Recent Conversions

The State by State list included:<sup>21</sup>

### Queensland

- Tully Cooperative Sugar Milling Assoc
- South Johnston Cooperative Sugar Milling
- Babinda Cooperative Sugar Milling Assoc
- Atherton Table and Dairy Cooperatives
- Buderim Ginger Growers Cooperative Assoc
- Queensland Cotton Producers Cooperative
- Queensland Independent Wholesalers Cooperative
- The Associated Newsagents Cooperative
- Master Builders' Cooperative
- Plumbing Materials Cooperative
- Associated Milk Service Cooperative
- Master Butchers Cooperatives

### Building Societies

- Permanent Building Society

### South Australia

- Berri Fruit Juices Cooperative
- Berri Cooperative Winery and Distillery
- Renmark Cooperative Winery and Distillery
- Vitor Citrus Cooperative
- Red Comb Egg Cooperative
- Associated Grocers Cooperative
- Eudinda Farmers Cooperative
- South Australian Fishermen's Cooperative (SAFCOL)
- Southern Farmers Cooperative

### Building Societies

- Cooperative Building Society of South Australia

### Western Australia

- Teachers Credit Society
- Plumbers Cooperative

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<sup>21</sup> Assistance in compiling this list was provided by Mr. Jim Manwaring and Mr Jayo Wickremaratchi, senior staff members of the Development Branch, New South Wales Registry of Cooperatives

**Building Societies**

- Perth Building Society
- Town and Country Building Society

**Victoria**

- Autobarn Cooperative
- Drouin Cooperative Butter Factory

**Building Societies**

- Victoria Building Society
- Permanent Building Society


**New South Wales**

- Wyong Cooperative Dairy
- Farmers Grazcos Cooperative
- Wollondilly Abattoirs Cooperative Ltd.
- Griffith Growers' Cooperative Society Limited
- Australian Mushroom Growers Cooperative Society Ltd.
- Cooperative Insurance Co. (CIC)
- Cumberland Cabs Cooperative Limited
- Western Districts Taxi Cooperative

**Building Societies**

- NSW Permanent Building Society
- United Permanent Building Society
- St. George Building Society

