

# Report of the ICA Regional Youth Seminar 2001 for Asia and the Pacific

*“Leaders Towards Co-operation,  
Leading the New Century”*



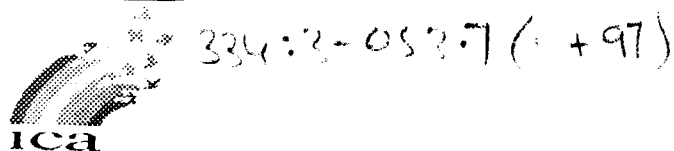
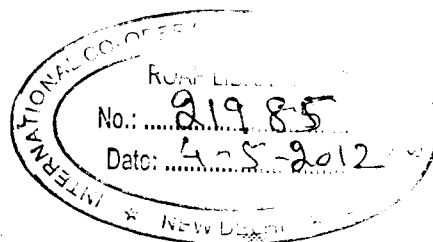
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# Report of the ICA Regional Youth Seminar 2001 for Asia and the Pacific

*“Leaders Towards Co-operation,  
Leading the New Century”*



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Regional Office for Asia & the Pacific, New Delhi

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**Report of the ICA Regional Youth Seminar 2001  
for Asia and the Pacific**  
*"Leaders towards Co-operation, leading the New Century"*  
25th to 27th June 2001, Tokyo, Japan

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# **“Leaders towards Cooperation, Leading the New Century”**

**ICA Regional Co-operative Youth Seminar 2001**  
**National Olympics Memorial Youth Center**

*Tokyo, 25-27 June 2001*

The “ICA Regional Co-operative Youth Seminar 2001” is organized by the ICA-ROAP and the ICA Consumer Sub-Committee on University/College Co-operatives for Asia and the Pacific, jointly hosted by the National Federation of University Co-operative Associations (NFUCA) in cooperation with Japan Joint Committee of Co-operatives (JJC) and Japanese Consumers Co-operative Union (JCCU).

## ***Seminar Objectives***

ICA adopted the new Co-operative Identity Statement in its Manchester Congress in 1995 which put emphasis on youth and community. In the Youth Forum, ICA Quebec Congress discussed the theme “Adding Value to Co-operatives – Youth Involvement in the New Millennium”. The ICA Board is globally calling for promotion of youth participation.

Participants in this seminar will discuss the achievement, problems and issues of the co-operatives in the 20th century, and then how the youth should create the co-operatives of the 21st century. At the same time, we hope to expand youth activities and co-operatives in Asia and the Pacific region. We will also share the seminar results in the region.

## ***Sub Themes***

- To promote the development of local industries and the improvement of people’s living through co-operative networking

- To promote co-generation, youth involvement and self-reliance and cooperation
- To prospect the development of co-operatives and the region in the 21st century
- Knowing each other, learning together and developing together

## 1. Background

Globally speaking, after adopting New Co-operative Identity at ICA Manchester Centennial Congress in 1995, ICA Quebec Congress was held in 1999 and challenges of the movement in the New Millennium; “Adding values to Co-ops in the new Millennium”, were discussed. In 1995, during the ICA Manchester Congress, the youth has readily ventilated its determination to involve themselves more in the co-operative affairs, and has altogether called upon the co-operative leadership to open more windows with which they can acquire essential tools and opportunities to be assets to the system. In 2000, ICA Board has discussed policies to strengthen youth involvement. The Secretary General of UN also provided a message to promote youth involvement in any front. In this Region, consumer co-operatives in educational institutions have effectively promoted youth involvement since 1996. Beside them, initiatives of promoting youth activities have been increased in several co-operative sectors. It means that the idea/wishes of development of youth involvement has been becoming a common Vision in our region.

University/Campus Co-op Committee has organized the Campus Youth Seminar twice in 1996 and 1999. The 6th Committee meeting was held in December 1999 in Bali, Indonesia. At that time the committee received the report of the second youth seminar, which was held in the Philippines in 1999. The 2nd Youth Seminar decided seminar resolution: it is the National Youth Development Plan (NYDP).

The 7th University/College Co-op Committee meeting was held in June 2000 in Singapore. The committee discussed about the follow-up on implementation of the National Youth Development Plan by committee members. NYDP provided framework for youth mobilization and participation in co-ops in respective countries. It is aimed, locally and regionally, to develop youth involvement, youth activities, cooperation in the community and development of co-operatives.

Also the Committee meeting agreed to support national workshops promot-



ing youth leadership in co-operatives, and decided to organize the 3rd Regional Youth Seminar in Tokyo, Japan in June 2001. The youth seminar in Tokyo is not only the Campus Co-op Youth seminar, but also the Cooperative youth seminar. The committee was calling all to the cooperative sectors to participate in the seminar.

## **2. Progress of the ICA Regional Youth Seminar for Asia and the Pacific**

The ICA Consumer Sub -Committee on University / College Co-operatives for Asia and the Pacific organized the ICA regional youth Seminar for Asia Pacific. It jointly hosted by the National Federation of University Co-operative Associations (NFUCA), Japanese Consumers' Co-operative Union (JCCU), and Japan Joint Committee of Co-operatives (JJC). The Seminar was held to 25 to 27 June in Tokyo, Japan.

More than 140 young people from 11 countries gathered to discuss them of the seminar "Leaders toward Co-operation, Leading the New Century". This is the core subject of the Seminar.

It has three sub-themes that also serve as its objectives:

1. To Develop Local Industry and Improve People's Living Through Co-operatives
2. To Develop Campus Co-operative Activities for Active Campuses and Better Communities
3. To Make the Co-operative Attractive to Youth and Community

The seminar was inaugurated by the ICA President, Roberto Rodrigues. He reminded the participants of his speech in 1997 when he said that "the young today will be the future pillars of our co-operative movement in the 21st century." In the afternoon, Mr. Rodrigues had a round table with young people to discuss the future of co-operatives and how young people can contribute to the development of the movement. He answered questions related to the role of co-operatives in offsetting the effects of globalization. He also listened to suggestions made by young people on how to better integrate them in the co-operative movement. Finally, he encourages them to always fight for a world of peace and equity for all human beings, stressing that co-operatives provide the most effective institutional framework to channel the creativity of youth and hence address the manifold socio-economic issues impacting them.

Mr. Rodrigues speech was strengthened by the keynote address made by Prof Nakamura Hisashi, Ryukoku University, Japan on the Improvement of Peo-

ple's Living through Co-operative Networking. He presented an in-depth analysis of the economic and political situation in the Asia-Pacific region. He finalizes his presentation by proposing actions young people should take in each country.

Mr. Robby Tulus, the ICA regional director, presented on the Development of Co-operatives in the Asia-Pacific Region in the 21st Century. He gave an overview of the youth employment situation in the region, which is declining. He gave ideas for the creation of employment among youth and emphasized the importance of education and training.

Young people had the opportunity to discuss the following topics: "To Develop Local Industry and Improve People's Living through Co-operatives", "To Develop Campus Co-operative Activities for Active Campuses and Better Communities", and "To Make Attractive Co-operatives to Youth and Community."

On the last day, an evaluation showed strong interest from young people to share and learn with other young people around the world. The participants unanimously agreed that the experiences they had gained from the two days seminar will help them better contribute to their community work, and they requested the set-up of a web site to continue the dialogue.

### **3. How we do catch the present situation and aim for what, in each other?**

#### **"Leaders toward Co-operation, Leading the New Century"**

*Even, the Seminar has discussed, the situation of Asian and the Pacific youth and role of the Co-operative.*

#### **1) University/Campus Co-operative**

And since we speak of the youth, the university co-operative is the most ideal subject to talk about. In fact, it is the source of brain of the movement.

Essentially, a university co-op is a co-operative organization in which undergrads, graduate students, faculty members, and co-op employees mutually cooperate in an effort to improve their own livelihoods and culture. Unlike private companies and retail stores, the university co-op members discuss what kind of university life they want to lead, take autonomous action toward their goals and lend support to one another as they work toward translating the hopes and dreams of still more people into reality.

While there seems to be a need to renew and modernize the co-operative

movement, stigmas and cobwebs continue to be woven around co-operatives because of leaders who have outgrown the challenge of juvenile development, thus, the need for re-engineering the co-operative system. Co-operative leaders should be constantly reminded that there is a fundamental need to go back to basics because co-operatives must deal with the conditions of day-to-day lives of members in their communities and workplace.

## **2) Job create of the Youth and Co-operative**

The massive economic as well as socio-political crisis has created a great deal of social distress. So far, this situation has led to a high level of job losses in some Asian countries.

The International Labor Organization (ILO) and the International Co-operative Alliance( ICA)) have both stressed the substantial contribution made by co-operatives to the creation and maintenance of self-employment and direct employment in the Asia Pacific Region. There was a recommendation of an effective policy for generating youth employment through an overall strategy of employment creation through employment-intensive economic growth.

Some other study results confirm that:

1. Unemployed youths are increasingly concentrated in workless households;
2. Increasing proportions of young people are living with their parents;
3. The young are increasingly involved in crimes;
4. Increasing numbers of young people are committing suicide;

The above situations therefore, are sure challenges for co-operative to provide the youth the proper motivation to create economic opportunities with their peer groups, and use the co-operative as a model to reduce unemployment. It is therefore, imperative that greater opportunities must be created for women and men, particularly the youth, to secure decent employment.

## **3) Cooperative is the Learning Organization**

Educational and training activities are crucial in developing young people's employability to ensure their successful transition to the labor market and their access to career-oriented employment. The best educational method is still "*learning by doing*" and co-operatives could be a major vehicle for the young to learn together among peers within their own co-operative enterprises. Youth need to acquire the skills, knowledge and attitudes that will allow them to create work and to cope with unpredictable labor market

changes throughout their working lives.

A number of ideas have been given toward creation of employment of the youth:

1. Information and communication technologies such as wireless telephones and the internet;
2. Linking part-time employment in a co-operative with classroom studies;
3. Multi-faceted programs must be encouraged by co-operatives that combine services that range from remedial education and training to work experience;
4. Targeted programs by co-operatives that combine work experience with classroom training and job search and career counseling can also be effective for many unemployed young people who require help in attaining the social skills and work habits needed to obtain decent work;
5. Youth unemployment is often concentrated in geographical areas of severe deprivation, thus, they should be encouraged to choose entrepreneurship or self-employment as a career option.

In the area of co-operative networking, a new alternative co-operative society and its federal organization will be the key factor to generating well-coordinated interdependence among community, private and public sectors. However, the existing co-operative societies are mere substitutes for private and public sectors (consumer co-operatives vs. supermarkets, credit co-operatives vs. commercial banks, agricultural co-operatives vs. agricultural bureaucracy, etc.)

#### **4) Youth in Co-operative**

One important issue for discussion is the relation between co-operatives and youth. There is a need for youth involvement and participation. Without youth participation, co-operatives won't be successful." *Future of Co-operative is in the Hands of the Youth and Future Is Our* "...

In answer to that challenge, the young delegates raised the following recommendations to achieve such goal:

1. Creation of a strong National Co-op Youth Federation for each respective countries;
2. A representation in the existing ICA Consumer Sub-Committee;
3. Publication of E-magazine

In the spirit of International cooperation for universal peace and betterment of human life, it is hoped that NFUCA, JCCU, will continue to extend their assistance to the young people in the form of manpower training and other resources.

#### **4. Report on the Workshop**

One of the importance of the training programme was the workshop, whereby the participants were divided into three groups with more or less 30 to 35 in a group to afford a better chance of interaction among the group members. An open forum proceeded and some of the points discussed were:

##### **Topic I : To Develop Local Industry and Improve People's living through Co-operatives:**

Case Study: The Indonesian Co-operative Council

National Council of Agricultural Co-operative Associations - Japan

Participants of this group came from many Co-op sectors. They had shared their experiences, issues, future visions and new challenges among co-operative sectors to found out the present situation of the co-operative movement as a whole.

Also participants had discussed, how we are able to work together for the development of local industry and community living through people co-operation and co-operative networking.

The points of the group discussion are as follows.

##### **1. Strong Points:**

- 1) Creates livelihood business opportunities
- 2) Strong and effective organizational structure
- 3) Provides financial, social, and technical needs of members
- 4) Massive and extensive information dissemination
- 5) Medium & long term plans serves as guide and tools for officers and management in the implementation of annual plans
- 6) Periodic performance evaluation
- 7) Strong leadership
- 8) Continuous consultation, education and training of all levels in the organization
- 9) Actual observation of farming

## 2. Recommendations

- 1) Development of Agri-Business Management Expertise
  - Hiring of professional & technical people
  - Develop model agri-coop for training of Managers & Technical people;
  - Linkage with local & International Co-op organization engaged in strengthening agri co-op;
- 2) Livelihood & Entrepreneurship Training
  - Pool of Consultants from various discipline and expertise for entrepreneurship and rural development.
- 3) Technology Transfer
  - Appropriate and adoptive technologies of production, processing and marketing based on global standards.
4. Financing
  - Strengthened Co-op Banks, life and non-life insurance system.
5. Development of Co-op Marketing Grid
  - Organize marketing network at municipal, provincial/city and national levels;
  - Inter co-op trade and patronage;
  - Establishment of post-harvest and marketing facilities for assembly, classification, processing and packaging of co-op products;
  - Facilities must be owned and controlled by farmers.
  - Youth in Co-ops
  - Recruitment and formation of the young;
  - Creation of conducive environment for their participation;
  - Providing them a voice at different levels (local, regional, national and international);
  - Exposure to different events at various levels;
  - Networking

**Topic 2 : To Develop Campus Co-op Activities for Active Campuses and Better Communities:**

Case study: Korea Consumers Co-operative Federation

National Federation of University Co-operative Associations, Japan

This group discussion gave advice and exchanges the present situation of the Campus Co-op subsequent to the Campus Co-op Seminar of the previous time. And participants had discussed role/activities of campus Co-op to meet the expectation of members and communities.

Also participants discussed - "how we could development domestic/international intercampus co-op networking activities together".

The points of the group discussion are as follows.

**1. Active campus can be defined according to these criteria:**

- 1) Active participation
  - members who are proactive & are always initiating activities that are related to issues & concerns of not just the student but the community as a whole.
  - preparing the students to serve the community
- 2) Wider range of series & product
  - to meet the basic need of the members
- 3) Campus that care for the environment
  - things sold should be environmental- friendly such as biodegradable, exact weight and measures, etc. but with competitive price.
- 4) Campus that care for the people
  - such as the welfare of the students
- 5) Campus that care for the marginalized sector
  - that includes the youth, the women and the people with disabilities
- 6) Lots of activities
  - such as learning program, training program, etc.

Better communication includes.

1. Better communication that can result in integration of ideas

2. Showing care & concern for the community
3. People working together towards a common goal
4. Understanding & accepting that individual are different

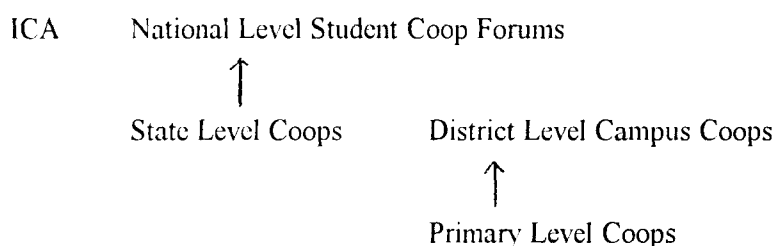
**2. Roles /activities that the co-op campus can play/organize**

- 1) Provide essential articles to student for their study purpose
  - since student usually face financial problems, co-ops can give them discounts for purchases
- 2) Form alliance & collaboration with other coops from other countries in order to serve a wider range of services and products (Inter-co-op Trading)
  - this way, the co-op can get a better term & prices of goods sold in the co-op will be lower.
- 3) Introduce the real meaning, objectives, etc., of the co-op and promote the co-op philosophy to the students so they will understand the co-op better. thus their participation will be more meaningful.
- 4) Play a social role.
  - community project such as outreach programs, activities for people with disabilities, fund raising event for charities, sponsor scholarship for out of school youth.
- 5) Conduct activities that can attract more youth into the campus co-op
  - the campus co-op should be run and organized fully by youth & adults should only supervise so that the youth can show their independence, capabilities, etc. and the activities will be more youth-oriented.
  - youth campus, youth forums, youth conference where youth can air their view and share their ideas.
- 6) Conduct special program to strengthen the bond/relationship among members
  - such as field trip, acquaintance-parties, etc.
- 7) Serve as a training ground for future co-op leaders
  - good leaders are also a plus factor for better communities.



### 3. Ways to develop international /inter campus networking activities

- 1) Through Regional / International conferences, Seminars, etc. like what we're having now
- 2) Using the information & communication technology & advancement
  - through web site, web page, mailing list
  - through internet group such as yahoo group where we can have discussion
- 3) Through exchange student program, study visits
  - you can gain better experience by being there
- 4) International networking call campus coop can linked with
  - refer the diagram below



### Topic 3 : Making Co-operatives Attractive to the Youth and Community:

#### *Case Study:*

#### Bigay-Buhay Multi-Purpose Co-op Japan Workers' Co-operative Union

Participants of this group had discussed today's situation of youth in the community. And they discussed youth participation in Co-op and advantage of cooperation/Co-operatives. Also, they discussed, identify and give solutions on how to attract the youth and Co-operatives, then explore the possibility of promoting co-operative and educate younger citizens of community needs.

The points of the group discussion are as follows.

## Attracting the YOUTH to Cooperatives

### 1. Premise

It is a recognized fact that young people are important to cooperatives because of

... *the need to renew cooperatives*

... *the need to change the image of cooperatives*

### 2. Issues/Concerns

- 1) The youth have started to join but there is a need to attract more of them.
- 2) Youth members are not given enough “space” to act out their potential (e.g. leadership, decision-making, etc)
- 3) There is a gap (generational, communication) between adult & young members that needs to be closed – to open up new opportunities

### 3. How to attract the Young to Existing Coops as new members as active members

- 1) Create Awareness through *seminars, training, study tour, media*
- 2) Organize Youth-Friendly Activities such as *cooking contests, language class, interaction with adults (e.g. luncheon meetings)*

### 4. How to attract the Young to Existing Coops

- as new members
  - as active members
- 1) Promote Collaboration (among coops) e.g. *joint buying, employment creating endeavours, involvement in social causes (peace, environment)*
  - 2) Improve Legislation e.g. *tax benefits, employment opportunities, eliminate legal restrictions to membership, etc.*

### 5. How to attract the Young to form New Coops traditional “new generation” coops

- 1) Child care.
- 2) Elderly care

- 3) Workers' coops
- 4) IT services
- 5) 'spin off' from existing coops

**6. How to attract the Young ... Important things to consider:**

- 1) The benefits of joining cooperatives or participating in their activities must be real to the youth.
- 2) Any coop undertaking must be based on their felt needs.

**5. Seminar Recommendations**

On day two, a Youth Steering Committee was formed which consist almost entirely of youth leaders from different co-op sectors and national apex co-op organizations from different countries. They were tasked to discuss issues, make future visions and accept new challenges to help gauge today's situation and the co-operative movement as a whole. It was interesting to note the concerns of the young people and the expected strategies that the Adult Leaders will take to make these recommendations a reality.

**The ICA Regional Youth Seminar for Asia & the Pacific Recommendation**

*27 June 2001, Tokyo Japan*

**1. Continue the Youth Activities**

Promote of National Seminars, National Youth Co-op Committee  
Hold the 2nd Regional Youth Seminar in Malaysia in July/August, 2003

**2. To Start "ICA Youth Network for Asia and the Pacific"**

To promote exchanges of activities  
To make a mailing list of the ICA Regional Your seminar participants

**3. To Start a "ICA Youth Network Website"**

To report ICA Regional Youth Seminar in Tokyo on Web site

**4. To formulate "ICA Youth Representatives" meeting for Asia & the Pacific**

by national co-operative youth coordinators as the process to the Youth Committee

**5. To Create the "ICA Youth Fund".**

*(Revised at the 7th Meeting of by the ICA Consumer Sub-Committee on University/College Co-operatives for Asia and the Pacific, in Seoul, 14 October 2001.)*

The E-magazine was strongly recommended to maintain communication and coordination among young people in Asia-Pacific Region and other regions

of the world. To start its implementation the initial contents are the output of the this seminar with impressions from participants. The ICA will sponsor the web site and Mr. Lalith Gangewatte of Sri Lanka agreed to design the website.

## **6. Impression from the Seminar participants**

- \* The handicapped people were very grateful for the organizers for giving them the great opportunity to participate and be part of the global movement. They hope that this would be the start of more active participation of handicapped persons and an eye-opener for the Officers of the movement that people like them could be an integral and productive part of the community;
- \* More study visits as it was enlightening to get to see a lot of co-op programs and inspiring talk;
- \* Longer duration for more interaction and sharing of experiences
- \* Very useful, exciting and interesting;
- \* Properly organize;
- \* Gave us a knowledge of the country's situation and understand the characteristics of each other's activities;
- \* Proper venue for endless interchange of activities, language training , trading of co-op goods;
- \* Hospitable and friendly Japanese staff.
- \* Japanese culture was very impressive, amusing and a bit confusing.

## **7. Impression from the seminar organizer**

**Mr. Kisaburo Okayasu**, Chairperson of ICA Consumer Sub-Committee on University/Campus Co-operatives for Asia & Pacific gave his impression and reiterated important observations and gave encouragement, hope and challenge to the Youth:

Dear Youth Co-operators and Adult Co-operators, Ladies and Gentlemen!

It is a great pleasure to be given this opportunity to address you on the closing session of this seminar, ICA Regional Co-operative Youth Seminar 2001. As an organizer, I would like to thank all of you for attending and congratulate you on the fact that we are completing all of the seminar events.

Now are you happy? I am very happy to find you cheerful with high-spirited eyes. In these three days, we have known each other, we have learnt together and discussed on the co-operative today and the future, and we have developed together.

As a Chairperson of ICA Sub-Committee on University/College Co-operatives for Asia and the Pacific, I have organized two ICA Regional Campus/ Youth Seminars in cooperation with other Sub-Committee members and host organizations, which are Singapore co-operatives and Philippine co-operatives.

Now, this Tokyo seminar can be called as a milestone. This is the opening seminar of 21st century, and the first regional seminar for the youth of all types and forms of co-operatives.

This seminar will send messages which were adopted at the plenary session this morning to all co-operatives in this region and to out side of co-operative family by mean of web-site, report pamphlet as well as each National conference which should be held by the respective countries in this activity. I would like to emphasize that the Value of this seminar will depend on our activities.

When we carry out the messages, I think that we should pay attention to several issues. One is the relation between co-operatives and youth.

**There is one question : *What Purpose is Youth Participation and Involvement for?***

**First answer : *It is for the purpose of Development of Co-operative, including increasing its business.***

**Is it OK? No, it is not everything. If that is all, Youth is only the tool of Co-operative success.**

**Second answer: *Co-operatives should have facilities for solving Youth own Problems, including tight situation on getting aJob. Actually this is the best rr most excellent.***

When youth feel attractive to co-operatives and its movement, it is the very success of co-operatives. This is why I emphasize that **Without Youth Participation, There Cannot Be Success of Co-operatives. That is “No youth Participation, No success!”**

On the first day, Dr. Rodrigues, ICA President said, “**Let the young lead the future, and let the adult pave the way to make it happen.**” So finally, I would like to emphasize also that **FUTURE OF CO-OPERATIVE IS IN THE HANDS OF THE YOUTH, and FUTURE IS OURS.**

See you next time.

*Arigato-gozaimasita, Kamsa-hamnida, Xie xie, Salamat, Terima kasih, Khoop-khun-khrap, Shukran, and Thank you very much!*

## Seminar Schedule

### 24 June (Sun)

- 13:30- Registration  
19:00-19:30 **Seminar Orientation**  
19:30-21:30 Free Exchange

### 25 June (Mon)

- 07:00-08:00 Breakfast  
09:00-10:30 **Opening Session**
- Welcome Address by Dr. Tanaka Manabu, NFUCA President
  - Inaugural Address by Dr. Roberto Rodrigues, ICA President
  - Participants Introduction by Country
  - Program Introduction
- 10:30-11:00 Break  
11:00-12:00 **Key Note Address - 1**  
“Improvement of Living through Self-reliance and Network,  
Recommendations to Co-operatives”  
by Prof. Nakamura Hisashi, Ryukyoku University, Japan
- 12:00-13:30 Group Photo  
Lunch
- 13:30-14:20 **Small groups exchanging**
- Interaction to get familiar each other
  - Chair will be elected in each group.

**Youth Steering Committee (Representatives from each country )**

- 14:30-17:00 **Country Report**  
17:15-18:25 **Evening Talk with ICA President (Optional)**  
18:30-19:30 Dinner  
19:30-21:30 Cultural Exchange  
Performance by country.... Fun Time!

**26 June (Tue)**

- 08:30-09:00 **Key Note Address - 2**  
“The Development of Cooperatives and the Region in the 21st Century”  
by Mr. Robby Tulus, Regional Director, ICA ROAP
- 09:15-12:00 **Group Discussions**  
Topic 1  
Topic 2  
Topic 3
- 09:15-09:20 Introduction of the proceedings  
09:20-09:50 Case study 1, Ques. & Ans.  
09:50-10:20 Case study 2. Ques. & Ans.  
10:20-10:30 Break  
10:30-11:50 Open discussion  
10:50-12:00 Conclusion/To be reported on 27 June  
12:00-13:20 Lunch
- 13:30-20:30 **Study Visit**  
Course 1 University Co-operative  
Course 2 Agricultural Co-operative  
Course 3 Consumer Co-operative
- 20:30-23:00 **Youth Steering Committee**

**27 June (Wed)**

09:00-11:30 **Plenary Session** (By Youth Steering Committee)

- Presentation of Group Discussions
- Introduction of National Youth Action Plans (optional)
- Discussion on action plans or recommendations

11:30-13:00 **Closing Session**

- Impressions from participants and seminar organizer
- Introduction - ICA Youth Seminar in Seoul, October, 2001
- Certification of Attendance

13:00-14:00 Farewell Lunch

**Group Discussion ( AM, 26 June )**

**TOPIC 1 : To Develop Local Industry and Improve People's Living through Co-operatives**

**Chairs :** Mr. Mohammad Arwani, Indonesia

Mr. Ozawa Juku, ICA ROAP

**Facilitator :** Mr. Cipriano Dennis Indefenzo Cocadiz, Philippines

**Case Study :** The Indonesian Co-operation Council

National Council of Agricultural Co-operative Youth Associations, Japan

**Discussion:**

- Participants from any co-operative sector can join and share their experiences, issues, future visions and new challenges among co-operative sectors to find out the present situation of the co-operative movement as a whole.
- As a challenge, participants will discuss how we can work together for the development of local industry and community living through people co-operation and co-operative networking.



**TOPIC 2 : To Develop Campus Co-operative Activities for Active Campuses and Better Communities**

**Chairs :** Mr. Teo Say Hong, Singapore

Ms. Shimoda Ayumi, Japan

**Facilitator :** Prof. G.S. Poo, Singapore

**Case Study:** Korea Consumers' Co-operative Federation  
National Federation of University Co-operative Associations, Japan

**Discussion:**

- Participants will update campus co-op development from the last ICA Regional Seminar, and as a new challenge, participants will discuss role/activities of campus co-operatives to meet the expectation of members and the communities.
- Participants will discuss how they could develop domestic/international inter-campus co-op networking activities together.

**TOPIC 3 : To Make the Attractive Co-operative to Youth and Community**

**Chairs :** Mr. Richard D. Arceno Philippines

Ms. Gemba Mami

**Facilitator :** Romulo Villamin, ICA ROAP

**Case Study:** Bigay Buhay Multipurpose Co-operative, Philippines  
Japan Workers' co-operative Union

**Discussion:**

- Through reviewing today's situation of youth in the community and youth participation in co-operatives, participants will discuss the advantage of co-operation/Co-operatives
- Participants will discuss, identify and give solutions on how to attract the youth and co-operatives.
- Participants will discuss and explore the possibility of promoting co-operatives and educate younger citizens of community needs.

**Welcome Address by  
Dr. Manabu Tanaka  
President,  
National Federation of University  
Co-operative Associations**

Good morning ladies and gentlemen,

My name is Manabu Tanaka. I am the president of the Japanese National Federation of University Co-operative Associations, the host organization of the present youth seminar.

Let me begin by expressing my sincere welcome and appreciation to all of you who have journeyed to Japan from so many countries in Asia and the Pacific to attend this seminar. I would like to extend similar words of gratitude to participants from various co-operative associations in different corners of Japan.

