

**MINUTES**

**OF THE 32ND MEETING OF THE  
ICA REGIONAL COUNCIL FOR ASIA AND THE PACIFIC**

**Sydney, Australia**

**7-8 Feb, 1990**

334:061.28  
ICA-M



**International Co-operative Alliance**  
**Regional Office for Asia and the Pacific**  
'Bonow House' 43 Friends Colony (East)  
New Delhi 110 065, India.

## C o n t e n t s

	<u>Page</u>
1. Minutes of the 32nd Regional Council Meeting	1-15
2. Recent Changes, Trends and Develoments in the Cooperative Movements	
Australia	16
Bangladesh	18
Indonesia	24
Iran	35
Japan	38
Korea, Rep of	54
Malaysia	60
Philippines	63
Singapore	78
Sri Lanka	80
Thailand	93
U.S.S.R.	98
3. Report to ICA Regional Council for Asia by the Interim Committee for Asia-Pacific Centre for Cooperatives Research, Training & Development	105
4. Speech of Mr. K.H. Patil, Chairman CICOPA-ASIA	111

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February 26, 1990

MINUTES OF THE 32ND MEETING OF THE ICA REGIONAL COUNCIL FOR  
ASIA & THE PACIFIC HELD AT SYDNEY, AUSTRALIA, 7-8 FEB. 1990

The 32nd Meeting of the ICA Regional Council for Asia & the Pacific was held at Convention Centre, Darling Harbour, Sydney, Australia, on 7-8 February, 1990 under the Chairmanship of Gen A.S. Lozada.

The following were present :

1. Gen A.S. Lozada, Chairman & Member for Philippines
2. Mr. Ray Everingham, Member for Australia
3. Mr. Geoff Ayres, Member for Australia
4. Mr. Liaquat Ali, Member for Bangladesh
5. Mr. Shahid Ullah, Member for Bangladesh
6. Mr. Yang Deshou, Member for China
7. Mr. K.B. Matalau, Member for Fiji
8. Mr. D.S. Bhuria, Member for India
9. Mr. Eddiwan, Member for Indonesia
10. Mr. Mohammad Reza Bankian Tabrizi, Member for Iran
11. Dr. Mehdi Mahdavi, Member for Iran
12. Mr. Y. Nakaoka, Alternate Member for Japan
13. Mr. M. Ohya, Member for Japan
14. Mr. Won Ho Suh, Member for Korea
15. Mr. Syed Azman, Alternate Member for Malaysia
16. Mr. Glicerio E. Lorejo, Sr. Alternate Member for Philippines
17. Mr. A.A. David, Member for Singapore
18. Mr. P.A. Kiriwadeniya, Member for Sri Lanka
19. Col. Surin Cholpraserd, Member for Thailand
20. Mr. Alexander Starych, Member for USSR
21. Mr. Alexander Leukhin, Member for USSR
22. Mr. Vu Van Luu, Member for Vietnam

Secretary : Mr. G.K. Sharma,  
Regional Director, ICA ROAP

ICA Hq. : Mr. Lars Marcus, President  
Mr. Bruce Thordarson, Director  
Mr. J.M. Rana, Sr. Development Adviser

Special Invitees

1. Mr. Shiro Futagami, MD, IDACA, Japan
2. Mr. K.H. Patil, Chairman, CICOPA-Asia
3. Mr. M.M. Vyas, Chairman, ICA Regional Coop Finance Committee

### Observers

1. Mr. Ray Ison, Australia
2. Mr. N.M. Thong, Vietnam
3. Mr. Rong Jun, China

### ICA ROAP

1. Mr. Karl Fogelstrom, Senior Development Adviser
2. Mr. M.V. Madane, Project Director-AGMT
3. Mr. W.U. Herath, HRD Adviser
4. Mr. Guo Yong Kang, Agriculture Adviser
5. Mr. Pradit Machima, Consumer Adviser
6. Mr. Prem Kumar, Manager (Admn)/Executive Secy to RD

### Agenda Item No. 1 : Welcome

Mr. Ray Everingham, Chairman, Australian Association of Cooperatives, welcomed the members on behalf of the Australian Cooperatives. He hoped that the deliberations would be successful.

Mr. Lars Marcus, President, ICA, said : I think you should permit me to express the joy we feel to come to your country and your continent and to have some meetings of the ICA ROAP. The membership of the ICA in this part of the world has increased considerably during the last two years and I see some cooperatives represented here are new members of the ICA and they witnessed the fact of the vast cooperative expansion. I can see also considerable opportunities for cooperation between cooperatives. Also in the commercial sense, I think ICA as such represents more moral, the ideological heritage, but it will not survive if there is no commercial and economic links between the members. I hope that your meeting here will be fruitful for the movements. We thank you very much for all the care you have given to this occasion.

### Agenda Item No. 2 : Confirmation of the minutes of the 31st Meeting

The minutes of the 31st Meeting of the Regional Council held at Seoul, Korea, on 15-16 May, 1989, which had been circulated earlier, were confirmed.

### Agenda Item No. 3 : Letters and reports from non-attending members

The Secretary informed the meeting that Regional Councillors from NFFC of Rep. of Korea, DPR Korea, Pakistan and Sugar Cooperatives Development Institute of the Philippines were unable to attend the meeting due to various exigencies.

Agenda Item No. 4 : Report by Regional Councillors on "Recent Changes, Trends & Developments in the Cooperative Movements".

In addition to written statements, oral statements were also made by the councillors. Copies of written statements are attached as Annexures.

Australia

- AAC's membership development in Victoria and New South Wales resulted in new members.
- A new division was opened in the State of Queensland.
- Business turnover of the membership of AAC and AAC's own commercial activities are not available due to the early meeting of the Council.
- AAC held a successful conference end of July 1989 addressed by the Minister of Primary Industries, Mr. John Kerin, who elaborated on the continuing effort of the Federal Government to have uniform cooperative laws throughout the States.
- AAC continues to take up issues related to tax exemptions with the Federal Government.
- At the States level, AAC continues to hold discussion with the NSW and Victorian Governments over legislative changes.
- The NSW Government transferred the W.E.C. to the AAC C.D.U. to manage and promote cooperative development in the State.
- The AAC was instrumental in negotiating the establishment of a cooperative to take over the marketing activities of the Egg Producers' Statutory Marketing Board.
- Establishment of a Fiji Australia Coop. Consumer Store in Sydney to cater to the needs of Fijian in Sydney with produce imported from Fiji.
- AAC has joined the Australian Federation of Credit Unions Ltd., the ICA and the Chairman of the Ministerial Advisory Committee on Cooperation to initiate the establishment of an Asia Pacific Centre for Cooperative Research, Training and Development to be based in Melbourne with the support of the Federal and State Governments.

## Banladesh

- The Government of Bangladesh has announced the National Policy on Cooperatives in January 1990.
- The Government has authorized BJSU to act as National Committee to prepare a National Cooperative Plan for implementation of the objectives of the National Cooperative Policy of 1990.
- The government has introduced a new Cooperative Act 1984 and Cooperative Rules 1987 by abolishing the colonial Cooperative Act 1940 and Cooperative Rules 1942.
- The government has taken initiative to reorganise the National Cooperative Bank as a commercial bank and utilise the Central Cooperative Banks as its branches and Upzila level central cooperative organisations as its sub-branches to provide credit and banking services directly to the grower members through their primary cooperative societies.

## India

- The government has formulated a new National Cooperative Policy and that has been signed by the President and adopted by the Parliament.
- The Seventh Five Year Plan is concluding in March 1990 and the 8th Plan will commence from April 1990. The Government has appointed a Working Group on Cooperation for inclusion in the 8th Five Year Plan. The 8th Five Year Plan will be oriented towards elimination of poverty and diversification of cooperative activities to benefit the weaker sections of the community.
- The NCUI has taken measures to strengthen international cooperative relations, information system, improve managerial efficiency and to develop cooperative international trade.

## China

- Membership in 1989 has not changed very much.
- Share capital of the members have increased upto 4.8 billion.
- For the purpose of business, we have reduced the number of primary cooperative societies. Until the end of 1989, the number of primary cooperatives has been reduced to 30,000. According to the changed circumstances, we are also planning to reduce this number as well. In 5 years we would like to reduce the number of primary cooperative societies to 25,000.

- The turnover of Supply & Marketing Federation has increased to Yuan 220 billion, increase rate is 7% in comparison to last year. If we take away the element of inflation from this, the development of turnover is actually reduced by 5% in comparison to last year. The profit has been reduced by 20% during the last year.
- The bank rate of our country has increased last year.
- The export volume of cooperative societies last year was 10 billion.
- Cooperative Societies in China have experienced good development last year. According to the present situation in China, it has been decided to give high priority to agricultural production during the period 1990-99.
- Consumption of chemical fertilizer in China is very high. Last year the volume was 90-100 million tons. All chemical fertilizer business is monopolised by cooperative societies.

#### Indonesia

- The Indonesian Cooperative Council is engaged, among others, in coordinating and improving the cooperative business network in cooperation with Canadian Cooperative Association and the Cooperative Centre of Denmark.
- The Village Unit Cooperatives (KUD) underwent managerial reorganisation especially at the apex level. KUDs are active in the supply of agricultural inputs and the marketing of agricultural produce. 100% of the supply of Public Enterprise - produced fertilizers are channelled through cooperatives.
- The name of the Cooperative Bank has been changed to Bank Bukopin.

#### Iran

- Articles 43 & 44 of the Constitution of the Islamic Republic of Iran specified the place of the cooperative societies in the economic and social activities of the country.
- Expansion of cooperative societies in rural and urban areas.
- Special attention paid to production cooperatives.
- At present, eight organisations and departments of public sector have taken leading role of supervision of cooperative societies.

- At present, there is one training centre in Teheran for urban cooperatives and three cooperative training centres have been established in three different provinces for rural cooperatives.
- The Act of Cooperation which was under study by a Special Committee in the Islamic Parliament was approved and sent to "Negahban Council", the higher authority, for confirmation.

## Japan

### Agriculture

- The Lower House elections are being held just now and the influence of farmers' criticism and election returns will be widely noteworthy.
- The GATT Uruguay Round negotiations will be concluded by the end of this year. The final agreement on international agricultural trade is expected to be finalised taking into account factors other than trade such as the importance of domestic food security and the non-economic role of agriculture i.e. conservation of national and natural environments.
- The Presidents of Zenchu, NACF Korea and NFU Taiwan met for the first time in Tokyo last year to discuss matters of common concern such as shortage of successors to agriculture, the aging of the farm households, price stagnation of agricultural products, increase of part-time farm households and ever-increasing international pressure toward trade liberalisation of the agricultural market.
- The merger scheme of agricultural cooperatives at village level - the number of those cooperatives has been reduced to 3700 at the end of March this year.
- The 1992 ICA Congress will be held in Tokyo. A Secretariat Committee consisting of JJC members will be set up soon.
- ZENCHU has registered formally as an organ of "ODA Development Survey" (consultancy and feasibility study to agricultural cooperative promotion in developing countries) to JICA (Japan International Cooperation Agency).

### Consumer

- In April 1989, the corporate income tax rate for large-scale coops was raised to 30% from 28%.



- In December 1989, a bill to amend the Consumer Coop Law was submitted to the Diet and the deliberation of the bill was carried over to the next session.
- Keeping household accounts is one of the major members' activities in the Japanese Movement. JCCU produces its own housekeeping book and 418,000 copies are used by the members per year.
- In 1988 the JCCU formulated a "Five-Year Plan for Strengthening Medical Co-ops and their Movement". This plan indicates the overall goals of the medical co-ops and based on this many member medical coops are working out their own five-year plans.

#### Korea

- In 1989, the average business turnover per cooperative reached 19 billion won (USD 28 million).
- According to the amended Agricultural Cooperative Law effective April 1, 1989, 675 agricultural cooperatives elected their new Presidents through direct voting by member-farmers as of December 31, 1989. All member-cooperatives of NACF, numbering 1475, will have new Presidents by March 1990 through direct elections involving two million member-farmers in Korea. Also, the Chairman & President of NACF shall be elected directly by the Presidents of member-cooperatives by April 1990 according to new law.
- NACF launched campaign to patronize domestic farm products.
- NACF installed another main computer which is able to make nationwide network for 1738 member-cooperatives and their branch offices with an on-line system on August 15, 1989.

#### Malaysia

- As a result of the appointment and take over of the management and control by the Receivers for the Central Cooperative Bank (CCB), all cooperative societies which had invested in the share equity of the bank, were directed by the Registrar of Cooperative Societies, Malaysia, to revalue their total investment (irrespective of the amount) to the value of Malaysian Ringgit one (M\$1/-) only. This directive was effective from the respective cooperative societies 1988 account.
- The Government of Malaysia has taken steps to amend certain provisions of the Cooperative Laws of 1948 and amendments made thereafter.

- The Fifth Malaysia Economic Plan has come to an end by 1989. The Government in its endeavour to obtain feedbacks and relevant information has formed a National Consultative Economic Council and has appointed Royal Prof. Ungku Aziz to be representative for the cooperative movement.
- The Government of Malaysia has declared the year 1990 as the 'Visit Malaysia Year'.

During the course of his statement, the Malaysian delegate enquired about the employment status of Mr. Mathimugan in ICA. It was clarified by the Director, ICA, that he is working as a Special Adviser for Cooperative Development & Training in Australia on behalf of the AAC and ICA. The Bangladesh delegate desired to have specific details from the Malaysian delegate as this point had been raised in the last Council Meeting also. The Sri Lankan delegate stated that this issue has been raised in the Regional Council Meetings in Seoul as well as Singapore and no purpose is served by raising this issue again and again. It was concluded that as this matter has already been discussed many a times, no further discussions be allowed on this issue in the future.

#### Philippines

- The representatives of the cooperative movement, the non-government organisations and the government is forming a tripartite partnership for cooperative development.
- There has been an intensified promotion of intertrade between Philippine cooperative federations with a view to linking the rural-based producers' cooperatives with consumers and market vendors cooperatives in the urban areas.
- The formal legal requirements for the registration of cooperatives have been recently reduced and simplified by the registering agency for cooperatives, the Bureau of Agricultural Cooperatives Development (BCOD).
- The Philippine Cooperative Movement has asked the Italian Confederation of Cooperatives to assist in the development and institutionalisation of auditing cooperatives in the Philippines.

#### Singapore

- The SNCF has set its focus on the development of special purpose cooperative projects to cater to the changing needs of the rapidly changing socio-economic environment in the country.

- Registration of a Premier Travel Cooperative to cater to the travel needs of members, the Industrial and Services Cooperative Society to cater to the training and employment needs of ex-inmates of penal and drug rehabilitative centres, the Sate Inn Foods Cooperative Society, which runs a successful ethnic gourmet restaurant, and the Le Meridien Singapour Cooperative Thrift and Loan Society, which caters to the needs of the employees of the Meridien Hotel.
- The new Cooperative Societies Act, a departure from the restrictive old Act, provides a sound legal basis for the development of Cooperatives in Singapore.

#### Sri Lanka

- With the intention of strengthening the NCC to be a dynamic and effective National Organisation, the structure of the NCC was changed, and its By-Law amended in keeping with the government policy of decentralisation of state administration and devolution of powers.
- A National Cooperative Development Plan has been drafted and negotiations are being made to request the Ministry of Cooperatives to include it in the coming budget.
- The present Cooperative Law enacted in 1972 is to be amended to suit the present trends of the socio-economic development of the country.
- A Consumer Cooperative Apex Union was recently established at the initiation of the NCC.
- The poverty alleviation programme of the government "Janasaviya" is being launched through the media of cooperatives.

#### Thailand

- The Agricultural Cooperative Federation of Thailand (ACFT), which is a national organisation for marketing of agricultural and land settlement cooperatives, has been reorganised in order to improve its efficiency to serve its member cooperative.
- The Bank for Agriculture and Agricultural Cooperatives (BAAC) has increased its agricultural credit operation through the farmer institutions.
- The Consumer Cooperative Federation of Thailand (CCFT) is also strengthening its business operation to serve their own members by supplying some selected items such as rice, cooking

oil, washing powder, soap etc.

- The movement is proposing an amendment in the present Cooperative Law which was promulgated in 1968 in order to pave the way for the establishment of a National Cooperative Development Committee and to enable the cooperatives to receive associate members.

#### Vietnam

- The membership of the cooperatives stands at 20 million, i.e. one-third of the population of the country.
- A separate entity called Vina Coop has been floated to enter into business deals with other cooperative organisations.
- The government is gradually encouraging private trading activity in the country, thus enabling the private enterprises to enter into business deals directly.
- The provincial level cooperative federations can enter into business deals directly on their own.

#### USSR

- The Soviet Union is now the venue of the drastic political and economic changes. The economic situation in the country is now facing constraints. Inflation rate is skyrocketing. Inflation badly affected the consumer market. It certainly affected the development of consumer cooperatives in the country.
- In 1988, the first Cooperative Law was adopted in Soviet Union. The Cooperative Law was created by the government officials with the aim to put pressure on the cooperatives. The Cooperative Law was not very beneficial to new cooperatives which were rapidly developing in the Soviet Union. The new cooperatives are private enterprises and their very existence under the cooperative banner or under the cooperative roof is not quite beneficial to the traditional cooperative movement.
- There is a marked progress in the development of consumer cooperatives. In the last five years, we have highest growth rate and the financial situation of the consumer cooperatives is quite stable.
- Creation of a legislative body in the country and the Centrosoyus was able to depute 40 of its representatives to this body.

- Creation of a Cooperative Bank under the Centrosoyus.
- In the consumer cooperatives recently there have been great changes in the leadership. Out of 200, 150 were changed. The new leaders were elected from among the cooperative employees with a good experience of cooperatives.
- We have most successful trade development with the cooperatives of the People's Republic of China. There are more than 60 Regional Cooperative Unions and Societies in Soviet Union having business relationship with cooperatives of China. We have good relationship with Vietnam, NACF of Korea. We are formulating policy of further expansion of our relations with cooperatives of the Asia and Pacific Region that will be beneficial to all of us. There are more than 50 regional cooperative unions in the Soviet Union situated in the Asian part of the country.

#### Fiji

- The Government has restructured cooperatives by bringing agriculture and marketing to the Ministry of Cooperatives.
- The Cooperative Association in Fiji has started organising trade with Australian Association of Cooperatives.
- The Cooperative Association has had setbacks in the past due to accumulated losses from which they are now recovering.
- The Cooperative Association expects to be viable very soon.