*Information*



First Meeting  
of the  
ICA Regional Assembly  
for Asia and the Pacific

4-7 January, 1995. New Delhi, India

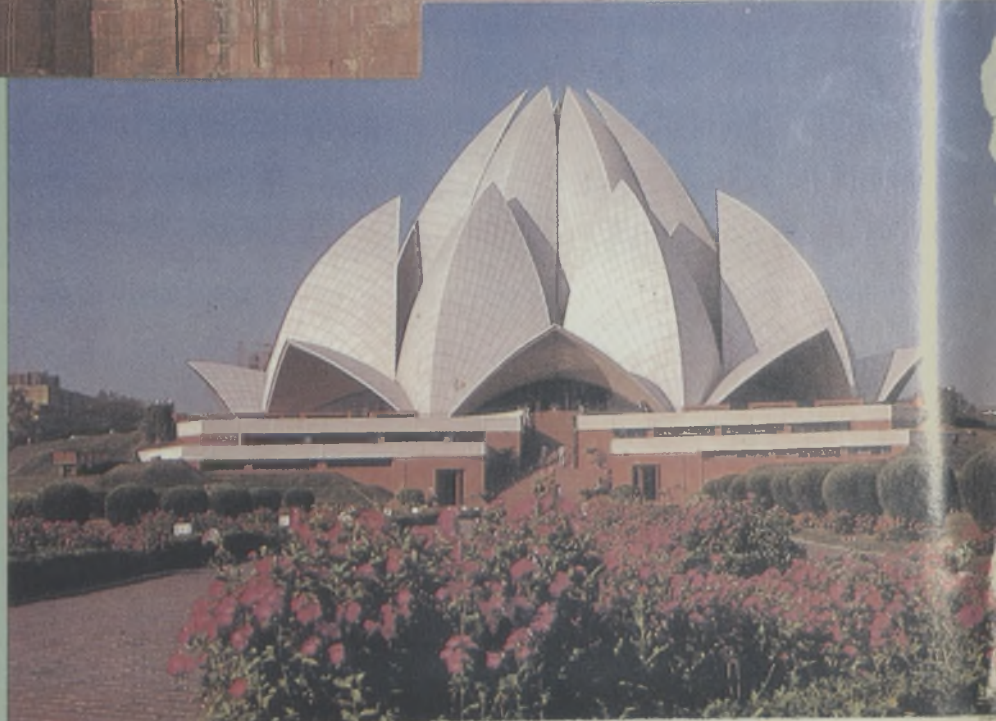




*Red Fort*



*Parliament Ho*



*Lotus Temple*

## WELCOME TO THE CAPITAL CITY OF INDIA

Dear Cooperators,

On behalf of Indian Cooperative Movement, I extend a very hearty and warm welcome to you on this solemn occasion of first meeting of ICA Regional Assembly for Asia and the Pacific Region. The Assembly is set up with the quest to promote cooperative values and collaboration among ICA Member Organisations. ICA Regional Assembly for Asia and the Pacific Region covers 26 countries with 62 member organisations accounting for 2/3 of the world cooperative individual membership. This is a unique event for Indian Cooperative Movement.



The Cooperative Movement of India is nearly a century old and has been playing a very significant role in the socio-economic life of people particularly those living in rural areas as well as weaker sections in urban areas. Today cooperative movement in our country consists of 350 thousand cooperatives of various types at various levels with a membership of 164 million. In the vast changing world characterised by market orientation and globalisation, cooperatives obviously would be subject to the challenges of market oriented economy. They have to compete and also to protect and preserve cooperative values from onslaught of commercialisation and competition. This would call for cooperative solidarity throughout the world. I hope this meeting would be a step further to strengthen our solidarity and brotherhood.

Your busy schedule probably may not enable you to see much of cultural side of India. However, we have made some arrangements for your aesthetic relaxation from the hectic schedule by arranging cultural programmes and sight-seeing tours. We hope you will enjoy these events and your stay in Delhi will be memorable.

Handwritten signature of B.S. Vishwanathan.

B.S. VISHWANATHAN  
President, NCUI



## INFORMATION FOR THE DELEGATES

### ACCOMMODATION

Hotel accommodation has been secured in Ashok Hotel and Samrat Hotel for all the delegates who have sent their hotel registration forms to the host organisation.

### HOTEL PAYMENTS

Delegates should settle their hotel bills, meal charges etc. directly with their respective hotels. In case of any difficulty, representative(s) of the host organization will be available to assist the delegates.

### REGISTRATION

The registration of delegates will take place on 4th January and 5th January, 1995. The registration will be at the counters set up on 3rd floor, Ashok Hotel, Chanakya Puri, New Delhi as follows :

**4th January, 1995** - 15.00 - 16.30 p.m.

**5th January, 1995** - 08.30 to 09.30 a.m.

### SECRETARIAT

A Secretariat to co-ordinate various aspects of the ICA Regional Assembly and other related matters has been set up in Room No.301, 3rd floor, Ashok Hotel. The Secretariat will start functioning from 4th January, 1995.

### FACILITIES TO DELEGATES

#### i) *Medical Services* :

Medical Officer will be available at the venue of the meeting from 8.00 a.m. to 8.00 p.m. In case of any

emergency the delegates are requested to contact the Lobby Manager.

#### ii) *Banking Services* :

Banking facilities dealing in foreign exchange are available at Ashok Hotel and Samrat Hotel and at the airport. There is no restriction on the exchange of foreign currencies. Please keep all receipts for reconversion.

#### iii) *Postal and Telegraph Services* :

Facilities of international mail service, telephone, telex, fax etc. will be provided by the Post and Telegraph Department, Government of India on payment of prescribed charges for the services availed by the user. These services are also available at the Ashok Business Centre at Ashok Hotel.

#### iv) *Travel Arrangements* :

In case delegates need assistance with regard to their return journey, e.g., reconfirmation, change of carrier etc., they may contact the counter of Indian Cooperative Tourism Ltd. (COOPTOUR) at the venue.