The theme of this seminar is "Leaders towards Cooperation, Leading the New Century."

*This is, it goes without saying, a subject of tremendous importance. It is a fitting topic indeed for us to discuss here at the beginning of the 21st century.*

The 20th century witnessed rapid progress in science and technology combined with economic growth, but in other ways it was an age of great turmoil. In other words, while the 20th century conferred an array of benefits and blessings upon humankind, it also left an extensive legacy of problems for the 21st, such as a shortage of resources and destruction of natural environment.

Globalization of the economy has become a favorite topic of discussion in recent years. The costs it exacts, such as shortages of resources and the

destruction of the environment, are likewise worldwide in scope.

What can we do to respond to these challenges?

For example, there is now considerable doubt as to whether the solutions of the international conference held in Kyoto on preventing global warming can ever be implemented.

It will be no easy task to solve the host of thorny problems that the 21st century has inherited. The cornerstone of any solution, I believe, will be the “spirit of co-operation” among people in the world. And that is the very wellspring of what we co-operatives do.

In that sense, I am convinced that the co-operative spirit must lead the 21st century. The question of what specific steps to take in that direction forms one of the subtopics of the present seminar. The central role in that endeavor will be played by none other than the young people gathered here from so many different countries.

Modern history has seen some tragic episodes between Japan and Asian countries. I have no intention of passing over that fact in silence. But I hope that, through frank and serious discussion over the course of the seminar, you young people will create a blueprint in Asia of the 21st century – your century – that is bursting with hope, and that you will send a message to the whole world. In closing, I should like to welcome all the participants once again from the bottom of my heart.

Thank you very much.

**Inaugural Address by  
Dr. Roberto Rodrigues\*  
President,  
International Co-operative Alliance**

Fellow co-operators and our young co-operative activists in particular.

Let me first of all, on behalf of the International Co-operative Alliance, express our hearty co-operative greetings to all of you on this special and significant gathering in Tokyo. This event marks an inspiring milestone for the co-operative movement in the Asia Pacific region, because a gathering of young co-operators of this size and scope ñ and I understand that this is already the Third one in the series since 1996 ñ cannot but signal a firm and common commitment to help to chart the future course of the co-operative movement in this region. It confirms my own resolve that it is important to have more young people participate in the co-operative affairs, because I really meant it when I spoke with passion during my inauguration as President of ICA in 1997 that *the young today will the future pillars of our co-operative movement in this 21st Century!* So I wish to congratulate all of you, both current and future co-operative leaders, because you have worked together to make this event a promise for the FUTURE of co-operation. I am very proud indeed, to see the future of our co-operative movement here in Asia being shaped by the old and young together!

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\* Dr. Roberto Rodrigues was born in Brazil in 1942, becoming Director of a sugar cane planters co-operative in 1971. In 1985, he was elected President of the Organization of Brazilian Cooperatives (OCB) for two consecutive mandates (1985 to 1991). Elected Vice-President of ICA for the Americas in 1992, he was also Chair of the ICA's Agriculture Committee from 1992 to 1995. In 1997 he became the President of the ICA.

At this point let me also acknowledge the remarkable initiative taken by the Japanese Consumer Co-operative Movement and the National Federation of University Co-operative Association (NFUCA), in collaboration with ICA ROAP and with the support of other co-operative sectors here in Japan, in drumming up so many young co-operators to have a dialogue with older and more experienced co-operative leaders. Succession planning, by bringing in fresh generation into the movement, is so essential if we want to have the young lead the New Century as represented by the Theme of this Seminar. ICA, at the global level, too, has been striving to influence the leadership and management of co-operatives to find ways and means to induce and induct the young into their membership in order to allow them to participate actively both in the leadership as well as management programs.

Some of you, who had an opportunity to participate in ICA Centennial Congress in 1995 at Manchester, may recall the deliberations at the youth congress, where the young showed their determination to involve themselves more in the co-operative affairs, and hence called upon the co-operative leadership to open more windows of opportunities for them to get drawn into the system. Subsequent to the Manchester Congress, ICA convened a second Youth Congress in conjunction with the ICA Congress in Quebec City in 1999. There was a resounding consensus from these two important global events that the image of the co-operative movement needs to be renewed and modernized in order to enthuse the youth to partake in co-operative development. Stigmas and cobwebs woven around co-operatives, especially where old leaders continue to cling to their leadership position without regard for renewal and reform, must be removed in the first place. Any program for the re-engineering of the co-operative system must incorporate the young as a matter of principle. And I must congratulate my colleagues at ICA ROAP to give such great impetus to YOUTH in COOPERATION, and YOUTH LEADING IN THE NEXT CENTURY.

So for the next few minutes I am going to speak more seriously about the symbiotic relationship between the ideals of co-operatives and the aspiration of the YOUNG around the world. I will use a simple analytical chart, showing you the close proximity between the co-operative ideals/philosophy and the perception of youth. Contextually, the following power-point slide will illustrate the proximity better:

<b>Context:</b>	<b>Cooperative Ideals/Philosophy:</b>	<b>Basic Perception of Youth:</b>
<b>Social</b>	i) Fight against exploitation ii) Promotion of a just society based on equality and equity iii) Strengthening of ethical values of honesty, openness, social responsibility, concern for others, self help, solidarity etc.	i) Against exploitation of any kind. ii) Conviction in ethical values, e.g. honesty, openness, self help, and individual initiatives. iii) Educational opportunities are vital to understand values in knowledge-based era.
<b>Economic</b>	i) Driven by common economic Interest; ii) Economic enterprise based on the principles of joint ownership and democratic control.	Support any system that provides employment and career development opportunities based on user participation.
<b>Political</b>	Driven by democratic member control Autonomy and independence	Motivated by democracy and user-based participation

The description in this chart regarding the proximity of co-operatives and youth enhances the complimentary roles, hence reinforcing each other.

However, these complimentary roles have been skewed due to a number of socio-economic changes in our world today, resulting in multi-directional push and pulls on both the side of youth as well as the side of co-operatives. These changes are noticeable in present day societies, due to the radical transition from national-based economies to the more globalized, hence open, economic systems. These systems have transformed the economic relationships within society. Market orientation of traditional agriculture-based economy has brought about significant material progress, but has also eroded the foundation of self-reliance in society which in turn forces the weaker ones to hang onto the apron strings of the powerful. While interdependence among people has been strengthened, dependence and marginalization of the weak and poor are also on the increase. Commercialization and competition within the marketplace have also adversely affected the process of socialization, giving way to the radicalization of human values. In such an environment, the youth feels more insecure and uncertain about their future.

Technology advancements have also created paradoxes within our society. While technology has enhanced productivity and improved cost effectiveness of enterprises, it has also created disruptions and distortions in the field of employment. The impact of such distortions on youth has been both positive and negative. On the one hand, technology has opened up new modern

vistas for youth to acquire new skills to respond to the emerging market demands, yet distortions in the employment market only serves to add to the frustrations and pessimism among these young. This in turn leads to the increase of vandalism and violence. Growth in the number of crimes in most of the technologically advanced countries is a clear testimony of this. Therefore, it is crucial that channels to tap the potential of youth for constructive purposes must become available, and this is posing a great challenge governments and civil society alike in today's world.

The negative fallout of technological advancements is also visible in the depletion of natural resources such as forest, land, and water resources. It thus adds to increased pollution in the environment. The consequences have been disastrous, to say the least. On the one hand it has resulted in the rise of unemployment among rural youth that is detrimental to the quality of the life of people in rural areas. On the other hand, rapid urbanization – the exodus of the rural poor to cities without adequate socio-economic infrastructure – has given birth to problematic slums and dangerous crimes in larger cities. It further deprived the rural economy of skilled manpower and workers, affecting the sustainability of agriculture as a major provider of employment.

Globalization has also forced governments to change their roles and strategies in social and economic development. Structural Adjustment Programs (SAP) and Financial Reforms being pursued by many developing countries in an attempt to integrate national economies into the global one, are meant to increase the involvement of the private sector in both the economic and social sectors, prompting the gradual withdrawal of the government support and subsidies. The consequences of these policies, particularly in developing countries, have been agonizing. The poor are further marginalized and income disparities have increased. Problems of food security and malnutrition persist beyond control. As many as 800 million people in the developing countries do not get enough food to eat in order to maintain their basic health, whereas 500 million people are malnourished. The two main social sectors – education and health services – have been worst hit, and as a consequence the human capital base is considerably weakened.

Media and communication advancements have also created the unfortunate paradox: on the one hand communication brings people together and increase their knowledge, but on the other hand, media communication can be an easy target for cultural invasions. The young are most susceptible to lifestyle changes as imposed by the media and it will not be surprising if the developing world will soon face the challenge of having to preserve their own cultural identity.

The Asia-Pacific region is not immune to the pressures coming from the rapid changes globally. While the overall growth in the region has been quite impressive, growing disparities in income levels and diversities in the level of economic development of different countries have also emerged. The recent financial crisis that hit a number of countries in Asia is but another dimension of how globalization has a direct impact on the Asian economies.

Where does it leave the YOUNG?

Co-operatives, I believe, provide the most effective institutional framework to channel the creativity of the youth and hence address the manifold socio-economic issues impacting them. Historically speaking, co-operatives always tried to involve the youth in their activities. One of the crucial factors for the success of our Rochdale Pioneers was the involvement of young textile workers. I understand that in the Asia-Pacific Region, too, attempts have been made to enhance youth involvement in co-operatives by organizing exclusive co-operative youth organizations, including the vibrant campus co-operatives. I noticed that in Japan, for example, agricultural co-operatives created a special youth wing in the early 1950s to give impetus to the Young to be actively involved in the activities of agricultural co-operatives. Influenced by the British School Coops, India and Sri Lanka also started school co-operatives in early fifties. The successful performance of these co-operatives influenced other countries particularly Malaysia, Philippines to start school co-operatives in the late fifties. However, with the introduction of state sponsorship for co-operative development and centralized planning system, these co-operatives are weakened because the enthusiasm among Young waned away as governments tried to interfere, leading towards more control by the State. This was a sad time for co-operatives, because we could see the downturn of the co-operative movements in many developing countries in Asia and Africa when they were driven by top-down domination of governments with their powerful registrars. I am very pleased to see that ICA ROAP has made keen efforts to correct the situation by shifting its focus more on promoting member-based co-operatives as can be seen by successful models in Japan, the Philippines, Singapore, and other countries, notably in the financial and consumers co-operative sectors, and continue to do so in the Agriculture and many other new age co-operative sectors.

Therefore, it is pertinent that we need to revive the image of co-operatives by involving the YOUNG who have the necessary spirit and positive ideals to do so. It is important to address issues that the YOUTH themselves feel is important, among others some concerns that we often hear such as:



- i) Are co-operatives still perceived as outdated and inefficient organizations?
- ii) Are YOUTH sufficiently projected by success stories and best practices adopted by co-operatives, or are they left out?
- iii) Are Governmental organizations still dominant in running co-operatives, or is there a trend towards more freedom for communities to regulate their own co-operatives?

For the current co-operative leaders it is important to allay the concerns and fears of youth groups who are still reluctant to get involved. The current (old) leaders should be willing to evolve a well defined and innovative strategy, but always together with the emerging YOUNG leadership, to conscientize the young masses in communities and workplaces about the suitability of co-operatives in meeting their needs. The strategy should focus on the proven strengths of cooperatives as an agent for youth development and well-being:

- (i) Being user and member driven organizations, co-operatives can empower their owners/users to pool resources together and face the competition in the marketplace.
- (ii) Co-operatives can develop organizational solidarity among their members to acquire strong bargaining power against their competitors.
- (iii) Strong ethical contents of coops provide them with a distinct identity in the marketplace and thus enable them to stand on a higher pedestal.
- (iv) Co-operatives possess a deep concern for community and distinguish themselves as socially responsible organizations.
- (v) Co-operatives are the only business enterprises, which are run like a true business but are driven by *service* not by profit motive.

This Strategy needs to be adapted to the needs of two different streams of youth involvement in the co-operative movement, namely access of youth to the co-operative membership of existing co-operatives, and motivation of youth to form co-operatives among the young.

The majority of co-operatives in many regions are still composed of agricultural co-operatives. In developing countries, particularly in Asia and Africa, these co-operatives which are by and large products of government initiatives and sponsorship. Since the focus of their activities is on dispensing services based on the broad development policies set out by the Government, there are obvious hurdles for the youth to access its membership. Young people are also not very enthusiastic to join such coops, since the

**latter** does not necessarily fill the immediate needs of the young. Furthermore, some restrictive legal provisions, such as the one that entitles only the **head** of the family to be the member of a co-operative, constrains the access of the youth to its membership.

With the exception of Japan, numerous activities within the co-operatives also do not pay much attention to the needs of the young. In Japan, a specific organizational structure for rural youth co-operatives has been created. In most countries in the region, however, the traditional rural co-operatives are basically insensitive towards the plight of youth. Hence there is a need to break this inertia that is still so prevalent in a large number of cooperatives. The ICA in the Asia region, therefore, is emphasizing the importance of new generation co-operatives that will deal with the holistic need of members, with the aim of incorporating needs of women and men, the young and the old, hence to take care of all aspects of their socio-economic life.

I understand that there are also a number of community-based co-operatives that have been organized among the unemployed and self-employed among the young. These co-operatives, though still very few in number, have proved very successful in creating employment opportunities for the young. I think Robby Tulus, the Regional Director of ICA in Asia Pacific, will speak more about employment creation for the YOUNG and what strategies co-operatives need to pursue to create gainful and decent employment.

Before closing, let me just say that my brief analysis on the status of youth and co-operatives demonstrates the organic linkage that exist between the youth and co-operatives, and the complimentary roles that go with it. However, viewed in the context of the limited achievements in the areas youth involvement in the co-operative movement, the process needs to be catalyzed and intensified. This Seminar with its theme "*Leaders towards cooperation: Leading New Century*" will certainly be a very significant step in this direction.

The Central issue reflected by this theme is to find ways and means to prepare co-operatives to play a leading role in new century. To reach this goal, co-operatives need to restructure, reengineer and innovate continuously. The organizational framework has been set in this Asia Pacific region under the good leadership of ICA ROAP and supported by its dynamic members. Good governance and sound management systems must now be set in place.

In closing, I wish to say once again that you have a milestone created right here in this Seminar, and the way forward is to avoid the fossilization of the 'old boys network', and instead make succession planning with fresh young leadership to happen sooner than later. This is an essential pre-condition for

the success of the co-operative movement in the 21st Century. All National Co-operative movements therefore need to formulate and implement practical action plans in this regard. "*Let the young lead the future, and let the old pave the way to make it happen*".

I wish you all the best in your deliberations and here is MORE POWER TO THE YOUNG!!

Thank you very much.

*June 18, 2001*

Keynote Address -1

**Improvement of Living through Self-reliance  
and Network, Recommendations to  
Co-operatives by Prof. Nakamura Hisashi,  
Ryukyoku University, Japan**

Prof. Tanaka and the distinguished participants, all delegates from Asia Pacific region, I am very much honored to have this opportunity to talk on the Improvement of People's Living through Co-operative Network. Perhaps you have already noticed this strange voice of mine. I have been suffering from throat cancer. Major part of my voice core has been already removed from my throat due to the cancer. But I am very happy to be here to talk with all of you today even though I still have a very strange voice. I hope that handicap people with different problems are encouraged to participate in our co-operative organization. So, today I am going to talk on the subject given to me by this seminar organizer. Maybe there is enough time to discuss the major topic of my talk through questions and answers towards the end. If you have any questions or comments, please hold them till the end of my talk. So, if time is not sufficient, I am going to invite you all to talk directly with me in the corridor, during lunch time or even through the many discussion groups that we will have this afternoon and tomorrow.

So I have come back from the hospital to normal life in society and started to visit most of the Asian Pacific region countries except Bhutan. I have some kind friends that belong to many organizations and activities from many nations. And today I am very much impressed with the addressed talk given

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\* Prof. Nakamura Hisashi was born in Japan in 1938, worked at the Institute of Developing Economics and became Professor, Faculty of Economics, Ryukoku University in Kyoto in 1984. He was elected to the office of the President of the Ryukoku University Co-operative Society for two consecutive mandates (1992-99). He was also elected to the Chair of the Society of Entropy Studies from 1992 to 1995. In 2000 he became the Dean, the Graduate School of Economics, Ryukoku University.

by Prof. Tanaka, and head of ICA, Dr. Rodrigues. Prof. Tanaka pointed out the importance of environmental question in the global scale and the need to tackle the problem in the world scale. And Prof. Roberto Rodrigues, president of ICA also discussed the need of adjustment in the wake of globalization, different way of globalization particularly in the field of economy and finance. So, I am going to follow the argument a lot. Accidentally we are in the same kind of profession. Prof. Tanaka teaches a related subject rural economy. Prof. Rodrigues is teaching rural economy also a related subject and is in Sao Paulo University, Brazil. I am going to discuss what is the same subject presented in different campuses.

With the experiences of our activities and our profession, we have to tackle the question of globalization. You may have the paper of this green cover. The United States of America is dominating IMF and World Bank, and establishes the global financial system that circulates money into the international financial market. The USA is also holding hegemony over several regional alliances and does not hesitate to interfere in the domestic affairs of another sovereign state for the sake of itself. In addition to economic and political hegemony, the USA has superior military strength with nuclear weapons as 'the world police'. Nuclear weapons are a forum of extreme violence, which is the USA's advantage, and, at the same time, that is her disadvantage, as she cannot afford to utilize that power. People in the world can use this fact as a breakthrough toward the peaceful future. During the Cold War, the USA and the former Soviet Union were armed with nuclear weapons, which can destroy the whole world scores times. Those weapons are too destructive for both states to use; though there is a possibility of nuclear wars. The movement towards being nuclear-free in Asia can indeed push forward with local self-reliance, leaving military strength by the USA and be controlled by the US dollar. For that, first of all, Japan has to leave the illusion of 'a umbrella of nuclear' power. I believe that this is a key for the alliance of hope by Asian people, defying USA supremacy.

Today we are at the beginning of the 21st century. As Prof. Rodrigues pointed, peace and democracy are the major important factor we have to preserve. So my argument is in the same line as of Prof. Rodrigues, but I am not able to read out from this paper. President also told us it is useless or he doesn't like to read out of the paper already printed. And I hope that everyone of you can get my argument. So I will touch upon the paper during there. But I may skip some parts and come to the most important section of my argument according to the content p 23 on word, "Quest of Economic Theory Based on Co-operatives", the section will be the point I want to discuss today. But before coming to that, I have to explain the problems of globalization, how

people are suffering from the economic & social aspects of the huge globalization of international financial power led by IMF and other international organizations and United States, financial market. So maybe mainstream of argument is an oriented market economy, market liberalization and open-door policy requested by every international organization or hegemonic power in the world. But as the president of ICA expressed the gap between the rich and the poor is getting wider and wider, margin and exploitation is getting very serious in the process of economic globalization. So we have to find something else to compensate the vacuum created by large scale of financial capital moment in the world. State power may be appropriate to compensate the damages created by such globalization. But from our experience in Asian history or Pacific region, state power alone cannot do much benefit to the poor people. Not only is the state, not sufficient, but also the state is creating many problems to the poor people in the society. So there are, of course, must be some important roles spread by the market and also state power. Yet there is something else lacking. As the third system, third party we have to form to count up veiling against state and market forces. That is co-operative system, co-operative movement and the vision for the future cooperative movement, which has been already described in this yellow pamphlet. Tomorrow all participants will be given a copy of this. This is very important vision for the future co-operative movement. But in my speech, I am going to emphasize the significance of the roles of the third system or non-market, non-state kind of activities which forms the basis of co-operative movement.

### **1. The Historical Development of Japanese Economy**

First I look back at the historical development of Japanese economy. I would like to explain about the “Characteristics of Economic Development of Japan”. In this section, I am going to emphasize the importance of civil engineering activities, land improvement activities in Japanese society. During Edo period, feudal age of Japan, we had quite a long period of close-door policy to outside world. During that period, nobody was allowed to come to the Japanese territory or no single Japanese national was allowed to go out of the island. So, during that period, internal demand was very much emphasized and every effort was accumulated in the activities of internal land development or irrigation development that was the bases of Japanese economic development in modern period. Maybe many participants coming from other Asian countries didn't have the same kind of experience. Japan had a long history of land improvement, civil engineering activities and even the creation of market system after the Meiji period 1870's. We actually created basic factor market like land market, labor market, credit market.

and these markets were not available in Edo period. People were not allowed to purchase or sell land property and people were not allowed to move from the original village where they were born. The labor market was not available. And Tokyo was the city of circulation of the gold. In those days, there was no unified national currency. Osaka was central transaction through silver coin and only after Meiji Restoration or creation of the banking system in 1870's Japanese currency YEN by Bank of Japan circulated and credit market expanded. These three markets, land market, labor market, and credit market were the very importance foundation of the Japanese way of economic development. But particularly land market was important because people were requested to have some kind of land asset and he/she needed to borrow money from a bank or any financial organization and even the capital was needed for industrialization. All the time land value was very important and people were allowed to move from one place to another only if they were properly registered in one particular area or where he/she was born. This is called "Koseki system" very particular system only available in Japan. Chinese system or other Asian system is little different. People are registered according to the residence where they are living. But in Japan still now we have very particular family recording system from the days of the ancestor every family members are recorded according to their particular locality, and the records are accumulated. So the Japanese life was very much attached to the land system, land recording system or land value, land improvement activities and even now Japan is a very small territory we are actually living. Yet the actual expenditure for the land development activities or civil engineering activities is far bigger than total expenditure of the United States which is 25 acres in the extend of the land. So though we are a small country, we are growing to huge construction companies, employees or activities and that is the major problem of the Japanese economy. Present Koizumi government is trying to breakthrough the connection between construction related activity and Japanese economy. Yet it has long historical background and not easy to change without giving some damages to the best interest. This is the contemporary problem of Japanese economy. As you may know many people are very much concerned with the so-called non-performing loan, which created these construction activities in Japan. But that problem has another side of the coin appearance. The Japanese economy is very stagnated. Yet at the same time on the basis of that kind of development Japan was able to expand the economy and also accumulate lots of assets within the Japanese territory and overseas also. So, we have to consider both aspects of Japanese economy. But maybe this aspect is very important to understand: the nature of Japanese way of development. I have been discussing the nature of Japanese way of management or Japanese way

of Japanese economic development, and the problems we are facing. Some of the features are described there.

Then “Problems of Contemporary Social and Economic Structure in Japan”. People are increasingly becoming aware of some contemporary social and cultural problems as follows: decline of traditional cultures and values. Previously this was the source for Japanese strength. But now young people do not like to preserve those traditional values. Then, identity crisis of young generations, may be young a day of my generation had some kind of target for the economic development feature, but contemporary young people in Japan may not have the common target for their effort. Then, difficulty of population reproduction, Japanese women particularly young women are not willing to marry or not willing to produce next generation. That is why our population may decline in the future and the government is very keen to encourage young people to get married and produce more children. But it is not the role of the government, state cannot force young women to produce children. So we need something else because market alone cannot encourage young people to produce next generation. Then, social security system in trial due to the acceleration of aging population, we are getting older and older, but the population of the younger generation is getting. So this is very difficult to sustain. The existing social security system is not available in Japan now. But in the future it may not be possible to maintain a contemporary way of system. So many social movements are created to tackle those problems until 1960’s. Those movements are based upon the political parties, but now the majority of the Japanese population are not oriented to any particular political party. As the time of election, people are moving from one group to another. Last night, we had a result of metropolitan election and voters moved towards existing ruling party from other opposition group as every election people are moving from one to another because they don’t have a particular confidence in political party movement.

So many movements are created to supplement the activities organized by the government or political parties. I listed movement against environmental destruction, movement for women’s status, movement to equalize Korean and Taiwanese, ex-colonial territory, movement for minorities (liberation of Buraku, Ainu & Wiruta, Okinawa and so on), movement against atomic power generation and disposal of radioactive wastes, movement of new co-operatives to connect producers with consumers. This is called *sanchoku* in Japanese, direct connection of producer’s organization with consumer’s organization through the activities of co-operative movement. May be this is a very important feature of Japanese way of co-operative movement. Member of consumer co-operative society try to go to the rural area to cooperative



help agricultural co-operative society to some extent in supporting agricultural co-operative society assure the sustainable supply of their product. Possibly without using agricultural insecticide those harmful against the living system, may also be harmful to human beings. That is the perception of new kind of movement particularly in the field of organic agriculture. Then, movement for organic farming without fertilizers and agro-chemicals, movement for social participation of physically handicapped people like myself, movement for non-government development projects in the third world. NGO activities are increasing a lot by an organized younger generation. Maybe older generations like myself are more concerned with the organization established by the company system or state government. But young people are not willing to support existing governmental systems or private company systems. However they try to create new organizations networking through NGO in the strict sense of argument cooperative society, which may not be in the framework of NGO or NPO. Yet cooperative movements never try to acquire bigger profits or never try to support state power, but are more concerned with problems of marginalized people. In that sense cooperative movement will be the core for the future activities of such non-state, non-market kind of activities for the younger generation. Then, movement for human right of foreign migrant workers and imported brides, because we are experiencing shortage of man power in many kinds of industry we are trying to bring immigrant workers particularly from Brazil and Peru where many Japanese migrated pre-war period. Now Japanese industries are requesting their service in Japan, but that is not sufficient. So many undocumented workers are coming into Japan. And also many young women are invited as a marriage partner of Japanese. Because Japanese women are not willing to marry and not willing to produce children, a huge flow of young women are coming from Philippines, Thailand, Indonesia, China, and Korea to find a marriage partner in rural society particularly in the agricultural area of Japan. But their living conditions are really isolated, so there are in need of a certain kind of supporting system. Then, movement for autonomous decentralized administration system, this is also awareness among younger generation. Movement for the non-unionized part-time workers, seasonal migrant workers, and Japanese labor movement or trade unions are organized on a basis of the big economic concern, companies or public organization. But now attention is paid to the need of non-unionized part time workers particularly women workers and migrant workers coming from different sections of Japan. There are people who are marginalized by the way of economic development of Japan and also if you look at the problems in Asian countries or Pacific regions under the big policy orientations given by world organization like IMF. People in many Asian countries at the bot-

tom of the society, marginalized section of the society are very much affected by this globalization, so certain movements are needed. If we look at these problems in Japan that are common to many Asian countries and to the need of the younger generation particularly through the organization of co-operative movement we can do something for the better means of the marginalized people.

## **2. Social and Economic Problems in Asia**

Then next is "Social and Economic Problems in Asia". Last week I came back from Sri Lanka. I have realized that certain problems of Sri Lanka's economy was affected by foreign power and there are only a small section of ruling people who are able to access the foreign resources. Poor people are forced to go to the battlefield to fight against enemies, but the higher socio-economic status people are going abroad for higher education and never willing to settle the problem of their own nation. So this is a very particular situation in Sri Lanka. But by large, we can find similar problems in most of the Asian countries and Pacific region or as Prof. Rodrigues told us at the beginning of this session, similar way in Latin American countries this polarization of the society only limited section of the population is able to enjoy the fruits of globalization, worst majority are left behind and gap between rich and poor is getting wider and wider. So I do not like to repeat, I mean, read out from these points I found the case of Sri Lanka's economy; plantation sector, free trade zones, transshipment harbor expansion, Mahaveli river development. Mahaveli largest river system is Sri Lanka having huge loans from different sources, World Bank or other sources. Now people have to repay the money but it is very difficult to settle the loan just like unperforming loans of Japanese banking sector. Then labor-power export, women labor power has been exported in Middle East country, Singapore or some other Asian countries. Foreign aid projects, foreign aid is coming to Sri Lanka or many Asian countries but it is not only for the benefit of the people, but more for the benefit of the donor nation. I am going to discuss later on about this. Then there is the tourist industry, if we cater only to the foreign tourists than the domestic tourists are neglected. The economy of disputed areas in many parts of Asia had a dispute of minority people or neighboring nation boundary dispute or different dispute. So without settling the dispute through a peace process we cannot come forward for a better future.

Then "Towards Integrated Diversification", to find the proper way of settlement in both Japan and operation countries we need more diversification but at the same time we need integration. Integration not in the way of monocul-

ture or in the way of Japanese mode of management, but more a diversified social activities are needed. And language is also very important if we depend upon only on foreign language. Any nations that are in Asia or in any other part of the world cannot improve the life of entire society. Only those who are able to command foreign language can command the society. That is a very sad state of affairs in case of Sri Lanka, but we can say also in many parts of Asia.