#### Asia-Pacific Centre for Cooperative Research, Training & Development, Australia

Presentation by Mr. Race Mathews, Chairman, Parliamentary Committee on Cooperatives in Victoria, Australia :

The need to improve training for cooperative members, directors and staff is widely recognised by cooperative organisations in Australia. It is also widely recognised that the cooperative movement is not going to be able to grow at the ideal pace until support structure for cooperative research, training and development is available here. It is for that reason that the initiative has been taken to get off the ground an Asia-Pacific Centre for Cooperative Research, Training & Development which would have four broad functions : (i) to conduct research into forms of organisation along with cooperative lines which meet the needs of Australia and other Asia-Pacific nations; (ii) to promote community awareness of the benefits of the cooperative approach and enlarge the cooperative sector through support for the establishment of demonstration cooperatives and to

exchange and dissemination of information and cooperative principles and practice; (iii) to design and implement courses of training for members, directors and staff of cooperatives, in Australia and other Asia-Pacific Region nations; and (iv) to facilitate development aid support for cooperatives in the Asia-Pacific Region, in conjunction with the ICA Development Programme. The project being carried forward with the support of the Australian Association of Cooperatives, the Australian Federation of Credit Unions Limited and the International Cooperative Alliance. This realistic proposal carries with it a lot of hope for the future of the movements in this region with whom we look forward to cooperating in the years ahead, and your support and endorsement to this proposal, I have no doubt, would be helpful.

The Council welcomed the initiative for the establishment of the proposed Asia and Pacific Centre and expressed its full support.

Agenda Item No. 5 : Changes in Regional Membership & Administration

The Regional Council welcomed the new members to the ICA ROAP and noted the staff changes at the ROAP.

Agenda Item No. 6 : Report on the activities of the Specialised Committees

The information given in the agenda notes was noted by the Council.

Mr. K.H. Patil, Chairman, CICOPA-ASIA, also introduced International Committee for Industrial Artisanal Cooperatives (CICOPA) and its scope in the Asian Region and appealed to the member countries of the ICA to become members of CICOPA-ASIA.

A representative of the Asian Confederation of Credit Unions (ACCU) made a brief statement on the activities of ACCU.

The Regional Director informed the meeting that the Committee on Trade & Industry had agreed to adopt a Cooperative Trade Development Pact between Network of cooperatives in the Region. The draft of the Pact was circulated. The Council supported the proposed 'Pact'.

Agenda Item No. 7 : Report on the activities carried out during 1989-90

The agenda items 7 & 8 were taken together. Mr. Fogelstrom, Senior Development Adviser, briefed on the important ICA project activities.

The information given in the agenda notes was noted by the Council.

Agenda Item No. 8 : Planned Project Activities 1990-91

A note on the planned project activities and budget for the period 1990-91, which was circulated at the meeting, was noted by the Council.

The Regional Director informed the meeting that the development programmes of the ROAP which were started from 1985 have gone very well. The important feature is that in the past about 95% of the ICA's budget was provided by SCC. Today it is about one-third from SCC, one-third from Japan, 25% from members organisations and about 7% from other donors like Australia and Canada. We hope in the coming years this will be much more diversified. This year an evaluation of the SCC-supported projects including Cooptrade Project would be undertaken and the future Cooptrade programme will depend on the result of evaluation.

Agenda Item No. 9 : Report on IDACA Activities

The information given in the agenda note was noted by the Council.

Mr. Shiro Futagami, MD, IDACA, reported on the training programmes after the last Council Meeting in F.Y. 1989-90. He mentioned that the following training programmes have been planned for F.Y. June 1990 - May 1991 :

1. General Course in Agricultural Cooperatives, May 21-July 14, 1990.
2. ICA/CUAC/IDACA Regional Seminar, July 22-August 11, 1990
3. 16th RECA Seminar, August 26-September 12, 1990
4. Training Course for Cooperators from Selected Countries September 24-October 25, 1990
5. Training Course for Counterparts of Agricultural Cooperative Promotion Project in Thailand, September 25-October 23, 1990
6. Training Programme for staff of NACF, Korea, November 1990 for two weeks
7. Fifth ICA Training Course for Strengthening Management of Agricultural Cooperatives in Asia, February-April 1991.
8. Training Course for Cooperativa Agricola De Cotia Cooperativa Central Agricola Sul Brasil, April 1991 for one month.

Mr. Futagami also reported on the IDACA Reunion Programme held in Sri Lanka from January 24 to February 2, 1990 in collaboration with the National Cooperative Council of Sri Lanka. He said that "we were very much satisfied with the ex-participants positive attitude towards implementing their experiences".

Agenda Item No. 10 : Change in Nomenclature of Regional Office

The Council noted the change in the nomenclature of the Regional Office to 'ICA Regional Office for Asia & the Pacific'.

Agenda Item No. 11 : Report on progress of TCDC Project

The information given in the agenda note was noted by the Council.

The Regional Director informed the meeting that as reported in the last meeting, this project is being developed in collaboration with UNDP. A Regional Compendium on the "Needs and Capacities of Cooperative Organisations in the Developing Countries of the Asian Region" has been prepared. This is fairly exhaustive information, based on which a Workshop will be held in May 1990 in New Delhi.

Agenda Item No. 12 : ICA Central Committee Meeting in New Delhi

The information given in the agenda note was noted by the Council.

Agenda Item No. 13 : Relations with International Organisations

The information given in the agenda note was noted by the Council.

The Regional Councillor for Sri Lanka, Mr. Kiriwadeniya, wanted ICA ROAP to develop relationship with Asian Development Bank as they are using cooperative movement for funding. The Regional Director said that in the past ADB's approach towards cooperatives was not to our satisfaction. However, we will try to have more closer relations with them and see if we could invite them to the Regional Council Meetings.

Mr. B.D. Sharma, India, said that ICA should try to motivate them.

Agenda Item No. 14 : Venue & Date of the next meeting

The Regional Councillor for Bangladesh once again extended the invitation to the Regional Council to hold its next meeting in Dhaka, Bangladesh, during the second fortnight of January 1991. The Council thanked Mr. Ali, Chairman, BJSU, for the invitation and decided to hold the next meeting in Dhaka. The exact




dates will be worked out by the ROAP in consultation with the BJSU.

Agenda Item No. 15 : Any other matter with the permission of  
the chair

1. Mr. K.H. Patil, Chairman, CICOPA-ASIA once again requested all the deserving members to become members of the CICOPA in order to strengthen the hands of artisans and producer cooperatives.
2. The Regional Council formally endorsed the recommendations of the Regional Consultation on "Role of Government in Promoting Cooperative Development in Asia" held in Singapore in June 1988.

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

  
G.K. Sharma  
Secretary/Regional Director  
ICA ROAP

New Delhi  
27 February 1990

RECENT CHANGES, TRENDS AND DEVELOPMENTS

IN THE COOPERATIVE MOVEMENTS

(as circulated by the Regional Councillors  
at the meeting)

COUNTRY REPORT - A.A.C. AUSTRALIA

This report follows the one of May 1989 in Seoul Korea and would cover the significant developments during the intervening period.

A.A.C.'s momentum continued to gain pace with increasing membership, activities and collaborative arrangements with Governments as well as in the international cooperative sector.

They could be listed as follows:-

- 1.1. AAC's membership development in Victoria and New South Wales resulted in new members.
- 1.2. A new division was opened in the State of Queensland.
- 1.3. Business turnover of the membership of AAC and AAC's own commercial activities are unavailable due to the early meeting of the Council.
  
- 2.1. AAC held a successful conference end of July 1989 addressed by the Minister of Primary Industries, John Kerin, who elaborated on the continuing effort of the Federal Government to have uniform cooperative laws throughout the States. Mr. Kerin also assured of the Government's continuing support and interest in the cooperative sector.  
  
Political leaders of the other parties also participated expressing their commitment to the cooperative sector. ICA's Regional Director and Representatives also addressed the conference.
- 2.2. AAC continues to take up issues related to tax exemptions with the Federal Government.
- 2.3. At the States level, AAC continues to hold discussion with the NSW and Victorian Governments over legislative changes. The new legislative act on cooperatives in Victoria is awaiting passage through the State Parliament. Copies of the draft were sent to ICA for their information and comment, if any.

Country Report, cont.

- 3.1. In the area of development, significant collaborative efforts were effected with the NSW Government, which enhanced the role of the AAC.
- 3.2. The NSW Government transferred the W.E.C. to the AAC C.D.U. to manage and promote cooperative development in the State.
- 3.3. The State Government also came to an arrangement with the AAC to establish a cooperative to run a country hospital in Yeoval.
- 3.4. The AAC was instrumental in negotiating the establishment of a cooperative to take over the marketing activities of the Egg Producers Statutory Marketing Board.
- 3.5. At the international level, the collaboration with cooperatives was hoisted by:-
  - (a) The mutual benefit and support agreement with the Fiji Coop Union Ltd. with an immediate result, namely the establishment of Fiji Australia Coop. Consumer Store in Sydney to cater to the needs of Fijian in Sydney with produce imported from Fiji.
  - (b) The programs of the International Relations Department in the areas of COOPTRADE development and promotion activities in Asia Pacific.
  - (c) Exchange programs and trade delegation visits to and from Asia Pacific countries.
- 4.1. In the context of development support and assistance to the ICA's development, AAC has joined the Australian Federation of Credit Unions Ltd., the International Co-op. Alliance and the Chairman of the Ministerial Advisory Committee on Cooperation to initiate the establishment of an Asia Pacific Centre for Cooperative Research. Training and Development to be based in Melbourne with the support of the Federal and State Governments. This will be one of the most significant advances to be made by the ICA in its cooperative development programs.

It is of great interest to all members of the Asia Pacific as the services will be directed to them. I have asked the Chairman of the Interim Committee, Mr R. Matthews, to brief Council members on the objects and functions of the Centre.

Recent changes, trends and development in the Cooperative  
Movement in Bangladesh -

By M/s. Alhaj Liaquat Ali, Chairman, BJSU  
&  
Md. Shahid Ullah, General Secretary, BJSU  
Councillors, ICA Regional Council for Asia and the Pacific.

**1. Introduction:**

The Co-operative Movement in Bangladesh since its introduction in 1904 had been, by and large, a credit cooperative movement. The movement has its stories of success and failures. It has witnessed in the past, constant changes of policies and strategies, advantages and disadvantages, but fact remains that it was all through a movement of the government, i.e. Registrar of Co-operative Societies-the organiser, manager and liquidator of cooperative societies. Presence of government machineries right from the beginning of organisation, development, administration, management and above all over-all planning, guidance, supervision and control did not give opportunities to the members of the cooperatives to identify the common economic problems, need and interests and prepare plans for joint efforts and production for their own involvement and employment to their likings and suitings and tap the local resources instead of looking on government for supply of credit for distribution among members. The administration and management of agricultural cooperative credit not being exclusively at the hand of National Cooperative Bank or its authorised agents at the field level, but very much at the hands of Government agents with involvement of allied organisations. The credit business of the cooperatives did not remain free from vices of misuse and malpractices on the pretext of various natural and unnatural accounts.

Since sixties the Government implemented number of development schemes for promotion and development of Agricultural credit cooperatives, Fisheries Cooperatives, Weavers Cooperatives, Sugarcane growers cooperatives, Transport cooperatives, Milk producers cooperatives, Jute growers cooperatives, Marketing and consumers cooperatives in addition to promotion, development & expansion of Comilla pattern two tier cooperatives of IRDP(now BRDB) all over the country with massive aid and assistance under the Govt. development plans. Due to these development efforts there had been diversification and expansion of cooperative movement in various economic fields both under the cooperative deptt. & BRDB ( former IRDP). But none of the cooperatives in any sector at any level could become strong and sound, due to essential weakness of planning & management . Lack of active involvement and participation of real members of Primary cooperatives in planning, programming, administration & development activities in the secondary and apex level cooperatives and their participation in Govt. Planning and Programming. The cooperative is still confined within politico - bureaucratic maneuverings.

Introduction of two-tier cooperative system popularly known as Comilla Cooperative with massive development support alongside continuation of general/traditional Cooperatives, with meagre support created two streams of agricultural Cooperatives

in the same area of operation for the same purpose resulting conflicts and confusions to the utter frustration and dismay of the hopes and aspirations of the general members of the cooperatives. There had been half-hearted efforts for unification of these two streams of cooperatives since late seventies. The movement has not witnessed any unification or restructuring in the real sense of the term.

Establishment of BRDB ( Bangladesh Rural Development Board) to undertake responsibilities of agricultural Cooperatives under IRDP (Intergated Rural Development Programme), formation of National Cooperative Council to frame National Policies and strategies of Cooperative Development, and above all decision of Govt. to use coops. as the vehicle of rural dev. since early 80s could not bring any tangible changes in operational and management aspects of the coops, due to lack of clear cut policy of the Govt. regarding pomotion and development of cooperatives for economic freedom . The necessity and importance of strong Apex system to develop the secondaries and primaries in their respective sectors to serve the real interest of the members at the field level under the overall guidance and supervision of the Movement organisation i.e. National Cooperative Union (BJSU) did not receive appropriate importance and consideration of the policy-makers in the Govt..

## 2. National Policy & Strategies:

The constitution of Bangladesh recognises 3 types of ownerships - public ownership, co-operative ownership and private ownership. On the basis of this constitutional recognition of co-operative ownership, the National Co-operative council proposed a National Co-operative policy statement to the Govt. for recogniging Co-operatives second sector of our National economy and committed to support, Cooperation and development assistance for promotion & development of Cooperatives in the country specially to tackle the problems of poors, women & youths in the rurul & urban areas. The Natioanal Co-operative council meeting under the Chairmanship of the Honble. President of the country approved the peopool .The Government has announced the National Policy on Co-operatives in January 1990. The main objectives of the National Co-operative Policy are as follows :

- i) Re-structuring of the co-operatives
- ii) Institutional arrangement for extension and organisation of cooperatives
- iii) Rules and regulations for pre-organisation stage of cooperatives.
- iv) Autonomy and self-management of co-operatives.
- v) Administration of income & expenditure to develop economic capabilities and rational administration of co-operatives.
- vi) Role of co-operatives in removal of poverty and supply of support services including credit.
- vii) Consolidation of cooperative movement by extension, education, training, research, evaluation and development of human resources.

## 3. National Cooperative Committee for National Cooperative Plan.

The Hon'ble President of the Country has authorised NCC to act as National Committee to prepare a National Cooperative plan for implementation of the above objectives of the National Coöperative ploicy 1990.

#### 4. Co-operative Act & Rules :

The Govt. has introduced new coop. Act, 1984 and Coop. Rules 1987 by abolishing colonial Cooperative Act 1940 and Cooperative Rules 1942. The objectives of introduction of new Coop. Act & Rules were to democratise the Coop. Movement and free the movement from the clutches of the intruders and protect the interest of the general members; but it has been realised that further improvements of the Act & Rules are still necessary to protect the interest of the general members in the Co-operatives. With this end in view it has been decided to bring further amendments in the Coop. Act & Rules as would be worked out by an Expert Committee.

#### 5. Re-organising & Restructuring of Coop. Net-work.

The total No. of Copps. in the country as on 30th June 1989 is 1,27,260 Primaries, 1099 secondaries and 21 National level Cooperatives. But majority of them are not economically viable, commercially manageable and totally incapable to render appropriate services to their members. It has, therefore, been decided by the Govt. to restructure the Cooperative network linking credit with marketing and other supply and services and make each unit economically viable and strong and commercially serviceable and operationally serving the needs and interests of the members.

#### 6. National Cooperative Union ( BJSU), the supreme organisation of the Cooperative Movement of Bangladesh :

National Cooperative Union of Bangladesh is the recognised highest body of Cooperative Movement of Bangladesh. The Government has been requested to provide all out support and assistance to the BJSU to play its due role as National Cooperative Union in the National and International arenas in collaboration and conjunction with various development agencies in the National and International fields for promotion and development of Co-operative Movement in Bangladesh. The Govt. has also been urged for providing programme based support and services both from internal & external sources. The BJSU is working to organise fund support for its own to develop itself as strong base for the entire cooperative movement of the country.

It has prepared & submitted the following Projects to ICA :-

- i) Establishment of National Cooperative Complex for education, training, display of Coop. products, conferences and meetings - as a cost Tk. 30 million.
- ii) Establishment of National Cooperative Training Centre - at a cost of tk. one million
- iii) Establishment of desk-top publication & Computer information network in the country for promotion of education, training and member communication system - at a cost of Tk. 5 million.
- iv) Literacy through Co-operatives for 5 million illiterate members of the coop. movement in course of next 5 years - at a cost of Tk. 300 million.

v) Development scheme for development of landless rural families including handicapped women & youths - at a cost of Tk. 8 million.

vi) Development scheme for production of education and training materials for member education in the field level by the primary co-operatives - at a cost of Tk. 9 million.

vii) Recycling project for using urban wastages .

viii) Project Proposal on "Development of Model Co-operative Villages" at a cost of one million US Dollars.

The BJSU requested the Regional Office of the International Co-operative Alliance for Asia and the Pacific to organise fund support for implementing these projects.

#### 7. ICA/TCDC - UNDP Program in Co-operative in Asia :

BJSU has submitted questionnaire duly filled in indicating capabilities and needs of technical cooperation and collaboration to the ICA Regional Office for Asia & the Pacific. It is maintaining close liaison with the Govt. & Resident Reparsesentative of UNDP Dhaka to recive ICA mission for formulating Comprehensive development propositions.

#### 8. Reorganisation of Cooperative Credit & Banking:

Government has taken initiatives to reorganise Bangladesh Samabaya Bank - National Cooperative Bank as a Commercial Bank and utilise the Central Coopeative Banks as its branches and Upazila level central Cooperative Organisations as its sub-branches to provide credit and Banking services directly to the grower members through their primary cooepertative societies in all sectors and also to provide Banking services both for producaton, Marketing, distribution, consumer supply and other essential services. BJSU has urged the Govt. to under take development & expansion steps maintaining its cooperative charector.

#### 9. Progress of the Co-operative Movement :

Total No. of National Societies was 21 as on 30th June 1988 and 1989 as well. But the Number of central societies was 963 as on 30th June 1988 and the number has increased to 1099 as on 30th June 1989. The total number of primary societies was 1,23,620 as on 30th June 1988 and the unumber has increased to 1,27,260 as on 30th June 1989. The strength of membership has increased from 6.8 million to 7.1 million as on June 1989. The figures indicate a trend of expansion in the Cooperative Movement. The performance of the Cooperatives between June 1988 and June 1989 are indicated below:



(Figures in Million Taka)

	<u>1988</u>	<u>1989</u>	<u>Trend</u>
i) Share capital	730.4	835.2	Increasing
ii) Savings	928.2	1026.3	"
iii) Reserve fund	489.7	548.1	"
iv) Loan received	20,953.7	23,077.5	"
v) Loan invested	20,626.2	23,008.7	"
vi) Loan collected	15,866.1	15,345.7	Declining
vii) Loan repaid	15,932.4	13,297.7	"
viii) Assets	7,110.6	6,321.5	"

The Cooperatives do not have any major production, Marketing, distribution or manufacturing activities except in few cases and as such these figures have not been incorporated in the report.

#### 10. Marketing and Consumer Co-operatives:

Bangladesh Samabaya Marketing Society Ltd. has decided to strengthen its activities to provide marketing and consumer services to the Co-operatives of the country. BJSU in collaboration with ICA has selected consumer societies and women coops.dealing in consumer goods to reorganise and strengthen their activities in pursuance of the decisions of the ICA/BJSU National Consumer Cooperative Saminar held in Bangladesh earlier.