#### v) *Security Requirements*

Delegates are advised to comply with the following security requirements :

- Carry passport and visa regularly while attending the meetings and during excursion/ study visits.
- Affix identification badge prominently.

## HOSPITALITY

### LUNCH/DINNER/TEA

The National Cooperative Federations representing various sectors of the Indian Cooperative Movement will host Lunch/Dinner/Tea in honour of the delegates/observers of the ICA Regional Assembly at Ashok Hotel Cocktail Lounge as per the following schedule :

Event/Time	Host Organisations
<b>5th January, 1994</b>	
<b>Welcome Tea</b> 11.00 a.m.	1. National Fedn.of State Cooperative Banks Ltd., 2. National Cooperative Agril. & Rural Development Banks Fedn. Ltd. 3. National Fedn. of Urban Cooperative Banks & Credit Societies. National Cooperative Union of India
<b>Lunch</b> 1.00 p.m.	
<b>Tea</b> 3.30 p.m.	1. National Fedn.of Cooperative Sugar Factories Ltd., 2. All India Fedn.of Coop. Spinning Mills Ltd. 3. Tribal Coop. Marketing Development Federation of India Ltd. Indian Farmers Fertilizer Coop.Ltd.
<b>Dinner</b> 8.00 p.m. Ashok Hotel	
<b>6th January, 1994</b>	
<b>Tea</b> 10.30 a.m.	1. National Federation of Fishermen Cooperative Ltd., 2. National Coop.Consumers Federation of India Ltd. 3. Petrofils Cooperatives Ltd.
<b>Lunch</b> 1.00 p.m.	National Agricultural Cooperative Marketing Federation of India Ltd.

### Tea

3.45 p.m.

### Dinner

8.00 p.m.

1. National Cooperative Dairy Federation of India Ltd
2. Gujarat Coop.Milk Marketing Federation  
Krishak Bharati Cooperatives Ltd.  
**Chankya/Chandragupt Hall  
Samrat Hotel.**

### CULTURAL PROGRAMME

In order to provide aesthetic relaxation to the delegates, a multi-faceted cultural programmes giving sprinkling of Indian culture will be presented on 5th and 6th January, 1995 at 6 P.M. by Nrityagram and M.B. Consultants respectively at Banquet Hall, Hotel Ashok.

### SPOUSES' PROGRAMME

For accompanying spouses and family members of the delegates, special programmes are being hosted by Cottage Industries Exposition, New Delhi. Through these programmes spouses will have an opportunity to see places of historical importance, demonstration on Indian Sari tying, carpet weaving, herbal beauty demonstration and go shopping at busy shopping centres in Delhi as per the detailed programme at page 11.

### SIGHT SEEING

On 7th January 1995, complimentary tours have been organised. The delegates are requested to give their option for the sight-seeing tour mentioned at page 10.

### POST-MEETING STUDY TOURS

India, being one of the ancient civilizations of the world has innumerable interesting sites which provide tourists with an insight into its cultural heritage. In view of the limited time available, the following study tours have been planned on 7th & 8th January, 1995. The delegates may give their choice of the tour at the time of registration.

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Delhi-Agra-Delhi</li> <li>2. Delhi-Agra-Jaipur-Delhi</li> </ol> | <p>One-day return trip by coach<br/>Two-day return trip by car<br/>(four persons)</p> |
|---|---|