I have discussed the problem of Japanese official development assistance in Asia. Japanese official development assistance (ODA) mainly consisted of loans just like the Japanese banking system loan, which was a very important source for development. But now we are suffering from the problem of a loan system in Japan. Many people in Japan committed suicide in order to pay back money borrowed from the financial institutions. Japanese insurance companies paid a certain amount of money when they committed suicide, but at a large scale. If we continue to give loans to recipient countries the problems of repayment may be serious, and may not be the suicide of recipient countries. Yet we have to reconsider the aspect. I have listed certain ways of remedies for this kind of loan based ODA. Project Choice, Participants in Projects, Evaluation Methods, Information on Economic Cooperation, Two-Way Assistance, Quality of Project, Nature of Projects, Diversification of Cooperation, Increase in Grants, Planning, Coordinating and Implementation of Economic Cooperation – these are major areas we need a reform in the field of relationship between donor and recipient of Japanese Official Development Assistance.

I would like to discuss the nature of the so-called Asian economic crisis or Asian financial crisis. Basically, the most responsible actor of the globalize movement of the short term capital from one country to another was in order to obtain the very short term profit, alternately center of the globalization financial movement US market, American financial organizations are benefiting takers from this crisis not only Asia, but also in other parts of the world. It started in Latin America in 1990's and is coming to Asia. But Japanese banks also have to take on some responsibility, because Japanese banking sector gave money to the different kind of project in the form of a loan on the basis of land value. Japanese loan system was very much connected with land value. When land value was growing, the Japanese loan performance was very good because as the production of the title D bankers extended loans. But towards the end of 1980s or the beginning of 90s, Japanese land market collapsed. Then, the Japanese banking sector had a very difficult problem to recover those loans. So the industry started to bring back money lent to Asian banking sector through Singapore or Hong Kong.

We had almost all banking branches in major cities of Asia. So what happened? Japanese money went to those banking sectors. You may feel very strange. Japanese poor people and middle class people saved money with every effort even though without having good housing that was not well equipped. They didn't even use motor vehicles because they were saving money in their bank accounts, because the price of land was going up and they couldn't have their own housing unit until they had enough money saved. Their money accumulated in bank accounts of different financial institutions of Japan and was going out to many Asian financial centers and when land prices came down the Japanese bank tried to pull back money from the Asian market. That was one of the reasons why Asian financial crisis was created. So we have to think over the better relation with Asian economy. Of course, money brought back to Japan or money saved by Japanese individuals not only remain within in Japan because Japanese interest rate has been almost zero for several years, very close to zero or exactly zero. So Japanese people are looking for better ways of making interest. Many Japanese financial institutions try to invest money in financial US market. So many of them come from the Asian financial market and also went to United States alternately. This is the nature of globalization. Asian people were suffering a lot along with Latin Americans. Japanese seem to suffer to some extent, but not very much because the living condition of Japan didn't change very much. Consumer prices or sales price maintain more or less the same standard, no inflation, and some deflation, but not very much. But in the course of that period in Japan we called it "lost decade of ten years 90's" our economy stagnated. But it is from the viewpoint of the big management or economic concern. If you look at the life of the people, people didn't need to work very hard and they didn't need to work much over time. They didn't need to worry about the inflation trend. They could enjoy more leisure time. Of course interest rate was at a very small almost zero percent. But after all poor people cannot depend upon the life of interest only in today's society or rich people can be controlling and can live a comfortable life with the fruit of those capital invested. But common people in Asian countries cannot do the same manner. So in the way, when interest rate goes down it is a benefit to the poor people. The Japanese labor market is changing a lot. The younger generations do not like to be employed by a big company for a lifetime. But they are more interested in self-employed kind of activity. We would call it sometimes "freeter" in Japanese. People are changing their jobs from place to place, time to time and enjoy their independent life. So in a way if such population increases, it is good for the people who can make use of their living capacity for their own purpose. But previously many Japanese people were oriented to work for the sake of the

company's profit, company's development, and company's activities. However, now direction is changing a little bit.

So in my argument p18 "Lost Decade or Grained Opportunity" in my argument not like as an economist I am for the grain of opportunity. We might have lost some profit through economic stagnation in the last ten years. Yet people particularly young people or lower economic-status is able to acquire a better opportunity. So we cannot reject the experience of the past ten years as a lost decade.

### **3. Quest of Economic Theory based on Cooperatives**

Then I have already touched upon the cause of Asian economic crisis. Finally, "Quest of Economic Theory Based on Co-operatives", this is the way of the future direction. Our modern social sciences are divided by the interpretation in which were created in 19th century. In case of economics we have neo-classical economics or Marx economics, socialist economics in which both are considered very objective science, but now new age request the more participatory way of understanding of the reality. So we have to find the new way of future economic system through our participatory, research activities, action oriented research is more important than the mere objective research or studies done by university. Today most of us are coming from university campuses or such research related organizations. Yet our conventional way of activity should be reconsidered. So for the participatory way of reinterpretation in future we should rest on the major important factor, which assures the sustainable human activities.

So I am going to read this paragraph, "The economic process of human life consists fundamentally of the circularity, diversity and relationship. The more cyclical, diversified and inter-related human life is, the more sustainable development will be in the coming generations. However, the existing indicators of economic development do not differentiate between circular and throughput, throughput is one-way movement, circular is coming back, then diversity and uniformity. We were told uniformity is more efficiently and more productive, but in the future we have to emphasize diversity more than uniformity. Then social relations and commodities, important social relations are very much commoditized by the market system. Labor market is the commodity of labor power. Land market is the commonitization of the human relations related with land property or credit market is the commoditization of the mutual help among people. Credit market instead of cooperation interest place prime rate to allocate resource in the market. But in future we have to come back to the mutual cooperation among our member of the society not depending upon role spread by the interest rate. So,

'the latter set of features characterizes economic process in Japan and generate advantages that make it supreme in market competition, but it tends to cause serious environmental destruction. Until and unless people come to realize the importance of the former set of features in economic life and proceed to establish more satisfactory indicators of sustainable development, the self-reliance of the local economy will be overwhelmed and disintegrated by market forces and state power. This is the area where co-operative activities are needed. If we are dominated only by state power and market forces, our life may be divided only by the political power or by the money power, but co-operative society ensure the cooperation among people needed in the society. So, I have discussed third important point needed for future economy from the view points of these three, basic factors, circularity, diversity and relation and our industry will be divided into three categories. Previously in the process of economic development we were told primary then secondary industry. Primary industry may be agricultural or mining related. Secondary industry is manufacturing or, service industry and development or economic progress can be demonstrated by the shift from primary industry, secondary, manufacturing industry but actually that is not the way of interpretation. We have to create a new industry on the basis of circularity, diversity and relation I have described these three kinds of industries.

"Trade across the Oceans between Equal Partners", trade must be promoted even co-operative society, commercial activity or trade activity very important, but not the way of globalization. Globalization is vertical integration from the top of the system against bottom of the marginalized people. In ancient period, when Roman people had trade with China through Silk Road or Ocean, both are equal partners. Ancient Rome never control Chinese way of life, ancient China never exploited, never oppressed Roman people. In that way we have to develop equal partnership. But after the arrival of Christopher Columbus to West Europe to Latin America the relation changed very much. Those who had very powerful military equipment were able to control the rest of the world. Pax Britannica 19th century, Pax Americana 20th century. Some people dream of Pax Japonica in 21st century, but the majority of the Japanese do not agree with that.

Finally as the concluding remarks, I have given three kinds of scenarios for future Asia. My name is pronounced "Hesashi". In order to ask you to remember three syllables of my personal name, Hesashi, I have described three kinds of future scenarios in Asia. "He" scenario in Japan we consider hyper expansion. Japan will have ever-increasing share of production, trade and investment in the global economy to emerge not only as a leading force

in Asia, but also as superpower (*pax japonica* or *pax nipponica*) in the world. Japanese Yen will replace US dollar as key currency for the settlement of international transactions. For the achievement of this ambition, Japan needs rearmament with sophisticated nuclear weapon system, which may be more powerful than the US nuclear weapons. This is a very small section of Japanese population and may be not more than 10% but mayor Ishihara, Tokyo metropolis may consider this way of Japanese future “HE” scenario. Then “SA” scenario, structural adjustment or structural reform, Koizumi government of contemporary Japanese government argue in this way, in the scenario Japan will encourage more domestic economic activities through fiscal and monetary policies than external investment and trade expansion in order to cater to the needs of aging society. Japan may play some roles of an economic engine only within the framework of global financial system guided by USA and her allied forces. We are very much an obedient subject of the American policy in this second scenario. Third one, “She”, sane, humane and ecological, in this scenario, Japan will gradually de-commoditize of landed property labor-power and credit in the market, and look forward to the way of de-development in certain industries that are environmentally destructive. The local economic self-reliance should be pursued through the decentralization process of political, social and cultural activities. In Asia, Japan will be a common member of regional organizations, not to play a leading role as she wanted in the past. With the idea to step forward to a sane humane and ecological way of Japanese life, we have to collaborate with people based co-operatives in Asia.

I am very grateful and thankful to you all with your patience of listening to me and allowing me to talk to all of you with this horrible voice. Thank you again.

**Keynote Address - 2**

**The Development of Cooperatives in the  
Asia Pacific Region in the 21st Century**

*With particular emphasis on*

**DECENT EMPLOYMENT FOR YOUTH**

By

**ROBBY TULUS\***

**Regional Director for Asia & the Pacific  
International Co-operative Alliance**

**INTRODUCTION**

We live in a time when there are so many things that serve to divide us – regional and socio-cultural differences, economics, as well as politics. We also live in a new age where the pace of change is extremely rapid. Change has changed. Just imagine: in a single generation the cost of decoding a human gene has dropped from millions of dollars to just around a hundred. The cost of storing a megabyte of data has declined from hundreds of dollars to almost nothing today. The Internet has made geography almost meaningless. And competition is so intense across national borders, creating the digital divide – or digital opportunities – that is coupled with an unprecedented pace of social exclusion and isolation.

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\* Mr. Robby Tulus was born in Indonesia in 1940 and pioneered the Credit Union Movement in Indonesia from 1967. He became the Managing Director of the Credit Union Central/Coordination of Indonesia from 1971 to 1980. In 1985, he became the Director of the Co-operative Union of Canada which subsequently merged to become the Canadian Cooperative Association. In 1996, Mr. Robby Tulus joined ICA for Asia and the Pacific as Regional Director.



Enterprises are gearing up each day to create their competitive advantage to meet the changing demands of people, and doing so by updating customers' needs and exploiting the knowledge about these customers.

The co-operative movement is not immune to these divisions and rapid changes. It is also wrong to assume, however, that enterprises are the monopoly of private businesses alone. We all know that a co-operative is also an enterprise that has a competitive advantage as compared to a business corporation, because it is endowed with an inherent strength, i.e. MEMBERS. The extent to which a co-operative can bring out the best from its members by practicing its co-operative values and principles, will determine the competitive advantage in the marketplace and society.

Yet co-operatives have endured many setbacks in the current lean-and-mean world that is dominated by private enterprises and that is increasingly globalized. Poverty and hardship are endemic around the world, even as technological change enhances our capacity to meet human needs.

Wealth and power accumulate around us, yet millions of people live on the streets, and many millions more are just one paycheck away from being there. People everywhere work harder and longer than ever, yet private incomes stagnate and their social wages erodes. Millions of people experience a chronic lack of time, torn between the demands of paid work and unpaid family responsibilities, and people's ability to enjoy the good life they work so hard for is compromised. Meanwhile, human society careens towards horrific environmental catastrophe – a crisis that is increasingly evident and predictable, but that the powers-that-be continues to ignore because the necessary solutions might undermine corporate profits.

Despite these setbacks, many governments lapse in their efforts to promote the ideals of democracy, solidarity, redistribution, and community responsibilities, ideals that have motivated generations of human beings to fight to limit the economic power of private wealth.

It is therefore good to remind co-operative leaders that going *back to basics is fundamental*, because co-operatives must deal with the conditions of day-to-day lives of members in their communities first and foremost: how they live, how they work, how they relate to the environment and who makes decisions. It means focusing on *members*, but with a strategy that does not undermine the pursuit of business excellence, but with a value-added thrust that empowers MEMBERS to feel good to participate in building their own communities.

Yet co-operatives must work harder as they have to deal with a society where

lifestyle changes are happening at a faster pace and where competition with other businesses are surging. Then there is the need to continuously communicate and inform members about that special value addition co-operatives can provide. Decision-making within the co-operative must be swift, and Inspirational Technology must create fresh innovations that should be added to the current use of Information Technology.

### **The Situation In Asia**

Asia has learned from its recent financial crisis that it is a dangerous strategy to take a fast track approach. 'Hot Money' is not the answer to growth and development, but it is more important to build and invest more in its human and social capital. Asia as a region is therefore going back to basics and will continue to do so in the immediate years ahead. The new Century has dictated the need to focus on actions of each respective country in the region versus the demands of globalization. Rather than regional growth, the world will be more and more talking about country-specific performance.

Economic reform will be at the center of the strategies that individual countries will adopt to position themselves in the global scheme of things. These reforms will address at least three areas of common and pressing concern – and individual countries' level of performance will depend largely on their success in doing so.

The first one – *financial reforms* – is the product of the financial crisis of 1997. The crisis laid bare the structural weaknesses of most Asian economies, particularly in their financial infrastructure. At the same time, it exposed the speculative role that international finance played in driving economic growth. With 'hot money' largely gone and governments increasingly wary of portfolio investments (competition will be focused more on attracting foreign direct investments or equities), the restructuring of the banking industry will play a key role in strengthening the capacity of individual economies to achieve sustained growth.

Second, there is the on-going exercise associated with *dismantling policy structures* to protect domestic industries. Driven partly by commitments to free trade agreements both regionally (e.g. ASEAN Free Trade Agreement) and globally (e.g. WTO) and partly by the exigencies of globalization, individual countries will continue to endeavor to open up domestic markets.

Deregulation, privatization, liberalization – these are free market concepts that will dictate future policy decisions in Asia. There is a continuous drive to be competitive both in the home market as well as abroad, and this will continue to be the main challenge of domestic industries. For many, espe-

cially those in transitional economies, this will mean painful adjustment to the realities of doing business in an unprotected environment.

Third, there is the ongoing *adjustment to meet the requirements of the New Economy*. Despite the ongoing decline of technology shares and dot.com companies (which is seen as a correction rather than a repudiation), there is sufficient realization in most Asian countries that the world has moved from the industrial to the information age. Governments are expected to make, if they are not already making, the necessary policy and structural adjustments to adjust to the new reality.

### **The Co-operative Outlook**

Reform-oriented development will certainly work in favor of co-operatives in the Asia-Pacific region; it will favor the development of independent co-operative movements and structures across Asia and the Pacific. This means that the whole debate around 'de-officialization' and 'de-bureaucratization' would increasingly be neutralized as governments become more market-oriented in their policies and outlook. Again, this expected change will vary from country to country, depending on where they are starting from in the ladder of State control to independent co-operatives.

At the co-operative enterprise level, it is important to recognize at this point the historical change in co-operatives across Asia and the Pacific. At the turn of the 21st century, this region had already seen at least 50 years of full development of co-operatives.

This period may well be characterized as the promotional stage, marked by active organizing and promotion of co-operatives in all sectors of the economy, and with the involvement of various development actors, including government and civil society groups. Perhaps because of the inordinate amount of external stimulus and haphazard approach, this promotional stage was prolonged by failures and trial-and-error development. But despite this, Asia and the Pacific is now host to successful and mature co-operatives and movements.

The inclination towards reforms and the redirection of energies towards good governance on the part of governments will open windows of opportunity for an enabling environment for co-operatives. But this cannot be left to chance. Governments could either 'abandon' co-operatives or launch an entirely new approach. On the one hand, they will need encouragement; on the other, they will need direction.

On the part of co-operatives, the preoccupation with growth could give way

to inward-looking co-operative movements in the region.

Where learning from others could be useful, this internal preoccupation could downplay every opportunity for coherent growth of co-operatives as a sector, and for systemic growth of co-operatives as a whole. The risk of failure of co-operatives as a system is real enough for this to be left to chance as well.

### The Role of ICA

What role, therefore, can be played by the ICA in the Region? We all know that Asia is so diverse, and so is the membership of ICA in this region. The following statistical information is a clear indication of such diversity and plurality.

	Number of Countries	Organisations	Societies	Individual Members
Americas	18	61	43,945	182,486,437
Africa	12	19	27,214	9,561,443
Europe	35	88	197,293	118,473,862
<b>Asia</b>	<b>28</b>	<b>64</b>	<b>480,648</b>	<b>414,383,079</b>
International	not applicable	4	not applicable	not applicable
<b>Total</b>	<b>93</b>	<b>236</b>	<b>749,100</b>	<b>724,904,821</b>

*ICA Membership Statistics, July 1998*

### ASIA/PACIFIC

Org	Country	Societies	Members
<b>Central Asia</b>			
1	Kazakhstan	n/a	3,700,000
1	Turkmenistan	n/a	n/a
1	Kyrgyzstan	43	207,630
1	Uzbekistan	672	90,942
<b>4</b>	<b>Total</b>	<b>715</b>	<b>3,998,572</b>
<b>East Asia</b>			
1	China	n/a	160,000,000
11	Japan	3,860	42,842,643

6	Korea Rep. of	7,669	17,067,994
2	Mongolia	302	25,057
<b>20</b>	<b>Total</b>	<b>11,831</b>	<b>219,935,694</b>
<b>Middle East</b>			
2	Iran	n/a	n/a
2	Israel	256	32,300
1	Jordan	518	53,419
2	Kuwait	43	207,630
1	Palestine	137	15,300
<b>8</b>	<b>Total</b>	<b>954</b>	<b>908,649</b>
<b>Oceania</b>			
1	Australia	29	508,197
1	Tonga	110	n/a
1	Fiji	532	28,961
<b>3</b>	<b>Total</b>	<b>671</b>	<b>537,158</b>
<b>South Asia</b>			
1	Bangladesh	n/a	n/a
9	India	446,784	182,921,000
1	Nepal	2,252	1,006,369
2	Pakistan	n/a	n/a
3	Sri Lanka	8,557	768,061
<b>16</b>	<b>Total</b>	<b>457,593</b>	<b>184,695,430</b>
<b>South East Asia</b>			
2	Indonesia	n/a	n/a
5	Malaysia	3,159	822,773
1	Myanmar	3,389	88,875
2	Philippines	n/a	
1	Singapore	35	65,596
1	Thailand	3,016	3,930,332
1	Vietnam	n/a	n/a
<b>13</b>	<b>Total</b>	<b>9,599</b>	<b>4,907,576</b>
<b>64</b>	<b>TOTAL</b>	<b>480,648</b>	<b>414,383,079</b>

*Latest update: 16 November 1998*

An organization like ICA ROAP can play a useful guiding role. This will not only be consistent with its mission of protecting and preserving the co-operative identity.

It will also be an opportunity to leverage the recognition and influence it has established among governments and co-operatives in the region. For this reason, ICA ROAP will have to play this role in a more proactive way.

At the same time, ICA ROAP will have to be strategic in its interventions. Rather than dealing with specific issues or dwelling on the concerns of specific sectors, it will have to concentrate on broader issues that affect co-operatives as a whole. Rather than implementing projects on the ground, it will have to focus its energies on building systems and stimulating development from this end.

The important thrusts that ICA-ROAP can focus on are:

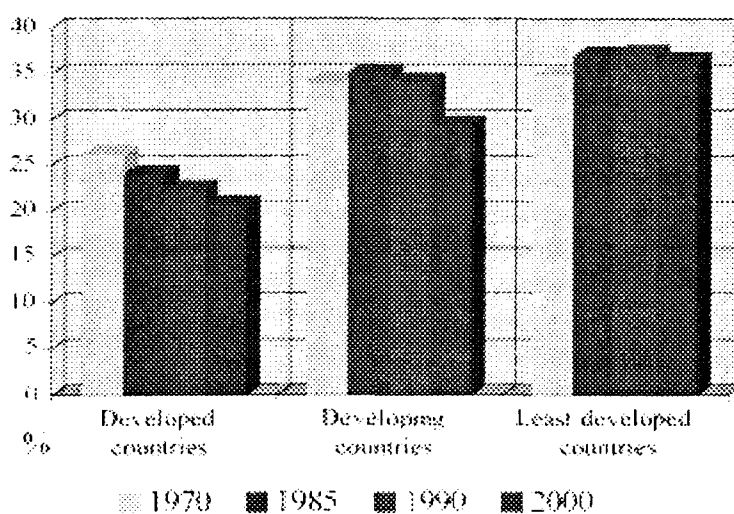
- 1) To bring ICA members in this region together to address relevant issues that are of interest to them; The First Asia Pacific Co-operative FORUM held in June 2000 in Singapore was a big success and must be continued;
- 2) Preserving its identity and image by advocating the co-op values and principles, while at the same time upholding the ideals that co-operatives stand for (Co-operative Excellence);  
*The documentation and dissemination of best practices and success stories must be intensified, without making it a self-congratulatory ritual but, rather, a learning experience that can be shared both within the system as well as beyond;*
- 3) To boost the *International Presence* of ICA and its members by effective *networking* and supporting *Development*;
- 4) Active participation of co-operatives in reducing poverty is critical, but the need to build strong networks in both trade and development among co-operatives is as critical a mandate for so long as they are always demand-driven (by and from members), an not just 'for the fund of it'.
- 5) To continue the facilitation in legislative and policy reforms through the implementation of Co-operative Ministers Conferences and all its preceding programs.
- 6) To deliver programs that will empower both women and youth.

## Youth And Unemployment

The United Nations estimates that there are 540 million men and 510 million women aged between 15 and 24 in the world today. This means that approximately one person in five is between the ages of 15 and 24 years, or youth comprise almost 18 per cent of the world's population. Although the proportion of youth in the world is dwindling, (by 2025 it is forecast to fall to 16 per cent), their absolute number has increased and will continue to do so well into the twenty-first century. The majority of young people, 85 per cent, live in developing countries, with approximately 60 per cent in Asia alone. By 2020, the number living in developing countries will grow to about 89 per cent.

There is a marked gap between the developed and developing countries when it comes to position of youth. The following graph shows the disparities that exist between the developed and developing countries.

Share of Youth in the Economically-active Population



Source: Calculated by the United Nations Statistics Division from the ILO, *Economically-Active Population 1950-2010, 4th edition, 1996 (Paris)*.

Recent changes in the political, economic and socio-cultural spheres have also affected the young people profoundly. It shows the vulnerability that is inherent in the transition from childhood to adulthood (see below: Case Profiles in Japan and Canada). Young people face a set of social and economic challenges, not least of which have been the continuing high, and in some

cases increasing levels of unemployment and underemployment, particularly in the developing countries. Although the experiences of young women and men in developed and developing countries are not always similar, they share some common problems and uncertainties about the future, particularly limited employment prospects.

The situation of Youth in the Asia region is somewhat dismal. Percentage of Youth to the total population in Asia is estimated at 20%. According to the World Bank, it was forecasted that nearly 40% of the total population is economically active, of which 20% are comprised of the youth.

Incidence of teenage labor in Asia is 45% of the total youth population. This indicates widespread prevalence of child labor in Asia.

There are some important features that characterizes Youth in Asia, among others:

- (i) There has been a tremendous increase in the level of awareness among youth, where the younger generation are currently much more aware of socio political and social economic issues facing modern society.
- (ii) In spite of the increase of educational facilities, a sizable population of youth continues to remain uneducated or undereducated. The situation among female youth is even worse. According to the Population Reference Bureau (PRB) of Washington, the percentage of youth enrolled in secondary school in Asia is less than the global level percentage. In whole world 63% of male youth and 56% of female youth are enrolled into secondary school, whereas in Asia the percentage is 62% for males and 51% for females. In many societies in Asia, female youth continue to suffer from a subordinated status as compared to male youth.
- (iii) In terms of health, the status of the female youth leaves much to be done. For example in the World as a whole, nearly 71% of births are attended by trained personnel, in case of Asia only 65% of the births have the benefit of trained personnel. The result is that complications of pregnancy, childbirth and unsafe abortion become the major causes of death of women ages 15 to 19.
- (iv) Youth (15-24 years) have the highest infection rates of sexually transmitted infections (STIs), including HIV/AIDS.
- (v) Employment generation in Asia and the Pacific has failed to keep pace with growth of population

The unexpected and massive crisis – not just economic but also socio-political – in some Asian countries has produced a high level of job losses and consequential social distress. The major social impact of the economic crisis



lies in the sudden reversal of the system of sharing the benefits of economic growth through improving employment prospects.

As the crisis brought the economy down to near zero or negative GDP growth there has been a sharp deterioration of labor market conditions. Substantial retrenchments have taken place, especially in the construction, financial services and manufacturing sectors. Furthermore, there will be an abrupt decline in new hiring, which will reduce sharply employment prospects of new entrants in the labor market and the re-employment prospects of displaced workers.

The combined impact of these two factors is likely to lead to at least a doubling of open unemployment rates. This will occur even after allowing the fact that some proportion of displaced workers and unsuccessful aspirants to a modern sector job will settle for inferior employment in either the rural or the urban informal sectors.

Another impact will be a significant rise in underemployment, on both the hours of work and the income measure, under the increased influx of displaced workers and unsuccessful new job seekers in the rural and urban informal sectors. Given the sharp falls in domestic demand that has occurred in these countries the aggregate income-generating potential of the rural and urban informal sectors will be quite limited.

In the final analysis, the increase in open unemployment, together with the fall in real earnings, is likely to swell the ranks of those with incomes below the poverty level.

As a result, competition for the youth to enter the labor market will become extremely fierce as the business sector attempts to only seek the most highly qualified in this important segment of the population.

Young people also enter late into the market because of the educational environment unsuitable for the labor market in developing countries. In India, for example, the educated young people ñ the category that constitutes 12% of the labor force ñ accounts for only one third of unemployment. The waiting period for a job by young graduates in Sri Lanka is four years. Yet these two countries in South Asia do not belong to the countries worst hit by the Asia crisis.

Among themselves, the young are facing many challenges. Dropout rates continue to rise due to family break-ups and poverty. Many lost the virtues of socialization that they enjoyed in the traditional society. The two case profiles below are clear examples of the challenges facing the young these days, even in developed countries.

### *Case Profile - I: JAPAN*

*(Synthesized from an article in Newsweek Magazine, June 4, 2001)*

The unique *keiretsu* form of capitalism in Japan is also beginning to decline and has given rise to *freeters* (derived from the word *free* and *arbeiter*) that describes a new form of employment and also a new lifestyle. These freeters are composed of young people who work only when they need cash, and they travel whenever they have a chance, celebrating the rejection of their parents' old workaholic lifestyle (Newsweek, June 4, 2001). Freeters embody a generation that has been marginalized by a decade-long economic tailspin, and more inclined to seek part-time employment. For the first time in Japan's postwar experience many college graduates cannot land meaningful jobs, and one third of those who do get a job quit in less than three years. Part-timers now constitute the fastest growing segment in Japan's labor market. According to the Recruit Corp., Japan's largest publishing house, 3.4 million freeters with the age between 19 and 30 now do part-time work.

On average, they have been freeters for three years, changed jobs 4.3 times and now earn about \$ 1000.00 a month. And six in ten of them still live at home.

Traditionally minded Japanese find these antics heretical. They perceived the self-indulgence of the younger generation as breaking a time-tested social contract that emphasizes *ganbaru*, or guts before glory. Conventionally, Japanese salarymen work for decades within rigid hierarchical corporations until they are eventually rewarded in the form of fat retirement bonuses. Freeters take the diametrically opposite approach: work as little as necessary, then have fun for as long as possible until the money runs out.

In contrast, more and more students are opting for graduate degrees with practical values. Those graduates who dare take risks and stay focused on jobs they really feel confident in doing, are the ones needed for the competitive world these days. But many seem to just dawdle in academia, taking courses while working as part-timers. But it is heartening to note that the number of Ph.D. aspirants in Japan last year was 62,488 more than double the number in 1991. It is a response to new demands, because Japanese companies these days are less willing to spend money training new hires; they now demand expertise.

### **Case Profile - II: CANADA**

*(Synthesized from an article in the Ottawa Citizen, June 10, 2001)*

In Canada, more and more teens are staking their savings, their schooling, and their future in gambling spots. Gambling has become the rage of teens even in their own schools: in the cafeteria, in the halls, sometimes even in the classroom. Some students will come to school with pockets full of change, ready to play.

Gambling is more prevalent in teen culture than smoking, drinking and drugs. In surveys conducted in Canada and the U.S., more than 80 per cent of high school students report having gambled at least once in the past year. The gambling takes a variety of forms, from playing card games to betting on sports teams or purchasing lottery tickets.