#### 11. Cooperative Jute Society & Jute Mills:

The Cooperative Jute Mills has been provided with government support to cover up its losses to the tune of 80 million Taka and the Jute Society is being provided with all out banking support to purchase jute from cooperative jute grower members and supply the same to the Cooperative Jute Mills to ensure proper prices to the jute growers.

#### 12. Transport Cooperatives :

The transport co-operatives in the country emerged as an important cooperative sector. This sector is providing transport to the drivers and making them owner of transports. The transport Co-operatives are dealing with rickshaws, auto-rickshaws, auto-tempos, trucks and buses. This sector needs capital support for setting up repair workshop for maintenance services.

#### 13. Milk producers Co-operatives :

The Milk producers Co-operatives through their National Co-operative Milk Union is providing milk in the cities and towns by making best use of its existing dairy plants.

The government has decided to set up a National Dairy Board for providing all out support and cooperation for promotion of dairy sector in the country.

**14. Weavers Co-operatives :**

The government set up a Handloom Board to provide yarns, dyes and chemicals to the weaver members through the Co-operatives in collaboration with National Weavers Co-operative Society. But the arrangements did not help growth & development of weaver cooperatives. The BJSU has urged the govt. to develop the weavers coops outside the orbit of Handloom Board.

**15. Fishery Co-operatives :**

The National Fishermen's Co-operative Society has been working to prepare a development scheme to provide support and services to the secondary and primary coops. to serve the economic needs and interest of the primary members.

**16. Steps to study sick coops to recomend measurs for improvement.**

The BJSU has urged the Govt. to appoint expert consultant to study the sick coops to recomend measurs for their improvement. ICA & Inter governmental agencies may consider for extending supsport to BJSU to do this work.

## RECENT TRENDS IN THE THE COOPERATIVE MOVEMENT IN INDONESIA

### A. GENERAL

1. Country: INDONESIA
2. Name of member organisation: Dewan Koperasi Indonesia (DEKOPIN)
3. Period of reporting: 1st January 1989 - 31 December 1989.

### B. THE STATE AND COOPERATIVE DEVELOPMENT

1. The promotion of non oil /non gas commodities for exports continues to be carried out. It has now exceeded the total amount of oil exports, which mean that Indonesia is on the right track to free itself from oil/gas products exports as the source of foreign exchange. In this respect cooperatives still play a modest role as compared to the private enterprises. Modest as it may, the endeavour is one of the missions to be accomplished by the cooperative movement. The overseas demand of cooperative products is on the rise, but marketing for exports is still a very weak point with cooperatives. The Indonesian Cooperative Council is engaged among others in coordinating and improving the cooperative business network in cooperation with overseas cooperatives such as the Canadian Cooperative Association (CCA) and the Cooperative Centre of Denmark (CCD).
2. Deregulation in banking business was carried out by the government. This opportunity has been snatched quickly by the private banks by opening branches large and small, all over the country, leaving the sluggish cooperative bank behind. But the end of 1989 saw an improvement in this respect where the Cooperative Bank (Bank Bukopin) encouraged small savings by offering attractive conditions to their saving programs.
3. Government sponsored cooperatives especially the Village Unit Cooperatives (KUD) underwent managerial reorganisations especially at the apex level, leaving them a bit weaker than before. Alongside with the government, I.L.O. is interested in setting up a project with the objective to improve the conditions of KUDs and to make them a self sustaining organisation. Dekopin takes a major role in this action and some other non KUD cooperatives also takes part, such as the Audit Service Cooperatives and the Institute of Cooperative Management. (IKOPIN)

4. DEKOPIN prepared a draft on "Stock Ownership by Cooperatives" in which worker cooperatives in particular will be playing an important role. The suggestions put forward in the draft seemed to have gained favour in the eyes of the Head of State, who in his New Year address to the Parliament recommended that up to 25% of the shares in private enterprises are to be allocated to cooperatives. DEKOPIN saw this as a good sign leading to the right direction in cooperative development that should not be regarded as a threat to private enterprises but as an opportunity towards closer cooperation among the actors of the economy of the nation.

5. COOPERATIVE LEGISLATION AND ORGANISATION

There has been no changes made in the cooperative legislation. It is felt however that some guidance in its implementation is necessary in order to avoid misinterpretation of the law and regulation.

6. NATIONAL COOPERATIVE ORGANISATIONS

1. No changes took place in the organisational structure of cooperatives.
2. Marketing is still a problem. Dekopin is trying to set up a more coordinated business network for cooperatives. This is an area where foreign assistance can be applied. The director of International Affairs and the Director of Business Development of Dekopin are busy with preliminary negotiations with foreign donor countries which are interested in improving the cooperative business network in Indonesia. The activities involved will hopefully lead to increased business with cooperatives in other countries for mutual benefit.

7. COOPERATIVE ACTIVITIES

Some of the activities conducted during the reporting period are as follows:

- a. Agriculture.  
KUDs (Village Unit Cooperatives) are active in the supply of agricultural inputs and the marketing of agricultural produce. 100% of the supply of Public Enterprise produced fertilisers are channeled through cooperatives. Credit and saving activities are promoted in order to serve the need for cheap small credit of the rural community.
- b. Fishery.  
More and more members of the fishery cooperative are engaged in the breeding of shrimp and catching tuna for export. Marketing is still a major problem.

The Apex organisation of the Fishery Cooperative (IKPI) held a Seminar on Member Participation and Leadership in collaboration with the I.C.A. Fisheries Committee sponsored by ODA of Japan. The Seminar was attended by Fishery Cooperatives from Japan and Korea. Follow up actions are being processed.

c. Consumer.

As from 1989 Indonesia has joined the Sub Committee on Consumer Cooperation. This sector still has not made a significant progress. Even though there are many cooperatives that run a store for their members as well as for the general public, they are attached to either a KUD or to an institution or office. There are indeed many cooperative stores to be found all over Indonesia, but they are not united into a national Consumer Cooperative Organisation. The shops, stores and kiosks are attached to the Village Unit Cooperative, the workers cooperatives, civil servant cooperatives, students cooperatives etc.

d. Credit and banking.

The Board of Directors have set up a new management of the Cooperative Bank (BUKOPIN) and recently changed the name into BANK BUKOPIN. The new management introduced new saving schemes and has plans to open more branches in the provinces.

Credit and saving schemes are continuously being improved among others with the assistance of Rabbo Bank experts of the Netherlands, who are assisting with a project on rural agricultural credits and revolving fund management.

e. Trade and industry.

Small scale industries and artisans organise themselves into a specialised cooperative called Kopinkra. Besides from the Department of Cooperatives they also receive assistance and guidance from the Ministry of Industries. Here also, marketing seem to be the biggest problem faced by members. There are always many middlemen who are taking advantage of their craft.

f. Tour and travel.

Tour and travel activities are coordinated by a Tour and Travel Coordinating body under the guidance of Dekopin. Several cooperatives active in this business, group into a coordinating body and draw up plans of cooperation among themselves. One of the plans was to set up a branch office at the International Airport Sukarno-Hatta in Jakarta and promote tourism.

F. COOPERATIVE EDUCATION AND TRAINING

The extensive and detailed report submitted pertaining to the period May 1988-May 1989 still stands.

1. a) To promote cooperative management and member participations, an ILO-SWISS Project on Training and Development has been set up in 1984, as a joint undertaking of the ILO and The Government of Indonesia. The Project has been operating in cooperation with the Indonesian Cooperative Council (DEKOPIN). It terminated in June 1988. The cooperative movement is now operating the member education on self financing basis in several provinces where the project has terminated its operations.

b) For the purpose of promotion of member education for member participation, the DEKOPIN has issued "The Suluh Koperasi" a popular two weekly newspaper distributed free of charge to primary cooperatives throughout the country. And for medium and higher level cooperators, a 3 monthly magazine, "PIP", is serving for information and education purposes.

2. Achievements and problems in promoting Cooperative Education and training :

a) Government : The Government Operate 27 Cooperative Training Centres in 27 Provinces and one National Cooperative Training Centre in Jakarta. From the viewpoint of the Cooperative Movement (through the Cooperative Council), policies and standards of education and training have not yet met the expectations of the movement.

b) The Cooperative Council : In the reporting period, the Indonesian Cooperative Council (DEKOPIN) supported by recommendations of a joint meeting of Government and Movement representatives has set up a permanent council representing the government and the movement to compose policies and standards suitable to the changing needs of cooperatives, called the National Council for Cooperative Education (Majelis Pendidikan Koperasi).

c) The National Cooperative Organization : In 1984, 19 National Cooperative Organization through their Apex organization ( the DEKOPIN) have established a National

Cooperative Education Foundation (YPK) for cooperative higher education. Since 1984 The YPK has been managing a university level Institute for Cooperative Management (IKOPIN) comprising a Faculty for Financial Management, a Faculty for Production and Marketing management and a Faculty for Human Resources Management. Besides, 12 (twelve) Cooperative Academies spread over several Provinces were managed by local Cooperative Education Foundations of the local Cooperative Council. The problem of difference of curricula as a result of different local conditions has been overcome by a council chaired by representative of IKOPIN, called BAKORDIKTI.

d) Cooperative Training Institutions.

Most of the Cooperative Training Institutions are owned and run by the government without any payment. This condition is closely related to the implementation of government programmes on cooperative development, which resulted that courses organized by the movement on self financing basis became very scarce, with the exception of technical trainings initiated by National Federations.

e) Others : Cooperative Education and Training are also undertaken by other institutions, among others :

- the non governmental organizations (NGOs).
- the Credit Union Coordination Office.
- the PKK (Women's Organization Activities in Villages).

3. The Ministry of Education and Culture has issued an instruction to teach cooperation in schools, Colleges and Universities. Based on a gesture of the President of the Republic of Indonesia this year the Cooperative Council also has set up a committee to conduct a seminar to review cooperative education, starting with the curriculum at universities.

4. School, College and University Cooperatives have organized themselves into a national youth cooperative : The Koperasi Pemuda Indonesia (KOPINDO) with 55 primary cooperatives.

Board of Executives which changed every certain time as a result of outgoing students is one of the problems that emerged regularly. Another problem is how to attain good managers to run the business.

#### COOPERATIVE STAFF DEVELOPMENT

1. The Indonesian Cooperative Council and the Ministry of Cooperative have assigned the afore mentioned Institut for

Cooperative Management (IKOPIN) to undertake a survey on cooperative manpower. Its findings and observations are expected to give a picture of personnel needed by cooperatives within the next 10 years.

2. Staff training conducted by the movement are mostly emphasized on the promotion of member participation while governments training on the management and business developments.
3. Staff training conducted by the movement mostly are executed by federations. For rural agricultural cooperatives, trainings of staffs are conducted mainly in connection with the 5 years development plan and therefore executed in government training centres.

#### 1. YOUTH AND COOPERATIVES

1. Youth Cooperatives have been organized into a national federation, the KOPINDO. The KOPINDO comprises 4 types of youth cooperatives, namely :

- a) University Students Cooperatives ..... 31.
- b) Moslim Boarding School Cooperatives ..... 11.
- c) Boy Scout Cooperatives ..... 4.
- d) Other Youth Cooperatives ..... 9.

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T o t a l ..... 55 \*)

\*) not included Junior and Senior High School Students Cooperatives.

Youth Cooperatives are considered a "practical training institution" for future cooperative leaders, cooperative members, as well as managers.

2. Beside the Department of Cooperatives, also the Department of Education and Culture are actively sponsoring the youth cooperatives. Especially in vocational schools for business (SMEA), school cooperatives are connected with the curriculum.
3. Youth associations in schools are mostly not connected with youth cooperatives, since they are supported by different organizations of parents and teachers.
4. Youth Cooperatives in Schools are mostly to face competition with private business which sometimes are supported by personnel of the same school who earn additional income from this collaboration.
5. Non Government assistance in organising youth cooperatives



are among others :

- a. from the Moslem Boarding Schools (Pondok Pesantren).
- b. from the Boy Scouts Movement (Gerakan Pramuka).

## I. WOMEN AND COOPERATIVES.

1. a) Women participation is widely spread over nearly each type of cooperative in Indonesia, as ordinary member as well as member of the board or as manager or staff personnel.  
b) Beside the women cooperators in several types of cooperative societies, there are cooperatives solely for women members (Women Cooperatives) : 319 societies in total, with 79,596 members and Rp. 262.501 Million business.  
c) The Indonesian Cooperative Council (DEKOPIN) has a special arm to promote women participation in cooperatives, known as the Coordinating Body for Women Cooperators (B.K.W.K), at national as well as at Province level.
2. There are 3 government indtitutions promoting women participation in cooperatives, namely :
  - a) The Directorate General for the Promotion Cooperative Institution (Dept. of Cooperatives).
  - b) The State Ministry for the participation of Women in Development, through an integrated project of "guidance on the role of Women in creating a healthy and prosperous family".
  - c) The Ministry of Manpower, through the programme of increasing productivity of women workers.
3. There are 4 Nation Wide Women Organizations also promoting cooperatives among their members, namely :
  - a) The KOWANI (National Union of Indonesian Women).
  - b) The DHARMA WANITA (National Union of Wives of Government Officers).
  - c) The DHARMA PERTIWI (National Union of Wives of Armed Forces Personnel).
  - d) The PERWARI (National Union of Women of the Republic of Indonesia).
4. Women Cooperatives in Indonesia are considered temporary organizations as "Cooperative Schools" for women to enter the Cooperative Movement. The problem lies in the temporary nature.
5. Non Governmental organizations sponsoring women cooperatives are among others :

- a) foundations : as the "Yayasan Bunga Nusantara", Jakarta, which recently initiated the Pusat Koperasi Bunga Indonesia (Flowers Cooperative of Indonesia).
- b) PKK - Organizations in villages and Kampungs, which organized pre cooperatives among women folk.

#### COOPERATIVES AND THE POOR.

1. According to the "Guide Lines of State Policy" (GBHN) 1988 cooperatives are considered as a means to upheave the standard of living of low income groups and is therefore as a strategy of development in alleviating poverty in Indonesia.
2. Achievements in alleviating poverty are a.o :
  - a) the efforts to supply fertilizers and insecticides to farmers, respectively 388,598 Tons and 3.042,456 Kg/Liters (average annually).
  - b) rice etc. marketed for national stock and for local markets resp. 1,932,700 Tons and 69,4 Tons (average annually).
  - c) cloves marketed : 20,385,500 Tons total value of Rp. 152,853,8 Million (average annually).
  - d) 1 US\$ eq Rp. 1.750 (1988).
3. Some types of Government sponsored cooperatives for the poor are the Village Unit Cooperative (KUDs). Special forms of assistance rendered are among others : (average annually).
  - a) Credit guarantee for poor cooperatives : 2,105 coops with Rp. 127,202 Million (guaranteed loan).
  - b) Petty Trade loans ( KCK ) to small traders and handicraftsmen to 4,820 societies for 12,835,945 clients covering a total of Rp. 145.683.9 Million.
4. Some NGOs in Indonesia are assisting in organizing cooperatives for the poor, a.o the selfhelp promoting organizations :
  - The LSP, LP3ES, BINA DESA, BINA SWADAYA, PEKERTI, HP2W, PPMA.
  - The BK3 (Credit Union Coordination of Indonesia ).
 These NGOs have organized themselves with the DEKOPIN into a Forum for Cooperative promotion or FORMASI.

## INTER COOPERATIVE TRADE

Even though there is an extensive inter cooperative trade conducted , there is no such thing as a solid cooperative business network in operation. This is one of the concerns of Dekopin ,which is now busy enggaging in the development of a strong cooperative network.

Such a network is essential if the cooperatives want to be strong in facing competition in the open market.

## INTERNATIONAL COOPERATIVE TRADE

Besides agricultural products and fishery products, the Indonesian cooperatives are also enggaged in the exports of handicraft and rattan and antique furniture.

Dekopin is commencing with a cooperation with the Danish Cooperatives among others in the field of exports of animal feed in the form of copra cake and cassava chips and perhaps also in the form of sugar cane tops for the Japanese market. Dekopin itself is not a business organisation, therefore the exporting will be carried out by the cooperatives themselves.

## CONFERENCES, CONGRESSES, CONVENTIONS, SEMINARS

1. Prof. Dr Sri-Edi Swasono was elected as the new President of the Indonesian Cooperative Council in the 12th Congress of the Indonesian Cooperative Movement in July 1988. Along with the election of the new leadership, was the election of 45 members of the plenary committee, 17 members of members of the executive committee (the Board of Chairmen) and soon followed by the appointment of 6 new Directors. The old secretary general and his deputies remained in office and only one of the past directors was reappointed while the others remained active in the Council office as special staff members.
2. Some of the workshops and seminars conducted by Dekopin in 1989 were as follows:
  - a) workshop on the span of control of KUDs
  - b) seminar on stock ownership by cooperatives in private enterprises
  - c) seminar on the curriculum for cooperative education in universities
  - d) seminar on member participation and leadership in fishery cooperatives
  - e) workshop on the management of revolving funds
  - f) workshop on the preparation of dairy cooperative development project in East Java
  - g) workshop on baseline data preparation and project management

### SPECIALISED COOPERATIVES

There quite a few specialised cooperatives in existence in Indonesia. Some of them are flourishing and some others are still not as fortunate as the others. Some face problems because they have to merge with the existing KUDs while they prefer to keep their identity as a specialised cooperative.

Some of them are: The rural electrification cooperative  
Tour and travel cooperative  
Copra cooperative  
Handicraft cooperative  
Fishery cooperative  
Dairy cooperative  
Batik cooperative  
Leatherware cooperative  
etc.

### TECHNICAL AND FINANCIAL ASSISTANCE

Several government institutions provide technical as well as financial assistance to cooperatives in the following activities:

Agriculture production and marketing  
Handicraft and small scale industry  
Dairy  
Fishery  
Electrification  
Audit service  
Animal husbandry  
Loan and saving

### ICA AND MEMBER ORGANISATIONS

1. Areas in which ICA could give special emphasis in Indonesia in order to promote cooperative development are among others:
  - a. the development of consumer cooperatives
  - b. the insurance cooperative sector
  - c. member participation activities
  - d. cooperative business network
  - e. marketing and export of cooperative products
2. Forms of assistance can be in the form of:
  - a. on the job training
  - b. project identification
  - c. feasibility studies
  - d. training related to project identification and planning
  - e. management training

3. At the moment there are no ICA ongoing assistance in Indonesia. (Points 4,5,6 do not apply to Indonesia)

Q. OTHER MATTERS

In providing services for the towns and cities such as cleaning services, etc, the possibility of forming City Service Cooperatives is an interesting area to explore.