## PROGRAMME OF ICA ROAP FIRST REGIONAL ASSEMBLY MEETING

<b>5th January, 1995</b>		11.30 - 13.00	: Business Session :
10.00 - 11.00	: Inaugural Function	Agenda Item 2	: Approval of Agenda
Invocation	:	Agenda Item 3	: Confirmation of the Minutes of last Regional Consultation held in Beijing, April, 1993
Welcome Address	: Mr. B.S. Vishwanathan President, NCUI	Agenda Item 4	: Election of Chairman/Vice-Chairman.
Welcome Address	: Mr. Yang Deshou Chairman, ICA Regional Assembly for Asia and the Pacific	Agenda Item 5	: Consideration of the Amendments to the Rules of the ICA Regional Assembly.
Address	: Mr. M.Horiuchi, Vice-President, ICA		
Greetings	: Mr. Lars Marcus, President, ICA	13.00 - 14.30	: Lunch
About the Assembly	: Mr G.K. Sharma Regional Director, ICA ROAP	14.30 - 15.30	: Business Session :
Inaugural Address	: Dr. Bal Ram Jakhar Hon'ble Union Minister for Agriculture	Agenda Item 6	: Approval of the Rules of the Executive Council
Presidential Address	: Mr. Arvind Netam Hon'ble Union Minister of State for Agriculture & Coopn.	Agenda Item 7	: Presentation & Consideration of the third draft of the "Cooperative Charter".
		15.30 - 16.00	: Tea Break
		16.00 - 17.00	: Business session :
Vote of thanks	: Mr. B.D. Sharma Chief Executive, NCUI	18.00 - 21.00	: Cultural Programme followed by Dinner - Banquet Hall, Ashok Hotel - hosted by Indian Farmers Fertiliser Coop. Ltd.
11.00 - 11.30	: Welcome Tea		



**6th January, 1995**

- 09.00 - 10.30 : Business Session :
- Agenda Item 8 : Three-Year Development Programme of ICA ROAP and Work Programme for 95-96 and Reports by Special Committees
- Agenda Item 9 : Report on IDACA Activities.
- 10.30 - 11.00 : Tea Break
- 11.00 - 13.00 : Business Session :
- Agenda Item 10 : To consider the paper: "The Conversion Syndrome - A Review of the Conversion of Australian Cooperatives into Investor Owned Firms".
- Agenda Item 11 : Report on Third Cooperative Ministers Conf. held in Colombo Recommendations & Follow-up.
- 13.00 - 14.30 : Lunch
- 14.30 to 15.45 : Business Session :
- Agenda Item 12 : Draft proposal for Recognition of Cooperatives by ICA

- Agenda Item 13 : World Summit for Social Development of UN - Role of ICA and Cooperatives in Social Development
- 15.45 to 16.15 : Tea Break
- 16.15 to 17.30 : Business Session :
- Agenda Item 14 : Letters from Mr.M.Horiuchi Vice-President, ICA to Mr.Lars Marcus President, ICA and RD, ROAP about the position of Vice-President from Asia Pacific Region.
- Agenda Item 15 : Presentation on "Profile of Cooperatives in India".
- Agenda Item 16 : Any other item with the permission of the Chairman.
- Agenda Item 17 : Venue and Date of the next meeting
- 18.00 - 21.00 : Cultural Programme followed by Dinner hosted by KRIBHCO.
- 7th January, 1995**
- Forenoon : The meeting may continue, if necessary
- Afternoon : Sightseeing.

## NATIONAL COOPERATIVE FEDERATIONS

### **National Cooperative Union of India**

The National Cooperative Union of India is the apex organisation of the Indian Cooperative Movement. The objectives of the Union are far-reaching and comprehensive. Its principal objective is to promote, guide and assist the people in their efforts to build up and expand the cooperative sector, and to serve as an exponent of cooperative opinion in accordance with basic cooperative principles.

### **National Cooperative Consumers Federations**

National Cooperative Consumer's Federation of India Ltd. is an apex body of consumer cooperatives in the country and is engaged in procurement and supply of various items of daily use through the net work of consumer cooperatives throughout the country. It is also playing a vital role in consumer protection.

### **Indian Farmers Fertiliser Cooperative Ltd.(IFFCO)**

Indian Farmers Fertiliser Cooperative Limited (IFFCO) is a fertilizer giant in the production and distribution of chemical fertilisers, by-products and allied products. IFFCO occupies a place of pride in the fertiliser industry in terms of its performance and service to the nation and specially to farming community.

### **Krishak Bharati Cooperatives Ltd. (KRIBHCO)**

KRIBHCO is engaged in the production and marketing of urea and ammonia. It continues to excel in

providing useful services to the farmers by carrying out a number of promotional, educational and rural development activities to uplift the socio-economic status of farmers.