Below is the result of a survey conducted by McGill University.

#### **McGill Survey Results**

McGill University conducted a survey of 900 students in grade 7, 9 and 11 in the Montreal area of Quebec, Canada. The numbers show the percentage of students who reported drinking, doing drugs, smoking and gambling at least once a week.				
	Gambling	Drinking	Doing Drugs	Smoking
<b>Grade 7</b>	7.5	3.5	7	30
<b>Grade 9</b>	14	13	16	37
<b>Grade 11</b>	20	27	31	37

While gambling has traditionally been viewed as an adult problem, the number of teens identified as having a gambling addiction is two to four times greater than the number of adults with the same problem. Experts suggest that in Canada and the U.S. four to eight per cent of teens have serious gambling addictions. Those students who become compulsive gamblers walk the destructive and often lonely path. It can take years before they realize they have a problem, and that's why it's called the 'silent addiction'. By the time gamblers reach a treatment facility, they are overwhelmed by shame and guilt. They usually drop out of school.

They are no longer in contact with their friends. They have turned to drugs. They are living in high anxiety. Such addiction affects every aspect of their life, including their schooling and career path. It will affect their social links,

credibility, and mental health. And it could also give them a criminal record. And even drive them to kill themselves.

In his inaugural speech, ICA President Dr. Roberto Rodrigues described in great detail the important changes in society that accompany the high and rising levels of youth unemployment.

Some other study results confirm that:

- a. *Unemployed youths are increasingly concentrated in workless households.*
- b. *Increasing proportions of young people are living with their parents.*
- c. *The young are increasingly involved in crime.*
- d. *Increasing numbers of young people are committing suicide.*

Co-operatives must therefore provide the right motivation for youth to create economic opportunities together with and among their peer groups, and use the co-operative model to reduce unemployment.

### **Collaborative Strategies of ICA and ILO**

The Director General of ILO, Juan Somavia, and the ICA President, Dr. Roberto Rodrigues, have repeatedly said that greater opportunities must be created for women and men, especially the young, to secure decent employment.

The need for decent work is further intensified because the initial effects of globalization and advances in information technology tend to worsen the unemployment and underemployment problems in developing countries. Hence other than ensuring the observance of labor standards, another major strategy of ILO to counter this trend is to promote the development of enterprises, especially in the informal sector. A recent Workshop organized jointly by ICA ROAP and ICFTU APRO in Manila (October 2000) dwelled in great detail over the issue of employment creation in the informal sector. The case study of SEWA, the Self-employed Women Association of India, was a good eye-opener. A more recent ILO Workshop in Bangkok in May 2001 has taken a commendable step in promoting collaborative strategies for co-operatives with the tripartite membership of ILO, within the context of ILO Recommendation 127. The Workshop looked carefully into the potential of involving co-operative organizations in creating employment for women and men, in close cooperation with the three tripartite members of the ILO, i.e. the government, as well as employees and employers' organizations.

ILO and ICA highlighted the substantial contribution already made by co-operatives to the creation and maintenance of self-employment and direct employment in the Asia Pacific region. It showed that the Indian Co-op Movement employs 1 million people, whereas co-operatives in India support 13 million self-employed men and women; 13,000 people are employed by Korea's credit unions, and there are 58,000 full-time and 95,000 part-time jobs created by the Japanese consumers coop movement. There are 4.5 million workers in China's agricultural supply and marketing cooperatives. The agricultural cooperatives in the European Union employ 720,000 people. In some African countries, and a developed country like Canada, the cooperative sector ranks as the second biggest employer, next only to the government.

In Asia, laid off workers form workers' and other types of cooperatives to sustain their employment and carry on a business enterprise that may otherwise not be possible for a single worker to run on one's own.

This also led to the emergence of new generation cooperatives and shared service cooperatives where individual producers and/or small enterprises came together to draw strength and advantages from their collective undertakings. This is certainly an area where the young could be drawn into organizing small to medium enterprises to pool their meager resources and build their economic future. The competition posed by big businesses make this proposition popular to small enterprises and individual producers, an opportunity for the young indeed.

An effective policy for generating youth employment should be part of an overall strategy of employment creation through employment-intensive economic growth. Youth employment and unemployment are highly responsive to the economic cycle and the effects of low Labor market demand are particularly problematic for out-of-school youth. It is therefore necessary not only to adopt sound policies that promote overall employment growth as a basis for addressing the employment problems of young people, but also to establish the vehicles ñ particularly co-operatives – for practical employment creation.

In this context, educational and training activities are crucial. Developing young people's employability is a key policy issue for ensuring their successful transition to the Labor market and their access to career-oriented employment. The best educational method is still 'learning by doing', and co-operatives could be a major vehicle for the young to learn together among peers within their own co-operative enterprise. Youth need to acquire the skills, knowledge and attitudes that will allow them to create work and to

cope with unpredictable Labor market changes throughout their working lives. Education and training play a crucial role in preparing youth for the labor market.

### **Some Ideas for the Creation of Employment among Youth**

#### **1) Exploiting opportunities in the ICT sector**

Information and communications technologies are opening up exciting new career prospects for young people, both as employees and entrepreneurs. In some countries, young people are already launching thousands of start-up companies that capitalize on technologies such as wireless telephones and the Internet. In developed countries, industry experts indicate that jobs exist in all areas of e-business including Java programming and web hosting, as well as in business support services. In developing countries, opportunities abound for exploiting the new technologies, offering an unprecedented chance for these countries to "leapfrog" earlier stages of development. The young must maximize the use of '*DOT.COOP*' that was recently acquired as a collaborative effort of NCBA, ICA and POPTEL. Exploiting '*DOT.COOP*' allows the young to enter into active E-networking and self-employment. Workers co-operatives could be established among the young as a modality using a shared-service structure.

#### **2) Work experience while education should be encouraged**

Linking part-time employment in a co-operative with classroom studies may also enhance students' motivation and educational attainment while allowing them to gain valuable work experience. Although school/work combinations may have a positive impact on young people's successful integration into employment, they have to be carefully supervised to ensure that the number of hours worked is not excessive. Methods for ensuring positive experiences range from apprenticeships to short ad hoc stays in co-operative enterprises while in school.

#### **3) School dropout problems must be addressed**

This is a difficult proposition. Despite the efforts of countries to improve the employability of youth through the education system, a number still leave school with very limited skills. Research shows that exclusion from education, training and employment is often systemic: early school-leavers and other at-risk young people are often drawn disproportionately from particular ethnic, social and regional groups. Multifaceted programs must be encouraged by co-operatives that combine services that range from remedial education and training to work experience.

#### **4) Training must be a part of an integrated package.**

Evaluations of training programs show that they have had limited success in raising incomes and job offers for young unemployed people. This is not surprising. Poor skills are only one of a myriad of factors leading to youth unemployment. Labor market policies for young workers need therefore to include training as part of an integrated and targeted package.

Targeted programs by co-operatives that combine work experience with classroom training and job search and career counseling can also be effective for many unemployed young people who require help in attaining the social skills and work habits needed to obtain decent work. Such schemes seem particularly effective in economies where a demand exists for low or semi-skilled workers and where economic growth is relatively high. This has been the situation in recent years in a number of industrializing countries of Asia and Latin America.

#### **5) Entrepreneurship development**

While youth entrepreneurship is not a cure-all for youth unemployment, it can assist in reducing unemployment and improving the employability of young people.

Effective youth enterprise programs should address key elements necessary in creating and sustaining new viable enterprises, including adequate funding, skills training, business expansion support, creation of support networks, business counseling and mentor support.

Youth unemployment is often concentrated in geographical areas of severe deprivation. Youth entrepreneurship programs can offer considerable social benefits in terms of reduced youth unemployment and can impact favorably on the area's economic development.

The ILO has developed a training package, 'Know About Business', an extensive entrepreneurship awareness package for young trainees at vocational and technical training institutions. The aim of the training package is to encourage young people to choose entrepreneurship or self-employment as a career option. It provides knowledge of the required attributes and challenges for starting and operating a successful business. The training package has been used in numerous vocational and technical training institutions in Africa, Asia and the Pacific, Eastern Europe, Central Asia and Latin America and the Caribbean. Co-operatives must take advantage of this opportunity offered by the ILO.

## **CLOSING REMARKS**

It is important to reiterate once again the message of our ICA President that successful Co-operatives ñ many of which are now still led by leaders and professionals who came from the baby boomers era – must find ways and means to help prepare the young to play a leading role in new 21st century.

To reach this goal, co-operatives must be ready and willing to restructure, reengineer and innovate continuously.

Unless succession planning with fresh young leadership takes place sooner than later, the co-operative movement will be left with a gap that will be more difficult to bridge in the future. It is an essential pre-condition, therefore, that co-operatives work closely with other organizations in creating decent employment for the young.

The success of the co-operative movement in the 21st Century will depend to a large extent on fresh leadership that can stimulate young professionals and the employed youth to carry on the co-operative torch. As our ICA President said: *‘Let the young lead the future, and let the old pave the way to make it happen’*.

I wish you every success in your deliberations and congratulate the organizers once again for creating such a pleasant climate for the Seminar to reach its successful ending. Thank you.

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*June 18, 2001*



# Country Report of China

## 1. The General View of Co-operatives in China

There is a long history of co-operatives in China. In early 1918, a consumer co-operative was founded in Beijing University, which was the first co-operative in China. The co-operatives had been developing rapidly since the P.R.C. was founded. Besides the supply and marketing co-operative, there were many kinds of co-operatives such as consumer, credit, fishing and etc. With the development of the society and economy, the co-operatives in China were evolving continuously. Now, the co-operatives are playing important roles in supply & marketing, credit, consumer and handicraft, but the supply and marketing co-ops is the largest and the most rapidly developed one.

The China Supply and Marketing Co-operatives (CSMCs) are co-operative economic organizations with farmers as the main body. They consist of the All China Federation of Supply and Marketing Co-operatives (ACFSMC), 31 provincial, 2,100 county federations and 28,000 primary societies with a membership of 180 million farm households, 4.3 million employees and 500,000 business outlets. The business turnover of CSMCs amounted to 440.9 billion Yuan in 2000. ACFSMC is the apex organization of the SMCs of the whole country. Its functions and tasks are doing research on strategies and planning for the development of SMCs in China and guide their development and reform, to organize, coordinate and manage the major means of agricultural production: farm produce and sideline products with the authorization of the government to safeguard the legitimate rights and interests of the SMCs at all levels; to coordinate the relations between the co-operatives and other concerned authorities; to guide the business activities of the SMCs and promote the flow of goods between the cities and countryside; to publicize and carry out the principles and policies on rural economy and to participate in various activities of the International Co-operative Alliance on behalf of co-operatives in China. It has 16 subordinate enterprises; 15 subordinate institutes and institutions and 13 national specialized associa-

tions. In 2000, its enterprises achieved sales of 23.36 billion Yuan: of which 614 million U.S. dollars are from import and export. The ACFSMC has played an important role in encouraging farmers to participate in the market, promoting the industrialized management of agriculture, providing services to farmers and agricultural production. It also constitutes a vital link between the government and farmers.

## **2. Chinese Youth Play Evaluable Importance in the Co-operatives**

### **2.1 The condition of youth in the co-operatives**

The youth is the most active element of the co-operatives, which is 1/3 of the employees. They are active, energetic, vigorous, highly educated, and creative, also the most dependable part of co-operatives. They followed the co-operative principle (community responsibility), took the advantages of their specialty to contribute to the community construction. By taking part in the beneficial movements sponsored by government and community, they propagated the co-operative minds, and show the high spirit of youth. For example, when it was badly flooded in YANGZI valley and northeast China, the youth of co-operatives in Heilongjiang, Hubei, Liaoning and other provinces organized service teams, helped the disaster victims reconstruct the home, which was greatly praised by the victims.

### **2.2 The status and role of youth in the rural co-operatives.**

With the progress of industrialization and globalization, the agriculture of China is in the key point from the traditional period to the modern period. Household contract responsibility was Chinese traditional farming system, but now it is incompetent for lacking of information, technology, and small scale. So the increasing rate of per capital annual net income of rural household has reduced for four years, and the farmers' living condition and rural society development were cut down consequently. To increase the rural household income and improve their living condition, many responsible youth urge the farmers establish the specialized co-operatives, help them plant the crops with high value, develop the manufacture and farm-produce processing, promote the agricultural industrialization. The youth of the co-operatives also transmit the market information to the farmers, popularize the practical technology, promote the farm-produce, lower the risk from the market. For example, the youth of Fujian SMCs took advantage of information knowledge, established the Fujian farm-produce net to promote the farm-produce, closed deals for about 1.5 billion Yuan in 2000.

Due to the efforts of the youth, the co-operatives are popularly accepted by farmers. there is an idiom in rural area: 'If you want to get rich, you'd better join in the co-operatives instead of worship the god of wealth.' To strengthen

the competency of the co-operatives in rural area. the youth launched competitions of professional skills among the co-operative employees, which improve the profit of the co-operatives efficiently. Further more the young administrators applied the scientific methods and modern technology to the co-operatives' operation. so the co-operatives would run very well, and keep strong advantages in the market competition.

### **2.3 The education and promotion of the youth.**

The youth is the hope of the co-operatives, to educate the qualified young staffs, CSMCs established 334 educational institutions, from which 60,000 youth graduated every year. At the same time, the CSMC enroll a large number of graduates from other institutions. To improve the quality of the youth, the co-operatives enhanced the professional training, about 100,000 young employee were trained per year.

Now, the co-operatives confront the more and more fierce competition, and the talent is the key element in the competition. The CSMCs enlarge the scope of the enrollment, they hire many young professional talents from the society, and execute the flexible promotion mechanism, a large number of energetic and creative youth become the administrators and managers through competition.

### **3. The Wishes of China Youth**

The college and university are the gathering place of superior youth. There are 1071 regular institutions of higher education in China, and 4.13 million students enrollment. Though the first co-operative of China was founded in the university, the institute students still have no co-operatives of their own till now. We think that establishing some autonomous co-operatives being joined in freely and administrated by students is a good way to transmit co-operative idea and democratic mind to superior youth. We would like to learn from other friendly countries, calling for establishing the co-operatives in the universities widedpreadly.

Now the progress of the globalization has been accelerated greatly, China is going to join in the WTO, how to develop the co-operative under the new situation is an emergency problem to the CSMs. We hope the youth from different country would stay together, communicate and cooperate more and more frequently, so that we can exchange our ideas, learn from each other. There is an idiom in China, "take other people's advantages to compensate own shorts". We hope sincerely during this international seminar, we will enhance the friendship between the youth from different countries, and make efforts together to develop the co-operatives and create a more splendid world at 21st century.

## Country Report of India

### Introduction: Youth Conundrum

Shakespeare's lines "Age, I abhor Thee; Youth, I adore Thee" appeal Universally. Youths have great enthusiasm, vigour and will to remove ills and injustice in society, love and respect for ideals and values; their hopeful disposition makes them think themselves equal to the task of solving great problems as they view them. According to Vivekananda that which is unselfish is moral. The Cardinal principle of Cooperation that "each for all and all for each" is ingrained in the mind of the youth. As such cooperatives, as a sector, must be made more attractive to the Younger generation as a field for expression and leadership, as an opportunity of learning how to manage their own affairs, of learning the process of democracy and of becoming initiators of policy. Being the future leaders of a country, the youths love to initiate the aims and values of the cooperative movement.

Pandit Jawaharlal Nehru wanted to convulse India with Cooperation that still remains a distant dream. The perennial task of youth is to remake his world. Even so, youth does not remain young for long and tends to compromise with the world as it is. With time, the wheel of History rolls on. The gap between dreams and deeds yawns as ever.

Socrates was a great moulder of the youth. But he too failed to arrest the fleeting nature of youth, their tendency to plunge into action before they could plan something to achieve a well-chosen goal. As Aristotle put it "All their mistakes are in the direction of doing things excessively and vehemently. They overdo everything - they love too much, hate too much and the same with everything else. This is inherent in the youth. This is their power and this again robs them of their real power. This is an enigma. "Youth philosophy expresses itself in the Oozy words of Dryden.

*"Present Joys are more to flesh and blood  
than a dull prospect of a distant good"*

Asceticism, abstinence, self-discipline, refraining from indulgence in cheap pleasures are primary essentials for freedom. Vivekananda filled his treasure trove with self-esteem and confidence, purity, strength - fearlessness, resolve, sincerity, patience, perseverance, unswerving dedication to ideal, power to overcome temptation and greed, indifference to name, fame and enjoyment and unfurling love for truth and man. Though simple in theory, this is very difficult to actualise and may be taken up only by youths with vitality, vigour and a vision for the future. Vivekanda thundered a Young India into being, the India of economic energism as well as of spiritual creativeness of material science and technology as well as self-control, and social service". The result will be resuscitation of the individual and the regeneration of the nation.

### **1.1 Youth as Instrument of Cooperative Development**

The reformulated cooperative principles of 1995 Manchester Congress viz, Maintenance of the true spirit of cooperation - mutuality, equity, equality and fraternity with fellow members do very much gel with the youth values.

Cooperative culture is nearer to his true identity. All of the present younger generations do not care to try it. But if sizeable segment of them makes an attempt to try it, a new youth style will emerge. This meditated preparation for adulthood will ensure recognition. He will love, had the required control over his vitality which will be channelised properly and he will see the prospect of a distant good realisable. His increasing participation in the coop. movement will cause a break-through and bring them a new destiny.

## **2. Brief profile of India**

India is one of the oldest civilization with a rich cultural heritage. It has achieved multi-faceted socio-economic progress since its independence in 1947. India has become self-sufficient in agricultural production and is now the 10th most industrialised country in the world and the 6th Nation to have gone in to outer space to conquer nature for the benefit of the people. It covers an area of 32.87 lakh sq.km extending from the snow covered Himalayan heights to the tropical rain forests of the Southern Peninsula. India is the seventh largest country in the world measuring about 3214 kms from North to South between the extreme latitudes and 2933 kms from East to West between extreme longitudes. The total length of the coastline is 7516.6 kms.

The physical features of India include the four regions of main land viz. The great Mountain zone, the Plains of the Ganges and the Indus, the desert region and the Southern Peninsula. The rivers include (i) The Himalayan

perennial rivers (ii) The Peninsular rainfed rivers (iii) Coastal rivers with limited catchment area and (iv) Rivers of the inland drainage basin. The climate of India may be broadly described as tropical monsoon type with a wide range of climatic conditions from the torrid to the Arctic. India has a rich and varied flora and fauna, the variety of fauna numbering 89451 species.

India's population as on March 31st, 2001 has crossed the 1000 million mark. Being the second most populous country, India is the home of about 16% of world's population, while accounting for 2.24% of the total world area. Population density was 271 persons per km in 1991 census, its sex-ratio was 9:7, its rural urban ratio was 74.3 : 25.7. The literacy rate of India as of today is about 65%. There are 23 cities in India with a million plus population. 82.41% of the population are Hindus, 11.67% muslims, 2.32% christians, 1.99 sikhs, 0.77% buddhists, 0.41% jains, and 0.43% others.

India, a Union of States, is a Sovereign Socialist secular democratic Republic with parliamentary system of Governance. It comprises of 31 States and 7 Union Territories.

GDP growth in the post reform period since 1991 has improved to an average of about 6.5 % in the 8th and 9th plans from an average of about 5.7% in the 1980s. India's latest GDP stood at Rs.258919 crores and the revenue expenditure proposed for 2001-2002 is Rs.3,10,556 crores leaving a fiscal deficit of Rs.51,637 crores. The per capita income of India was Rs.14,682 in 1998-99. The growth rates of GDP in the past has been such that the tenth plan of India (2002-2007) envisages doubling of per capita GDP in the next 10 years for which the 10th Plan aims at an indicative target of 8 to 8.7% GDP growth. The plan envisages the reduction of poverty ratio from the present 27 to 20% in 2007 and to 10% in 2012. Universal access to primary education by 2007 increase in literacy rate to 72% by 2007 and to 80% by 2012 gainful employment to the addition to the labour force over the 10th plan period: reduction in the decadal rate of population growth between 2001 and 2011 to 16.2% reduction of infant mortality rate (IMR) to 45 per thousand live births by 2007 and 28 by 2012. MMR to 20 and then to 10 respectively during the same period: increase in forest cover to 25% by 2007 and 33% by 2012, all villages to have access to potable drinking water by 2012, cleaning all major polluted rivers by 2007.

The population by category of workers is summed up as follows :

	In Crores
Total population (1991 census)	83.86
Total workers	31.41
Main Workers	28.59
a) Cultivators	11.07
b) Agricultural labourers	7.46
c) Live stock and forestry	0.60
d) Mining and quarrying	0.18
e) Manufacturing, processing services	
i) House hold industry	0.68
ii) Other than industry	2.19
f) Construction	0.55
g) Trade and Commerce	2.13
h) Transport, Storage, Communicators	0.80
i) Other services	2.93
Marginal workers	2.82

The Youth population of the country accounts for 34% or around 340 millions.

### 3. Status of Cooperatives in India

Though India has a youth population of 340 million, their role in cooperative development is not very significant in terms of coverage by youths as also by types of societies covered. Youths are primarily covered under the school and College cooperatives though there are more than 30 types of cooperatives. The overall status of cooperatives societies - both credit and non-credit societies is briefly outlined below.

Particulars	1980-81	1990-91	1998-99
A. Total : All types I. No. of societies			
Credit	123687	95546	139512
Non - Credit	202640	277510	361485
Others	-	-	10956
<b>Total</b>	<b>326327</b>	<b>373056</b>	<b>503926</b>

II. Membership (000's)			
Credit	83313	95764	137047
Non-credit	34264	49558	63883
Others	-	-	8197
Total	117577	145322	209127
III. Share capital			
Credit	-	3824	67318
Non-credit	-	2903	41539
Others	-	-	67823
Total	-	6727	176680
IV. Working Capital			
Credit	-	66005	NA
Non-credit	-	22082	NA
Others	-	-	NA
Total	-	88087	227112

- (1) The non-Primary societies include
- i) State Coop. Banks (SCBs)
  - ii) Central Cooperative Banks (CCBs)
  - iii) Agricultural and Rural Development Banks (ARDBs)
- (2) Primary Credit Societies include
- i) Primary Agricultural Credit Societies (PACs)
  - ii) Large-sized Adivasi Multi-purpose Societies (LAMPs)
  - iii) Farmers Service Societies (FSS)
  - iv) Primary Cooperative Banks including Urban Banks
  - v) Urban Banks
  - vi) Primary Non-Agricultural Credit societies including employees Credit Societies and Urban Banks
  - vii) Agricultural Cooperative Credit and Rural Development Banks (ACCRDBs).



(3) Non-Credit Sector - Primary Societies:

- i) Marketing Societies (All /General/Specialised)
- ii) Agricultural Processing Societies
- iii) Milk Supply Societies
- iv) Poultry Societies
- v) Fisheries Cooperatives
- vi) Farming Societies
- vii) Consumers Coop. Societies/Schools/College Cooperatives.
- viii) Weavers Societies
- ix) Other Industrial Societies
- x) Forest Labour Societies
- xi) Labour Contract Construction Societies
- xii) Womens' Coop. Societies/SC/ST Cooperatives
- xiii) Sugar Cooperatives
- xiv) Cooperative Spinning Mills
- xv) Tourism Cooperatives
- xvi) Health Cooperatives/Sports Cooperatives
- xvii) Water supply Cooperatives/ irrigation cooperatives
- xviii) Tailoring cooperatives
- xix) Agricultural implements and Rural Industries Cooperatives
- xx) Fertilizer and inputs distribution cooperatives etc.
- xxi) Housing Cooperatives
- xxii) Electricity Cooperatives
- xxiii) Transport Cooperatives
- xxiv) Cooperative Training Colleges and other educational institutions.

**4. Share of Indian Cooperatives in the National Economy**

The share of cooperatives in some of the key sectors of the Indian economy is detailed below:

	Per cent
1. Rural Network (Villages covered)	100
2. Agricultural Credit Disbursed by Cooperatives	46.31
3. Fertilizer Distributed (6.103 million tonnes)	36.6

4. Fertilizer produced for Nitrogen (N)	14.8
5. Fertiliser Production (P)	23.5
6. Sugar Production (7.062 Million tonnes)	54.95
7. Capacity Utilization of Sugar Mills	85.7
8. Wheat Procurement	27.8
9. Jute Procurement	21.5
10. Retail Fair Price Shops	28.0
11. Milk Production to total	6.7
12.. Milk Procurement to Marketable Surplus	10.0
13. Oil Markets (Graded)	51.0
14. Spindleage in Cooperatives (3313 million)	10.0
15. Cotton Market /Procurement	67.5
16. Cotton Yarn/Fabrics production	22.0
17. Handlooms Cooperatives	55.0
18. Fishermen Cooperatives	21.0
19. Storage facility (Village level PACs)	62.5
20. Soyabeen production	7.5
21. Self-Employment generated for persons (Million)	12.5
22. Salt - manufactured	7.4

Though significant progress has been made in some sectors by the cooperatives, the concern of this present paper is on the role of Youth in Cooperative Development.

### **5. Students Cooperatives**

The role of youth in cooperative development so far is chiefly concerned with the students cooperatives. The credit cooperatives which play significant role in the production sectors particularly agriculture are dependent on adult members who are in possession of collateral securities. The youths are confined to peripheral areas of cooperation where security is not insisted upon. Hence, the major area of coverage for youths is students cooperatives and their status is detailed as follows:

	1997-98
1. Number of student cooperatives	3948
2. Membership (No.)	1935296
3. Of which students %	89.7
Teachers %	4.02
Others %	6.28
4. Working capital (Rs. Million)	471.0
5. Deposits                    "	53.58
6. Reserves                   "	29.54
7. Share Capital             "	144.70
8. Government Participation %	70.80
9. Total Sales (Rs. Million)	514.10
10. Stores in profit (%)	26.10

In terms of per society sales, it works out to hardly Rs.13019 and in terms of average sales per student member it works out to a pittance of Rs.26.56. This speaks of the state of affairs of youth and cooperative development. The role of youths in cooperative development in India needs a re-look.

#### **6. Rural Employment and Income Generating Schemes**

Some of the major employment and income generation programmes of the Government are listed below:

Programme Outlay	(Rs. Million) (1999-2000)
JR Yojana	20150
EA Scheme	17000
MW Scheme	1000
Integrated Rural Development Programme (IRDPP)	8590
RA Scheme	700
G.K. Yojana	-
TRYSEM	700
DWCRA	1160
IA.Yojana	17100
DPAP	950
DDP	850
Total	69000

Many of these programme are individual-based. Even the self-help Group (SHGS) organised for women in Rural Areas are only slowly coming into the cooperative fold. As such, employment in cooperatives sector (both Direct and self-employed) constitutes hardly 13.86% of the employment in organised sector as shown below:

	1997 (%)
i) Credit Cooperatives	0.381
ii) Non-Credit cooperatives and others	0.695
iii) Self-employed in cooperatives Cooperative Sector	12.79
Total	13.86

## 7. New Directions

The projects for employment and income generation are facing many impeding factors, the chief-among them are sub-critical investment levels lack of shelf of viable projects lack of technological and institutional capabilities, illiterate and unskilled beneficiaries with no experience in managing an enterprise indifferent delivery of credit by banks concentrated flow of lending in particular projects like Dairy, absence of forward and backward linkages etc.

### 7.1 Youth Affairs through Five Year Plans

The importance of youth in national development is well recognised in the Five Year Plans. National Discipline scheme was introduced in the Second Five Year Plan. The fourth plan's accent was on the needs of the youth and training of all students enrolled in educational institutions. Nehru Yuvak Kendra received emphasis during the Fifth Five Year Plan. The sixth Plan made efforts to consolidate and coordinate different programmes. The services of youth were increasingly utilised for conservation of environment and generation of mass awareness and community education programme. This led to the formation of National Youth Policy during the seventh plan. This was followed by the formulation of an Action Plan with about 10 lakh students enlisted in the national Service scheme (NSS) 22 lakhs in Scouts and Guides and 3000 in National volunteer Service Schemes (NSVS). For non-student youths, 499 Nehru Yuvok Kendras and 164000 Youth clubs were formed as at the end of the Eighth Plan. The number of volunteers enrolled under NSS went upto 13 lakhs covering 158 Universities, 7000 Colleges and higher Secondary Schools. "Youth Development Centre" for a group of 10 villages was introduced during the VIII plan. These centres are responsible for creation of facilities for information, sports, training and for

taking up youth programmes for rural youth. A one time general assistance of Rs.30000 is given to each centre. 340 such centers were assisted during the plan period. National Youth Festivals are being organised during every plan since 1995 and outstanding individuals and organisations are rewarded.