## Recent Development Of Cooperative Societies In Iran

The cooperative societies of Iran, in its formal shape, have a record of activity about half a century, which has had a faster trend during one-fourth of a century. During the first years, establishment of cooperative societies formed the main activities, and attention was paid to the quantities up to ten years ago. So that in the era of Islamic Revolution and in the Constitution of the Islamic Republic Of Iran, Articles 43 & 44 and some Notes of the other relevant articles of the said constitution specified the place of the cooperative societies in economic and social activities of the country. As the first step for expansion of cooperative societies it is worthful mentioning that the cooperative societies had not such a place up to that time, although the Act of Cooperative Societies of Iran, which was separated from the Iranian Commercial Code for the first time, was approved in 1953 and its defects were amended by passing supplementary Acts in 1955 & 1971, but such an explicitness did not exist in the Constitution of the country before the Islamic Revolution.

When the place of cooperative societies were specified in the Constitution, in addition to expansion of cooperative societies in rural areas, from quality and quantity point of view which had a more expanded activity, the cooperative societies were expanded in urban areas rapidly and were received by the people who had common and reciprocal requirements in connection with consumption, housing and manufacturing. Furthermore, attention was paid to the new activities in connection with production cooperatives, having attracted people holding little capital and without a useful job who had work power, and the agricultural production cooperatives, for taking advantage of farming lands of unknown owners, wastelands and pastures. Fishermen's cooperative societies in the coastal regions in the North and South of the country were formed newly and tribes' cooperative societies were covered under a coordinated protection and supervision. Finally, from two years ago (1988) for putting into operation and exploitation of the mines and rendering technical, commercial and consulting aids to those who are directly involved in this activity, an new organization has undertaken coordination and supervision of these cooperative societies. In other words it can be said that three new organizations have been formed and are active

for directing, and protecting the new activities of the cooperative societies in addition to the cooperative organizations and units formed previously. The articles of the new constitution have been very effective in formation of these three organizations.

At present (Feb. 1990) eight organizations and Depts. of public Sector, which are under supervision of six different ministries, have undertaken leading of and supervision on cooperative societies and each, on cooperative societies and each, on the basis of their duties, help the expansion of the activity of the cooperative societies from quality and quantity point of view. As the last point it should be mentioned that the Act of cooperation which was under study in a Special Committee in the Islamic Parliament was approved in the late 1989 and was sent to "Negahban Council" the Higher Authority for confirmation and final study. In the above-said Act while, the policy and manners of the activities of the cooperative societies have been specified, some Articles have been allocated for formation of the New Ministry Of Cooperation. It is hoped that by carrying out the New Act, all the cooperative activities of the country, while being coordinated, enter to an stage of quantity expansion which is suitable for the recent years.

The present cooperative organizations and Depts, which in fact play the role of a governmental assistant for the cooperative societies, in addition to general helps and assistance play an important role in special cases such as establishment of technical warehouses, coldhouses, manufacturing workshops and factories, repair and maintenance centres of agricultural tools and technical equipments which the cooperative companies can not carry out such activities financially and technically by themselves. For example, about 735 technical warehouses with a capacity of 655350 tons were built in rural cooperative companies during the last two decades and have been made available to the rural cooperative companies. Some of these warehouses have been built only with the special aids of the government and some have been built with participation of rural cooperative unions and societies. These warehouses are in addition to the ones that cooperative societies have built by using their own financial sources. In rural cooperative societies which is the largest cooperative network in the country, loans with low interest, agricultural tools and equipments such as tractor, combine, poison-sprayer have also been made available to the rural cooperative societies at the lowest price. Furthermore, different types of chemical fertilizers, pesticides and bred seeds are delivered to rural cooperative companies and unions with subsidy. In other sections such as urban, workers', manufacturing, fishermen's, tribes and mines cooperative companies while the consumption requirements of their members are supplied the main professional tools and equipments required by the said cooperatives are provided and delivered to them at the lowest possible price.

It is necessary to mention the activity of cooperation training centres for quality improvement of the cooperative societies. At present there is one training centre in Tehran for urban cooperatives and three cooperation training centres have been established in the centre of three different provinces for rural cooperatives network during the past two years, and have begun their activity. The lands and equipment required by these centres have been provided by the Government. Nine other cooperation training centres are being established in the centres of other provinces which are at different stages of completion. The directors, inspectors, accountants, sellers and members of rural and agricultural cooperative societies are trained annually according to the programs regulated. Most of their residence and training expenses are covered <sup>by</sup> the source of appropriation of the Government. From the beginning of the three training centres in the provinces, March 1990, it is supposed that 100 clever and young trainees, among the personnel occupied and other volunteers to be trained in Orumiyeh and Ahwaz centers for two years for leading and supervising the rural cooperative companies. The two-year training will be equivalent to university studies and will lead to an associate degree. This decision which is for increase of the applied proficiency of the man power involved in cooperative affairs in addition to the university education at B.A. level which at present is being presented in Tehran University and Allameh Tabatabaee University which train some experts for the cooperative societies annually.

The point about expansion of cooperative societies is a <sup>quarterly</sup> bulletin for the directors and employees of the rural cooperative societies and others who are interested. This bulletin provides specialty information and analysis of cooperative societies for the above-said people and let them know about the special views and specialty work of the cooperative societies. This bulletin which is published under the name of "<sup>quarterly</sup> Bulletin of Rural And Agricultural Cooperation" explains the experiences and successes of cooperative societies in different countries, to the Iranian readers which are received through I.C.A. publications Rayfazin Institute and other cooperative organizations and translated into Persian. Cooperative Organizations and Depts. in Iran also play their important role, each in the scope of its duties and functions, by issuing publications and bulletins on different occasions.



REPORT OF RECENT CHANGES, TRENDS AND DEVELOPMENTS IN  
JAPANESE AGRICULTURAL COOPERATIVE MOVEMENT

ZENCHU (The Central Union of  
Agricultural Cooperatives)  
Y. Nakaoka

1. The Upper House Election in last year has led the staggering defeat of the ruling Liberal Democratic Party, with the several reasons of having been said consumption tax, political scandals and farmers' complaints against government farm policy. The Lower House Election are undergone just now and the influence of farmers' criticism and election returns will be widely noteworthy.
2. The GATT Uruguay Round negotiations will be concluded by the end of this year. The final agreement on international agricultural trade is expected to be finalized taking into account of factors other than trade, as we, of Japan stated, such as the importance of domestic food security and the non economic-role of agriculture i.e. the conservation of national and natural environments.
3. The three presidents of ZENCHU, NACF KOREA and NFU TAIWAN, for the first time, met together in Tokyo last year, and deepened the talks and mutual understandings with regard to common concerns such as the shortage of successors to agriculture, the aging of the farm households, price stagnation of agricultural products, increase of part-time farm households and the ever-increasing international pressure toward trade liberalisation of the agricultural market. The Joint communique was concluded from the standpoint of coping the such difficult situations and promised to have the conference periodically.
4. The merger scheme of agricultural cooperatives in village level are strongly undertaken and so the number of those cooperatives has been declined to 3700 at the end of March this year. In this direction, the reform and rationalisation of the organisations and undertakings in prefectural and national federal level will be required to be hastended.
5. 1992 ICA Tokyo Congress Organising and its Secretariat Committee will be set up very soon, composed of JJC member organisations.
6. ZENCHU has registered formally as an organ of "ODA Development Survey" (Consultancy and feasibility study to agricultural cooperative promotion in developing countries) to JICA (Japan International Cooperation Agency, Governmental Aid Org.) The agricultural cooperative promotion project in north east region of Thailand is still going on in collaboration with Thai Government and cooperatives and same kind of projects will be undertaken in The Philippines, followed by Joint Survey of ZENCHU & ARROO in collaboration of The Philippines government and cooperatives.

**RECENT TOPICS OF JAPANESE CONSUMER CO-OPS**

I. RESTRICTIONS ON CONSUMER CO-OPS - - - - - P. 1

II. WELFARE ACTIVITIES OF CO-OPS - - - - - P. 3

III. MEMBERS' ACTIVITIES TO KEEP HOUSEHOLD ACCOUNTS - - P. 5

IV. MEDICAL CO-OPS - - - - - P. 9

V. WORKERS' CO-OPS - - - - - P.11

VI. TOP TEN PRODUCTS SUPPLIED BY CO-OPS - - - - - P.13

32nd Meeting of the ICA Regional Council  
for Asia and the Pacific  
February 7-8, 1990  
Sydney, Australia

**MASAO OHYA**  
**Executive Director**  
**Japanese Consumers' Co-operative Union**

## I. RESTRICTIONS ON CONSUMER CO-OPS

The stance of the ruling Liberal Democratic Party (LDP)'s MPs who are supported by private retailers and private national chainstores, to restrict consumer co-ops' activities is still continued. Measures of restriction they are seeking are the following two. One is tax increase and the other is restriction on store opening by amending the Consumer Co-op Law.

In April 1989, the corporate income tax rate for large-scale co-ops was raised to 30% from 28%. 30% applies to the profit exceeding one billion yen earned by co-ops with store sales of over 100 billion yen as well as with membership of over 500,000. Further, it was said that the Tax System Council of the LDP was examining an increase of corporate income tax rate to 37.5% for consumer co-ops with store sales of over 10 billion as well as with membership of over 50,000. Although this attempt was not realised this time, they don't abandon this idea.

In December 1989, a bill to amend the Consumer Co-op Law was submitted to the Diet and the deliberation of the bill was carried over to the next session which opened on January 22, 1990. But the House of Representatives was dissolved on Jan. 24 and the bill died. Reportedly, however, they plan to submit it again at the next Diet session.

The Japanese Consumer Co-op Movement will still continue every effort to overcome such anti-co-op campaign.

**Comparison of tax rates \*As of April 1990**

**CORPORATE INCOME TAX (National tax)**

<b>Corporations with capital over 100 million yen</b>	<b>: 37.5%</b>
<b>Corporations with capital 100 million yen and under</b>	
* For profit up to 8 million yen	: 28.0%
* For profit over 8 million yen	: 37.5%
<b>Co-operatives</b>	
*For profit except below	: 27.0%
*For profit over one billion yen earned by co-ops with store sales of over 100 billion yen as well as with membership of over 500,000	: 30.0%

**CORPORATE ENTERPRISE TAX (Local tax)**

**Corporations**

*For profit 3.5 million yen and under	: 6.0%
*For profit over 3.5 million to 7 million yen	: 9.0%
*For profit over 7 million yen	: 12.0%

**Co-operatives**

*For profit 3.5 million yen and under	: 6.0%
*For profit over 3.5 million yen	: 8.0%
*For profit over one billion yen earned by co-ops with store sales of over 100 billion yen as well as with membership of over 500,000	: 9.0%

## II. WELFARE ACTIVITIES OF CO-OPS

Japan is expected to be an aging society in the coming 21st century with an unprecedentedly large percentage of elderly people in its population. In parallel, the proportion of senior citizens in the consumer co-op membership is steadily increasing and a demand for better welfare measures for the aged is growing among the co-op members.

### **(1) Members seek Welfare Measures**

Co-op members have various demands with respect to life in their old age: "I want to live an independent life.", "I hope to form a friendly circle in the neighbourhood.", "I'd like to stay healthy.", "I wish to work and earn a stable income." These demands are the same as those voiced by the handicapped and other socially weak people, seeking for realisation of social environment in which they can live with a greater ease and comfort.

Although we think that social security system of the government both at national and local level should meet these requirements, the current governmental programmes are not sufficient. Therefore, we consider it important to supplement the public services by combining the self-supporting efforts of individuals and their families with the mutual help activities of the co-op.

### **(2) Welfare activities by members**

Currently, the welfare activities of the consumer co-ops are centred around a concept of mutual help by and for the members, and these daily, friendly acts of help among the members in the same Han or the same neighbourhood are the basic impetus behind such activities of the Japanese co-ops.

These welfare activities include the tape-recording of shopping guides for people with impaired eyesight, the production of cooking book in Braille and transcription in Braille, the dispatch of helpers for shopping, wheelchair and home for the aged and the handicapped, serving as volunteer workers at medical

and welfare institutions and work centres for the handicapped, the making of diapers, the holding of charity bazaars, and catering services. The "mutual help in daily life" programme whereby younger members help aged members with the housekeeping is drawing an increasing number of participants in many co-ops. Under this programme, the helping and helped members are registered (Being a co-op member is prerequisite for registration), and the helping members receive a small remuneration for their work.

In the specialised areas of welfare, it will be necessary for the consumer co-ops to form a network of activities with the medical, insurance, credit, housing and workers' co-ops.

Nevertheless, the welfare activities of the co-ops should not be used as an excuse for the government and local administrations to keep their social security systems at the present insufficient level, but should be linked with the movement for an improvement of public welfare services.

### (3) "Mutual Help in Daily Life" Activity by Nadakobe Co-op

Nadakobe Co-op is a pioneer of the "Mutual Help in Daily Life" activity. This programme was developed to assist elderly people needing help in daily living. Nadakobe Co-op started the programme with the establishment of "Mutual Help in Daily Life" circle in 1983.

At present, there are 400 helping and 350 helped members registered. They have a secretariat of this programme, where 5 staff serve as coordinator. The registered member is required to pay ¥1,000 as annual member's fee. The helping members are expected to help with general housework such as cleaning, washing, cooking, shopping and other errands, etc. Programme guidelines have been established, including: service is only provided in "units" (one unit is two hours), the maximum number of service units that may be provided in any day is two units, the helped member is required to pay directly to the helping member ¥700 per unit of service (¥350 an hour) plus actual transportation costs. On an average, one helping member serves 2-3 hours a week.

### III. MEMBERS' ACTIVITIES TO KEEP HOUSEHOLD ACCOUNTS

Keeping household accounts is one of the major members' activities in the Japanese movement. This is widely supported by co-op members as an essential consumer activity to establish the rational consumption without waste and to think about links between living and politics. This activity has the following three major objectives;

- (1) to review the individual household economy and increase the conscious or planned consumption, thus realising the enriched life.
- (2) to utilise the collected data showing the real features of life to improve co-op's business operations.
- (3) to deepen the interests in the socioeconomic problems incl. price-hiking, tax increase and utilise the data when expressing consumer's viewpoint to the public.

The JCCU produces its own housekeeping book and 418,000 copies (one copy : 350 yen) are used by the members a year. One of the characteristics of the JCCU housekeeping book is that items for food are grouped according to kinds, for example, rice, meat, marine products, dairy food, vegetables, and so on. This detailed classification contributes to analysis of dietary balance at individual family. This book has space for purchasing amount from the co-op as well. Usually each primary co-op has its own Household Accounts Committee, where the members study based on the result of individual members' household economy.

On the basis of this activity, the JCCU conducts various surveys on tax, social security premium, expenditure for medical service, etc. at regular intervals. These surveys are certainly taken up by mass media as the basic data showing the real situation of ordinary people's household and given socially high estimation.

**Averaged monthly household economy of co-op members**

(from the result of survey on co-op members' household economy from January to December 1988 : average of 2,284 households)

Total income	¥825,937
Total expenditure	¥825,937
(1) Non-consumption expenditure	(¥135,859)
Tax	¥52,073
Social security premium	¥35,376
Private insurance premium	¥37,126
Others	¥11,284
(2) Savings	(¥247,322)
(3) Consumption expenditure	(¥390,889)
Food	¥75,099
Housing	¥72,119
Utilities	¥15,113
Clothing	¥25,584
Medical & health care	¥ 7,205
Hairdressing and hygiene	¥ 8,112
Society	¥24,243
Transport & communications	¥11,880
Education	¥46,576
Reading, recreation & entertainment	¥20,172
Allowance for husband & wife	¥48,093
Car-related	¥20,636
Others	¥16,057
(4) Amount carried forward to the next month	(¥51,867)



Sample of CO-OP Housekeeping Book

月の収入			
Salaries	給料	夫 妻	Husband Wife
Bonuses	賞与	夫 妻	Husband Wife
Pension	年金・恩給	夫 妻	Husband Wife
	自家営業		Self-supporting business
	家賃地代収入		House & land rent
	内職・アルバイト収入		Side job
	他の家族よりの収入		From other family members
	その他収入		Others
	借入金		Loan
	合計		TOTAL

MONTHLY INCOME

税金			
Income tax	所得税	夫 妻	Husband Wife
Local tax	地方税	夫 妻	Husband Wife
	固定資産税		Municipal property tax
	合計		

TAX

社会保障費				
Health insurance	健康保険 (国民健康保険を含む)	夫	Husband	
		妻	Wife	
	雇用保険	夫	Husband	
		妻	Wife	
	Pension for corporate employees	厚生年金	夫	Husband
			妻	Wife
Mutual insurance	共済組合掛金	短	夫 妻	
		長	夫	Husband
			妻	Wife
National pension	国民年金	小計	Sub-total	
Private insurance	私的保険	損害保険	Insurance for loss	
		生命保険	Life insurance	
	小計	Sub-total		
	合計		TOTAL	

PREMIUM OF INSURANCE & PENSION

		前日(月)残高		Date		前日残高		Date	
		Date	日( )	Date	日( )	Date	日( )	Date	日( )
Withdrawal from bank	収入	Income							
	貯金引出	銀行振替分	Payment from bank account						
		現金引出分	Cash withdrawn from bank						
	貯金	目録	摘要	金額	摘要	金額	摘要	金額	摘要
Staple food	非消費支出	Non-consumption expenditures							
	主食	米・麦	Rice, wheat, barley, etc.						
		パン・めん・その他	Bread, noodle & others						
	副食	魚貝	Marine products except seaweed						
		肉類	Meat and meat products						
		乳卵類	Eggs and dairy products						
		豆・豆製品	Beans and bean products						
		野菜	Vegetables						
		食	乾物・海藻	Dried food and seaweed					
	加工食品		Processed food						
調味料	Seasonings								
嗜好品	菓子		Sweets						
	果物	Fruits							
	酒・飲料	Alcoholic and soft drinks							
Dining out	外食	校外	School lunch / Dining out						
Housing	(1)食費計	TOTAL FOOD EXPENSE							
	住居費	家賃・地代	House and land rent						
		その他	Furniture and household goods						
	水・光熱費	Utilities							
	被服費	Clothing							
	保健医療費	Medical and health care							
	理容衛生費	Hairdressing and hygiene							
	交際費	Society							
	交通・通信費	Transport and communications							
	教育費	Education							
	教養娯楽費	Reading, recreation and entertainment							
	職業・主婦費	Allowance for husband and wife							
	自動車関係	Car-related							
	その他	Others							
	(2)食費以外の合計	TOTAL EXPENSE EXCLUDING FOOD							
	(3)消費税(外税)	Consumption tax (not included in prices)							
	消費支出合計	TOTAL CONSUMPTION EXPENDITURE							
総支出合計	GRAND TOTAL OF EXPENDITURE								

100消費税は、価格に上のせられる税(外税)のみを記入してください。1日の外税の合計額を記入します。●消費支出合計は(1)食費計と(2)食費以外の合計(3)消費税(外税)

#### IV. MEDICAL CO-OPS

Medical co-ops are formed by people who wish to keep in good health. The co-ops operate hospitals and clinics, in response to members' wish to have their own medical facilities that they can utilise free from care. The medical co-ops actively promote "campaign for self-control of health by members themselves".