### **National Cooperative Agriculture & Rural Development Banks' Federation Ltd.**

The Agriculture and Rural Development Banks play a vital role in the rural credit field being specialised long-term financing institutions. In addition to their normal activity of financing agricultural development projects of long-term duration, they have also taken up non-farm sector financing as well as rural housing programme.

### **National Federation of Urban Cooperative Banks & Credit Societies**

Urban cooperative credit sector constitutes a very important segment of the Indian Cooperative Movement. This sector presently comprises primary (urban) cooperative banks and non-agricultural credit societies including salary earners' thrift and credit societies.

### **Petrofils Cooperative Ltd.**

Petrofils Cooperative Ltd. is continuing its efforts to propagate the usage of Polyester Filament Yarn on Handlooms and Powerlooms through promotional and extension activities launched in various areas of weavers concentration throughout the country, so as to afford an opportunity to weavers to earn decent wages through the medium of synthetic yarn.

### **National Federation of Cooperative Sugar Factorles**

Cooperative sugar factory is an apex institution of the cooperative sugar factories. This institution provides technical advice and help to the Cooperative Sugar Factories. The Cooperative Sugar Factories adopted, established and nurtured by NFCLS have completely changed the rural scenario in India.

### **National Cooperative Dairy Federation**

Dairying is one of the most important subsidiary occupation of small farmers to supplement their farm income. It provides reasonable decent livelihood to a large number of people in the rural areas. Women folk take active part in the dairy activities in addition to their domestic and agricultural chores. The National Cooperative Dairy Federation strives to develop inter-dairy cooperation relationship, takes up research and consultancy services.

### **All India Federation of Cooperative Spinning Mills Ltd.**

The Federation is primarily a service organisation committed to the growth and development of Spinning Cooperatives in India. promotional, advisory and developmental activities, besides the Federation renders consultancy and specialised services.

### **National Heavy Engineering Cooperative Ltd. (NHEC)**

The main objective of NHEC is to manufacture and supply quality equipments and components required for sugar plants in particular and to heavy engineering industries in general.

### **National Cooperative Housing Federation of India**

Housing cooperatives have contributed to national development through housing not only quantitatively but also qualitatively. The house created by housing cooperatives is qualitatively superior to that created by other sub-systems catering to comparable income groups. Its benefits have reached the less advantageous sections of the society.

### **National Federation of Fishermen Cooperatives**

The FISHCOPFED strives to provide remunerative price to fishermen and quality fish to consumers through its various retail outlets. The Federation has done a wonderful job in providing insurance cover to the fishing community keeping in view the dangers that fishing activity entails. The FISHCOPFED also provides health care and family welfare services to more than 10,000 fishermen families in three States.

### **Tribal Cooperative Marketing Development Federation of India Limited (TRIFED)**

TRIFED has a national network for procurement, processing and marketing of forest and agricultural commodities produced in the tribal areas of the country. TRIFED offers its goods and services to all buyers abroad and welcomes trade enquiries.

### **National Federation of Labour Cooperatives**

NFLC is an apex body of Indian Labour Cooperative Movement and is functional since 1982. In performing its role of Chief Spokesman of Indian Labour Cooperative Movement NFLC undertakes a variety of promotional and developmental activities to solve the labourers' problems.



## HISTORIC CITY OF DELHI

The history of Delhi lies in its scattered ruins, many of which exist even today. Old Fort is the legendary site of mythical Indraprastha, the Aryan capital in 1000 B.C. Recent excavations have produced evidence of continuous settlement here from the 3rd century B.C. to the late Mughal period. The strategic position of Delhi, with the Aravalli hills lying to its south and north-west end, the river Yamuna along its east, was a fact that could not be overlooked by many of the kings and conquerors. Delhi, as the seat of power, has experienced the passing of many kings and dynasties, absorbing many different cultures.

### PLACES OF TOURIST INTEREST

#### Quatab Minar

A 73 metre high 'tower of victory' built in the 13th century. It is one of the most striking monuments of Delhi that dominates the skyline for miles.

#### Humayun's Tomb

A striking example of the 'tomb-in-the-garden' complex and a fore runner to the Taj Mahal.