New programmes such as Health Awareness Units, Panchayat Raj training, self employed workers association Kendras etc. were introduced. Youth against Aids, mass awareness generation campaign on GATT, watershed management waste land development programme were integrated into NSS under youth for sustainable development. Aero sports and Water sports were promoted in several States. 50 Youth hostels were commissioned. The Ninth plan (1997-2002) has proposed to evolve a new scheme of National Reconstruction Corps (NRC) aimed at environmental protection, ecological tasks, reclamation of waste land, forestation spreading literacy and other community based nation building activities. Self employment and entrepreneurship will be emphasized. Each village will have a youth club with multi dimensional character so as to address the problems of youth and channelise their energy for productive endeavour and good citizenship. The Department of Sports and Youth development has been implementing the scheme of the National Sports Organisation.

## **7.2 Forum for Cooperatives in Educational Institutions (FCEI)**

FCEI was formed in 1998 July recognised by the ICA. The basic objective of the Forum is to unite the cooperatives in Educational Institutions under one Umbrella and promote them keeping in view the development of Youth in India. Youth for Coop. development is proposed to be organised in two directions. Youths with primary level to graduation will be organised to develop the traditional activities under the Cooperatives. Two measures are needed.

- i) Train them to be good managers and Board members of the traditional societies
- ii) At least 1/3 of the members of such cooperatives will have youths as members and a fixed proportion of them should be coopted into the Board of Management.

With the knowledge society opening up, the process of economic reforms and globalization taking shape, a new breed of youths are coming up with weak organisational and financial resources. These youths are reluctant to enter the traditional coop. activities.

**The New Areas and Directions they look for growth are:**

- ♦ Information Technology, software and hardware development, computers.
- ♦ Communication technology
- ♦ Consumer Electronics
- ♦ Ocean Technology
- ♦ Bio technology
- ♦ Infrastructural development including power, road and railways, port, airways, refineries and petro-chemicals etc.
- ♦ Insurance sector , financial and capital markets
- ♦ Exports

Foreign direct investments (FDI) is very essential to provide the needed impetus for growth in such areas. Japanese are eternal friends and natural partners to India and collaborative efforts at Cooperative Institutional levels would provide the break through for development in these modern sectors. Forging closer bonds between India and Japan may open up World wide opportunities for Youth the world over. The experiment can be replicated. Such collaborative attempts will open up a cohesive politico - techno - managerial leadership among youths with a vision.

# **Country Report of Indonesia**

**By**

**BKPK**

**THE NATIONAL YOUTH COOP COORDINATOR  
THE INDONESIAN CO-OPERATIVE COUNCIL**

May peace be upon the Activists of Co-operatives in the Region of Asia-Pacific!

## **I. BACKGROUND**

### **a) Geography of Indonesia**

Indonesia is a country located between 95° and 141° East Longitude (as long as 5,111 km) and between 6° North Latitude and 11° South Latitude (as long as 1,889 km). Indonesia, with the aforementioned length and width, is divided into three time zones of 1-hour difference each. The time zones are West Indonesia Time, Central Indonesia Time, and East Indonesia Time.

Indonesia is an archipelago. Indonesia consists of 13,600 islands with its coastline of 81,000 km long, and only about 6,000 islands are inhabited. The width of its land is 2,000,000 km<sup>2</sup> and the width of its ocean is 5,900,000 km<sup>2</sup>.

Indonesia is a country wealthy of natural resources and its natural beauty. Indonesia's natural resources include (1) Diversity of ocean resources, (2) diversity of flora and fauna resources, and (3) diversity of earth resources.

The population of Indonesia in the year 2001 is 210,00,000. Indonesia is the 4th largest populated country in the world after China, India, and the United States of America and at the same time it is the 2nd multi-ethnic country after India. The large ethnic groups are Javanese, Sundanese, Batak, Minang, and Balinese. Other ethnic groups spread out in various regions/islands in Indonesia, and some of them are isolated ethnic groups.

### **b. The Present Indonesia**

Indonesia is a republic which proclaimed its Independence on August 17<sup>th</sup>, 1945. Indonesian national language is Bahasa Indonesia. The first president of Indonesia was Sukarno (1945-1966), Soeharto (1966-1998), B.J. Habibie (1998-1999), and Abdurrahman Wahid/Gus Dur (1999-present).

As a country of a huge territory, large population and multi-ethnic, Indonesia faces a number of problems of typical characteristics. Since the beginning of the practice of democracy in 1998, Indonesia has struggled against various problems such as political, economic, social and cultural problems. It would not be surprising if we witness in mass media (TV, newspapers, etc.) some riots/security problems happening in several parts of Indonesia. Indonesia is now in the process towards its maturity leading to DEMOCRACY.

## **2. INDONESIAN CO-OPERATIVE**

### **a. History**

The history of co-operative in Indonesia began on July 12, 1947 (Cooperative Congress I). July 12th is also commemorated every year as Indonesian C-operative Day. The pioneer and figure of Indonesian Co-operative was Dr. Muhammad Hatta (Founding Father of Indonesian Co-operative). He was the First Vice President of Indonesia and the one who fought for the co-operative to be included into the State's Constitution.

The number of co-operatives, members, and types of services can be seen in the following table.

**Number of Co-operatives in Indonesia (1970-1999)**

Year	Co-operative/unit	Member/person
1970	19,900	2,900,000
1990	42,100	24,600,000
1995	49,800	27,400,000
1999	89,900	22,500,000

Source: Minister of Co-operative and Small enterprises, Republic of Indonesia



**Data of Indonesian Co-operatives 1999 Based on Service Groups**

No.	Name of Co-ops	Number of co-ops	%	Number of members	%
1.	Civil Service Coop	16,760	18.6	2,778,637	12.3
2.	Employee Coop	14,198	15.8	3,133,852	13.9
3.	Multipurpose Coop	10,864	12.0	802,691	03.6
4.	Village Coop	8,620	09.6	11,007,785	48.8
5.	Islamic Boarding School Coop	4,158	04.6	448,810	02.0
6.	Traditional Market Coop	1,935	02.2	397,171	01.8
7.	Armed Forces and Police Coop	1,711	01.9	741,797	03.3
8.	Handicraft Coop	1,270	01.5	78,692	00.3
9.	Women Coop	1,264	01.4	275,417	01.2
10.	Credit Coop	1,123	01.2	551,065	02.4
11.	Others*	28,000	31.2	2,362,46	10.5

(\*) Others amount to less than 1%, including Secondary co-operatives

**b. Indonesian Economic Crisis**

The economic crisis in Indonesia (1997) was primarily caused by the development of high-class economy aimed at reaching the economic growth in such a way that the economic distribution has been ignored. The development of capitalistic economy (private) owned by only the minority of economic players, and the country's debts (private and government) to foreign countries has caused Indonesian businesses down as the hiking value of US \$ over Rupiah.

While the private business went down due to the economic crisis, co-operatives and small/medium enterprises in Indonesia, on the other hand, survived in such critical situation. This is due to the fact that co-operatives and small enterprise:

1. Relatively does not depend on monetary sector.
2. Mainly use local content/raw material.
3. Their products are mostly export-oriented.
4. Employing internal human resources that in fact has minimized labor frictions.

5. Are spread throughout Indonesia and become the backbone of the economic services.

**c. Problems and Opportunities**

The role of Indonesian Co-operatives in the economy is relatively little. With the total number of co-operatives as 89,900 units and their members amounting to 22,500,000 (data of 1999), Indonesian co-operatives contributed only about 6% to the country's GDP. The most part of the GDP is the contribution of BUMNs (State-owned Company) and private sectors.

Findings of researches show that weaknesses of Indonesian Co-operatives is due to several factors such as:

- a. Lack of investment
- b. Lack of human resources
- c. Lack of technology applied

If these weaknesses are related to the nature of co-operative itself, the real problems of Indonesia Co-operatives (besides the aforementioned problems) are:

There has not been a clear classification of co-operatives in Indonesia, that is, Producer Co-operative or Consumer Co-operative in Primary and Secondary Co-operative levels.

In some cases, there is only a small part of them that has classified themselves Producer Co-operatives or Consumer Co-operatives.

These problems have in fact caused the development of co-operatives in Indonesia to possess unclear vision. The loss of co-operative identity has made many co-operatives carry out private firms-like activities. The loose relation/transaction with their members (as owners and at the same time as customers) has caused primary co-operatives less dynamic. The lack of dynamics causes another lack of dynamic in Co-operative Movement in Indonesia so that the contribution of co-operatives to the Indonesian GDP is also small.

However, by experiencing the crisis, it is not easy to convince the Indonesian government to develop the economy on the basis of co-operative as community-oriented economy. This is due to:

1. Supporting superstructure and infrastructure of co-operatives and small/medium businesses are not completely strong (development of co-operatives and small enterprises is left behind since the economic development between 1971 and 1998 were focused on achieving the private

sector growth in such a way that even distribution was neglected.

2. Public opinion has not appropriately supported co-operatives. This is due to an imbalance mass media exposure, which only reveal failures of co-operatives.

Indonesian Co-operatives, however, still possesses potentials to reach for a brilliant future, i.e.:

1. The large number of co-operative institutions.
2. The large number of co-operative members.

To realize it, of course it needs time, hard work and seriousness from people in the co-operatives themselves, so that the co-operatives/ community-oriented economy can afford to be the main pillar of Indonesian economy.

### 3. THE INDONESIAN CO-OPERATIVE COUNCIL (DEKOPIN)

The Indonesian Co-operative Council (DEKOPIN) was born at the same time as the beginning of the Indonesian co-operatives, that is, on July 12th, 1947 (1st Co-operative Congress) and on July 12th, 2001 DEKOPIN will celebrate its 54th anniversary.

- a. **Vision of DEKOPIN.** Consolidating function and role of co-operative in the national economy so that it can give a real contribution in realizing a progressive, just, and wealthy society.
- b. **Mission of DEKOPIN.** Consolidating the position of as the sole organization of the co-operative movement that possesses power in such a way that it can be proactive in materializing the common interests of the co-operative and channeling the aspiration of the co-operatives that they strengthen the society's economy as the power of the national economy.

**Characters of DEKOPIN.** In its moves and steps, DEKOPIN has built a new paradigm of 3 main characters:

- ♦ Proactive
- ♦ Creative and innovative
- ♦ Dynamic

**DEKOPIN is the sole organization within the Indonesian Co-operative Movement, and is at the national level.** DEKOPIN comprises 46 secondary co-operative associations at the national level. At the regional level there are Regional Indonesian Cooperative Councils (DEKOPINWIL) consisting of secondary co-operatives at the regional level which are spread through-

out the 26 provinces, and 300 District Indonesian Co-operative Councils (DEKOPINDA) consisting of primary co-operatives at the district level.

In addition to its programs, DEKOPIN also establishes special committees to take care of specified fields such as:

- ◆ The Co-operative Education Center (LAPENKOP)
- ◆ The Co-operative Business Network (JUK)
- ◆ The Co-operative Legal Services and Counseling Office (BPKH)
- ◆ Women Co-operative Contact Committee (BKWK)
- ◆ The National Youth Coop Coordinator (BKPK)

## II. THE NATIONAL YOUTH COOP COORDINATOR (BKPK)

BKPK was established by DEKOPIN on July 6<sup>th</sup>, 1985 initiated by Ir. H.M. Iqbal. The idea of establishing BKPK was to support DEKOPIN in carrying out cadre forming of a strategic group, that is, youth co-operative in Indonesia. Chairpersons of BKPK since 1985 are as follows:

1. Mr. Ir. H.M. Iqbal                      1985-1990
2. Mr. Iyan Kastian                      1991-1999
3. Mr. Agus Suherman                      2000-present

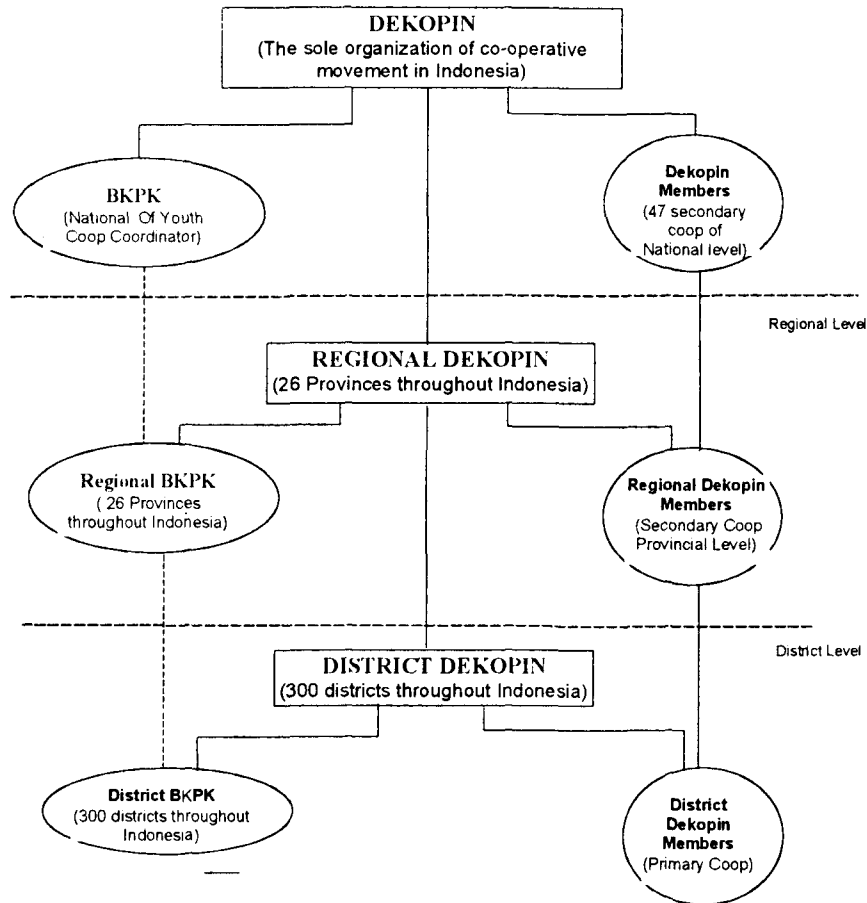
**Objective :** As a committee established by DEKOPIN, the objective of the organization of BKPK is in line with the objective of DEKOPIN.

**Function :** BKPK carries out its function as cadre forming organization for youth strategic group in Indonesian co-operative movement.

**Role :** BKPK carries out its function as human resources for development and as a recruitment source for co-operative leadership.

**Structure :** BKPK's domicile is at the national level and it is the sole organization of youth co-operative in Indonesia. BKPK comprises 26 Regional BKPKs in 26 provinces and 300 District BKPK in 300 districts throughout Indonesia.

## Organizational Structure of Co-operative Movement in Indonesia



**Notes:**

\_\_\_\_\_ Command line

- - - - - Coordinating line

**Youth of co-operative in Indonesia :** “Youth” in Indonesia is defined as a person at the age between 15 and 35 years old. Youths of co-operative are spread out in various youth co-operatives throughout Indonesia. One of the members of DEKOPIN is KOPINDO (Indonesian Youth Coop), which mem-

bers are the youths. Members of KOPINDO consist of University Student Co-operatives (Kopma), Islamic Boarding School Co-operatives (Kopontren), and High School Student Co-operatives (Kopsis).

### **III. THE NEW GENERATION OF INDONESIAN CO-OPERATIVE**

The term "New Generation of Indonesian Co-operative" is the idea that has been an ideal of Indonesian Co-operatives in the future. This idea is derived from various thoughts of Indonesian Youth Co-operative activists. This ideal aroused on the basis of the history Indonesian Co-operative since 1947 until 2000 and various problems encountered on its way. On the other hand, Co-operative and Community-oriented Economy have been the ideal to be the economic "backbone".

The word "New" is the term used in order that the co-operative in Indonesia returns to "the True Identity of the Co-operative" according to the result of the ICA Congress in Manchester in 1995.

The "Indonesian New Co-operative" which has been the ideal of the Youth of Co-operative in Indonesia is:

"The Creation of Producer Co-operative or Consumer Co-operative on the Basis of Strong Members in Accordance with the True Identity of Co-operative"

The development of co-operative should be aimed at classifying the producer co-operative or consumer co-operative. This is based on a solid rational that:

1. Co-operative development in developed countries leads to the two types of co-operatives above.
2. Empirical facts that co-operatives developable in Indonesia are producer co-operatives or consumer co-operative

To reach this objective, BKPK has set short-term and long-term programs focusing on the improvement human resources quality of the youth of co-operative. The pattern of services carried out covers:

1. Training aimed at forming strong cadres of co-operative.
2. Information, counseling, and guiding.
3. Motivation, information, communication, and consulting.

### **IV. THE ACTION PLAN 2002 (A Brief Proposal)**

#### **1. Name of Activity**

"Leadership Course for Indonesian Youth of Co-operative" of The National

Youth Coop Coordinator. The Indonesian Co-operative Council, BKPK, DEKOPIN.

## 2. Objectives

- a. Improving the quality of Youth Coop Resources and preparing cadres for the Indonesian Co-operative Movement to create producer co-operative or consumer co-operative.
- b. Improving the dynamics of the Indonesian Co-operative Movement.

## 3. Target

The output of this activity is the figure of youth of coop who possesses:

- a. Appropriate understanding of co-operative (producer co-operative or consumer co-operative).
- b. Belief and internalization of co-operative ideology.
- c. Horizon of both national and international Co-operative Movement.
- d. Strategic thinking ability.
- e. Advocacy ability for co-operatives and society.
- f. Ability to manage business, which includes market opportunities, investment resources, and techniques of competition.

## 4. Course Material

a. Co-operative identity and organization of co-operative movement	8 hours (480 minutes)
b. Strategic Management	10 hours (600 minutes)
c. Society Advocacy and Counseling Management	30 hours (1800 minutes)
d. Marketing	6 hours (240 minutes)
e. Co-operative Capital	6 hours (240 minutes)
Total hours	60 hours (3600 minutes)

## 5. Method and Media

- a. Method:
  - 1) Lecture and question and answer.
  - 2) Paper presentation (each participant).
  - 3) Analysis and problem solving.
  - 4) Simulation and practice.

- 5) Field visit.
- b. Media:
- 1) Personal Computer.
  - 2) LCD Projector.
  - 3) Over Head Projector.
  - 4) Workshop Paper.
  - 5) Others.
6. Date and Venue
- a. 1st Batch,
- Venue : Bandung (West Java)
- Date : January 21-28, 2002
- Participant : 50 BKPKs in the provinces of:
- |              |                 |
|--------------|-----------------|
| a. Banten    | d. Central Java |
| b. West Java | e. Yogyakarta   |
| c. Jakarta   |                 |
- b. 2nd Batch,
- Venue : Bandung (West Java)
- Date : February 18-25, 2002
- Participant : 50 Kopmas (Student Co-operative) in the provinces of:
- |              |                 |
|--------------|-----------------|
| a. Sumatera  | d. Banten       |
| b. Jakarta   | e. Central Java |
| c. West Java |                 |
- c. 3rd Batch,
- Venue : Denpasar (Bali)
- Date : March 19-26, 2002
- Participant: 50 BKPKs in the provinces of:
- |              |                       |
|--------------|-----------------------|
| a. East Java | c. West Nusa Tenggara |
| b. Bali      | e. East Nusa Tenggara |



d. 4th Batch.

Venue : Bogor (West Java)

Date : April 22-29, 2002

Participant : 50 Kopontrens (Islamic Boarding School Co-operative) in the provinces of:

- a. Sumatera
- b. Jakarta
- d. West Java

e. 5th Batch.

Venue : Padang (West Sumatera)

Date : May 24-31, 2002

Participant: 50 BKPKs in the provinces throughout Sumatera

f. 6th Batch.

Venue : Denpasar (Bali)

Date : August 20-27, 2002

Participant : 50 Kopmas in the provinces throughout East Indonesia

g. 7th Batch.

Venue : Ujung Pandang (South Sulawesi)

Date : September 17-24, 2002

Participant : 50 BKPKs in the provinces throughout Kalimantan, Sulawesi, and Irian.

h. 8th Batch.

Venue : Malang (East Java)

Date : October 22-29, 2002

Participant: 50 Kopontrens in the provinces throughout Java and East Indonesia

7. **Budget**

1. 1st Batch	Rp. 108,200,000	= US\$ 10,820.00
2. 2nd Batch	Rp. 115,200,000	= US\$ 11,520.00
3. 3rd Batch	Rp. 168,850,000	= US\$ 16,885.00
4. 4th Batch	Rp. 126,600,000	= US\$ 12,660.00

5. 5th Batch	Rp. 173,850,000	= US\$ 17,385.00
6. 6th Batch	Rp. 173,100,000	= US\$ 17,310.00
7. 7th Batch	Rp. 220,850,000	= US\$ 22,085.00
8. 8th Batch	Rp. 162,600,000	= US\$ 16,260.00
	Rp.1,249,250,000	US\$ 124,925.00

## V. RECOMMENDATION

As an organization responsible for the development of youth of co-operative potentials in Indonesia, BKPK DEKOPIN herewith put forward recommendations:

1. To the Government of Indonesia, we look forward to having the policies oriented to the development of small-scale businesses. In developing the co-operative, we expect that it is aimed at creating producer co-operatives or consumer co-operatives.
2. We are open to and welcoming any cooperation with other parties (both at home and abroad) to develop Indonesian Youth Coop. Therefore,
  - a. We expect that the government of developed countries will pay more attention to the development of economy in developing countries.
  - b. We expect that the co-operative movement in the developed countries will recommend the programs of BKPK DEKOPIN to the related institutions in their own country to cooperate with BKPK DEKOPIN both in the funding of activities, research, and other possible forms of cooperation.
3. To the Youth Coop throughout the world, especially in Asia and Pacific, we appeal for maintaining and improving a sense of solidarity to participate in keeping the world's peace.

## **The Indonesian Co-operative Council**

**To develop local industries and improve people's  
living through co-operative**

### **CASE STUDY REPORT**

**Tanjungsari Village Cooperative (KUD Tanjungsari)**

#### **1. Location**

KUD Tanjungsari is a multi-purpose cooperative, located in Sumedang, about 20 km to the east part of Bandung, West Java. Total population in this area is about 800,000 people, and 35% of them are member of KUD Tanjungsari. Most of people's business in this village are farmers.

#### **2. Business-Unit**

##### **Dairy/Milk production Buying and Selling Milk**

Dairy is the main business members and sell it to two of KUD Tanjungsari. KUD Tanjungsari buy milk from big milk producer companies, that is PT Indomilk and PT Indolakto. The quality and quantity of milk production each year is always increased.

This year, KUD Tanjungsari has about 4000 cows with 1-120 active members. They produce 17 tons liter/day, and they can earn Rp. 800 million per month. This amount of income is significantly increased member's Income (welfare). For transportation of the milk, there are two tanks that collected milk from members and send it to the milk factory.

##### **b. Saving and Loan**

The second big unit in KUD Tanjungsari is the saving and loan unit. Their asset this year is Rp 1.8 billion. Active members of this unit is 1,800 members. This co-op has a policy that members could only have loan through the saving and loan unit. If members want to borrow money to buy a cow, they have to deal with this unit, not to the dairy unit. If they also want to borrow

money to buy the fodder, they should have some certain amount of milk they can produce in a month, then it will be automatically deducted from the money they received from selling of their milk through the S&L unit.

**c. Electricity (payment service)**

This unit is only as a payment service point for members who pay their electricity bill. The coop received some fees from the electricity enterprise by doing this activity.

**d. Farming production facilities**

KUD Tanjungsari provides fodders (concentrate) and green fodders. One of the materials of concentrate is imported from Australia. The rest is bought from local society. People could sell some materials for concentrate production, and they could have more income through this. The need of concentrate every month is 300 tons.

KUD Tanjungsari has also built a factory of complete feed (instant feed, mix). They have the factory and the machine, but they do not have a qualified human resources to run the process.

Green fodder, such as elephant grass, is also bought from the local people. This is also becoming the problem of milk farmers to find enough grass for their cows. Some efforts the co-op did to solve the problem is by asking their local government to provide enough space to grow grass in their RUTR. They also make partnerships with local people who have vacant space/land to grow grass.

**e. Outlets (mini markets)**

There are 7 mini markets spread in this area. They sell most of the main food staples. Each of the mini market's omzet is Rp. 8 million in every ten days.

**3. Organization and Management periode 1996-2000**

**A. Organization**

- a) Board  
Chairman, Vice Chairman Secretary I, Secretary II & Treasurer
- b) Supervisory Board Chairman, and 2 Members
- c) Management Manager, Staff (44), Temporary Staff (7) free lance(15)

Total Members : 6443

#### 4. Membership

No	Year	In	Out	Total
1	1996	450	108	5375
2	1997	754	157	5970
3	1998	461	239	6192
4	1999	332	281	6243
5	2000	377	177	6443.

#### 5. Training

- a) Training of Members: 220
- b) Training of Board: 72
- c) Accounting: 20.
- d) Groups Advisory by extension workers: 28
- e) To join seminars, workshops, etc.

#### Discourse

To become farmers of milk producer in Tanjungsari area, get a good guarantee of price and the market from KUD Tanjungsari. Their market are still wide open. This can be seen from the needs of milk from the factory are about 1000 litres per day, and they can only supplied about 350 litres per day. Still, KUD Tanjungsari needs to expand their business, by malcing some added value of their milk.

For example, they want to create a home industry, so that they don't only sell and buy raw materials, but they can make and sell candies, chips or cakes from milk. They would like also to make a pasteurization process, so they can sell their own branded milk. Yet, the biggest obstacle they face is they don't have quality human resources and lack of technology in breaking through the business.

The presence of KUD Tanjungsari is giving a good influence to the community. It created job opportunities, educate more people, improve their income and give a new vision that co-operative is indeed a good business if they manage it seriously.

# Country Report of Japan

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## Introduction

The main points of this report are as follows.

- An introduction to cooperatives in Japan
- Contacts between cooperatives are steadily growing.
- What young people are doing in cooperatives
- What cooperatives can offer young people and society

### 1. Young People in Japan

Let me briefly describe today's youths in Japan - those who study and those who work.

#### <Youths Who Study>

It is hard to find a job in Japan because of the economic recession. Job openings stand at only 75% for prospective 4-year college grads and 50% for junior college grads.

Universities do not offer many opportunities for a student to think about his or her future or interact with those seeking employment.

Part of the problem lies in the fact that the Japanese are not good at relationships. For example, there are those who won't eat lunch unless they are with friends and others who get upset if their friends do not promptly answer messages sent by cellphone. This is an indication of more and more students wanting to "prioritize themselves while building relations with others."

### **<Youths Who Work>**

Labor shortages are a problem in the farming, forestry and fishing industries. In these fields, the term "youth" has come to include not just those in their 20s and 30s but 40s as well, highlighting how much of a shortage there is in future labor resources who can take over and carry on a given trade. Nonetheless, the youths working in these fields are showing a desire to work.

## **2. Current State of Cooperatives in Japan**

### **2.1 Number of Cooperatives, Members and Structures**

There are 11 cooperative associations belonging to the Japan Joint Committee of Cooperatives or JJC. Altogether, they have about 50 million members. Though some persons belong to more than one cooperative, the figures indicate that almost one in every two Japanese belongs to a cooperative.

There are many cooperative associations in Japan and they are very much present in various aspects of Japanese life. However, except for individual alliances such as the producer-to-consumer link that the Japan Agricultural Cooperatives and the Federation of Japanese Consumer Cooperatives have built, they are not strongly tied to one another.

### **2.2 Youth Cooperative Forum**

On March 21 this year, the Youth Cooperative Forum was staged under the theme of "interacting to plant seeds of cooperation for the 21st century." In attendance were 69 persons from 12 cooperatives and NPOs. This marked the first time ever in Japan that these cooperatives could overcome their differences long enough to gather under one roof.

#### **• Forum Background**

It was stated earlier that cooperatives active in differing fields of endeavor have few opportunities to interact with one another. However, awareness has grown of the need for young people involved in these cooperatives to come together and look for ways to make their cooperatives more appealing to today's youth. Recognizing this, the National Federation of University Co-operative Associations (NFUCA), local Federation of Japanese Consumer Cooperatives, Japan Agricultural Cooperatives and Japanese Workers' Cooperative Union formed a committee to organize a forum. This was seen as an "opportunity for young people from all parts of Japan - rural and urban - to come together and think about what might make cooperative associations more appealing and interesting."