The medical co-op has the following characteristics.

- 1) It is the organisation for the healthy persons.
- 2) Emphasis of its activities is placed on preventive medicine.
- 3) Members participate in its management.
- 4) Members are organised in Han groups where they study about health checks and healthy living practices, and voice their opinions to the co-op.
- 5) Equal relationship between patients, doctors and other medical staff is realised.

In 1988, the JCCU formulated a "Five-year Plan for Strengthening Medical Co-ops and their Movement". This plan indicates the overall goals of the medical co-ops and based on this many member medical co-ops are working out their own five-year plans. The major goals set in the plan are more strengthening of their organisations, an increased participation by their members, a carrying out of more diverse activities, and a heightening of their social influence to a level capable of inducing a raise in the national medical service standards. The plan provide the following specific targets.

- 1) **Organisation** : Increase of the medical co-op membership to two million households.
- 2) **Social security** : Promotion of various activities at local level to protect and develop social security as a universal right of the people and to realise a safe, comfortable life.

3)Health and medical care : Thorough emphasis on the importance of health and medical activities by members themselves along with the medical operations of hospitals and clinics. Formulation of the rights of patients with participation of members and medical experts, and active members' participation in the management of medical institutes through medical evaluation activities and hospital and clinic utilisation committees.

4)Management : Strengthening of the management basis by achieving the two million membership, and emphasis on the education of medical staff to refresh and vitalise their motivation to work at the hospitals and clinics.

5)Other : Establishment of medical co-ops in all of the 47 prefectures of Japan. (At present, in 35 prefectures the medical co-ops exist.)

Figures about Medical Co-ops \*As of the end of March 1988

Medical co-ops	:	116
Members	:	1,284,166
Han groups	:	20,735
Han members	:	275,227
Hospitals (20 and more beds)	:	80
Clinics (less than 20 beds)	:	192
Beds	:	12,566
Doctors	:	1,615
Nurses	:	8,223
Other staff	:	7,504
Turnover	:	¥162,083 million

\* The medical co-op in Japan accounts for about 1% of the total domestic medical care in terms of the numbers of outpatients, inpatients and beds and the medical care income.

## V. WORKERS' CO-OPS

In the recent Japanese society, many consumers depend on so-called service industry in everyday life such as housekeeping service, baby-sitters, catering service, etc. And such services are provided as merchandise by the profit-seeking enterprises. On the other hand, many housewives work as part-timer at companies, factories, stores, etc. The Japanese part-time job is characterised by unreasonably low wage which only contributes to more profit of the enterprises. Some of the co-op member housewives had a question about such a way of working. With such conditions, they were hit by an idea of set-up of workers' co-ops by organising themselves to provide necessary services to the community where they live. They hoped to create places to work in their community and contribute to the community through their work.

Now there are over 50 workers' co-ops (They call workers' collectives) existing in Seikatsu Club Co-op Federation, covering various kinds of work such as restaurant, bakery, day-care centre, box-lunch service, cleaning service, recycle shop, care-service for the aged, and so on. As there's no law governing the workers' co-op at present, they are operated as voluntary organisations. The co-op members who hope to join the workers' collective, must invest some money as sharecapital. They provide their labour and when they get surplus at the end of the fiscal term they share surplus according to working hours in many cases. On an average each member works 6-7 hours a day and 100 hours a month. At the moment, the average of their hourly wage is 500-700 yen, which almost the same as that of part-timers in Japan. They hope to raise this wage up to 800 yen at least, and hopefully to 1,000 yen in future. During last a few years, prefectural unions of workers collectives were established in two prefectures. This is to seek for further development of this attempt with their solidarity in the prefecture.

Another attempt of the workers' co-op in Japan is Jigyodan Workers' Co-operatives (Jigyodan co-ops). This co-ops originated from the struggle of the unemployed soon after the Second World War. Today there are 130 Jigyodan co-ops all over Japan with 6,000 workers, most of who are the middle-aged, the older and the former unemployed. Main fields in which Jigyodan co-ops are involved are (1)Maintenance and cleaning of buildings and hospitals, (2)Co-operation with consumer co-ops, (3)General social welfare, i.e. nursing for the aged and meals on wheels, (4)Solid waste disposal and recycling, (5)Gardening, (6)Building and construction. At present some 40 co-ops, including consumer, university and medical, have contracts with Jigyodan co-ops. Mainly they provide services in such areas as cleaning of stores and buildings, sorting of merchandise at distribution centres, maintenance and cleaning of hospitals, etc.

**VI. TOP TEN PRODUCTS SUPPLIED BY CO-OPS**

**(1) JCCU**

1. CO-OP Milk
2. CO-OP Fruits & Carrot Mixed Juice
3. CO-OP Toilet Paper "CORE-NON ROLL"
4. CO-OP Salad Oil
5. CO-OP Fruits & Spinach Mixed Juice
6. CO-OP Orange Juice
7. CO-OP Mini-cup Jelly
8. CO-OP Apple Juice
9. CO-OP Grilled Eel
10. CO-OP Mayonnaise

**(2) Nadakobe Co-op**

1. CO-OP Milk
2. Spinach
3. Japanese Mushroom "ENOKIDAKE"
4. CO-OP Egg
5. CO-OP Bean Curd
6. CO-OP Fried Bean Curd
7. Radish
8. Japanese Onion
9. Japanese Mushroom "SHIITAKE"
10. Banana

**(3) Osaka Izumi Citizen Co-op**

1. CO-OP Milk
2. CO-OP Egg
3. CO-OP Shrimp
4. CO-OP Rice "CROWN"
5. CO-OP Fruits & Carrot Mixed Juice
6. CO-OP Grilled Eel
7. CO-OP Rice with Germ
8. CO-OP Rice "MIDORI"
9. CO-OP Chopped Beef
10. CO-OP Bean Curd

**(4) Tokyo Citizen Co-op**

1. CO-OP Milk
2. CO-OP Egg
3. Cucumber
4. Potato
5. Onion



# Recent Development of the Agricultural Cooperative Movement in Korea

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Presented at

the 32nd Meeting of the ICA Regional Council for Asia and Pacific  
held on Feb 7 - 8, 1990 in Sydney, Australia

## 1. Performance of Major Business Activities

Agricultural cooperatives conduct diverse business activities to attain the goal of increasing agricultural productivity, enhancing the economic and social status of farmers and ensuring a balanced development of the national economy through the voluntary organization of farmers.

In 1989, the average business turnover per cooperative reached 19 billion won (US\$ 28 million) as shown in table 1.

Average net profit per cooperative reached 42 million won (US\$ 63 thousand). 30 cooperatives out of a total of 1,433 cooperatives recorded deficits.

Table 1. Performance of Major Business Activities of the Agricultural Cooperatives

Business	1989 (A)		1988 (B)		A / B
	Total (Billion Won)	Per Coop (Million Won)	Total (Billion Won)	Per Coop (Million Won)	
Deposits	8,592	5,996	6,879	4,702	1.25
Loans	9,520	6,643	7,325	5,007	1.33
Cooperative Insurance	5,235	3,653	3,626	2,478	1.44
Supply of Farm Inputs	686	478	671	459	1.02
Consumer Goods	500	349	422	288	1.18
Marketing	2,438	1,713	2,128	1,454	1.15
Utilization & Processing	68	47	56	39	1.21
Others	383	267	301	206	1.27
<b>Total</b>	<b>27,439</b>	<b>19,146</b>	<b>21,408</b>	<b>14,633</b>	<b>1.28</b>
Net Profit	61	42	53	36	

## 2. Election of Agricultural Cooperative Presidents

According to the amended Agricultural Cooperative Law effective on April 1 of 1989, 675 agricultural cooperatives elected their new Presidents through direct voting by member farmers as of December 31, 1989.

It was surprising and pleasing to see that, on the average, 90.0 % of member farmers participated in the election and 62.2 % of the incumbent presidents were reelected.

The results clearly show that the active participation of member farmers in their cooperative movement as well as anticipation of sound and stable cooperative management and their improved sense of ownership, which are the essential bases of cooperatives. So, the results are considered very encouraging for the future of Korean agriculture and the development of agricultural cooperatives in Korea.

The newly elected Presidents are required to be distinguished top managers and heralds of the agricultural cooperative movement, not only in overcoming the current difficulties, such as mounting external pressure to open domestic agricultural markets and intense financial competitiveness in local areas, but also in raising the standard of living of member farmers.

All member cooperatives of NACF, numbering 1,475, will have new Presidents by March 31 of 1990 through direct elections involving two million member farmers in Korea.

Also, the Chairman & President of NACF shall be elected directly by the presidents of member cooperatives by April 30 of 1990 according to the new Law.

### 3. Campaign to patronize domestic farm products

Due to the mounting foreign pressure, especially from the U.S.A., to open domestic agricultural market, Korean Government announced a drastic import liberalization program on April 8 of 1989, promising to liberalize the imports of 243 agricultural and fishery products by 1991. With this, the import liberalization rate of farm products in 1991 will amount to 84.9%. And also, as Korea has made a commitment to disinvoke Article XXIV : B of GATT, she is destined to liberalize import of all farm products by June 30 of 1997.

As the Government's further opening of the domestic agricultural market is impending, NACF hosted a symposium attended by 21 delegates including professors, non-institutional farm groups, and specialists of agriculture-related organizations. They agreed that if it is inevitable, farm product imports should be expanded gradually based on the principle of "sufficient guarantee prior to liberalization."

And also NACF launched the campaign to patronize domestic farm products. At the inauguration ceremony for the campaign, the presidents of member cooperatives stated that they will do their best to produce and supply of the highest quality. At the same time, they urged the Government to expand compensation for farmers damaged by imported farm products and appealed to consumers for increased consumption of domestic farm products.

Concurrent with the campaign in Seoul, local campaigns were also launched in 8 provincial capitals and 141 counties. All member cooperatives and NACF offices have hung placards appealing to their consumers to buy only domestic farm products.

Of particular note, the campaigns were led principally by women's clubs and graduates of housewives school of member cooperatives in the major cities such as Seoul and Taegu.

In the same period, a mail campaign by member farmers sending letters to their relatives in cities and by rural school children to urban school children was carried out.

The campaign will continue steadily by member cooperatives and NACF by means of mass media advertising and cooperation with consumer groups.

#### 4. On-line network for all member cooperatives

NACF installed another main computer which is able to make nationwide network for the 1,738 member cooperatives and their branch offices with an on-line system on August 15, 1989.

It is now possible for member cooperatives to provide a variety of information as well as speedy and accurate financial services.

NACF offices had already been all linked with on-line computer network in 1984. NACF has installed 2,287 computer terminals in the 1,738 member cooperatives and their branches at the end of 1989. Table 2 shows the expansion of computer network from 1984 to 1989.

Due to the nationwide linkage of on-line system through agricultural cooperative channel in Korea, 157 kinds of services can be provided by the system, comprising 75 banking, 6 guidance information, and 20 insurance services along with 56 others.

Table 2. Expansion of Computer Network

( No. of Terminals )

Year	1984	1987	1988	1989
N A C F	844	1,207	1,680	2,115
Member Coops	0	230	708	2,287

## 5. Merger of Primary Cooperatives

After the establishment of multipurpose agricultural cooperatives in 1961, the primary cooperatives endeavored to create an indispensable organizational base for cooperative operations. They have made remarkable progress since 1972 when village-level cooperatives were merged into economically viable township level cooperatives, bolstering their ability to extend a variety of services to their member farmers through the increase in the number of employees, introduction of new types of business and establishment of various physical facilities.

The Management Guidance Department of NACF foresees that the cases of mergers of primary agricultural cooperatives will become more frequent in the near future for strengthening competitiveness in the rural financial market as well as providing better services to member farmers. Table 3 shows the recent trend of cooperative mergers. In 1989, 30 cooperatives were reduced by merging into larger scale cooperatives.

Table 3. The trend of Cooperative Mergers

( Unit: Each)

Year	1961	1974	1988	1989
Agricultural Coop.	21,042	1,545	1,463	1,433
Horticultural Coop.	49	45	42	42

## REPORT ON THE RECENT CHANGES TRENDS AND DEVELOPMENT IN CO-OPERATIVE MOVEMENTS IN MALAYSIA.

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I wish to tender on behalf of Royal Prof. Ungku Aziz his apologies for not being able to attend the 32nd meeting of the ICA Regional Council due to reasons beyond his control.

I will try to highlight certain events that have taken place in so far as the co-operative movements are concerned.

### THE CENTRAL CO-OPERATIVE BANK MALAYSIA (CCB)

As a result of the appointment and take over of the management and control by the Receivers for the above Bank, all co-operative societies which had invested in the share equity of the bank, were directed by the Registrar of the co-operative societies, Malaysia to revalue their total investment (irrespective of the amount) to the value of Malaysian Ringgit one (M\$1/-) only. This directive was to be effective from the respective co-operative societies 1988 account.

You may recall that CCB has suffered loss of approximately seven hundred millions Malaysian Ringgit (M\$700 millions) as a result of the mismanagement and embezzlement of its fund by its officers.

The direct consequence of this directive was that all co-operative societies had to show severe losses in their accounts and to these co-operative societies which in the past years had been declaring dividends could not otherwise do so. This situation will prevail for the next few years.

In the minutes of the 31st meeting under agenda - item 3, matters arising out of the minutes, Royal Prof. Ungku Aziz had mentioned that Mr R Mathimugam, the then General Manager of CCB had left a horrible mess which was publicly known. Today at this ICA meeting I note with regret the presence of Mr Mathimugam I therefore seek your clarification on his position to sit in this meeting and further wish to question the morality of his appointment as Special Advisor on co-operative development and training for Asia and Pacific region.

I note the comments by Mr Bruce Thorarson, Director ICA, but I regret to state that here is a man who not only has absconded from his country but has refused to be accountable for his previous actions has been uplifted and given the most prestigious post as special advisor. I wish to place on record our utmost regret and disappointment over this issue. Beside not being able to understand the rationale behind this appointment, I feel the whole co-operative movements of the world are brought to public ridicule, disrepute and shame.

For your information one of Chief Executive of CCB was recently brought to court on charges of criminal breach of trust for a few million dollars and the case has been fixed for hearing sometime in the middle of this year. I have been informed that the police investigation in this case is still proceeding and definitely the case is not over yet.

It is therefore my humble submission that in the interest of the co-operative movement as a whole Mr R Mathimugam should return to Malaysia on his own accord and assist and co-operate with the police in their investigation of this CCB affairs. I am sure in this way he will be able to clear his name and at the same time save any embarrassment to this auspicious body - namely the International Co-Operative Alliance.

Furthermore, as a further consequence of the most regrettable incident of the lack of accountability of Mr R Mathimugam, the Government of Malaysia has taken the unprecedented steps to amend certain provisions of the co-operative laws of 1948 and amendments made thereafter, I believe that at the coming sitting of Parliament the first bill will be tabled by the Hon'ble Minister of National & Rural Developments. It is our hope that with the introduction of this new act of Parliament it will be able to cover up some of the loopholes found in the co-operative laws.

#### DEPOSIT TAKING CO-OPERATIVE

Some of the co-operative societies which were under the control and management of Receivers had of late been able to repay their depositors back by stages.

#### FIFTH MALAYSIA ECONOMIC PLAN

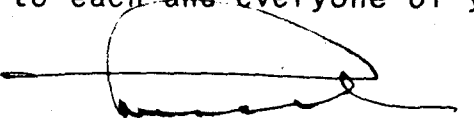
The Fifth Malaysia Economic Plan has come to an end by 1989. The Government in its endeavour to obtain feedbacks and relevant informations has formed a National Consultative Economic Council and has graciously appointed Royal Prof. Ungku Aziz to be the representative for the co-operative movement. It is our ardent hope that whatever recommendations put forward by Prof. Ungku Aziz for the betterment of the co-operative movements will be given the due considerations by the Government in its efforts to develop the growth of the co-operative movements in Malaysia.



VISIT MALAYSIA YEAR

In conjunction with the announcement by the Government of Malaysia that the year 1990 is the 'Visit Malaysia Year' all relevant co-operative societies are actively participating in this programme.

On behalf of Malaysia, I wish to extend our warmest welcome to each and everyone of you to visit Malaysia.

A handwritten signature in black ink, appearing to read 'SYED AZMAN MOHAMED', with a long horizontal stroke extending to the left.

(SYED AZMAN MOHAMED)

**RECENT TRENDS AND DEVELOPMENTS  
AFFECTING PHILIPPINE COOPERATIVES**

by

Arcadio S. Lozada, Secy-Gen, CUP

G. E. Lorejo, Sr., President, CUP

I. PRELIMINARY STATEMENT

The foundations of the future of the Philippine cooperative movement have been painstakingly set during the decade of the 80s. The Constitutional Mandate on cooperatives constitutes the crowning glory of the CUP's policy-initiatives program. Indeed, the government has taken cognizance of the cooperative movement's autonomy. Not even an attempted coup d' etat could distract the movement in its determination to obtain the enactment of laws needed by the cooperatives. Although the cooperative bills have not yet been signed into law, that movement already stands at the threshold of adventure.

II. TRENDS AND DEVELOPMENTS ON COOPERATIVES

Leaders in the movement agree that the primary goal for cooperatives is for them to become the third economic sector which will constitute the third alternative vehicle for economic development,, equitable distribution of wealth, social justice and the inculcation of values which are needed to meet the challenge of a rapidly changing society. To reach that goal, strategic moves have been made to lay the foundations on which the goal shall be reached. Consider these recent developments as follows:

A. Cooperative Legislation

The much awaited passage into law of the two important bills affecting the cooperative movement

is almost over. These two bills are: the bill creating a Cooperative Development Authority/Commission, the cooperative movement's counterpart to the corporate world's Securities and Exchange Commission; and the Omnibus Cooperative Code of the Philippines, which lays down the lawful foundation on which self-reliant cooperatives will be formed without government intervention.

During the first quarter of 1989, the lower House of Representatives of Congress passed on Third and Final Readings these two bills. In October of last year, the same bills garnered in the Senate the support of 21 out of 23 Senators which made their passage into law a foregone conclusion.

These bills drafted by leaders from the movement, embody their present needs and future requirements and grant cooperatives rights and privileges many of which they never enjoyed before.

A Senate-House or Bicameral Conference Committees is currently ironing out the differences between the Senate and House versions of the two (2) bills. The Committees are trying to reconcile whether the government cooperative development agency will be named "Authority" or "Commission". The alternative names may reflect a difference in position in the government hierarchy and thus different authority. They are also settling the issue on how the Cooperative Education and Training Fund contributed by primary cooperatives will be administered among the cooperative sector organizations

Once these things are ironed out, the bills will be ready for the President's signature, which may be done within one month or so.