#### Red Fort

Red sandstone citadel constructed by Emperor Shahjahan. It is shaped like an irregular octagon with

crenelated walls forming its two-kilometre circumference. The river Yamuna once flowed along its battlements. Jantar Mantar Jantar Mantar is an observatory built by Maharaja Jai Singh-II of Jaipur in 1724. He devised six major structures in brick coated with lime plaster and used them in place of traditional brass instruments to measure the movements of the stars.

#### Jama Masjid

It is the largest mosque in India, built by Emperor Shahjahan on top of a rocky hillock.

#### India Gate

A 42 metre high war memorial raised in the memory of 90,000 soldiers of the Indian Army who laid down their lives in World War-I.

#### Parliament House

An impressive colonnaded circular building.

#### Rashtrapati Bhavan

The official residence of the President of India, set in 330 acres of land. It was designed and built by Sir Edwin L.Lutyens.

### Central Secretariat

A massive complex that houses important government offices.

### Raj Ghat

A simple square platform of black marble in a serene garden atmosphere marks the site where Mahatma Gandhi, Father of the Nation, was cremated. Gandhi Smriti Mahatma Gandhi's photographs and models depicting his life are displayed. Gandhiji spent his last days in the place.

### Nehru Memorial Museum

The resident of the first Prime Minister of India, Pandit Jawaharlal Nehru, now a museum having his memorabilia.

### National Museum

The largest single museum having an elaborate collection of art with representative examples of every major museum in India.

### Lakshmi Narayan

Temple Built in 1938, is designed in the architectural style of Orissa, with a facade of white marble and red stone. The temple houses the images of deities like Narayan, Lakshmi, Durga and Shiva.

### IMPORTANT SHOPPING CENTRES IN DELHI

1. Central Cottage Industries Emporium (Janpath) and State Emporiums (Baba Kharak Singh Marg). : New Delhi
2. Connaught Place : New Delhi
3. Chandni Chowk : Old Delhi
5. Janpath : New Delhi
6. Karol Bagh : New Delhi
4. Cottage Industries Exposition, SAGA : New Delhi

### CULTURAL SHOWS

- a) Kamani Auditorium, FICCI Auditorium; Sri Ram Centre of Art and Culture, National School of Drama at Mandi House, New Delhi; for dance, drama, music, etc.
- b) Sound and light show at Red Fort - chronological story of Red Fort, a symbol of power for centuries, is recreated with sound and light.
- c) Pragati Maidan for exhibitions and folk dances. (For details, please see 'DELHI DIARY' booklet)

## SIGHT SEEING

7th January, 1995

### TOUR-1

#### OLD DELHI (ONE BUS)

- 02.00 P.M. - Departure from Ashok Hotel
- 02.15 P.M. - Arrive at Birla Mandir (Time spent 30 min.)
- 02.45 P.M. - Depart for Raj Ghat
- 03.00 P.M. - Arrive at Raj Ghat (Time spent 20 mins.)
- 03.20 P.M. - Depart for Red Fort
- 03.30 P.M. - Drive past Red Fort and 10-15 minutes Photography Halt.
- 04.00 P.M. - Arrive at Jama Masjid.
- 04.30 P.M. - Depart for Barakhamba Gallery. Refreshments shall be served to the delegates.
- 05.45 P.M. - Depart for Hotel

#### NEW DELHI (ONE BUS)

- 02.00 P.M. - Depart from Ashok Hotel
- 02.10 P.M. - Drive Past Governmental building 10 minutes photography halt at Rashtrapati Bhavan and 10 minutes photography halt at India Gate.
- 02.30 P.M. - Depart for Qutab Minar
- 03.00 P.M. - Arrive at Qutab Minar (20 minutes halt at Qutab Minar).
- 03.20 P.M. - Depart for Humayun's Tomb
- 03.45 P.M. - Arrive at Humayun's Tomb
- 04.45 P.M. - Depart for 'SAGA' Departmental Store
- 05.00 P.M. - Arrive at SAGA  
Refreshment will be served here to the Delegates
- 05.45 P.M. - Depart for Ashok Hotel