- Outcome of Forum

The forum produced the following three results.

- The participating cooperatives learned what cooperatives are thinking and doing. They also learned that they shared common problems despite the difference between their organizations.
- It was also felt that cooperatives should make known what they are doing both within and outside of their organizations.
- Because participants sensed the potential of knowing and working with other cooperatives, they left the forum with the idea of staging a similar encounter in their respective areas.

### **3. Where Some Young People Are Making an Effort**

I would like now to introduce a few interesting things that young people in cooperatives are doing.

#### **3.1 Japanese Workers' Cooperative Union ... Sendai Youth Conference**

At the Sendai Youth Conference of the Japanese Workers' Cooperative Union, discussions focused on whether offices entrusted with delivery and distribution by community co-op should continue with operations or be shut down. Young people working in these offices said that they "were not objects that someone could just rearrange" and that they wanted to "keep on working with their present colleagues if they could."

Other participants said they wanted to "put their heart into something, but didn't know what" or how "stimulating it was to meet with people outside their cooperative." Others cited situations that were quite different from students of the same age such as "having to provide for a family." What they all shared was a "desire to live like oneself and an enthusiasm to work."

It was suggested that the aforementioned "problems could be seen throughout all of Japanese society and would require the efforts of many to resolve." In other words, not just the young but all cooperative members should talk with one another and interact with other cooperatives.

#### **3.2 Japan Agricultural Cooperatives**

In February 2001, the National Council of Agricultural Cooperative Youth Associations, which is a national organization of about 100,000 young people working in agriculture in Japan, organized the National Agricultural Youth



Assembly. In this assembly, young people from various parts of the country gave speeches about how they live and the pride they have in their work in the field of agriculture.

One person talked about the "explore the farm" program that gives children the chance to experience agriculture from up-close. The kids themselves picked and sold melons. Through this experience, the children came to understand the hard work it takes to be a farmer, while their parents were happy to have this opportunity to interact with their children.

It is very important for children to experience the production process and achieve a goal through the cooperation with others. It is truly wonderful that a cooperative would create such an opportunity.

And the young people of this cooperative are playing a very big role in building a local community by bringing different people - producers, consumers and families - together through agriculture.

### 3.3 NFUCA

- Foreign Students in Japan

The number of foreign nationals studying in Japan has grown in recent years. NFUCA offers a host of activities that brings foreign students together with other foreign students as well as Japanese students to improve the way they live.

One example is a foreign student committee that NFUCA formed to publish a newsletter for foreign students, hold parties to welcome new students from overseas and stage bazaars where students can buy daily essentials. There is also a university cooperative that has appointed students as directors to voice opinions and take part in management. Even NFUCA named their first student-director this year.

- Support in the Hanshin - Awaji Earthquake

What seems to be afflicting young people today is the feeling that, "despite their knowing what they want to do, there is no place for them to do it." Young people want to "contribute to society, but don't know how." That's why NFUCA created a volunteer center and offered young people the chance to "come and stay for 6 days and 5 nights."

Six years ago, young people from all across Japan came to the stricken area caused by the Hanshin-Awaji Earthquake to volunteer their services.

This is an excellent example of how young people who are frustrated with not having any place to exert their efforts were able to show what they could

do and greatly contribute to society at the same time. Hence, another role of cooperatives is to support students with hidden potential by providing them opportunities to get involved and exert themselves.

## **6. Conclusions**

The following is a summary of this report.

- Contacts are growing and spreading amongst cooperative associations. By working together, these cooperatives can create new strengths and power.
- Cooperatives should convey to young people a sense of importance of working together and taking part in activities.
- Cooperatives can offer young people opportunities to exert themselves and contribute to society. It is important for cooperative members to recognize and widely publicize this facet of their organization.

## **7. Closing**

This report has tried to give a general overview of cooperative associations in Japan. At tomorrow's session, I will report on individual cooperatives in greater detail. I personally hope that this ICA Youth Seminar can help us create a society, life and future with our own hands.

Thank you for your attention.

# Country Report of Korea

## 1. Introduction

It has usually been said that a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspiration through a jointly owned democratically controlled enterprise.

Cooperative have been regarded as an organization that can combat the incomedifferentials between the poor and the rich by protecting the interest of small holders and correcting imbalance in the marketplace. It also have been seen as organization fostering self-help spirit, so that its development has come to be regarded as a means of securing solutions to social problems.

Cooperative in many cases contribute toward solution to unemployment problems, because they can create locally-based job opportunities. Therefore, it is recognized that the development of cooperatives can bring benefits to their members as well as to the rural community and the general public.

In particular, the agricultural cooperative is regarded as a good organization to improve the economic position of small farmers by encouraging farmer's joint activities in purchasing and marketing.

## 2. Brief of Korea

### Geography

Korea is situated on a peninsula, which spans 1,100 kilometers north to south and lies between the East Sea and the Yellow Sea. The Korean Peninsula lies on the northeastern section of the Asian continent, in the northwestern corner of the Pacific Ocean. The peninsula shares its northern border with China and Russia. To the east lies the East Sea, and beyond neighbor-

ing Japan. In addition to the mainland peninsula, Korea also includes some 3,000 islands.

Korea encompasses a total of 222,154 square kilometers, approximately the same size as Britain or Romania. Excluding reclaimed land areas, almost 45 percent of the country—some 99,000 square kilometers—is considered arable. Mountainous terrain accounts for some two-thirds of the nation's territory, giving the landscape an appearance similar to Portugal or Hungary.

### **Climate**

Korea has four distinct seasons. Spring and autumn are rather short, summer is hot and humid, and winter is cold and dry with abundant snowfall. Recently, global climatic changes have been affecting the Korean Peninsula, causing summers to be rainier and winters to be less snowy.

Early spring weather is somewhat unpredictable, with frequent rain and gusty winds carrying "yellow sand dust" from the deserts of northern China. But in mid-April, the country enjoys balmy weather with the mountains and fields garbed in brilliant wild flowers. Farmers prepare seedbeds for the annual rice crop at this time.

Autumn, with its crisp air and crystal blue sky, is the season most widely loved by Koreans. The countryside is particularly beautiful, colored in a diversity of rustic hues. Autumn, the harvest season, features various folk festivals rooted in ancient agrarian customs.

### **People and Population**

The Koreans are one ethnic family and speak one language. Sharing distinct physical characteristics, they are believed to be descendants of several Mongol tribes that migrated onto the Korean Peninsula from Central Asia.

As of the end of 2000, Korea's total population was estimated at 47,275,000, with a density of 476 people per square kilometer. The population of North Korea is estimated to be 22,175,000.

Korea saw its population grow by an annual rate of 3 percent during the 1960s, but this trend slowed to 2 percent over the next decade. Today, the growth rate stands at 0.89 percent, and is expected to further decline to 0 percent in 2028.

A notable trend in Korea's demographics is that it is growing older with each passing year. Statistics show that 7.0 percent of the total population of Korea was 65 years or older in 1999, while this generation made up 7.1 percent of the total in 2000.

### Education in Korea

Korean education system is as follows:

Age	Type of School	Education
6~11	Elementary	Primary
12~14	Junior High/Technical	Secondary
15~17	High/Advanced Technical	Secondary
18~22	University/College/etc.	High
23~25	Graduate School	High

It has been thought that entering good universities is very important for their future success. Competition on passing entrances is fierce in Korea. Extra-curricular lessons, tutors, crammers etc made the situation more serious.

A day of Korean high school student preparing for the test is like this. Getting up at 6:00, arriving at school by 8:00, taking a make-up lectures till 9:00, regular classes till 16:00, other supplementary lessons till 18:00, taking supper and then studying in the private education institutions till 22:00.

In college, after 2nd and 3rd year, there are a lot of male students who join the compulsory army service for 26 months. I hope that young energy will aim at something else than military affairs.

### Economy

Korea was a typical underdeveloped, largely agrarian country up until the turn of the 1960s. However, thanks to the success of export-oriented industrialization within a short period of three and a half decades, it was transformed into a modern industrialized country. Helped by the rapid growth, which averaged over 8 per cent per annum for more than thirty years, its GDP volume soared from only 2.1 billion U.S. dollars in 1961 to 484.4 billion U.S. dollars by 1996, while its per capita GNP also leapt from 82 dollars to 10,543 dollars over the same period.

Based on this remarkable development, Korea emerged on the world stage as one of the front runners among the newly industrializing economies so that it was able to become a member of the OECD in 1996. This outstanding economic achievement was truly remarkable considering the poor endowment of natural resources and the limited domestic market.

However, structural weaknesses accumulated in the process of concentrated growth. These underlying fractures were abruptly revealed toward the end

of 1997 with the transformation of the internal and external economic environment. Consequently, the Korean economy experienced a currency crisis and faced severe difficulties. At present, to cure the weaknesses that led to the currency crisis, Korea is pressing ahead with the thoroughgoing structural reform of its overall economy.

### 3. General status of Korean Cooperatives

Korean cooperative conference has about 11 kinds of cooperative members including Agri-coop, fishery-coop, Livestock-coop, Forest-coop, Community-coop, Mutual credit-coop, Leaf tobacco-coop, Jinseng-coop, Small and medium enterprise-coop, consumer-coop.

Korean cooperative conference was established to cooperate among co-operatives, work together for common concerns and cooperation with international cooperatives in 1997. Korean cooperative conference is expected to provide and support cooperation system of various activities and businesses by all Korean cooperatives.

The status and activities of Korean cooperatives is as follows :

Classification	No of member cooperatives	No of members		
		Member	Associate	Total
Agri-coop	1,249	2,050,393	6,007,085	8,087,478
Saemaul Saving-coop	2,590	10,861,334	-	10,861,334
Consumer-coop	72	56,998	848,949	56,998
Fisheries-coop	87	166,662	-	1,015,607
Mutual credit-coop	1,592	5,056,960	-	5,056,960
Leaf tobacco-coop	38	36,816	-	36,816
Jinseng-coop	14	32,550	-	32,550
Forest-coop	144	488,047	44,895	532,942
Small and medium enterprise-coop	721	62,988	-	62,988
Livestock-coop	193	277,345	2,720,702	2,998,047

*In the end of 1998 present*

## ROLES AND FUNCTIONS

Agri-coop	Marketing • Supply • Processing of agricultural products Banking, Insurance, Extension Service
Saemaul Saving-coop	Finance, Mutual Insurance, Education, Community Service
Consumer-coop	Education, Guidance, P.R.
Fisheries-coop	Marketing • Supply • Processing of fisheries, Banking, Insurance, Extension Service
Mutual credit-coop	Credit, Community service
Leaf tobacco-coop	Marketing • Supply of leaf-tobacco
Jinseng-coop	Marketing • Supply of leaf-tobacco, Credit
Forest-coop	Marketing • Supply of forest product, Credit
Small and medium enterprise-coop	Education and training, Survey and research, Consulting
Livestock-coop	Marketing • Supply • Processing of livestock products Banking, Insurance, Extension Service

#### 4. Profile of National Agricultural Cooperative Federation

Agricultural cooperatives in Korea were established as multipurpose cooperatives in 1961 by the government in order to enhance the economic and social status of farmers and to develop agriculture and rural community.

Ever since the top-down organization of agricultural cooperatives throughout the country, they have endeavored to consolidate the organizational base, to strengthen the managerial viability, and to expand cooperative business for the last 40 years. Thanks to the active participation of member farmers, various governmental supports and unsparing efforts of the cooperative officers and staff, agricultural cooperatives have recorded remarkable growth and development.

In spite of the development and growth we have achieved so far, farmers' economic situation has not progressed so well and the income gap between urban and rural sector has rather increased recently. And farmers are facing difficulties with the mounting cost of farm inputs, coupled with reduction of government support and decrease of market demand. Agricultural cooperatives in Korea have conducted diverse business including marketing, supply, credit & banking, insurance, and guidance. From the inception, the Korean Agricultural cooperatives have adopted the multipurpose type for the reasons such as the small-scale farming, homogeneity of farmers, and the strong desire of government to accelerate agricultural and rural development.

Commercial business

- Marketing of farm products
- Food processing
- Supply of farm inputs & food stuffs
- Supply of consumer goods
- Warehousing & transportation

Banking

- Deposit & loan
- Trust & securities
- Foreign exchange
- Farm credit guarantee
- Credit card

Mutual insurance

- Life & damage insurance
- Health check-up service & scholarship
- Operation of farmer resort hotels

Extension Service

- Farm management consulting
- Member farmer education
- Political & legislative activities
- Research & public relations

**Growth of Major Business**

in billion korean Won

Classification	1980	1995	2000	Ratio 2000/1980
Marketing of farm products	599	7,155		
Supply of farm inputs	431.9	1,528		
Supply of consumer goods	80.4	1,309		
Deposit (outstanding)				
NACF	871	18,738		
Member co-ops	824	31,065		
Loans (outstanding)				
NACF	876	16,205		
Member co-ops	528	23,842		
Insurance premiums	54	2,174		



## **5. Youth's education in Korean Agri-coop**

Agricultural Cooperative College(ACC) as a affiliate institution of NACF was established in 1962 with a view to cultivating talented staff needed for rural community development and successful cooperative business. In this regard the education programs of ACC focuses on helping our students take roots in their future cooperative business by providing them with both practical and theoretical knowledge concerning cooperative affairs.

After graduation, almost all of the students get employed by either local agricultural cooperatives or diverse subsidiary companies of NACF comprising substantial part of manpower for the development of agricultural movement in Korea.

## **6. Environments surrounding cooperatives**

As the world is now facing unlimited competition and globalization., especially since the inauguration of the WTO, the external and internal circumstances facing the cooperative are drastically changing. If a cooperative fails in adopting itself to the new environment, it might lose its position. Agricultural cooperatives also could not exempted from these challenges. One is to protect member farmers who are small-scaled and economically vulnerable in rural areas of poor. The other is to survive themselves and maintain the cooperative businesses and activities. There should be a new way of thinking in the cooperative sector.

In fact, the tides of changes would not be of the Korean cooperative alone. As the twenty-first century dawned, international cooperative movement met some of great challenges in its history. As a business enterprise, cooperative face the two most difficulties emanated from the changes:

- a) speedy expansion of capitalist multinational corporations as globalization proceeds, and
- b) a drastic social transformation that has led particularly by explosion of information technology.

Multinational corporations clearly revealed their comparative advantages, of course, monopolistic power in the market, financial abundance and high flexibility in management. For the individuals, accessibility of information technology becomes critical factor for their economy and living. Some social scientists say in definite way that "the poor become more poor because of their information poor"

Like as the Industrial Revolution initiated a bulk of socio-economic problems, new mega-trend of globalization and information technology no stimulate cooperative's action and participation. To catch up the new trends, the

international cooperative movement also had to expand its concerns for new problems and to widen its scope toward outside world. The seventh principle of the International Cooperative Alliance(ICA) - Concern for Community - is a particular example.

#### 7. Vision of Korean Agricultural Cooperatives for the 21st century.

NACF and member cooperatives wish to establish a 'First-Class Cooperative in the World' so that they can contribute in building-up affluent cooperative community at home and in the international community. In doing this, agricultural cooperatives in Korea would like to maximize the 'synergy effect' in linking two arms of marketing and banking business while closely serving for member farmers' needs and benefits.

#### 8. The history and the present situation of the consumers' cooperative movement in Korea

##### 1) *The beginning of consumers' cooperatives in Korea*

In the late 1970's, the joint buying activities were initiated by the leaders of Roman Catholic and some existing cooperatives. To promote this kind of activities, the presidents of fifty-two cooperatives gathered together in 1983, so as to establish the Korea Consumers' Cooperative Federation (KCCF). From then on, new consumers' cooperatives have been organized more systematically with the intervention of KCCF, and the total number of them now reaches over one hundred and fifty.

The consumers' cooperatives in Korea can be classified into the five types: the regional consumers' cooperatives, the organization-based cooperatives which were set up by the members of citizen organizations, the company-based cooperatives, the university cooperatives, and the medical cooperatives for the medical care. Among these, the number of the organization-based cooperatives (47%) and the regional cooperatives (44.5%) amounts to 91.6% of the total number of consumers' cooperatives. (See Table 1.)

**Table 1 : The present situation of consumers' cooperatives in Korea**

Types of Cooperatives	Number	member (unit: household)
Regional	69	41,939
Organisation-based	73	62,867
Company-based	4	4,233
University	9	48,348
Medical	3	1,300
<b>Total</b>	<b>158</b>	<b>158,687</b>

2. *The history and the present situation of university cooperatives in Korea.*

It is 13 years since the university cooperative in Korea began its activities. Though its history is not very long, the university cooperative in Korea has made continuous progress, with its endeavors to improve the welfare of university members. A lot of universities/colleges in this country have great interest in the university cooperative as an alternative in managing business in campus. Now we focus our attention on the background of introducing the university cooperative movement in Korea and its present situation.

**The background of introducing the university cooperative movement in Korea**

In contrast to the 1980's quantitative expansion of universities, the quality of their welfare facilities was far behind. So the efforts to improve the facilities began to be made by the university members, and these led them to adopt the cooperative system into campus. We can sum up the reasons why they took up the system as follows.

First, in order to prevent the profits made in economic activities in school from flowing out of the universities and to reinvest the money in the welfare facilities in campus. Secondly, to meet the need of specialists for the effective and efficient management of those facilities as well as the business in school. Thirdly, to dissolve the frequent conflicts between the students and the school authorities, and to offer them a place to discuss and adjust their opinions on the welfare problems. Lastly, to educate the students about the importance of "the cooperation" or "the solidarity" and to give them a chance to experience it through the activities in the university cooperatives.

**The present situation of the university cooperatives in Korea**

Among the nine university cooperatives, four of them were founded on the Consumers' Livelihood Cooperative Society Law and the remaining five are in the process of corporation. (More details are in table 2.)

**Table 2 : The present situation of university cooperatives in Korea**

Coop name	Foundation	Members	Investment (Unit: 1,000 won)	Location
Chosun univ.	1990	16,007	116,445	Kwang-ju
Hankuk univ. of foreign studies ( in Yong-in)	1994	1,309	30,465	Kyonggido

Sung-sil univ.	1999	520	31,500	Seoul
Se-jong univ.	2001	320	31,300	Seoul
Seoul Nat'l univ.	2000	500	30,000	Seoul
In-ha univ.	2000	320	30,000	In-chon
Yonsei univ.	1994	15,650	140,650	Seoul
Ewha Woman's univ.	1989	2,205	8,665	Seoul
Dong-kuk univ.	1995	11,257	120,520	Seoul

These university cooperatives are carrying out the joint buying business with the committees for the preparation of the university cooperative establishment (e.g., that of In-chon university and Kyong-buk university, etc). This enables the participant universities to cut the buying cost and better still, other universities to enjoy lower cost by publicizing the cost determined in the joint buying. Remarkably, in 2000, the joint contract was accomplished with the drink, the dairy product, and the vending machine companies, which is evaluated as an advanced type of the joint business.

The effects of the joint business are tangible as well as deeply involved in the benefits of each cooperative, so we expect the joint business to increase drastically.

As for the activities of cooperative members, we can notice the growth of participation in the member activities and the diversification of them. More details will be informed as a main theme at the group seminar on 26.

# Country Report of Malaysia

## 1. Introduction

Co-operatives in Malaysia were introduced in 1922 during the British colonial rule with the objective of encouraging saving and to combat debt among farmers and Government officers.

After independent in 1957, the Malaysian Government continued to strengthen co-operatives as an institution to eradicate poverty and restructure society and also to improve standard of living.

The Malaysian government through the Ministry of Cooperative Development continues to encourage the establishment of cooperative ventures. Presently there are 2547 cooperatives registered with the national cooperative movement, *i.e.* *ANGKASA*, with total membership of more than 5 million with assets of approximately US 1 billion dollar.

### 1.1 Forms and Activities of Co-operatives

Various forms of co-operatives exist in order to serve the people in Malaysia. These co-operatives encourage the involvement of people from all walks of life, from school students, farmers, private sector workers or government servants. This is helped by the fact that the activities of these co-operatives are diverse and accommodative to their members' needs and profession, such as retailing, housing, manufacturing, transportation, insurance, land or property development, construction, investment and service sector.

*(Please refer to Table-1: The Breakdown of various activities of Co-ops in Malaysia)*

### 1.2 Key Organisations

Several key organisations act as the impetus for ensuring the development and success of co-operative movement in Malaysia.

Table - 1

STATE	BY ACTIVITIES													TOTAL
	BK	AGR	CON	LND	FSH	TPT	INS	HSG	IND	EDU	WOM	FWK	HET	
Johor	30	72	18	2	5	6	0	5	6	132	8	2	3	289
Kedah	27	69	12	0	6	8	0	3	7	84	3	0	2	221
Kelantan	19	44	13	0	0	3	0	0	6	105	4	0	0	194
Melaka	13	23	20	0	0	4	0	1	4	64	2	1	2	134
N. Sembilan	12	39	16	5	0	17	0	2	2	64	11	0	1	169
Pahang	12	94	24	2	1	21	0	3	6	75	2	0	2	242
Perak	35	52	29	5	4	8	0	10	8	134	10	0	2	297
Perlis	7	15	4	0	0	1	0	1	1	25	4	1	2	61
P. Pinang	22	52	9	1	6	7	0	4	1	76	5	2	0	185
Selangor	24	33	18	0	1	5	0	5	3	105	2	3	6	205
Terengganu	9	50	17	0	2	2	0	1	3	65	1	3	1	154
W. Persekutuan	78	4	27	1	0	2	1	12	3	59	0	0	3	190
Sarawak	10	2	20	0	0	3	0	1	3	77	3	0	3	122
Sabah	5	5	13	4	0	11	0	1	1	40	2	0	2	84
<b>TOTAL</b>	<b>303</b>	<b>554</b>	<b>240</b>	<b>20</b>	<b>25</b>	<b>98</b>	<b>1</b>	<b>49</b>	<b>54</b>	<b>1105</b>	<b>57</b>	<b>12</b>	<b>29</b>	<b>2547</b>
Percentage	12%	22%	9%	1%	1%	4%	0%	2%	2%	43%	2%	0%	1%	

## LEGENDS :

BNC - BANK &amp; CREDIT

AGR - AGRICULTURE

CON - CONSUMER

LND - LAND

HET - INSTITUTE OF HIGHER EDUCATION

FSH - FISHERY

TPT - TRANSPORT

INS - INSURANCE

HSG - HOUSING

IND - INDUSTRY

EDU - EDUCATION

WOM - WOMEN

FWK - FACTORY WORKERS

The organisation which represents the Malaysian government and acts as the supervisory as well as regulatory body for co-operatives is called Jabatan Pembangunan Koperasi (JPK) or Co-operatives Development Department (CDD).

Meanwhile the Co-operatives College of Malaysia (CCM) organises co-operatives education and training. The objective is to enhance the understanding of co-operatives principle and to improve the management skills of co-operatives' staff and managers.

Last but not least, the national co-operatives movement is united under the apex body called The Apex Organization of Co-operatives in Malaysia (ANGKASA) or in Malay, *Angkatan Koperasi Kebangsaan Malaysia*, established on May 12th, 1971.

## **2. The Future – The New Millennium**

Moving into the new millennium, the co-operative movement in Malaysia cannot escape from the influence of globalisation and its ensuing challenges. Therefore, the key concept of the co-operative movement in Malaysia into the new millennium is 'networking' between the various co-operatives, that is to be stronger by working together.

To foster the 'networking' culture, one organisation is needed to get the various co-operatives to co-operate and work together. And there is no better organisation which has the experience as well as the know-how to do so, than the apex body of co-operative movement itself, that is ANGKASA.

To prove the above point, ANGKASA has recently unveiled its latest project on 'cooperative networking' code-named PENAKOP (Persekutuan Nasional Koperasi Petani Berhad) aiming at uniting all the farmers under one roof and giving the farmers more power and influence over the total process involved in agriculture business. The main idea of PENAKOP is to protect the welfare of a united farmers organisation under the cooperative movement .

Whilst the PENAKOP project is relatively new, networking between co-operatives in Malaysia can be demonstrated by the establishment of Gabungan Koperasi Universiti Berhad (GAKUB) in 1988, which is 'The Federation of Universities Co-operatives in Malaysia'. Thus, GAKUB's experience can be taken as a case study to reflect the direction that the co-operative movement in the new millennium in Malaysia.

Into the new 21st century, GAKUB which is a member of ANGKASA, plans to widen its unique 'joint-buying' strategy to include school and other

co-operatives so that its benefits can be extended to other co-operatives. There are more than 1000 school cooperatives which promises a large market and greater savings to the school cooperatives if the 'joint-buying' concept exercised by GAKUB can be applied at these schools.

At the same time, ANGKASA acknowledges powerful potential of the school co-operative movement in producing the country's future leaders in national cooperative movement. Consequently ANGKASA has initiated many new efforts to strengthen the schools co-operative movement.

## 2.1 ANGKASA

ANGKASA came into being following two co-op congresses held in 1966 and 1971. Under its umbrella are 2547 cooperatives from various business activities.

### 2.1.1 ANGKASA Objectives

Essentially ANGKASA has three main objectives :

- (i) To represent the Malaysian Co-operatives Movement at National and International levels in all matters affecting the movement.
- (ii) To disseminate and propagate the co-operative concept and principles through education and publicity.
- (iii) To assist co-op Societies in the proper running and management of their affairs by way of advice, education or by making available the necessary services that are required and within the means of ANGKASA. (In English, Angkasa means *universe beyond earth's atmosphere*)

A few years after ANGKASA has been established, the government realised that the organization did not have a firm source of income as most of its members were from rural areas where poverty was rampant. This led the Minister stipulating that all co-operatives, regardless of whether they were from urban or rural areas, had to contribute one percent of their net revenue to ANGKASA. With these contributions, ANGKASA was able to provide better service to its members. ANGKASA initially imposed a fee of one percent of total collections. This amount was later reduces to 0.8 percent and subsequently to 0.6 percent, which is the current fee.

ANGKASA's activities are in line with its objectives, which include :

- (i) Working closely with the Government on all matters affecting the co-op movement. Several major issues have been resolved or settled amicably for example the question of income tax imposed on all co-op



societies in the 60's - just like any other company, whereas prior to that co-ops were completely exempted. The Income Tax Laws were subsequently amended.

- (ii) At the international level ANGKASA is affiliated with the International Co-operatives Alliance (ICA) in Geneva as well as the Asia and Pacific region, and is represented on several of its committees. ANGKASA also works closely with certain NGOs such as ASEAN (ACEDAC), ILO UNDP, Asian Co-op Organisation (ACO) etc.
- (iii) The 4P (Education, Publication, Information and Service) Division of ANGKASA is responsible for the propagation and dissemination of the co-op principles. The Education section has 10 officers who go around the country giving courses to co-op members, Board members, employees, auditors, etc.
- (iv) ANGKASA publishes books, a monthly magazine PELANCAR, leaflets, etc. on co-op subjects. Its latest publication is a book on International Auditing in co-ops. This is used by the Education section.
- (v) BPA Service Bureau is the salary deduction facility given to all government/semi-government employees towards payment of their dues to co-op societies of which they are members, as well as to their Trade Unions, club, donations to charitable religious organizations, and also their investment in the National Unit Trust Fund.

ANGKASA's specific vision is to provide services at a reasonable rate to members. It hopes to widen its scope of co-operatives education, business, management, internal auditing and so on to the whole country, in its role as protector, guide and teacher.

The first step towards realising this vision in the new millennium is the launching of ANGKASA's long-distance learning in co-operatives accounting. This is achieved yet through another 'networking' style whereby a smart partnership is made with Malaysia's top university, that is the University of Malaya.

### **2.1.2 ANGKASA's Future Plan - The School Cooperatives**

The school cooperative movement in Malaysia was started in 1968. Up to Mei 2001, school cooperatives comprise of 43% of total ANGKASA membership (i.e. 1105 of 2547 ANGKASA members are school cooperatives).

In other words, school cooperatives form a major part of ANGKASA and deserve to be given more attention, since the present school cooperative members are potentially the future leaders of cooperative movement in the

country, or at least to make these new generations aware of the good that cooperative principles can offer them and the society as a whole.

According to the Co-operative Act 1993, an individual can only be a member of any school co-operative if he/she is between 12 and 18 years of age. Therefore, immediately after a typical student finishes his/her primary school he/she can start to join a cooperative movement at his/her school and be involved until she is 17 or 18. The total 5 to 7 years is considered sufficient to achieve the objectives of school cooperatives, that are:

- i) To instill the concept and philosophy of cooperative movement into the youth mind and way of life
- ii) To inculcate thrifty habits and independency amongst the students
- iii) To educate the students on consumerism
- iv) To incorporate practical business training on top of theories on commerce learned inside the classrooms
- v) To sell consumer goods to the school community with the objective of savings and getting back the returns in form of rebates and dividends, as well as income to the school.