B. Tripartite Partnership for Cooperative Development

Another positive development is that, for the first time in Philippine history, representatives of the cooperative movement, the non-government organizations and the government is forming a partnership to maximize cooperative development in the country by identifying up areas of collaboration in a Memorandum of Understanding as facilitated by the Bureau of Agricultural Cooperatives Development (BACOD) of the Department of Agriculture. A Tripartite Drafting Committee

was formed to hammer out details of the proposed agreement. Each sector submitted its own position paper containing among others, definition of cooperatives, cooperative principles, co-op values, rationale for partnership and delineation of role and responsibilities. Under this Memorandum of Agreement four Ad Hoc Committees are formed. Each of said committees shall take care of the areas of: a) education, training and accreditation; b) accounting and auditing system, c) information and communication system; and d) fund generation. The Memorandum of Agreement was signed by representatives of the 3 sectoral organizations at February 5, this year, Heroes Hall, Malacañang in the presence of the President of the Philippines.

### C. Cooperative Intertrading

A third encouraging development is trading between and among cooperatives. This was initiated during the second half of the 70s when cooperatives found themselves not only neglected but cramped by stringent government policies and control. Experience has shown that trade could be a vehicle for development. As cooperatives gained lessons from their experience, they ventured into inter-trading schemes.

There has been an intensified promotion of intertrade between Philippine cooperative federations with the end in view of linking the rural based producers' cooperatives with consumers and market vendors cooperatives in the urban areas. A further development is exploration of export markets, particularly exchange with cooperatives in other countries. Cooperatives at various levels have been conducting such intertrading among themselves. The following developments serve to illustrate this point:

- The federation of upland farmers in the provinces of Benguet and Kayapa, Nueva Vizcaya has been exploring ways and means of directly supplying to market vendors in Metro Manila and break out from the shackles of middlemen.
- Farmers associations in the Cagayan Valley have made inquiries with market vendors' groups in Manila on how they could work out direct business links so the farmers could sell their paddy (palay) at more reasonable prices while the vendors could sell these to the consumers at prices lower than those offered by the rice cartel.

- A Metro Manila based cooperative engaged in feed milling has sought the help of the Cooperative Union of the Philippines to locate corn producing cooperatives in the Visayas and Mindanao areas that could regularly supply it with yellow corn.
- On the international front, representatives of strong cooperatives in developed and newly industrialized countries among our neighbors have been laying down the groundworks for them to engage in direct trade with cooperatives in the Philippines. In response, the Philippine cooperative movement has set up an inter-coop trade office to centralize the export capabilities of local cooperatives into a central promotion and information office. Dubbed as the Philippine CoopTrade Center, the project will be geared towards increasing the export potential of the country's cooperatives. On the whole, the CoopTrade Center will serve as market information center for the entire local cooperative movement. It will conduct a continuing inventory of exportable products produced by cooperatives as well as products for intercooptrade in the domestic market, extend technical assistance in product upgrading, packaging and development and facilitate commodity and currency transactions. To be of service to the Movement, it also acts as a liaison center for policies, regulations and assistance. The CoopTrade will conduct national conferences to promote intercooptrade among cooperatives, offer technical consultancy, put up trade fairs and exhibits, conduct trainings and send trade missions abroad to open up new markets for Philippine cooperative products.

#### D. Organization of Tenant Farmer Cooperatives

The passage of the Comprehensive Agrarian Reform Law in June 1988 triggered various responses to the government, non-government organization and cooperative sectors. The movement, feeling that the new agrarian reform law is weak in some parts and may fail to address the problems of tenancy and poverty, has agreed to assist in the promotion and formation of farmer cooperatives for agrarian reform beneficiaries to support the Comprehensive Agrarian Reform Program (CARP) of the government.

Cooperatives represent a viable a compromise between extreme to centralized government political systems and on the other hand too loosely monitored so called free market systes, however often manipulated by some dominating groups or cartels. On this point, the movement underscores the need and importance of organizing farmers' cooperatives with linkages to other sectoral groups, whether they be public or private.

In this light, the CUP took the bold step of securing the government's recognition of its lead role in the promotion, organization and development of cooperatives among agrarian reform beneficiaries. Towards this end, the CUP is now working for the establishment of a program for developing cooperatives in agrarian reform areas. Cooperative leaders desire that this program be administered by the CUP on behalf of and with the contributions from national federations, regional and provincial cooperative unions.

If approved, the proposal will be a major departure from past practices when the government played the lead role in cooperative promotion and development and set the policies, controlled the resources, etc. Cooperative leaders have pointed out that sectors where government played supportive roles were more successful than in areas where the Government took lead roles. Besides 11 national federations, the movement has 13 regional cooperative unions, 41 provincial cooperative unions and other local federations already in place whose service will be tapped in pushing through the program.

It is envisioned that the cooperative movement will be at the forefront, DAR will provide the necessary support services with non-government organizations (NGOs) and grassroot organizations actively participating in policy formulation, program planning and implementation. The entire exercise will cost the government a total of P55 million to implement this proposal in three years.

#### E. Simplification of Cooperative Registration

The formal legal requirements for the registration of cooperatives have been recently reduced and simplified by the registering agency for cooperatives, the Bureau of Agricultural Cooperatives Development (BACOD). This will facilitate

and encourage the formation of cooperatives. Among others, the registration process has been reduced to five steps only.

#### F. Education and Training

The importance of continuous cooperative education and training has always been underscored by both the cooperative sector and government agencies.

A national workshop on education and training was held during the first quarter of 1989. A notable output of this workshop is the 5-Year National Cooperative Education and Training Plan whose main feature is a ladderized approach to cooperative education and training and the development of standardized training designs for 19 types of training modules. These are now being applied by various cooperatives.

Likewise, a national workshop on effective training, personnel and organizational policies was held last November under the auspices of the International Labour Organization/Norway Agency for Development (ILO/NORAD), the Cooperative Union of the Philippines (CUP) and the Bureau of Agricultural Cooperatives Development wherein the participants prepared action plans and policies. A follow-up workshop on training, personnel and organizational policies was held this January, 1990, in which the National Cooperative Training Council was formally organized. It will draft the rules and regulations for the implementation of the National Cooperative Education and Training Plan.

#### G. Conversion of Samahang Nayons (Village Cooperatives) into Cooperatives

One effort of the current administration within the cooperative area is to transform the existing samahang nayons (SNs) into primary multi-purpose cooperatives. These SNs were inherited from the previous administration. In this context, the BACOD has come out with a primer on the organization of multi purpose cooperatives for the cooperative movement to follow. A significant feature of these policies on cooperative formation is the conversion of pre-cooperatives (samahang nayons) into viable organizations through the injection of more business activities that would make them useful to cooperative members. One of

the characteristics of the multi-purpose cooperatives is that it broadens the working area into credit extension, procurement of supplies, raw materials and other inputs for production, marketing services and bulk purchases of consumer goods. In terms of functions, the multi-purpose cooperative can be seen as five types of single-purpose cooperatives rolled into one which can provide a broader area of services to members. This primer will be also be used by the Department of Agrarian Reform in its promotion of cooperatives among the beneficiaries of the agrarian reform program.

#### H. Waste Recycling

The movement, spearheaded by the CUP, proposed to the Metro Manila Commission the tapping of the Union's expertise in the organization of cooperatives for recovery of waste from different areas in the metropolis. This recommendation was made following the visit by three (3) experts from cooperatives in Shanghai, China, having a long experience in recovery of reusable materials out of garbage. It was estimated that the cost of organizing scavengers into a primary cooperative at barangay levels would amount to the small sum of ₱25,000 for each cooperative. This includes seed capital for 50 cooperative member-scavengers. This Project will be pursued with the assistance from the Shanghai Supply and Marketing Cooperative.

#### I. Cooperative Housing

The Cooperative Union of the Philippines, the Cooperative Foundation of the Philippines, Inc. and the Bureau of Agricultural Cooperatives Development signed a Memorandum of Agreement with the National Housing Authority to speed up the organization of housing cooperatives and accelerate the building of more houses for the poor. The signatories have agreed to pool their efforts and resources in organizing housing cooperatives as a means of pushing thru the government's social housing program. To pursue this tie-up, a technical body has been formed to coordinate the activities of these four agencies. The technical body identified the following areas of implementation: 1) policy initiatives and support; 2) technical studies; 3) education and training; 4) monitoring and evaluation; 5) housing technology transfer; 6) audit; 7) licensing and regulation; 8) livelihood development; and 9) registration of housing coopera-



tives. One of the immediate tasks of the technical body is the development of a manual on how to own, organize and develop housing cooperatives. The CPPI acts as the secretariat of this technical body.

Initially, the technical body sees the need for developing a pilot project under the CPPI to demonstrate that cooperative housing is a feasible mechanism that would complement the government's social housing program. This could be integrated with multi-purpose activities, organization, training and other support services for the establishment of what we might call a "Cooperative Housing Community". There is a need to pilot test this concept because housing cooperatives are yet at the infancy in the Philippines with only a handful in operation throughout the country. The Community Mortgage Program (CMP) of the National Home Mortgage Finance Corporation (NHMFC) assists self-help groups or organizations and cooperatives to own land and provide housing fundings.

#### J. Audit

The Philippine cooperative movement has asked the Italian Confederation of Cooperatives, based in Rome to assist in the development and institutionalization of auditing cooperatives in the Philippines. This request was made in a project proposal submitted to the head of a visiting delegation from the Italian Confederation of Cooperatives.

The proposal covers three areas: financial audits, management audits and management consultancy services.

One of the present weaknesses of the Movement is the absence of full time auditors who are familiar with cooperatives. Although an autonomous network of auditors has been established, the lack of funds has limited their areas of coverage to certain parts of the archipelago. Expertise is needed in the area expansion of the program; further training of accountants willing to work with cooperatives; the development of a nationwide auditing structure that reaches the grassroots; and the strengthening of the present regional and national auditing set-up.

## K. Agricultural Cooperative Development

Assistance for agricultural cooperative development in the Philippines continues to pour in. The following are the developments in the implementation of the 15-Year National Perspective Plan for Agricultural Cooperative Development drawn up with the help of the International Cooperative Alliance and the Food and Agricultural Organization:

- 1) Two of the three projects formulated by 13 participants in the First Project Identification and Training Course conducted in early 1988 have been approved for funding. These projects are the Meat Processing and Hog Raising Project of the Ambulong Credit Cooperative, Ambulong, Tanauan, Batangas which has been approved for financing by the Dutch Rural Development Assistance Program in the amount of ₱74,000 (US \$ 3,500); and the other project is the Hog Breeding and Dairy Project of Luyos Dairy Cooperative, Luyos, Tanauan, Batangas. This was also approved for financial assistance by the Livelihood Enhancement for Agricultural Development (LEAD) Program of the Department of Agriculture with the sum of ₱4.5 millions (about US \$250,000).
2. A Baseline survey for the planned Second Project Identification Course to be conducted in 1990 is being supported by the United Nation's International Labour Office through a grant of US \$ 12,500.
3. The UN Food and Agricultural Organization (FAO) has advised CUP that its request for the FAO-TCP Project on "Support to Agricultural Cooperative Development in the Philippines" is being considered for funding in the amount of \$160,000 for three years to start April, 1990.

In addition to the foregoing, three officials from two international organizations visited the country in August, 1989 to explore possible farm facility projects and to establish cooperative training centers for strengthening the Philippine cooperative movement. The organizations interested are the Afro Asian Rural Reconstruction Organization (AARRO) based in New Delhi, India and the Central Union of Agricultural Cooperatives (CUAC) based in Japan to assist the BACOD/Department of Agriculture and CUP for possible agricultural cooperative projects. BACOD/DA and CUP coordinated this program.

L. Cooperative Entrepreneurship for Rural Development

The idea of cooperatives as business entrepreneurs is a new trail being pursued by the cooperative movement. The movement and international cooperative organizations are convinced that the time is ripe to help cooperative managers become business builders. Along this line, a two year program on Cooperative Entrepreneurship for Rural Development will take off the ground by the middle of 1990 following the approval for funding of this project by the ILO/DANIDA. This is a joint project of the, ILO, CUP and BACOD.

This ambitious project seeks to convert the present breed of cooperative leaders, managers and staff into efficient entrepreneurs, who know when to embark on a good project, how cooperative funds be could used for the benefit of members and other specialized business and management training courses.

M. Fishery Cooperatives

A Planning Mission from the International Cooperative Alliance (ICA), Canadian Cooperative Association (CCA) and Societe de Development Internationale Desjardins (SDID) visited fishery cooperatives in La Union and Negros Occidental with a end in view of providing assistance for the development of fishery cooperatives in the country. A unique feature of this program is direct involvement of women in fishery cooperatives as a foremost requirement for technical and financial assistance.

Representatives from the CUP, Department of Agriculture (DA), Bureau of Agricultural Cooperatives Development (BACOD), Bureau of Fisheries and Aquatic Resources (BFAR) and National Confederation of Cooperatives (NATCCO) have coordinated the Mission's program.

N. Central Distribution Center for Consumers Coops

The International Cooperative Alliance Regional Office for Asia and the Pacific (ICA-ROAP) fielded to the Philippines Professor S. B. Rao, as

Consultant on Consumers Cooperatives, to undertake a feasibility study/Consultancy Mission for the possible establishment of a Central Distribution Center for the National Capital Region. The feasibility study covered an assessment of the consumers cooperative situation in the Philippines considering the existing demand and supply of consumers commodities of primary consumers cooperatives particularly in Metro Manila and whether the establishment of a Central Distribution Center is feasible. Said Distribution Center would initially cater to consumers cooperatives affiliated with the Metro Manila Federation of Consumers Cooperatives, Inc. and later on expand its activities to outlying provinces and regions. It also foresees a coordination of activities with the National Confederation of Cooperatives (NATCCO) and the National Market Vendors Service Cooperative Federation (NAMVESCO) which are currently undertaking similar activities.

Prof. Rao's study revealed a unanimous support for the establishment of the envisioned Distribution Center. Aside from performing the role of centralized purchasing agency, the whole-sale consumers society or federation can perform other important roles like promoting and developing the consumers cooperatives, protecting the interests of the consumers as well as lobbying for the consumers and consumers cooperatives. This Feasibility Study was made upon the request of the Metro Manila Federation of Consumers Cooperatives, Inc. (MMAFECCO) in collaboration with the CUP.

#### O. Comprehensive Survey on Cooperatives

The Cooperative Foundation of the Philippines, Inc. (CFPI), the research arm of the Cooperative Movement is conducting a continuing series of studies on all types of cooperatives in the country. This is a part of CFPI's Comprehensive Survey Project. This Project has three (3) Phases, to wit:

Phase I was the re-examination of the state of Philippine cooperatives which involved a review of literature focusing on the policy environment.

Phase II seeks to establish a comprehensive data base on cooperatives, samahang nayons and self-help groups in the Philippines.

Phase III aims to revolve alternative cooperative development models in the context of a cooperative agenda which would extract vital information and insights from the Phase I and III reports.

The Comprehensive Survey aims to generate a comprehensive data base on Philippine cooperatives that will serve as the foundation for the future establishment of a Philippine cooperative data bank.

P. Correspondence Course on Cooperatives

The NATCCO, the movement's training arm, is in this year initiating a new approach in cooperative training through its project "Correspondence Course for Coops".

This scheme aims at reaching key members of cooperatives who more often than not fail to attend inhouse training courses because of their hectic schedule and other commitments.

Under this plan, prepared booklets will be mailed to the members who in turn will submit their study results by mail for examination.

The members of audit committees of cooperatives will be first target groups to be followed by members of credit committees.

O. Insurance Plan for CARP Farmers

The Cooperative Insurance System of the Philippines (CISP) is looking into the possibility of serving some 2.9 million farmer awardees of the Comprehensive Agrarian Reform Program through its Mortgage Redemption Insurance.

Under Republic Act 6657, farmer-awardees may now own the land they till. This ownership is made possible through the Land Bank which pays for the land on behalf of the farmer who in turn amortizes his loan to the bank for 30 years.

The CISP protects the farmer in case of death before the land is fully paid. CISP will cover the unpaid balance and the land automatically becomes the property of the heirs.

#### Q. Cooperative Banking and Finance

The CFPI and the Cooperative Rural Banks Federation of the Philippines, Inc. (BANGKOOP) are in the process of conceptualizing a tie-up program to transform Cooperative Rural Banks into genuine farmer cooperative banks and the pre-cooperatives into multi-purpose cooperatives. The proposal calls for CFPI to provide management technical assistance to Cooperative Rural Banks (CRBs) to improve their efficiency and capacity in meeting the demands for rural assistance. BANGKOOP would supply the funds and in the process shall transform itself into a cooperative farmers' bank providing equipment and production loans. Both organizations expressed optimism that the pre-cooperatives (samahang nayons) have potentials for development and viability only that these lack the technical capability and capital.

### III. DEVELOPMENT CONSTRAINTS

To date, it is clear that the Philippine cooperative movement has proven to be strong with social development but of less impact with the economic field. This is partially attributable to the fact that while the principles and practices of cooperatives could be closely linked to traditional Filipino behavior such "bayanihan" (mutual help spirit) or "pakikisama" (spirit of belonging), other socio political forces have sought to undermine economic opportunities for cooperatives, thereby limiting their ability to gain strength and influence in the society.

An important deterrent to economic growth has been the restrictive intervention of government on one hand and the absence of sound public policy to encourage economic expansion on the other. Examples of such policies have limited the access of credit to farmers but, at the same time prices for farm produce have been frozen. Costs for farm inputs like fertilizer have however, continued to soar impoverishing the rural population even more. Cooperatives in the Philippines have not been able to turn this negative developments into a more favorable direction for the farmers. Eventhough initiatives have been taken with the cooperative sector to form a cooperative-owned credit institution - to serve beside the government-owned bank - this initiative is still in its infancy.

Cooperatives as economic organizations are affected by the overall general economic situation of the country. Heavy foreign debts drain the government's financial capabilities to accelerate the econmic development. Private business investments could contribute but are yet on "wait-and-see" attitude.

In the meantime cooperatives, as affected by the conditions in the rest of the society, are also suffering, even if there are encouraging signs of recovery and strong hope for the future.

## V. CONCLUSION AND VISION

Cooperation is non-adversarial in approach. It builds collaboration and harmony. It is non-violent, and promotes sharing of power. It is the catalyst of an ideology. Cooperatives can enlighten the people on how to harness, control and influence the economic, social and political forces that determine the quality of their life and environment.

The Philippine cooperative community envisions a stronger cooperative movement in every country contributing their fair share to national development side-by-side with capital and business enterprises, under a healthy atmosphere provided by the government under the forthcoming cooperative laws.

If one looks into the mold of the set of cooperative principles set by the ICA, one would see that the Philippine Cooperative Movement has already reached a certain level which has not been achieved before. We now have a framework for a responsive national movement, we have an apex organization, we have a national federation for all sectoral groups of cooperatives and a number of concrete developmental projects on the grassroot levels. It is now our resolve to translate all these into practical terms of everyday living such as greater income, productivity and purchasing power of the people.