### TOUR - II FULL DAY TOUR

#### (OLD DELHI)

- 09.00 A.M. - Departure from Ashok Hotel
- 09.15 A.M. - Arrive at Birla Mandir (Time spent 30 mins)
- 09.45 A.M. - Depart for Raj Ghat
- 10.00 A.M. - Arrive at Raj Ghat (Time spent 20 mins.)
- 10.20 A.M. - Depart for Red Fort
- 10.30 A.M. - Drive past Red Fort and 10-15 minutes Photography Halt.
- 11.00 A.M. - Arrived at Jama Masjid
- 11.30 A.M. - Depart for Barakhamba Gallery. Refreshment shall be served to the delegates
- 12.45 P.M. - Depart for Lunch

#### NEW DELHI

- 02.00 P.M. - Depart from Ashok Hotel
- 02.10 P.M. - Drive past Governmental buildings. 10 minutes photography halt at Rashtrapati Bhavan and 10 minutes photography halt at India Gate.
- 02.30 P.M. - Depart for Qutab Minar
- 03.00 P.M. - Arrive at Qutab Minar (20 minutes halt at Qutab Minar)
- 03.20 P.M. - Depart for Bahai Temple
- 03.40 P.M. - Arrive at Bahai Temple
- 04.20 P.M. - Depart for Humayun's Tomb
- 04.40 P.M. - Arrive at Humayun's Tomb (Halt for 20 minutes)
- 05.00 P.M. - Depart for 'SAGA' Departmental Store
- 05.20 P.M. - Arrive at SAGA  
Refreshment will be served here to the delegates



## SPOUSES' PROGRAMME

5th January, 1995

### AFTERNOON

- 02.00 P.M. - Depart from Ashok Hotel  
 02.15 P.M. - Arrive at National Museum (Time spent 45 minutes)  
 03.00 P.M. - Depart for Crafts Museum  
 03.20 P.M. - Arrive at Crafts Museum (Time spent 30 minutes)  
 03.50 P.M. - Depart for Cottage Industries Exposition  
 04.15 P.M. - Arrive at Cottage Industries Exposition  
 05.00 P.M. - Depart for Hotel

### 6th January, 1995

- 10.15 A.M. - Depart from Hotel  
 10.45 A.M. - Demonstration on Indian Sari tying, Henna applications and Carpet weaving, Kashmiri Tea 'Kahwa' with snacks shall be served to the Ladies.  
 12.15 P.M. - Depart for Hotel for lunch

### HOPPING TOURS

- 02.00 P.M. - Depart from Hotel  
 02.30 P.M. - Arrive at Mehrauli Bazaar  
 03.00 P.M. - Depart for Hauz Khas village  
 04.00 P.M. - Depart for State Emporia  
 04.30 P.M. - Arrive at State Emporia  
 05.45 P.M. - Depart for Hotel

## CONTACT OFFICERS

### ICA ROAP

	Office	Res.
Mr. G.K. Sharma Regional Director	6835123	2242069

Mr. Prem Kumar Manager	6835123	591388
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### NCUI

Mr. B.D. Sharma Chief Executive	664274 665146	89-26176
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Coordination	: Mrs. Anita Manchanda Director	664274	665963
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Protocol & Reception	: Mr. M.L. Sharma O.S.D.	662180	6866940
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Hotel Accommodation	: Mr. D.V. Bharadwaj Director	664274	2204425
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Hospitality (Lunch & Dinner)	: Dr. N. P. Sharma Director	664274	6119950
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Transport, Tours, Technical visits etc.	: Mr. Sharad Kant Director	665146	—
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Secretariat	: Mr. S.G. Parashar Director	664274	89-21360
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Publications	: Mr. M.L. Sharma Director	668408	6210955
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Spouses Programme	: Mrs. M.M. Vaid Director	664274	5783947
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Cultural Programme	: Mrs. Indira Gupta Principal	665146	6855805
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Documentation & Liaison	: Mr. Suresh Chandra Dy. Director	662751	6851150
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# DELHI DIARY TOURIST MAP







*Lakshmi Narayan Mandir*



*Connaught Place*

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