En route to achieving all the objectives, the school co-operatives have implemented many activities within and also outside of the school, which include:

- i) Retail Shop
- ii) Co-operative bank
- iii) Cyber Café and Internet Services
- iv) Kindergarten
- v) Tourism

As mentioned earlier, some 1105 school cooperatives are members of ANGKASA. Actually the total school cooperatives are 1335, making 230 more being outside the membership of ANGKASA. The reasons they are outside of ANGKASA are numerous, but those who are in form the bulk of the group (i.e. 83%), and these school co-operatives alone worth to be targeted further in order to strengthen the school cooperative movement and networking.

With the above view that ANGKASA has increased its activities in order to serve better the school cooperatives, which include:

- i) Aggressive campaigns to promote membership into ANGKASA
- ii) Organising educational courses on school cooperatives, in joint venture with GAKUB and other parties

- iii) Holding seminars on school cooperatives
- iv) Organising the celebration of school cooperative day at the state and national level
- v) Getting the students to be involved in the International Cooperative events.
- vi) Holding seminars on school co-operative leadership seminars at various levels

By the end of year 2000, ANGKASA has successfully trained 87,744 members of the school co-operative through the above programmes. Training was carried out throughout the year and involved both the male and female students.

Since the inception of the school cooperative movement in 1968, only in two out of fourteen states are having their own school cooperatives combination. Thus the vacuum is big and has to be filled by a capable and experienced organisation like GAKUB, with the guidance of ANGKASA.

ANGKASA's latest project with the school cooperatives is code-named SEKKOP 123. SEKKOP 123 is essentially another new millennium project of ANGKASA, aiming at providing a computerised accounting application, custom-made to be used in school cooperatives to ensure better management and control of the whole accounting process inside the school cooperatives. SEKKOP 123 is yet another example 'networking' benefit within the cooperative movement in Malaysia. To develop SEKKOP 123, ANGKASA has combined its expertise on cooperatives with that of a local IT consultant (Syarikat Cosmopoint) for the betterment of the cooperative movement in the country.

## **2.2 GAKUB - The Federation of Universities Co-operatives in Malaysia**

For university co-operatives in Malaysia, we have The Combination of Universities Co-operatives (or in Malay Gabungan Koperasi Universiti, GAKUB) which was established in 1988.

### **2.2.1 Introduction**

After 13 years of the establishment of GAKUB, with a mission to strengthen cooperative activities among university Cooperatives and Institutes of Higher Education in Malaysia, today we have developed and enhanced our networking in various aspects of business ventures. Through GAKUB, our cooperative members will have the benefits from business transactions of various products in the market and enhance better understanding among

members. Furthermore, we could ensure the products are marketed through GAKUB at competitive prices.

### **2.2.2 GAKUB Business Activities**

Besides strengthening cooperative principles, the major focus of GAKUB is to ensure that cooperative business will continue to expand. In order to ensure continuous development, GAKUB adopts the following mechanism of managing business among all the cooperative members:

- The Board of Directors of GAKUB formulate policies and activities of common interest to be implemented together. The Board of Directors meet at regular intervals of every two months.
- Negotiations between GAKUB and manufacturers for basic products such as paper and stationeries are continuously developed from time to time.
- GAKUB will be responsible to ensure that cooperative members will enjoy competitive prices of consumer products to be sold at University Cooperatives in order to gain better profit margins.

### **2.2.3 GAKUB achievements**

Over the last few years GAKUB have made several adjustments in order to strengthen our marketing strategy and gradually till we have seen some major improvements. Some of the achievements include:

- Increased dividend from 7% in 1998, to 10% in 1999 and 2000.
- Increased total sales in 1999 and 2000, with the amount of more than RM 1 Million.

Understanding among cooperative members has helped to generate new areas of cooperation. We believe that GAKUB is capable of supporting cooperative members to sustain and compete with other business institutions particularly in marketing consumer products.

### **2.2.4 The Participation of University Students in GAKUB**

The participation of students in any university cooperative can be directly considered as his/her participation in GAKUB. However, at all of the university co-operatives in Malaysia, the students are not allowed to be a member. This is because of the rule of the university co-operatives itself.

If the student can be a member of the university co-operatives, one major problem is that the student will only be at the university for four years. After graduation, they are spread all over the country and their membership with the cooperative will be defunct or inactive.

Therefore, students' role in the cooperative is limited to mere buyers at the moment. However, certain universities do have more pro-active programmes in order to inculcate the cooperative principles into the mind of the university students.

For those who are not involved in any of the programmes, the exposure that these students received while they are at the university regarding the business function of cooperative movement helps to instill some cooperative principles in their mind. Some cooperatives even go to the extent of giving contributions to top students to show that cooperatives work for the betterment of everybody, including its members and customers. Furthermore, the competitive prices that the cooperatives are charging the students indirectly shows to the students that cooperative is a desirable business form in the society.

### **2.2.5 An Example of Successful Students Participation in Cooperative Movement, at one of GAKUB Cooperative Member Organisation**

One of the most successful university cooperatives is the University of Malaya BookStore Co-operatives Society Limited (or in Malay, Koperasi Kedaibuku Universiti Malaya Berhad, KKUM).

One of the keys in the success of KKUM is the proper inventory control and minding the turnover of the items in the shop. KKUM was established on May 31, 1968 initially just to provide books to the campus community. From time to time, KKUM has expanded to become a big organisation with sales turnover of RM 25 Million in year 2000. KKUM gives direct service to the book selling industry in the country and involve into other businesses such as travelling, catering, electrical items, telecommunications and so on.

KKUM also help another universities co-operatives which are not very successful to run their co-operatives by giving consultancy and advices in the areas of finance, management and marketing.

In terms of encouraging students' participation in the cooperative activities, KKUM is quite creative and proactive.

In Universiti of Malaya, student is not directly participating in the university co-operatives (KKUM). But they participate with join the club which were established by KKUM such as Co-operative Club and *Siswaniaga* (Student Entrepreneur Program). The Co-operatives is run by the students who formed a committee. The advisor of this club is one of the lectures from the Faculty of Economy and Administration and one from officer from the KKUM. This club cans initiate any project or programs with the approval of the advisors.

In the University, initially *Siswaniaga* was advised by Student Affair Department and KKUM. Then *Siswaniaga* was put under Small Business and Industry Studies Unit (UNIK) because the advisor in UNIK was lecture in Faculty of Economy and Administration. But KKUM also is the advisor of KKUM indirectly. KKUM has invested about RM20,000.00 in *Siswaniaga* programme.

The main function of *Siswaniaga* was to build a spirit of entrepreneurship among the student. *Siswaniaga* has organized talk and seminar about entrepreneurship to student. *Siswaniaga* also give a chance to student to run their own business in campus. A group of student especially members of *Siswaniaga* can submit their business proposal to UNIK and at the same time request a loan from a fund established for this purpose by the Ministry of Entrepreneur Development. The loan as capital from this fund normally not exceeds RM5,000.00 and must be paid according to schedule agreed by both parties.

Also a joint venture exercise with the Ministry of Entrepreneur Development, KKUM have given training to the first batch of 4 graduate entrepreneurs in the areas of book industry. Three of the four trainees have started their own bookshop with considerable success. Whilst another trainee has been absorbed to work with a university co-operative, thus making the programme a total success in terms of promoting cooperative business and principles. A new batch of trainees is therefore expected to begin a similar one year training with a month time or so.

### **3. Conclusion**

Generally, the public has long been aware that co-operatives can play an important role in improving member's standard of living and certainly many of them perceive that co-operatives in Malaysia have contributed significantly in this respect. However, in view of the latest challenges in the market due to world globalisation and deregulation, co-operatives movement in Malaysia must work harder to better defend against the challenges. The best way to do this we believe is through smart partnership or better networking between the various cooperatives in the country to create a more meaningful web of cooperators within the country. This concept should be extended to the regional and world level so that everyone in the movement can move together with the public and private sector. And while doing this, the future leaders, that is the youth must not be forgotten but be encouraged to participate actively in the movement, starting from the root such as at the schools.

## **Country Report of Sri Lanka**

### **1. Human Resources Development & Policy Planing**

- Ministry of co-operative Development
- National Co-operative Council (NCC)
- Sri Lanka Co-operative School
- Sri Lanka Institute of Co-operative management (SLICM)

### **2. Co-operative Employees Rules & regulations**

- Co-operative Employee Commission

### **3. Sri Lanka Co-operative Marketing Federation LTD**

All products base on agriculture will promote under this and they are concern of members in related to the day to day issues. I.e. Sales, Marketing, Management etc.

### **4. Sri Lanka Consumer Co-operative Federation Ltd. (COOPED)**

Member societies and their members will be benefited with the above and consumer products and all kind of products and services will be controlled by them. Further, they have taken series of steps to develop their day to day operations and they have qualified to full fill full range of products and services which consumer required. Near future they will consider Export/ Import operations as well.

### **5. Sri Lanka Co-operative Rural Bank Federation Ltd.**

It will handle all Co operative Rural Banks through there sister members known as District Union Bank which splatter all over the country and they will do all kind of Policy planing, new concepts and development in related to the Co-operative Rural Bank. They have achieved considerable wins over financial market in Sri Lanka.

**6. “Sanasañ Society”**

It has distributed very strongly and they have developed saving habit among the members and they have highlighted as one of the main force in ralaed to the members financial management.

**7. Co-operative Coconut Producing Society**

It will have greater responsibility of the Coconut Industry of Sri Lanka as well as the Export Market.

**7. Sri Lanka National Fisheries Co-operative Society.**

Members of the above will be benefited in selling their products and getting the required financial assistance in time to time.

**8. Sri Lanka Co-operative industrial Society**

All members of the above will be benefited in promoting their products and would be able to have the assistance of operating their management.

**9. Sri Lanka Dairy Producers**

Quality assurance in marketing their products will be handled under the supervision of the above.

**10. Sri Lanka Co-operative Handlooms Society.**

Quantity assurance in marketing and promoting their products to the world market is handled by the above.

**Brief introduction of the Country**

Our country Sri Lanka is a beautiful island in the Indian Ocean and is known as the pearl of the Indian Ocean. (Some Pictures and analytical maps will include with some graphics)

Having mentioned all these things the most important factor is 74% of the population are under various Co-operative movements and therefore it is high time to understand the strength of it and is proud to inform that we are gradually getting ourselves organized to face today's challenges of the open economy and globalization.

**Future Plans**

Most of the above mentioned Co-operative movements are being organized and they are planing to achieve certain things in harmony :



- i) Diversify of their products and services
- ii) Development of Human Resources
- iii) Being familiar with IT (Information Technology)
- iv) In the near future we'll be having a unique society and that will focus on the global market to promote all kinds of various products which belong to Co-operative Sector. In future will introduce a Co-operative movement to look after Tourism Sector and it will promote business related to tourism.

### **Youth Situations in Our Community**

As the other third world countries our youth always consider white-collar jobs. It means most of the youth in the community are moving away from the sectors such as agriculture and farming etc. Therefore today our main target is to introduce new concepts and methods to change their behavioral patterns to give them more awareness of other areas such as IT and the Management. We can implement this through this Co-operative movement. Therefore we have more encouragement of the youth joining in this venture.

In the process we are hoping to plan out introducing various Youth Co-operative conferences to encourage them and to understand the potential of the Co-operative sector world wide and how strong they are.

In time to come we are hoping to exchange the skills of the Youth among the countries and give them more experience in their operations. This will benefit them immensely.

Having all these plans on mind our aim is to have a better tomorrow under the roof of the world Co-operative movement. We are confident that ICA is behind us.

Thanking you all,

*"May wish to have a Better Tomorrow under the Co-operative Movement with much committed youth Strength"*

## **Country Report of the Palestinian Cooperative Movement**

### **Historical roots and current situation of the Palestinian Cooperative Movement**

The roots of the cooperative movement in Palestine go back to the year 1933, when the first Palestinian Cooperative Law (No. 50) was published. Tobacco growers and Citrus producers established the first cooperatives. Furthermore, savings and credit cooperatives in the Palestinian countryside also existed then.

The Palestinian Cooperative Movement encountered different political conditions. As a grassroots socio-economic movement, the Palestinian Cooperative Movement remained voluntary and non-governmental owned and managed by its members based on cooperative values of democracy, social justice, equitable distribution of resources and opportunities.

### **Facts and Figures**

Up until mid 1999, the number of registered cooperatives exceeded 1,150 cooperatives. Cooperative activity differs from one cooperative to another depending on members' activity and dedication. New studies show that the number of active cooperatives in Palestine is around 400 cooperatives with more than fifty thousands members representing 300,000 families. This number indicates the importance of cooperatives as forming a vital economic sector in the Palestinian society.

The statistics point out that the members' distribution according to various sectors is as follows:

<b>Sector</b>	<b>Members</b>	<b>%</b>
Housing	16,345	29.46%
Agricultural	21,813	39.31%
Industrial & Production	76	0.14%
Consumer	8,608	15.51%
Handicraft	800	1.44%
Services	7,563	13.63%
Others	282	0.51%
<b>Total</b>	<b>55,487</b>	<b>100.0%</b>

### **Geographical distribution**

Cooperatives are distributed across Palestine covering urban cities as well as the countryside.

Housing, consumer and handicraft cooperatives mostly operate in the urban areas, while agricultural and marketing cooperatives mostly operate in the countryside areas.

The cooperative geographical distribution could be indicated as follows:

- ◆ 29% of the cooperatives are in the north of the West Bank. (Nablus, Tulkarem, Qalqilia, Salfit, Jenin).
- ◆ 28% of the cooperatives are in the middle of the West Bank. (Jerusalem, Ramallah, Jericho).
- ◆ 31% of the cooperatives are in the south of the West Bank. (Bethlehem, Hebron).
- ◆ 12% of the cooperatives are in the Gaza Strip.

### **Sectoral Distribution**

The sectoral distribution of Palestinian cooperatives is as follows:

Housing	429
Agricultural	309
Produce & industry	13
Consumer	36

Handcrafts	18
Services	256
Other	95
<b>Total</b>	<b>1156</b>

### **Membership Classification (age & sex)**

The new statistics in 1999 obtained from 222 cooperatives in Palestine indicated that the age classification of the cooperative members is as follows:

Less than 30 years:	20%
Between 30-60 years:	71%
More than 60 years:	9%

Even though youth currently compose 20% of the cooperative movement in Palestine, the number of key leadership positions they possess is minimal and there are no specialized "youth" cooperatives.

Except for women cooperatives, the ratio of males to females in Palestinian cooperatives is 90% to 10%.

### **The Cooperative Development Unit**

The Cooperative Development Unit (CDU) was set up by the cooperative movement in Palestine in the year 1998 to carry out the task of designing and implementing developmental policies and action plans. These activities include but are not restricted to opinion-moulding initiatives, training, be it general or technical in areas as marketing, management, savings and credit, computer literacy, etc., institutional development initiatives and other capacity building programs.

### **Strategic objectives of the CDU**

The Cooperative Development Unit's strategic objectives are as follows:

1. Promote practice of international cooperative principles and values in Palestinian cooperatives and unions notably independence, democracy, and equitable distribution of resources and opportunities.
2. Assist Palestinian cooperatives and unions in creating organizational structures and systems to control their work according to the Cooperative Law.
3. Provide technical assistance for Palestinian cooperatives and unions including policy-making support, design and implementation of busi-

ness plans and project management assistance so as to better serve their members and cover their needs.

4. Encourage cooperatives to increase their membership base by encouraging youth from both genders to participate in cooperative activities.
5. Create a concrete base for cooperation among Palestinian cooperatives as well as cooperation between the Palestinian Cooperative Movement and the regional and international Cooperative Movements and other organizations.

### **Present CDU programs**

#### *1. Technical Assistance and Transfer of Knowledge*

From the onset of CDU's work, it had been constantly providing technical assistance to various cooperatives in diversified areas such as project management, marketing, micro-finance and business planning. The CDU is currently having at its disposal a well-trained ten-member local consultancy base for this type of activity. The team is spread all over Palestine, four in the Gaza Strip and six in the West Bank. In addition, the CDU had been working with the Swedish Cooperative Movement in transferring modern cooperative practice in Sweden to Palestinian cooperatives.

#### *2. Cooperative Networking Project*

During the last year as well as this year, the CDU has been working to connect various Palestinian cooperatives to the Internet so as they could form among themselves an electronic network benefiting from the wealth of information and opportunity the World Wide Web presents.

#### *3. Data Base Project*

The creation of a cooperative Database in Palestine is one task the CDU is presently undertaking. This project aims to collect as much as of correct information about active cooperatives in Palestine including their current economical, structural and social conditions. This study will help the Cooperative Development Unit and other concerned authorities and non-governmental organizations in planning and prioritizing developmental future programs for the Palestinian Cooperative Movement.

#### *4. Specific Sectoral Projects*

In addition, in conjunction with various cooperative unions and societies in Palestine, the CDU had in the past implemented and is also currently implementing various sector-specific programs in the cooperative agricultural, housing, health and handicraft fields. These include:

- ◆ In cooperation with the Agricultural Cooperative Union (ACU) in Palestine, the CDU is implementing two important projects. The first is called "Olive & Olive Oil Improvement Project" while the other is called the "Integrated Pest Management Project". In both projects the CDU is trying to promote ecological produce, be it olives and olive oil or different vegetables, through providing Palestinian farmers with the necessary technology and know-how.
- ◆ The CDU is working with the Palestinian Union of Housing Cooperatives (PUHC) in improving the services it provides to its members mainly the publishing of a bi-monthly newsletter. It also had financed an international housing financing study in Europe where a consultant was contracted to contact various European housing and banking institutions to get them interested in providing soft loans to Palestinian cooperatives. The initial results of the study are promising and various European organizations had shown interest in the matter.
- ◆ The CDU had been working with Beit Sahour Cooperative Society for Health Welfare in the Bethlehem area of the West Bank in improving and rehabilitating the obstetrics services it provides to the surrounding community by upgrading some of its medical equipment and by providing various medical and managerial training workshops to its staff.
- ◆ The CDU had implemented in 1999 together with the Kalandia Camp Women Handicraft Cooperative a Market Study aiming to boost the sales of the cooperative production of Palestinian heritage-related handicrafts and embroidery.

Given all of the above, the CDU expects that the fulfillment of a concrete cooperative development process in Palestine would require lots of time and efforts to overcome the existing serious phenomena and realities brought about by years of occupation, neglect, misguided concepts and prejudice about the cooperative sector.

Finally, the CDU plans to monitor and measure continued progress in that respect through sustained contacts with various cooperative entities and routine evaluations of their progress in transfer from being perceived as charitable organizations to becoming efficient bodies conducting professional and profitable business while adhering to cooperative principles and values.

# **Country Report Philippines**

## **Issues and Challenges to Youth in the Philippines**

### **The Youth Cooperative Sector Response**

**RICHARD D. ARCEÑO**

Chairman Technical Working Group (TWG) for  
Youth in Co-op Development

#### **GENERAL SITUATION OF YOUTH**

To date about 40% or 30 million of 75 million Filipinos are youth aged 15-30 years. The household heads belonging to the 30 and below age brackets have a poverty incidence of 45.1 followed by household heads belonging to the 30-49 age range ( 43.5 ), then those 50 ND ABOVE (32.0 )

**The Philippine Youth Building Act classify the youth into four groupings**

1. In-School Youth (ISY). About 21 million aged 15-24 years are not whom are in the primary education, 13 million are in secondary and tertiary.
2. Our-of-School Youth (OSY). Around 8.7 million aged 15-24 years are not enrolled to any type of school.53.64 percent are located in urban areas.
3. Working Youth (WY). About 12 million youth between ages 15-30 are either employed or are actively looking for employment. The lowest participation rates (43 percent) are in the 15to 20 group since people at these ages are in school. Those in the 21-25 age bracket have a Labor force participation Rate (LFPR) about 71 percent ) that is close to the national average, while those in the 26-30 age cluster have a high FLFPR of 73 percent. Of the employment youth, majority are wage workers (65 percent), and most of them are in the urban areas.
4. S special Youth ( SY ) includes nine clientele categories, namely, the

Youth in Indigenous Culture Communities, Youth With Disabilities, Youth in Situation of Armed Conflict, Young Victims of Natural Disasters and Calamities, Youth Offenders, Juvenile Delinquent, Drug Dependent Youth, Street Youth, and Abused/ Exploited Youth.

Issues and concern of youth in the Philippines, boils down to poverty. As consequence the youth cannot access the right for all full education (continuous education from primary, secondary to tertiary level) which prime hope for social mobilization and opportunity for gainful employment. Education and employment are essential elements to empower the youth to participate in the community and national development. Education is the stage of harnessing the skills and potentials of young people whereas employment is the period of utilization and the realization of what was learned. Moreover, access to gainful employment is vital stage to young people to gradually experience the economic independence. Depriving these human development elements therefore will loose the opportunity of the youth as leaders of today and beholder of future generation.

The youth situation in the Philippines is not different form other developing countries in Asia and Pacific Region except probably on the degree of impact of poverty. But whatever the degree of poverty is, it is still big concern on how to reduce the huge number of young people experiencing insufficient economic resources and access to basic social services.

It is also quit obvious neglecting the aggravating reality of poverty will recourse to problem on peace and order and environmental concern. Since young people have limited opportunity for education and employment and other basic social services, they will engage in unwanted social activities like kidnapping, robbery, drug trafficking, illegal logging, fishing, mining, etc., disregarding these social realities, will become the stumbling block for establishing peaceful and sustainable environment for all.

Philippines have huge numbers of young labor force, therefore the challenge to government and private sectors is how to harness and fully utilize the potentials and skills of young people towards active involvement in national growth and development.

The six government agencies in-charge in youth development namely the Department of Education Culture and Sports (DECS), National Manpower Youth Council (now Technical Education and Skills Development Authority (TESDA), Department of Labor and Employment (DOLE), Department of Social Welfare and Development (DSWD), Commission on Higher Education (CHED) and National Youth Commission (NYC) have annual allocated budget for youth programs. However they have no direct control over



the implementation considering it is now mostly the role of Local Government Unit (LGU's) and Non-Governmental Organizations (NGOs) as part of decentralization policy programs Agencies (NGA's) are move on facilitation.

Since NGO's are given the chance to be the partner of government in the implementation of various programs for youth sector, therefore the cooperatives as NGO in structural function can perform these duties. It is the right time that cooperative either campus or community-based having programs for youth should mobilize its linkage with the government. Currently there are four cooperative organizations actively engage in youth programs in the country namely the Metro Manila Federation of Consumers Cooperative

(MMAFECCO), National Confederation of Cooperatives (NATCCO), Cooperatives Education Development Center (CEDC) and Visayas Cooperatives Training Organization

(VICTO). However, despite of these the youth in cooperative could not establish a national youth coop identity with proactive and unified needs of present times.

Aware of these concerns, MMAFECCO, in cooperation with the Technical Working Group (TWG) for Youth in Co-op Development conducted the "Youth in Co-operative Forum" at BBMC Independent Living Center, Novaliches Quezon City last March 2-4, 2001. The youth delegates were from region 4,6 Cooperatives Network (NYCN) with four sub-sectors composition namely consumer, credit, agricultural and worker and PWD. NYCN will serve as the national umbrella of youth cooperative either campus or community-based with principal function on the following key areas:

1. Maintaining close coordination among youth coops.
2. Advocacy and policy formulation, development and lobbying.
3. Linkages and human resources development, and
4. Promotion of international understanding.

## **ISSUES AND CONCERN OF PARTICIPATING CO-OP SECTORS**

### **Agricultural Sector**

- ◆ Lack of programs for youth. The rapid development of industrialization is a pressing concern;
- ◆ Misconception of youth regarding agricultural involvement;
- ◆ No support system and services

### **Consumers ( Campu based ) Sector**

- ◆ Operational management including time in youth activities in various universities has not been granted by their respective administration;
- ◆ Lack resources for information dissemination on youth membership and succession of youth leaders;
- ◆ Funding for youth activities ( i.e. monitoring, transforming learning`s in actions: )
- ◆ No specific youth program
- ◆ Enhancement of creative environment for youth participation.

### **Workers and PWD Sector:**

- ◆ Salary discrimination of youth in various corporations;
- ◆ Accessibility problem of persons with disability;
- ◆ Low productivity
- ◆ Young workers have poor access to social security
- ◆ Globalization hurts young workers in the short run as export oriented firms resort to the use of subcontracted labor, especially those in the 15-17 age group
- ◆ Among those found to be working in hazardous and stressful jobs are minors in the 15-17 group
- ◆ Young workers generally have low bargaining power and do not enjoy job security and workers` rights

### **Credits Sector**

- ◆ Lack of time to manage co-op since are also busy with their school works and they report in the office during the period which resulted in backlog in transactions and preparation of necessary forms.
- ◆ Dishonest staff-since the student tellers are the one holding the money, immature to resist temptation in time of need.
- ◆ Giving out technical assistance to the primary laboratory co-ops.
- ◆ Employment of the co-op graduate`s.

## NATIONAL YOUTH COOPERATIVE NETWORK ( NYCN ) VISION-MISSION STATEMENT

### VISION

The Filipino Youth in Co-ops envision being the catalyst for social and economic transformation of the country and leader in the promotion of equalization of opportunities among the disadvantages sectors of the society.

The Filipino Youth will treat the cooperative as a way of life and foundation for the establishment of mutual cooperation towards the attainment of sustainable quality living and holistic development of today's generation of young people and future inhabitants.

### MISSION

- ◆ Venue for Intercultural/Generational understanding and unity;
- ◆ Agent in the promotion and development of economic viability and social equity towards sustainability;
- ◆ Instrument for human resource development towards excellence and global competitiveness.
- ◆ Leading body in the protection of the environment

## PHILIPPINE YOUTH CO-OPERATIVE INTEGRATED PLAN OF ACTION : 2001-2005

### SHORT TERM PLAN

ACTIVITIES	STRATEGIES	TIMEFRAME	EXPECTED OUTPUT
1. Echoing seminar of youth forum in Region 6 & 4	Coordinate with Southern Tagalog Cooperatives (Region 4) and University Coops (Region 6) West Visayas	July-October, 2001	Validation of Integrated Plan of Action in all region & recognition of national Youth Cooperatives. Network (NYCN) as national youth coop umbrella
2. Organise regional workshop and consultation dialogue to			

# **Country Report of Singapore**

by

**Teo Say Hong & Jeffrey Chin**

**Youth Coordinator & Asst. Youth Coordinator  
Singapore National Co-operative Federation Ltd**

## **1. SINGAPORE**

Founded as a British trading colony in 1819, Singapore joined Malaysia in 1963, but withdrew two years later and became independent. It subsequently became one of the world's most prosperous countries, with strong international trading links (its port is one of the world's busiest) and with per capita GDP above that of the leading nations of Western Europe.

The island of Singapore lies off the southern tip of Peninsular Malaysia and is linked to Mainland Asia by a causeway. The climate is tropical and varies very little throughout the year. The terrain is generally lowland with gently undulating central plateau containing water catchment area and nature preserve.

The population stands at 4,151,264 (July 2000 est.) with a growth rate of 3.54% (2000 est.). Singapore is a multi-racial and multi lingual society, with an ethnic mix of 77% Chinese, 15% Malay, 6% Indian and 2% other groups.

Most Singaporeans are bilingual or trilingual, speaking a combination of Malay, Chinese, Tamil and English. English is the language of administration and is spoken throughout the business community. Singapore's literacy rate is one of the highest with the total population at 91.1%. Religions found in the country are Buddhist (Chinese), Muslim (Malays), Christian, Hindu, Sikh, Taoist and Confucianist.

Singapore is a parliamentary republic, with an elected president who sits for

a six-year term; in the most recent presidential elections held in August 1999, S R Nathan was elected after being declared the only eligible candidate. The unicameral parliament has 83 members elected for a five year term, while a further seven MPs are appointed by the President to represent interest groups. They are not members of any political party. Prime Minister Goh Chok Tong, who has held the position since 1990, heads the present government. The PAP has won every general election since Singapore achieved its independence in 1959. The next parliamentary election is scheduled before August 2002.