/cora-legaspi



**"Recent Changes, Trends and Development in the  
Singapore Co-operative Movement" - Report by  
Singapore at the 32nd ICA ROA Council  
Meeting, 7-8 Feb 1990, Sydney, Australia**

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**A.A. David, General Secy, SNCF**

Over the recent years, the Singapore Co-operative Movement under the auspices of the Singapore National Co-operative Federation (SNCF) has set its focus on the development of special purpose co-operative projects to cater to the changing needs of the rapidly changing socio-economic environment in the country.

Since the significant involvement of the National Trades Union Congress, in the early 1980's, through the inception of major consumer (supermarkets), transport (taxi) and insurance co-operatives, other co-operative sectors have also initiated special focus projects to address specific needs.

These were the formation in 1984 of a specialised co-operative venture to provide a wide range of security and related services, the Premier Security Co-operative Society Ltd, and in 1988 the formation of a computer training school, the Premier Computer Co-operative Ltd, focussing on computer education for co-operative members and the general public. A more recent development last year was the registration of the Premier Travel Co-operative to cater to the travel needs of members. 1989 also saw more co-operative development work being encouraged which resulted in the registrations of the Industrial and Services Co-operative Society (ISCOS) to cater to the training and employment needs of ex-inmates of penal and drug rehabilitative centres; the Sate Inn Foods Co-operative Society, which runs a successful ethnic gourmet restaurant, and the Le Meridien Singapour Co-operative Thrift and Loan Society, which caters to the needs of the employees of the Meridien Hotel.

Further SNCF development work on the formation of the League of Credit Co-operatives in Singapore received support through the election of a 13-man protem committee to oversee its formation. Expert international assistance is currently being sought in this on-going effort.

In the area of co-operative education/development for youth, efforts in this area have recently borne fruit in the formation and registration of several new school/junior college co-operative societies.

In addition, new areas for study into the formation of special focus co-operatives include senior citizens' homes and related services, child-care centres (with a few actively under planning/development at present), tutorial groups etc. These are natural developmental projects catering to the fast changing urbanised society in Singapore.

## THE FUTURE

Co-operatives have an important role to play in the economic well being of their members and the socio-economic development of the country. The new Co-operative Societies Act, a departure from the restrictive old Act, provides a sound legal basis for the development of Co-operatives in Singapore. The Apex organisation (SNCF) will continue to co-ordinate the activities of co-operatives by providing centralised services to ensure the positive growth and widening of the areas of activities. The long-term results will be to foster the spirit of self-help and to create group consciousness and social cohesion. The SNCF will continue to play an active role in promoting co-operative development in the years ahead and also in creating greater awareness among members and the general public of the services provided by co-operatives to members, in particular, and to fellow citizens in general.

## Recent trends and developments of the Co-operative Movement in Sri Lanka

by  
P.A. Kiriwandeniya, President, NCC

The Co-operative Movement in Sri Lanka was started on the initiative of the Government to relieve the rural farmer of his indebtedness and to provide credit facilities to farmers on easy terms. The first credit society was founded in 1911. During the Second World War the problem of shortage of food and the equitable distribution of what was available at reasonable prices was solved through the Co-operatives. The Government realising the value of retail shops for the purpose, encouraged the setting up of Consumer Stores Societies throughout the country. After the war the Government organised the formation of Agricultural Production and Sales Co-operatives Societies with the objective of increasing agricultural production in the country and at the same time to protect the farmer from exploitation by private trader.

Thus it can be seen that the Co-operative Movement in Sri Lanka was started by the Government as a useful source to implement activities involving the masses.

However, the concept of co-operation though introduced by the State as a media of contact with the common man became very popular with the rural population. The co-operatives became the main contributor to the development process at rural level. With the development of social and educational standards in the country the societies began to develop independently.

However, the state control and interference did not reduce. Before 1977 the co-operatives enjoyed a monopoly over the retail trade. But this was not an independent monopoly because the state control over the administration of the societies was such that the politicians considered the co-operative societies their private monopoly.

In 1977, with the change of Government, economic policies were changed. The monopoly enjoyed by the Co-operatives over the retail trade of the country for over 6 decades was gradually withdrawn, and the societies were exposed to the challenge of competing with the private sector, in an open economy. The co-operatives had to unite and evolve a scheme based on co-operative policies, yet confirming to the Government policies. However, the co-operatives continued to perform a very useful role as a price stabiliser and distributor of essential foods under the Food Stamp Scheme for well over 7,000,000 people from the less affluent segment of the population, through a network of 8800 retail branches. It is very commendable how some societies, though only few in number have faced this challenge successfully facing strong competition from private and public sector which have more freedom as well as encouragement through the liberal economic policies of the state.

Today, in Sri Lanka there are 17 major types of societies with 7 apex unions serving a membership of 34,000,000 from all walks of life. (Please see annex I)

Considering the recent activities of the Movement I could mention the following developments:

1. Establishment of Consumer Co-operative Apex Union, which was a long felt need in the Consumer section.
2. The Thrift and Credit Co-operatives are taking great strides forward. The President of the Thrift and Credit Societies Union in Sri Lanka at a recent meeting held in the Phillipines was unanimously elected as Chairman of the Asian Confederation of Credit Co-operatives. The Government's credit facilities are channeled through the Credit Union, "SANASA". The Ministry of Plan Implementation implements its district integration development programme, the change-agents programme for poorest of the rural population, the development of slum dwellers in the Colombo district is carried out under a development project quite successfully. The Rural Banks of the Thrift and Credit Union and MPCSS are progressing in spite of the expansion of the activities of the State and private sector Commercial Banks. These Co-operative Rural Banks have succeeded in mobilising rural savings and lending activities.
3. The Fisheries Co-operative Movement is being assisted by the Swedish Co-operative Centre. A Swedish Consultant attached to the project provides the necessary guidance and assistance. Already a marked improvement could be seen in the co-operatives.
4. In Sri Lanka we do not have separate Agricultural Societies. Agricultural activities are carried out by the Multi Purpose Co-operatives. The Dairy Co-operatives are developing fast and Provincial Level Unions are being organised. Small scale pigery, aviary and poultry farms are popular among co-operative women members. The National Co-operative Council with the assistance from the Swedish Co-operative Movement is conducting a Pilot Project in the Mahaweli area. Here, the small farmers are given full benefit of the project.
5. The main objective of the industrial co-operative societies is to promote and develop co-operative industries in Sri Lanka in accordance with the National Development Plan of the country. Out of the industries involved the rubberized coconut fibre industry, called 'CEYESTA' in brief has taken the leading role among these co-operatives. Most of these industries are based on traditional arts and crafts. The skilled craftsmen who are members of these societies are descendants of ancient cultures, who still follow the age old practices. Therefore there is little development in the handicraft section. However, textile rubberized coir industry and co-operative steel industry which are making more of modern technology in their production are making steady progress. Textile co-

operatives suffered a major set back during the recent national disturbances. However, they are carrying on with the supplying of unpolished material to the State Textile Corporation.

#### National Co-operative Council of Sri Lanka (NCC)

The NCC has now taken the initiative to restructure the Council with a view to bring about an overall reorganisation in the movement. The Government has established Provincial Councils for the decentralization of state administration and devolution of power. The NCC is being restructured on these lines with the future vision of a strong, viable, self-reliant and independent National Movement. Our efforts in this exercise have yielded results. In spite of the turbulent times, I am proud to say that the co-operatives are the only institutions keeping in touch with the Northern and Eastern Provinces. We have good representation from these provinces in all our Head Office activities.

The National Cooperative Council By-Law was amended and the formalities of restructuring the institution to suit the present upliftment of the movement are completed. A series of Workshops and Seminars for Directors and staff officers were held to determine the operational tasks, organize working units and define responsibilities of the NCC, the District Councils and the Apex Co-operative Unions, so as to fully realize the main objectives of the council and effectively serve the Movement as the Apex co-operative body in the country.

The restructured NCC now consists of three main divisions: Education and Training, Planning and Development and Finance. Under these main divisions are the Planning Unit, Data Bank, Establishment division, Library and Information services, Publicity Unit, International Relations Unit and Women and Youth Activities Section.

The NCC already conducts two profit-making Advisory Units, the Architectural unit and a Printing Press. We have opened up new Advisory Service Units on Co-operative Law, Tax, Rural Banking, Insurance and Project Planning. The NCC has been awarded a Principal Agency by the Insurance Corporation of Sri Lanka and in future all insurance activities of the movement will be handled by this Agency.

NCC has taken steps to strengthen the liaison between the apex unions and the relationship of NCC with the Apexes by conducting regular meetings with the Presidents of these societies.

#### Problems and challenges faced by the Co-operative Movement

Today in Sri Lanka, the Co-operative Movement faces severe challenges it has never encountered before. The movement has always been deeply involved in developing the standards of the members within the framework of our socio-economic system.

The co-operatives established in 1911 with State sponsorship still continues to be instruments of development of the State because of their strategic importance as a reliable network of distributing outlets readily available at times of national disturbances and disaster. The Movement is of one voice to be independent and be totally free of state interferences. But the Co-operative Law and rules and regulations and absence of a state policy for co-operatives or a comprehensive manpower policy for the development of the human resources of the co-operatives are considerable drawbacks.

2. The Co-operative Law No. 5 of 1977 which is still in force amended in 1983. But the hopes for democracy and freedom was not established and instead of less Government interference, the new regulations vested more power on the Government Department of Co-operative Development. However, this was inevitable because the MPCs are financed by the state lending agencies. The Government had considerable claim over the smooth functioning of the society. By Laws of the MPCs and rules and regulations were also amended to ensure democratic election to Boards of Management. But due to malfunctioning and malpractices in the societies, the Department nominates departmental officers to Boards. Therefore, amendments to the Co-operative Law is a necessity in the present context. The Co-operative Law is to be amended again and the National Co-operative Council has taken steps to create a dialogue on the subject and invited suggestions and views from member co-operatives and co-operators, so that the present Law established in 1977 will be amended to suit the present trends and the future aspirations of the Movement.
3. The co-operatives have always lacked the stability of having a well-planned Co-operative Development Plan. to streamline the activities of the movement. This has resulted in isolated development of activities without any coordination and repetition and over lapping of programmes. Steps are now being taken to remedy this situation. Necessary data has been collected from grass root level to prepare the Co-operative Development Plan which is now being finalised and when completed will be a workable, realistic, development plan in keeping with the new visions of our Co-operative Movement.
4. The Co-operative Movement encounters many hazards in its slow but forward march. Today these hazards are more than it was in the past. Ethnic differences, inflation, turbulent environment caused by lack of harmony in the country, member societies moving away from the democratic path, change of Government causing changes in state policies, financial difficulties and lack of capital resources causing the Movement to depend on State assistance, are some of the problems hindering the development of the Movement.

Our Movement has survived through decline and development for nearly 90 years. If we who are involved in the Co-operative Movement unite and dedicate our services to face all obstacles, fearlessly and honestly with commitment we could look into a successful future.

Before I conclude, I wish to thank the organisers the International Co-operative Alliance and the Australian Co-operative Association for convening this meeting in Australia and providing us this opportunity to participate in this important event. I wish you all success in your co-operative activities. Thank you.

SRI LANKA - GENERAL

1. Area - 25,332 sq. miles
2. Population - 16.0 million
3. Urban Population - 22.4%
4. Village Population- 77.6%
5. Literacy - 82%
6. Illiteracy - 16%

CO-OPERATIVES

1. No of co-operative Districts in Sri Lanka - 27
2. Types of Societies - 48
3. Co-operative Membership - 34,000,000
4. No of Co-operative Societies - 7813
5. No of Credit Societies - 5885
6. Multi Purpose Co-operative Societies - 282
7. Apex Unions - 7
8. Employees -MUCSs - 60,461



TYPES OF CO-OPERATIVE SOCIETIES IN SRI LANKA

<u>TYPE</u>	<u>NUMBER</u>
Multi Purpose	282
Thrift and Credit	5885
Agricultural	139
Dairy	209
Textile	29
Fishermen	64
Industries	169
School	776
Hospital	8
Development	38
Youth Co-operatives	22
Workers Co-operatives	58
Other types	134
Apex Unions	7
	<u>7813</u>
	====

STATISTICS OF MULTI PURPOSE CO-OPERATIVES - 1987

		<u>No of MPCSS</u>	<u>Membership</u>
1.	Ampara	6	31,976
2.	Anuradhapura	20	104,732
3.	Badulla	12	118,635
4.	Batticaloa	13	18,694
5.	Chilaw	8	77,818
6.	Colombo	12	210,426
7.	Galle	18	124,099
8.	Gampaha	17	251,570
9.	Hambantota	7	57,171
10.	Jaffna	22	177,399
11.	Kalutara	10	99,674
12.	Kurunegala	9	177,742
13.	Kandy	21	74,261
14.	Kuliyapitiya	8	69,711
15.	Kalmunai	9	38,630
16.	Kegalle	10	56,849
17.	Kilinochchi	4	23,370
18.	Matara	8	164,461
19.	Matale	10	28,763
20.	Mannar	6	12,900
21.	Monaragala	6	27,025
22.	Mulativu	4	18,136
23.	Nusara Eliya	9	22,599
24.	Ratnapura	13	130,150
25.	Tricomalee	9	49,583
26.	Polonnaruwa	9	27,128
27.	Vavuniya	4	25,784
		-----	-----
		284	2,242,305
		=====	=====

## NEW COOPERATIVE LAW

The Cooperative Movement has a 75 years old history in Sri Lanka. The first law was enacted in 1911. Between then and now there has been about 15 Cooperative Laws which guided the course of the Cooperatives.

Out of the various types of Cooperatives, the MPCs became very close to the members. It slipped into a position of a state agency when the food distribution on a rationed basis was entrusted to the MPCs. Largely due to this reason more and more regulations had to be promulgated to control and supervise the Cooperatives. Consequently power and authority of the Registrar grew rapidly.

It has now become necessary to free the Cooperatives from these controlling powers of the registrar as far as possible and to allow the Cooperatives to develop as an efficient and viable productive enterprises by transferring the full authority to the members to manage their affairs in keeping with the Cooperative principles.

The new Cooperative Societies Law seeks to :

- (a) make cooperative societies more efficient by providing a greater degree of member participation;
- (b) incorporate fully cooperative principles in managing affairs;
- (c) provide the freedom required to accomplish the above by drastically reducing the controlling powers of the Registrar.

### Registration

Registration of the Societies will be the principal function of the Registrar. The existing provisions will be widened. The objective of registration would be " the provision of specific services contributory to its members' economic, social and cultural welfare, through an institution

organized and managed by a group of persons, voluntarily joined for self help on the basis of mutual assistance in accordance with Cooperative Principles shown in Schedule 1. Accordingly cooperative principles will be incorporated as Schedule 1.

A new concept has been included in the New Law. Hitherto the registration is done by the representatives of the Registrar who would examine whether the basic requirements to register a society have been fulfilled. It is proposed that this exercise be entrusted to a separate body which will examine the financial viability, economic feasibility, etc..

**Sections to be deleted:**

Section 48 (1) of the existing Cooperative Law empowers the Registrar to dissolve the Committee of a Registered Society after an inquiry. This authority will be removed and it will be transferred to the General Body.

Section 66(a) of the 1983 Amendment provides for the nomination of members to the Board of Directors by the Registrar. This section will be repealed.

Section 33 of the existing Law requires the Registrar's approval for acquisition and disposal of assets. This section will be repealed.

**New Provisions**

**Societies Managed with State Funds :**

While the main focus of the new Law is the development of free cooperatives there exists a category of cooperatives which should continue under the control and supervision of the Registrar. That is those Cooperatives which borrow state funds to manage the affairs. These will be brought under the direction and supervisory controls of the Registrar, as long as the state funds are used.

A separate chapter will be included setting out the types of controls that will be brought about by the Registrar on the Societies which obtain state funds to manage the affairs. It will empower the Registrar to :

- follow up on audit reports, inquiries and investigations;
- appointments to Boards;
- removal of members/Boards.

Once the Society repays the state funds it will be considered as a free Cooperative and these controls will be withdrawn.

Societies to be brought under the control of the Registrar at the Request of the Members :

Supremacy of the membership will be upheld. If the members resolve that the Cooperative should be managed under the direction and control of the Registrar due to their inability to do so on their own, provision will be made to enable the Registrar to exert controlling authority by appointing the Boards of Management which will function under his direction.

**Budget**

Every Society will be expected to prepare the Budget and present it to the General Body. A copy of the budget shall be submitted to the Registrar.

**Audit, Inquiries and Investigations :**

Audit will be the responsibility of the Registrar. There will also be a pool of competent persons and agencies to audit the societies. The Societies could either request the Registrar or engage a person or an agency appointed by the Registrar to audit. The audit report shall be submitted to the Registrar for his information. It is expected that the members will take follow up action on the audit report, and rectify the defects.

The present practice is for the Registrar to hold inquiry or inspection and take all follow up actions such as removal of the Boards, removal of individual members or the Boards, recoveries through arbitration, liquidation, etc.. In the New Law the role of the Registrar will be confined only to holding of inquiry or conducting the inspection. The findings will be forwarded to the General Body for further action. It is expected that the General Body would take appropriate steps based on the findings of the Registrar resulting from such inquiries and inspections.

A new concept will be incorporated in the new Law. There will be provision for the Registrar to apply to the Magistrate through an Affidavit to obtain an order to enforce the decision of the Registrar against a member or the Board of Directors, if he is satisfied that the conduct of the affairs of the Cooperative or the behaviour of the Board or a Member is prejudicial to the interest of the Cooperative Movement. At the Magisterial Inquiry the aggrieved party shall have power to challenge the decision of the Registrar if so desired.

#### **Elections**

It has become necessary to stream line the elections of the societies. The present practice is for the officials of the Department of Cooperative development to conduct the elections. It is proposed that these elections be held under the supervision of the Commissioner of Elections in order to ensure neutrality.

**Members will not be eligible for vote as soon as they are enrolled. They will be eligible for vote only after the lapse of one year. Similarly, the members will be eligible to stand elections to the Board of Directors only after the lapse of 2 years.**

#### **Qualifications:**

It is desirable that qualifications of the Members of the Board of Directors be included in the main Law. This is already provided in the Rules as well as in the By-Laws.

### **Member Education:**

~~In order to equip the Directorate in the proper management of the~~  
Society basic training in management and accountancy should be provided. This will be included in the By-Laws where within one year, the Members of the Board should be provided with the necessary training.

### **Rules and By-Laws**

Only fundamental changes in the principal enactment are contemplated in order to create the base for the development of a free cooperative system. The Rules and by-laws will be accordingly formulated to fill the gaps. By-Laws in particular will be framed to develop the cooperative character of the individual society and to facilitate the primary task of the society. Various types of Cooperatives such as Agricultural Cooperatives, Milk Cooperatives, Rubber Production Cooperatives, Consumer Cooperatives, Fisheries Cooperatives will have their identities portrayed by the by-laws.

Recent Changes, Trends and Development  
of Cooperative Movement in Thailand

1. General

Col. Surin Cholpraserd, Chairman, CLT

- Country : Thailand
- Name of Member Organization : Cooperative League of Thailand
- Background Information :

The Watchan Cooperative Limited established in 1916 by the Government under the special legislation called "The Civil Association (Amendment) Act, B.E. 2459", is the oldest of Agricultural Cooperative in Thailand. This cooperative later became the model type of other cooperatives, both agricultural and non-agricultural cooperatives.