Singapore is blessed with a highly developed and successful free-market economy, a remarkably open and corruption-free business environment, stable prices, and the fifth highest per capita GDP in the world. Exports, particularly in electronics and chemicals, and services are the main drivers of the economy. The government promotes high levels of savings and investment through a mandatory savings scheme and spends heavily in education and technology. It also owns government-linked companies (GLCs) - particularly in manufacturing - that operate as commercial entities and account for 60% of GDP. As Singapore looks to a future increasingly marked by globalization, the country is positioning itself as the region's financial and high-tech hub. The GDP and GDP per capita is \$98 billion (1999 est.) and \$27,800 (1999 est.) respectively with real growth rate at 5.5% (1999 est.).

Singapore exports machinery and equipment (including electronics), chemicals, mineral fuels (1998) with a total value of \$114 billion (1999) to major trading partners like US 19%, Malaysia 17%, Hong Kong 8%, Japan 7%, Taiwan 5%, Thailand 4%, UK 4%, China 3% and Germany 3% (1998). The import of \$111 billion (1999) include machinery and equipment 57%, mineral fuels, chemicals and foodstuffs (1998) from partners like US 17%, Japan 17%, Malaysia 16%, Thailand 5%, China 5%, Taiwan 4%, Germany and Saudi Arabia (1998).

Singapore's Labour force stands at 1.932 million (1998) with an occupation mix of 38% financial, business, and other services, 21.6% manufacturing, 21.4% commerce, 7% construction and 12% others. The unemployment rate is a low of 3.2% (1999 est.).

## **2. SINGAPORE NATIONAL CO-OPERATIVE FEDERATION**

### **2.1 Background**

The Singapore National Co-operative Federation (SNCF) is the apex body representing the co-operative movement in Singapore.

SNCF was established on 18 September 1980 and its operations are gov-

erned by the Co-operative Societies Act (Cap 62). The roles of SNCF are mainly to provide support to existing co-operatives, to help set up new co-operatives and to educate the public about co-operative values and their applications in a modern society.

75 Co-operatives in Singapore are currently affiliated to SNCF. These affiliates have a total individual membership exceeding 1.3 million. These co-operatives can be categorized into four sectors under SNCF:

- NTUC Sector
- Campus Co-operative Sector
- Credit Co-operative Sector
- Services Co-operative Sector

The largest and more popular co-operatives are NTUC FairPrice (supermarket business, NTUC Income (insurance business) and NTUC Childcare (pre-school childcare business), which are subsidiaries of the National Trade Union Congress, a body representing most working class citizens in Singapore.

## **2.2 Roles of SNCF**

- ◆ To educate public on the role of co-operatives.
- ◆ To promote co-operative education and training of members of affiliates.
- ◆ To provide management services to its affiliates.
- ◆ To organize social, cultural and recreational activities for the members of its affiliates.

## **3. CAMPUS CO-OPERATIVES**

### **3.1 Background**

Campus co-operatives are co-operative societies operating in the campuses of schools, colleges, polytechnics and universities. With the advice and assistance of teachers, campus co-operative offers students first-hand experience of running a co-operative on sound economic and co-operative principles.

Campus co-operatives' membership is open to students, teachers, lecturers and staff of secondary schools, junior colleges, polytechnics and universities. These co-operatives provide a variety of services to their members such as sale of books, stationery, IT services, sports goods, canteen services, travel etc.

### **3.2 Objectives of Campus Co-operatives**

- ◆ To promote the economic interests of its members.
- ◆ To encourage thrift, co-operation, self-help and mutual assistance among its members.
- ◆ To promote and popularize the buying and selling of educational materials, consumer goods and services on a co-operative basis.
- ◆ To establish and operate such co-operative schemes, ventures or projects subject to the approval of the registrar.
- ◆ To develop entrepreneurial skills of members through exposure to various types of co-operative activities.
- ◆ To inculcate in members self-discipline, self reliance, responsibility and accountability and to provide opportunities for total character development.

### **4. HOW SNCF HELP SET UP NEW CAMPUS CO-OPERATIVES?**

The initial stages of work involved in setting up a campus co-operative will be done with the assistance of SNCF. SNCF will help in everywhere possible from the working out of the by-laws to the registration of the co-operative and providing training, networking and other support services.

To further promote campus co-operatives in Singapore, SNCF also gives an outright grant of \$5,000 to each new campus co-operative as a start-up fund.

### **5. SNCF CAMPUS CO-OPERATIVE SECTOR COMMITTEE**

The Campus Co-operative Sector Committee, led by Associate Professor Poo Gee Swee from National University of Singapore, was set up in 1994 following a Co-operative Strategic Review. The Committee consists of members representing all categories of campus co-operatives - University, Polytechnic, junior college and secondary school co-operatives.

The Campus Co-operative Sector Committee meets regularly to identify relevant problems and formulate ways and means to overcome problems.

In addition, the Campus Sector participate in the annual Co-operative Leaders' Conference where all Co-operative Sectors would merge to review the progress and recommend plans for the following year.

SNCF provides a grant to support sector meeting and activities and for the acquisition of professional services.

The Campus Sector has enlarged its committee size with the inclusion of a few additional members representing the newly established school co-operatives. Refer to Annex A for the full listing of campus cooperatives in Singapore.

## **6. RECENT PROJECTS/ACTIVITIES**

### **6.1 The National Campus Co-op Seminar in 1999**

The National Campus Co-operative Seminar was held on 18 September 1999 at St Andrews Junior College. The theme of the seminar was "Nurturing Young Entrepreneurs - the co-operative Way". The Guest-of-Honour was Mr. Chan Soo Sen, Parliamentary Secretary to the Prime Minister's Office and the Ministry of Health. More than 350 participants comprising principals, teachers and students from 25 schools, colleges and tertiary institutions attended the one-day seminar to see and learn how co-operatives promote entrepreneurial skills through their involvement.

### **6.2 Central Purchasing**

The Campus Sector set up its Central Purchasing Scheme by starting off with the supply of writing pads to the campus co-operatives. This enables the campus co-operatives to purchase the bulk and get a better discount of 20% to 60%. Ultimately, the students benefited from the economics of scales. This was proven to be a great success and more items will be added on to the range of products in future.

### **6.3 Campus Co-operatives As a Co-Curriculum Activity**

The educational values and experience gained by the students were also recognised by Ministry of Education. The Ministry has in fact endorsed the students' participation in campus co-operative as a Co-Curriculum Activity. Students who involve in this activity can qualify for bonus points in the CCA Grading Scheme. The Ministry has also left the formation of such co-operatives to schools and colleges. SNCF may approach them directly to encourage them to set up co-operative.

### **6.4 Survey on Customers' perception/expectation of Campus Co-operatives**

A survey has been conducted to measure the expectation and perception of customers and members of major campus co-operative stores in Singapore. The survey provides concrete feedback of the members/customers' views on the operations of the stores. The survey was conducted in the first half of 1999, with the involvement of 5 campus co-operatives. A total of 310 survey forms were collected after the exercise.



The survey shows that the campus co-operatives have done very well in two areas: the cleanliness and the interior lighting of the stores. There are 5 main areas in which we should improve upon. They are namely, queuing time, prices and quality of products, length of business hour and ability of meeting customers' needs. The general rating of the campus co-operative remains good.

## **6.5 Participation in the Regional Events**

### *6.5.1 2<sup>nd</sup> ICA Regional Co-operatives Youth Seminar for Asia and the Pacific*

Representatives from the Campus Co-operative Sector participated in the 2<sup>nd</sup> ICA Regional Campus/Youth Co-operatives Seminar for Asia and the Pacific held in Quezon City, Philippines on 15 to 18 April 1999. Main topics discussed were "The Role of Youth and Co-operatives in the Current Socio-economic Realities" and "The Youth and the Future of Co-operatives".

### *6.5.2 6<sup>th</sup> meeting of the ICA Consumer Sub-Committee on University/College Cooperatives for Asia and the Pacific*

Four members from the Campus Sector Committee participated in the above meeting held in Singapore on 25 June this year. At this meeting, Associate Professor Poo Gee Swee, Chairman of the SNCF Campus Sector Committee was elected as Vice-Chairman of the ICA Consumer Sub-Committee on University/College Co-operatives for Asia and the Pacific.

## **7. CHALLENGES AHEAD**

- ◆ Lack of purchasing power due to small school co-operatives
- ◆ Absent of administration support from school
- ◆ Funding issues
- ◆ Lack of professional management
- ◆ Continuity of leadership
- ◆ Manpower issues
- ◆ Weak understanding of the co-operative objectives - members as well as the leaders.

## **8. AREAS FOR COLLABORATION**

- ◆ Strengthen the networking of campus co-operatives
- ◆ Improve and expand community services by campus co-operatives

- ◆ Inter co-operatives and countries business alliances
- ◆ Members to participate in regional cultural exchange programme

## 9. UPCOMING PROJECTS

### 9.1 Internet-based Campus Co-operatives

The idea of an Internet-based business for the campus co-operatives was discussed at the 4<sup>th</sup> SNCF Annual Co-operative Leader's Conference, which was held in March 2000 in Malacca. The Campus Co-operative Sector Committee agreed that this new concept of campus co-operatives will be able to attract more schools to start their co-operative societies. The committee is exploring the idea of setting up an Internet-based business to support the campus co-operatives and also to encourage new school co-operative to set up. The working model is being reviewed.

### 9.2 Direct promotional effort directed at all educational institutions (secondary school and above)

About 150 circulars have been sent out recently to all the other educational institutions that do not have a co-operative within the campus.

## ANNEX - A

### LIST OF CAMPUS CO-OPERATIVES IN SINGAPORE

Name of Co-operative	Registration Date	Business
1. National University of Singapore Multi-Purpose Co-operative Society Ltd	11/4/69	Consumer, Books, Stationery & PCs
2. Ngee Ann Polytechnic Consumer Cooperative	1/6/71	Retail & Membership Services
3. Singapore Polytechnic Co-operative	29/8/60	Thrift & loan, Consumer, Books & Stationery
4. Temasek Polytechnic Co-operative	2/8/94	Consumer, Books & Stationery
5. Catholic Junior College Co-operative	15/9/76	Consumer, Books & Stationery
6. St Andrews Junior College Co-operative	18/8/93	Consumer, Books & Stationery
7. Institute of technical Education Co-operative	26/5/94	Consumer, Books & Stationery

8. Upper Serangoon Secondary School Co-operative	28/11/89	Consumer, Books & Stationery
9. Theresian Co-operative	16/1/92	Consumer, Books & Stationery
10. Convent of the Holy Infant Jesus Toa Payoh Co-operative	24/1/96	Consumer, Books & Stationery
11. Bendemeer Secondary School Co-operative	4/8/99	Consumer, Books, Stationery & photo copying
12. North View Secondary School Co-operative	11/11/99	Consumer, Books & Stationery
13. Ping Yi Secondary School Co-operative	9/11/99	IT Services
14. Anglo-Chinese School (Independent) Co-operative Multi-Purpose Society	11/5/2001	Consumer, Books & Stationery

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## Country Report of Thailand

### I. Background Information

The cooperatives in Thailand have been initiated by the government since 1915 with the objective to use them as a means to improve the livelihood of small farmers. The government greatly concerned with deteriorating economic and social conditions of the masses of farmers, especially in the central region of Thailand.

The first cooperative in Thailand called the Wat Chan Cooperative Unlimited Liability was established by the government on February 26, 1916 in Phitsanulok province, in the form of small village credit cooperative of unlimited liability, single purpose and small number of members, to help the severely indebted farmers.

In 1966, the government-cum-credit cooperative-owned bank for cooperative was reorganized into the 'Bank for Agriculture and Agricultural Cooperatives', a state enterprise, functioning as a financing center of agricultural cooperatives and lending directly to individual farmers as well.

In 1968 with the objectives to facilitate the strength of the cooperative movement, the government enacted the Cooperative Act, which allowed the establishment of the Cooperative League of Thailand (CLT), functioning as the apex organization of the cooperative movement.

In 1999, the government has amended the new cooperative act, published in the government Gazette dated 23 April 1999. The reason that the cooperative act of 1968 has been in force for a long time. Several provisions of the act are not conducive to the development of the cooperatives to catch up with the competition in the present-days business system.

In addition, the cooperative act of 1968 embodies, too, the provisions concerning farmers group which should be improved concurrently. It is, there-

fore, appropriate to upgrade the whole law on cooperatives by setting the cooperative system on a one-kind cooperative basis, i.e. a cooperative the liability of a member of which is limited to the amount of share held by him.

Furthermore, in order to develop cooperatives soundly with respect to the supervision and promotion of cooperative affairs, the National Cooperative Development Board is institutionalized for the purpose of advising to the government the ideas concerning policies and guidelines for promotion and development of cooperatives. There are also provisions on the Cooperative Development Fund for the purpose of giving financial assistance to the cooperatives, and provisions on the improvement of the number of members and the term of office of the board of directors of the Cooperative League of Thailand. In addition, the provisions of farmers groups are improved in order for them to develop into cooperative systematically. Also, the provisions on penalties are to be made more appropriate.

## **II. Structure of Cooperative Movement in Thailand**

The cooperatives in Thailand are vertically organized in a three-tier system: primary cooperative, provincial federation and national level. The primary cooperative consists of individual members. In the case of agricultural cooperative, the average membership is 1,300 households per society, and divided into groups at village level. According to the present Cooperative Act, the general meeting of members elects the board of directors which formulated the policy of the cooperative and appoints a manager and staff to run the operation of the cooperative.

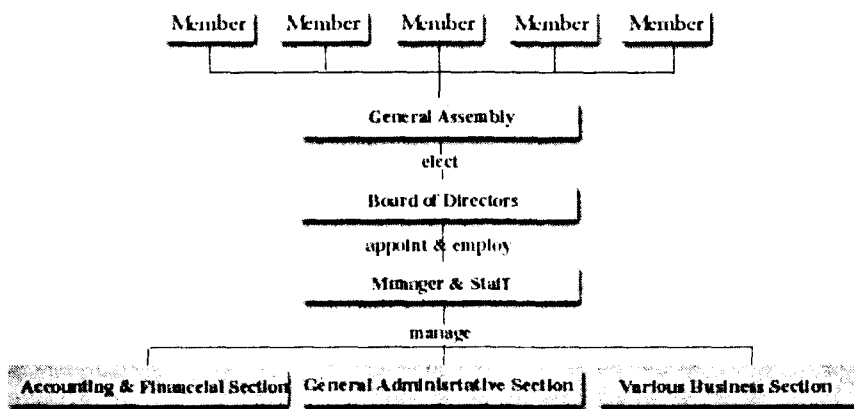
Three or more primary cooperatives can together form a provincial federation which undertake joint activities on behalf of their primary affiliates such as processing of agricultural produces.

At national level, there is Agricultural Cooperative Federation of Thailand Ltd. Which all 76 provincial agricultural cooperative federations are affiliates. At this level, there are also Sugarcane Growers Cooperative Federation of Thailand Ltd., Swine Raisers Cooperative Federation of Thailand Ltd., Dairy Cooperative Federation of Thailand Ltd. and Onion Growers Cooperative Federation of Thailand Ltd.. Land settlement cooperatives has a regional federation in the Central Region whereas Saving and Credit Cooperatives and Consumer Cooperative are affiliated in a national federations of their own.

All types of cooperatives at all levels have to be the affiliates of the Cooperative League of Thailand, according to the Act. The CLT is functioning as an apex organization of the whole cooperative movement. It does not run a

business enterprise, but operates as a promotional, educational national organization of cooperative throughout the country without sharing profit and income.

General Organizational Structure of Thai Cooperatives



At present, the cooperatives in Thailand are officially categorized into six types, namely:

- ♦ Agricultural Cooperative
- ♦ Land Settlement Cooperative
- ♦ Fisheries Cooperative
- ♦ Consumer Cooperative
- ♦ Thrift and Credit Cooperative
- ♦ Service Cooperative

*1. Agricultural Cooperative*

Agricultural cooperatives are established in order to enable farmers to engage together and help each other in business and for a better living. After the first credit cooperative was established in 1916, the numbers of cooperatives increased steadily until the promulgation of the Cooperative Act in 1968, several of cooperatives grouped together and formed agricultural cooperatives at district level and became bigger and stronger cooperatives with more services to members. The main business activities and role of the agricultural cooperatives are as following:

- Credit business
- Sale of agricultural supply
- Marketing
- Agricultural services

## 2. *Land Settlement Cooperative*

The objective of the government to establish land settlement cooperative is to solve the problem of landless farmers and insufficient land holding farmers by allocation of land for their living through cooperative system. The allocation is done in two main aspects:

- 1) Arrangement of land
- 2) Organization of cooperative

After receiving the land for allocation, Cooperative Promotion Department (CPD) will conduct a feasibility study to identify the size of land, soil series, rainfall intensity and water resources. The information is use for both planning supporting services such as irrigation facilities. Road, school, health center and market center will be provided in the land settlement cooperatives.

The CPD will provide the selected farmers a training course on the cooperative principles and practices, procedure for establishment of cooperatives including the rights and duties of the members. After the training, the farmers can work on land assigned by the cooperative authority.

After the member have been permitted to occupy and utilize the land, the CPD will help them set up a cooperative and the government of the cooperatives, which includes the promotion of production, credit, marketing and supply business. Land ownership for occupation and public services to the cooperatives. Types of land settlement cooperative:

- 1) Land settlement cooperatives
- 2) Land Hire-purchase Cooperatives
- 3) Land Tenant Cooperatives

Only members of land settlement cooperatives of land hire-purchase cooperatives will be given the right of ownership when they have fulfilled the conditions set by the cooperatives as follows:

- Be member continuously not less than 5 years.
- The land distributed to the members must be fully utilized for farming purposes.

- The investment recovery cost and the installments on the land have been fully paid.
- All the debts with the cooperative have been fully paid.
- Get approval from the cooperative and the CPD.

### 3. *Fisheries Cooperative*

Fishery cooperative is organized among members involve in fishing activities in order to help each other in business and technical know-how related to fishery. The first fishery cooperative was established in 1949 in Pitsanulok province. At present, there are 3 categories of fishery cooperative based on their members' occupation as follows:

- Sea fishery cooperative with members involved in fishing in the sea.
- Brackish water fishery cooperative with members involved in shrimp and brackish water farming and the cultivation of aquatic animals.
- Freshwater fishery cooperative with members involved in the farming of fresh water fish and aquatic animals.
- Business Activity and Role of Fishery Cooperatives are as following:
  - 1) Marketing
  - 2) Sale of fishery
  - 3) Credit activities
  - 4) Fishery service

### 4. *Consumer Cooperative*

Consumer cooperative or cooperative store is organized among general consumers with the objective to help consumers in their daily purchase of commodities by selling consumer goods to members at reasonable prices. The first consumer cooperative was established in 1937 Ayuthaya Province. Later on, it was expanded and established in every province throughout the country. The consumer cooperative provide services to both members and non-members as follows:

- Selling goods at market prices or lower on cash basis.
- Buying a variety of daily necessities for sale to members.
- Provide annual profit to members in the form of share divided



and patronage refunded which the calculation is based on the amount of goods purchased.

#### 5. *Thrift and Credit Cooperative*

Saving and Credit Cooperative is organized among members with the same occupation of living in the same community with the purpose of Promoting saving among members and provide loan funds for productivities investment. Business Activity and Role of the Saving and Credit Cooperative are as following:

- Provide loans to members.
- Promoting saving among members by offering deposit from members.

#### 6. *Service Cooperative*

Service cooperative is organized among people engaged in the same occupation in order to solve their economic problems by grouping themselves together. The service cooperatives were established such as:

##### *Cottage Industry Cooperative*

These are formed among handicraft workers to deal with problems of raw material and marketing. They encourage the utilization of local materials for production. Currently this type is divided into:

- 1) Wooden product cooperatives and
- 2) Other handicraft cooperatives.

##### *Transportation Cooperatives*

These are formed among low-income people engaged in transport services. Currently this type consists of bus cooperatives, taxi cooperatives, tricycle cooperatives and mini-car cooperatives.

##### *Housing and Community Service Cooperatives*

These are formed to serve groups facing housing and/or community need problems. These can be divided into two types:

- 1) Housing cooperatives and
- 2) Community service cooperatives

##### *Infrastructure Service Cooperatives*

These are formed among people in the same or nearby communities to deal

with shared infrastructure concerns. They are currently three categories under this type:

- Electricity cooperative
- Artesian well water cooperative
- Water supply cooperative

Business Activity and Role of Service Cooperatives are as following:

- 1) Providing service to members within the cooperative framework.
- 2) Obtaining supplies, materials and consumer goods for sale to members.
- 3) Marketing for members' products.
- 4) Providing loans to members.
- 5) Encouraging saving among members by saving and deposits in cooperatives.

**Table 1 : Illustrated the cooperative statistics of Thailand  
(As of January 1, 2000)**

Type	Number of Coops.	Number of members (people)
1. Cooperatives in Thailand	5,610	8,086,263
2. Agricultural Cooperatives	2,546	4,950,734
2.1 Agricultural	3,370	4,789,493
2.2 Fishery	76	13,859
2.3 Land Settlement	100	1,47,382
3. Non-Agricultural Cooperatives	2,064	3,135,529
3.1 Saving and Credit	1,295	2,169,819
3.2 Consumer	369	819,021
3.3 Services	400	149,689

### III. Profile of Youth in the Country

Youth Cooperator means cooperatives members, cooperative's staffs and member's children age between 18-30 years old.

The Cooperative Promotion Division should collect about 20 young people to set up youth cooperator group in each district level. Each group should elects board of director committee in order to cooperate with outside institu-

tions such as Cooperative Promotion Department, community development department and external education department. Situation of each group should administrate under the policy called 'Self Help Organization'. Board of director should set up policies, regulations, rules, and related subjects by themselves in order to make the coop youth become to be the good coop-member in the future.

The objectives of these are:

- To encourage youth coop working as good team.
- To build in characteristic and personality of good cooperators.
- To develop social value of the youth cooperators.

#### **IV. Campus Consumer Cooperative**

The Cooperative Register set up regulation for setting up of the consumer cooperative in school and in College in order to strengthen and development consumer cooperative movement. The Ministry of Education will be responsible for cooperative activities in school level. The Ministry of Universities Affair will be responsible for cooperative store or consumer cooperative in University/College level. Students under 18 years old should participate in cooperative activities in secondary school. The Ministry of Education encouraged school to establish their own student cooperative activities and let them learn about cooperative business. As a result of encouragement we find that cooperative activities in school, run by students and the teachers will acting as advisors. At the same time the Ministry of Universities Affair encouraged the University/College to establish the cooperative store in their institute to collect some stationeries, consumer goods and services for their members. Because of the volume of business, the consumer cooperative in University/College should elect the Board of Director Committee, which consists of students, university staffs and lecturers, and hired full-time manager and other staffs to run the cooperative business.

To help the campus consumer cooperatives have the abilities to run their businesses, Thailand Consumer Cooperatives Federation in Educational and Institution was establish. TCFE has been set up in February 1, 1994 to serve as a center for supplying specific merchandises to its member consumer cooperative such as note books, report paper, cassette tape, student uniform and etc.

## List of Participants

COUNTRY	NAME		ORGANISATION
China	Zheng Yingyu	M	All China Federation of Supply and Marketing Co-operative
China	Peng Yuanguo	M	All China Federation of Supply and Marketing Co-operative
China	Shen Qing	F	All China Federation of Supply and Marketing Co-operative
Ghana	Prince Yaw Oduro	M	Ghana Co-operatives Council
India	S.Vadivelu	M	Natesan Institute of Cooperative Management
India	R. Radha Krishnan	M	Madurai Medical College Student Cooperative Stores Ltd
India	Ancy. C. Sunny	F	Kerala Agricultural University
India	Jahangeer Hassan	M	The Jammu& Kashmir Pamposh Multi-purpose Cooperative
India	Siddhartha Sahai	M	United Commercial Cooperative Bank
India	Swati Sahai	F	United Commercial Cooperative Bank
India	L.P. Goodwin	M	Krishak Bharati Cooperative Limited
India	Arun Bhargava	M	United Commercial Cooperative Bank
India	Pradeep Sahai	M	United Commercial Cooperative Bank
India	Asha Sahai	F	United Commercial Cooperative Bank
Indonesia	Agus Suherman	M	BKPK DEKOPIN (National of Youth Coop Coordinator)
Indonesia	Mohammad Arwani	M	Student Co-op of Bogor Agricultural University
Indonesia	Hasbi Mauriza Hasyim	M	Koperasi Karya Muda Sejahtera
Indonesia	Uus Idrus	M	BKPK DEKOPIN (National of Youth Coop Coordinator)
Indonesia	Aditia Dharma	M	Kopma UPI-University Coop
Indonesia	Wiwin Winarti	F	Koko Bandung(Bandung Consumers Co-op)
Indonesia	Dasril Affandi	M	Jakarta Youth Co-operative
Iran	Saied Masud Samaie	M	Central Organization for Rural Cooperatives of Iran
Iran	Hamid Reza Taymouri	M	Central Organization for Rural Cooperatives of Iran
iran	Yadolla Keshavars	M	Central Organization for Rural Cooperatives of Iran
Japan	Suzuki Kazunari	M	Japanese Consumers' Co-operative Union
Japan	Mori Noritake	M	National Mutual Insurance Fed. of Fishery Co-operatives
Japan	Sogo Yumi	F	National Fed. of Workers and Consumers Insurance Coops.
Japan	Hasegawa Satoru	M	Saitama Co-operative Society
Japan	Nitta Eri	F	National Federation of University Co-operative Associations
Japan	Yamashita Taichi	M	Japan Workers' Co-operative Union

Japan	Miura Takahiro	M	Japan Workers' Co-operative Union
Japan	Itaya Kazuhisa	M	National Federation of Fisheries Co-operative Association
Japan	Kurosawa Toru	M	National Fed. of Forest Owner's Co-operative Associations
Japan	Nakano Boku	M	Japanese Consumers' Co-operative Union
Japan	Gemba Mami	F	Japan Workers' Co-operative Union
Japan	Kaneko Hisao	M	National Fed. of Workers & Consumers Insurance Cooperatives
Japan	Yabe Takeshi	M	National Federation of University Co-operative Associations
Japan	Muramatsu Yoshiaki	M	National Federation of University Co-operative Associations
Japan	Saito Tai	M	Osaka Wakayama Local Center
Japan	Sawa Keiko	F	Osaka University of Foreign Studies Coop
Japan	Shimoda Ayumi	F	Ritsumeikan Co-operative
Japan	Shida Ayano	F	Ritsumeikan Co-operative
Japan	Lu Zhi Chun	M	Tokyo Gakugei University Co-operative
Japan	Yamamoto Shigehiko	M	Tokyo Local Center
Japan	Sawada Osamu	M	Tokyo Local Center
Japan	Endo Yukie	F	Tohoku University Cooperative Society
Japan	Lam Chee Teng	F	Tohoku University Cooperative Society
Japan	Okabe Tomoru	M	Miyazaki University Cooperative
Japan	Hou Xuefei	F	Miyazaki University Cooperative
Japan	Osawa Hirokazu	M	
Japan	Tarui Mikiko	F	National Federation of University Co-operative Associations
Japan	Kasumi Takayuki	M	National Federation of University Co-operative Associations
Japan	Takanarita Ken	M	Japan Workers' Co-operative Union
Japan	Kikuchi Ken	M	Japan Workers' Co-operative Union
Japan	Okuhara Jiro	M	Japan Workers' Co-operative Union
Japan	Kawada Masatoshi	M	Cyuugoku-Shikoku Local center
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Japan	Furumura Nobuhiro	M	Japan Institute of Co-operative Research	
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Singapore	Chan Han Eng	M	NTUC Income Insurance Co-operative Ltd
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## ICA STATEMENT OF COOPERATIVE IDENTITY

### DEFINITION

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

### VALUES

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

### PRINCIPLES

The Cooperative Principles are guidelines by which cooperatives put their values into practice.

#### **First Principle : Voluntary and Open Membership**

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

#### **Second Principle : Democratic Member Control**

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women, serving as elected representatives, are accountable to the membership. In primary cooperatives, members have equal voting rights [one member, one vote], and cooperatives at other levels are also organised in a democratic manner.

#### **Third Principle : Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least a part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperatives, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

#### **Fourth Principle : Autonomy and Independence**

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

#### **Fifth Principle : Education, Training and Information**

Cooperatives provide education and training for their members, elected representatives, managers, and employees, so that they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of Cooperation.

#### **Sixth Principle : Cooperation among Cooperatives**

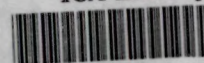
Cooperatives serve their members most effectively and strengthen the Cooperative Movement by working together through local, national, regional and international structures.

#### **Seventh Principle : Concern for the Community**

Cooperatives work for the sustainable development of their communities through policies approved by their members.

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