In 1928, the Cooperative Societies Act, B.E. 2471 was promulgated to pave way for further development of cooperatives of various types. The main objective of the village credit cooperative in Thailand was to extend to the members short, intermediate and long term loans for general farm and to help relieve the farmers from severe indebtedness. In 1968, the Cooperative Societies Act, P.E. 2511 was enacted, repealing the Cooperative Societies Act, B.E. 2471 in order to facilitate the expansion and improvement of the cooperatives. This legislation embodied two new features, i.e. the amalgamation of cooperatives and the establishment of the Cooperative League of Thailand.

At present, there are 6 main types of cooperatives in Thailand. As of January 1, 1989 there were in total 2,817 primary cooperatives with a total membership of 2,880,883 families. The breakdown according to types is shown below:



<u>Type of Cooperatives</u>	<u>No. of Societies</u>	<u>Membership</u>
1. Agricultural	1,252	895,385
2. Land Settlement	95	87,494
3. Fishery	22	4,322
4. Thrift and Credit	784	1,114,074
5. Consumers	389	688,932
6. Services	<u>275</u>	<u>90,676</u>
Total	<u>2,817</u>	<u>2,880,883</u>

In addition, there are 10 National Cooperative Federations with membership of 986 cooperative societies and 73 Provincial Cooperative Federations with total membership of 965 cooperative societies.

The cooperatives in Thailand are vertically organized in a three-tier system: primary cooperative; provincial federation; and national federation. The primary cooperative consists of individual members. Three or more primary cooperatives can together form a provincial or national federation which undertakes joint activities on behalf of their primary affiliates such as processing of agricultural produces. All types of cooperatives at all levels have become the affiliates of the Cooperative League of Thailand.

#### National Cooperative Organizations

One of the national cooperative organizations is the Cooperative League of Thailand (CLT) which was organized in 1968 as an apex non-government organization representing the cooperatives. The Cooperative Act, B.E. 2511 (1968), Article 104, stated that "There shall be an

institution called the "Co-operative League of Thailand" consisting of members which are co-operative societies having the objects of promoting the activities of every type of co-operative societies throughout the Kingdom without sharing profit or income." The League now has affiliates of 2,817 cooperative societies, at all levels, serving over 2.8 million members at the primary level.

The objectives of the League in general are to promote and develop the cooperative movement, to conduct research, education and training for the leadership within the cooperative movement, to build and expand cooperative activities and to serve as the representative of cooperatives in the country.

Other cooperative organizations are the Agricultural Cooperative Federation of Thailand Ltd., The Federation of Saving and Credit Cooperatives of Thailand Ltd., and the Consumer Cooperative Federation of Thailand Ltd. These national cooperative organizations are functioning mainly on business activities for the benefit of their member cooperatives respectively.

#### Recent Changes Trends and Development of Cooperatives

The recent changes, trends and development of cooperatives in Thailand can be summarized as follows:

1. The Agricultural Cooperative Federation of Thailand Ltd. (ACFT) which is a national organization for marketing of agricultural and land settlement cooperatives has been reorganized in order to improve its efficiency to serve its member cooperative. Several measures have been taken by the management of ACFT to recover the accumulated loss.

At present, the ACFT is going to open its new office building and ready to start the business activities.

2. The Bank for Agriculture and Agricultural Cooperatives (BAAC) has increased its agricultural credit operation through the farmer institutions. The credit extended to the agricultural cooperatives has been increased more than 1 billion Baht over the previous year. The BAAC also has a policy to decrease its direct lending operation to individual farmers.

3. The agricultural cooperatives and land settlement cooperatives at present are actively participate in the national scheme launched by the government to preserve the forestation area by afforestation particularly in the Northeastern region of Thailand. The CPD has a plan to afforest the total area of 10,800 rai in 7 land settlement cooperatives during the period 1989-1996. Besides, the afforestation from the plan, it is expected that the members of the cooperative would increase the income from the bamboo shoot, cashew nut, tamarind and other fruit trees which will be promoted under the plan.

4. The other non agricultural cooperatives which do not have its own national organizations are trying to form their own national organizations or national federation in order to safeguard the interest of their cooperatives. At present, the fishery cooperatives, services cooperatives and consumer cooperatives in universities have set up their working committees to work toward the establishing their own federation respectively.

5. The Consumer Cooperative Federation of Thailand Ltd. (CCFT) is also strengthening its business operation to serve their own members by supplying some selected items such as rice, cooking oil,

washing powder, soap and etc., to its member cooperatives. The CCFT is also dealing with import and export. At present, the negotiation for export of 50,000 metric tons of rice to Ghana cooperatives is in progress.

6. The thrift and credit cooperatives are developing their business activities as financial institution. Besides the main activities for loaning to the members, the health care and funeral service also available from the thrift and credit cooperatives. The Thrift and Credit Cooperative Federation of Thailand Ltd. also operate the inter lending service for the benefit of its member cooperatives.

7. The government is trying to develop the management system of the cooperatives in the same direction. The effort has been made to decentralize the power of the cooperative registrar to the cooperative itself by introducing a new model by-law for all type of cooperatives throughout the country. The most important characteristic of the new model by-law is to limit the power of the registrar to exercise the power only in accordance to the provision in the law. There is a tendency from the movement to propose for a amendment in the present cooperative law which has been promulgated since 1968 in order to pave way for the establishment of a National Cooperative Development Committee and to enable the cooperatives to receive associate members.

CENTRAL UNION OF CONSUMER COOPERATIVES OF THE USSR  
/ CENTROSOYUS /

"RECENT CHANGES, TRENDS, DEVELOPMENTS IN THE COOPERATIVE  
MOVEMENT OF THE USSR"  
ALEXANDER STARYCH , VICE-PRESIDENT

(report submitted to the session of the ICA Regional  
Council for Asia and Pacific, Sydney, Australia )

It is my task to share with you some of the experience and views concerning perestroika in the USSR and the place held by Soviet consumer cooperatives in this process.

Certain euphoria over the adoption of the Law of the USSR on Cooperatives gave way to the realisation of the need for sober analysis and a deeper comprehension of the place of cooperatives in the perestroika processes under way in our country and the reasons behind the negative attitude on the part of some sections of the population to new cooperatives, and slow progress in reviving the democratic nature of traditional cooperatives, including those operating within the system of consumer cooperatives.

People's social expectations of new legal conditions for the development of cooperatives have not been realised in many respects.

The main reasons for this situation lie in the general economic crisis of the country and the difficulties it has come up against in implementing perestroika.

The idea of perestroika provides for radical transformations to be implemented in the economic, social, political and cultural spheres. Though these transformations are already under way, this process is rather contradictory and complex.

On the one hand, even at the present stage of perestroika we have made marked progress toward democracy, glasnost and politicisation of the masses. In every field, the concept of perestroika has come into direct contact with life, and the people's social activity has grown.

On the other hand, we failed to check the growing negative processes in the economy, such as the imbalance of the consumer market, the budget deficit and the disruption of money circulation. The economic reform, conceived as a large-scale project, has not yet produced the desired results.

Heated debates are under way in society on further ways of implementing perestroika and effective measures to accomplish its main goal - attaining a fundamentally new state of our society and reviving the humane and democratic image of socialism.

The discussion touches upon such cardinal issues as the nature of socialist property and the ways of tapping the potential inherent in it, the position of man in socialist society, directions of the country's further democratisation, improvement of the structure of our federative state and interethnic relations.

Development of cooperatives is also in the centre of public attention. Nobody denies the need to develop the cooperative movement as a whole. But people are growing increasingly intolerant of those cooperatives whose main aim is to extract profits and enrich themselves at any cost, specifically through inflating prices, and profiteering. The spread of these pseudo-cooperatives has led to a marked decline of the prestige of cooperatives in general and demands to eliminate cooperatives that buy and sell goods, mediation cooperatives, etc.

Against the background of distortions in the development of so-called "new" cooperatives, the traditional system of consumer cooperatives with its long-established structures looks more viable and acceptable to the masses.

One can judge about the place of consumer cooperatives in the Soviet economy by the fact that they account for 27 per cent of retail trade turnover, 30 to 60 per cent of purchases of many types of agricultural products and raw materials, and 34 per cent of the output of bread and bakery products.

At the same time, we cannot but see that the great economic potential of consumer cooperatives is far from being tapped in full measure.

The programme for radically restructuring consumer cooperatives' activity provides for a 60 per cent increase in retail trade in the countryside, which is the main field of our activities, and a 100 per cent increase in the volume of paid services in 1991-1995. This is a marked increase on the rates of growth registered in previous years.

A major economic and social task is to create in every rural area a comprehensive system of trade services making it possible for the local population to buy everything they need on the spot, instead of doing the shopping in cities.

Much attention is being paid to the development of trade in timber and building materials, the creation of rural shops of a new type to sell agricultural equipment and other goods vitally needed by the owners of small holdings, lease-holders, agricultural cooperatives, and farmers.



We shall persistently pursue the line for accelerated development of public catering enterprises. A wide network of large-scale canteens and specialised shops will be established as basic enterprises to supply rural canteens, snack bars and food shops.

In the field of purchases of agricultural produce and raw materials, efforts should be concentrated on bringing our enterprises closer to the population and the sources of raw materials. Building rural enterprises to buy, process and sell agricultural produce and provide various services for the population is a top priority. This type of enterprise is becoming the main production and economic cell of consumer cooperatives in the countryside.

In the field of production, priority is given to the development of small and medium-size shops. We give preference to small enterprises processing meat, milk, fruit and vegetables and manufacturing sausages and smoked products. The bread-making industry is being brought closer to consumers, that is, a network of small and medium bakeries is being set up, including those with baker's shops to sell fresh bread. Many of these enterprises are complete-block structures with a corresponding set of technological equipment. Work is under way to retool the existing enterprises with a view to ensuring a deeper procession of raw materials and introducing low-waste and non-waste technologies.

Tsentrosoyuz has been traditionally maintaining economic ties with cooperative organisations and firms in foreign countries. It conducts economic operations with 200 cooperative organisations and firms in foreign countries on

the basis of balanced trade. Conditions have been created for considerably expanding foreign trade and developing other forms of foreign economic ties.

Joint ventures are very promising in this respect. Today, there are nine joint ventures involving organisations of Soviet consumer cooperatives. This is a new venture for us, and naturally we have some difficulties. Yet we believe in its success and are prepared, in particular, to expand commercial contacts with cooperative organisations and firms in Asian and Pacific countries.

The main difficulty in developing our foreign economic ties lies in our products being far from always competitive on the world market. There is also a general shortage of commodity resources for export. At present, we are implementing a vast programme for boosting the production of goods for export, specifically by setting up specialised enterprises to manufacture goods for export.

Despite the existing difficulties, the restructuring of the economic activity of consumer cooperatives is proceeding apace, and the first results are already in evidence.

This year, the rates of growth of retail trade have gone up 8 to 9 per cent, as compared with the corresponding period of last year; the rates of growth of consumer goods production at industrial enterprises of consumer cooperatives make up about 15 per cent.

Over the last three years, the profits of organisations of consumer cooperatives have increased 27 per cent. Much attention is being paid to social issues. The annual volume of

housing construction for consumer cooperative workers has grown 50 per cent. More holiday hotels, health resorts and pre-school institutions are being built.

There are plans to develop international cooperative tourism on a wide scale. New hotels, tourist centres, motels, campings, public catering enterprises will be built. To this end, we plan to attract hard currency in the form of mutually advantageous credits and investments by foreign partners.

There are opportunities for foreign citizens to have a rest in the health resorts and holiday hotels run by Soviet consumer cooperatives and for members of Soviet consumer cooperatives to vacation and undergo medical treatment in foreign countries under exchange programmes.

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**REPORT TO THE INTERNATIONAL CO-OPERATIVE ALLIANCE  
REGIONAL COUNCIL FOR ASIA, BY THE INTERIM COMMITTEE  
FOR THE ASIA-PACIFIC CENTRE FOR CO-OPERATIVES  
RESEARCH, TRAINING AND DEVELOPMENT, FEBRUARY, 1990.**

Mr. Race Mathews

**PREAMBLE:**

1. The International Co-operative Alliance, through its Director, Mr Bruce Thordarson, has supported proposals for the establishment of an Asia-Pacific Centre for Co-operatives Research, Training and Development, brought forward by an Interim Committee consisting of the Chairman of the Victorian Government's Ministerial Advisory Committee on Co-operation, the Honourable Race Mathews, MP.; the President of the Australian Federation of Credit Unions Limited, Mr Richard Crosbie; Mr Tim Dyce of the Victorian Credit Co-operatives Association Limited; the General Manager of the Australian Association of Co-operatives, Mr Geoff Ayres; Mr David Goldsworthy representing the Victorian Minister for Agriculture and Rural Affairs, the Honourable Barry Rowe, M.P.; the I.C.A. Representative for Australia, Mr R. Mathimugan; and Ms Sheila O'Sullivan of Turnbull, Fox Phillips, public relations consultants to the Victorian Association of Credit Co-operatives.; in conjunction with the I.C.A. Regional Director, Mr G.K. Sharma. The President of the I.C.A., Mr Lars Marcus, has agreed to inaugurate the project, during his visit to Australia for the Asia-Pacific Regional Meeting of Ministers with Responsibility for Co-operatives, in February, 1990.

**AIM:**

2. To ensure the availability of high standards of co-operatives research, training and development in Australia and other nations in the Asia-Pacific Region, through the establishment of an Asia-Pacific Centre for Co-operatives Research, Training and Development.

### **BACKGROUND:**

3. The need to improve training for co-operative members, ~~directors and staff~~ is widely recognised by co-operative organisations in Australia, including credit co-operatives, housing co-operatives and agricultural co-operatives.

4. It is also widely recognised that lack of facilities for co-operatives training and research is a major impediment to the further expansion of organisation along co-operative lines.

5. There is a further substantial requirement for co-operatives training and research in the developing nations of the Asia-Pacific Region, to which Australia has so far made little contribution, and which is only partly being met by the efforts of organisations such as the I.C.A. and the Japan Institute for the Development of Agricultural Co-operation in Asia.

6. The Australian Government's Department of Foreign Affairs and Trade is currently reviewing its programme of development aid to international non-government organisations, with a view to including the I.C.A., and the establishment of the Asia-Pacific Centre for Co-operatives Research Training and Development will ensure that there is a consistent Australian input for aid projects along co-operative lines, implemented by bodies such as the I.C.A. with Australian Government assistance.

7. The Ministerial Meeting is the first activity to be organised in Australia by the I.C.A., and the establishment of the Centre will be an appropriate recognition of the significance of the occasion, and of the importance of links between Australia and the I.C.A. being further strengthened.

## **FUNCTIONS OF THE CENTRE:**

8. The functions foreseen for the Centre are:

(a) To conduct research into forms of organisation along co-operative lines which meet the needs of Australia and other Asia-Pacific Region nations.

(b) To promote community awareness of the benefits of the co-operative approach and enlarge the co-operative sector, through support for the establishment of demonstration co-operatives, and the exchange and dissemination of information and co-operative principles and practice.

(c) To design and implement courses of training for members, directors and staff of co-operatives, in Australia and other Asia-Pacific Region nations; and

(d) To facilitate development aid support for co-operatives in the Asia-Pacific Region, in conjunction with the I.C.A. Development Programme.

## **STRUCTURE OF THE CENTRE:**

9. The preferred structure for the Centre is a co-operative or co-operative association, with support from an independent Asia-Pacific Foundation for Co-operatives Research, Training and Development, whose trustees will be appointed by the directors of the Centre.

10. It is envisaged that participants in the Centre will include nominees of such national and international bodies as the Australian Association of Co-operatives, the Australian Federation of Credit Unions Limited and the International Co-operative Alliance; individual co-operatives and co-operators; and the Centre's staff.

**LOCATION:**

11. The preferred location for the research and training functions of the Centre is a major tertiary education institution in Victoria.

**FUNDING:**

12. It is envisaged that the core funding source for the Centre will be a capital fund, accumulated by the Foundation from endowments provided by:

- (a) governments;
- (b) co-operatives and organisations of co-operatives;
- (c) trusts and other philanthropic bodies.

13. The Centre will also recover project costs on a fee-for-service basis.

**ACTION SO FAR TAKEN:**

14. Actions so far taken have been:

(a) Establishment of the Interim Committee, with the presence of Mr Richard Crosbie of the Australian Federation of Credit Co-operatives Limited and Mr Geoff Ayres of the Australian Association of Co-operatives among its members reflecting widespread support for the project within the Australian co-operative movement.

(b) Acceptance of offers of interim financial support from the Victorian Credit Co-operatives Association and the Australian Federation of Credit Co-operatives Limited, and of funding for a feasibility study from the Australian Government.

(c) Commissioning of a feasibility study, business plan and preliminary legal documentation for the project.

(d) Preparation of media management strategy for the launch of the project and explanatory brochure.

(e) Discussion of location of the Centre with post-secondary education authorities.

(f) Organisation of public meeting for launch of the project, to be chaired by the I.C.A. Regional Director for Asia, Mr G.K. Sharma, and addressed by the President of the I.C.A., Mr Lars Marcus, and the Chairman of the Interim Committee, the Honourable Race Mathews, M.P.

(g) Briefing of national and international organisations of co-operatives, namely:

(i) International Co-operative Alliance;

(ii) Australian Association of Co-operatives; and

(iii) Australian Federation of Credit Unions Limited.

(b) Briefing of Ministers, namely:

(i) Commonwealth Minister for Foreign Affairs and Trade;

(ii) Commonwealth Minister for Primary Industries and Energy;

(iii) Commonwealth Minister for Employment, Education and Training;

(iv) Victorian Minister for Agriculture and Rural Affairs;



(v) Victorian Attorney-General and Minister with Responsibility for Co-operatives; and

(vi) Victorian Minister for Post-Secondary Education.

(d) Briefing of development aid agencies and other possible sources of endorsement, including Community Aid Abroad, World Vision, Foster Plan and the Australian Council of Trade Unions.

**SUPPORT:**

15. Support for the Centre has been expressed by all the organisations and Ministers so far briefed, and undertakings to consider further funding for the project following the completion of the feasibility study have been given by the Ministers.

**ACTION STILL TO BE TAKEN:**

16. Project launch, to be undertaken by Mr Marcus, Mr Sharma and Mr Mathews, at the Royal Exhibition Buildings Conference Centre in Melbourne, on 12 February.

17. Follow-up to the launch, through media and at the Victorian Credit Co-operatives Association lunch, to be addressed by Mr Thordarson at Parliament House in Melbourne, on 12 February.

17. Completion of feasibility study and business plan.

18. Presentation of feasibility study and business plan to Commonwealth and State governments, and the co-operative movement, and finalisation of funding arrangements for the Centre.

19. Inaugural meeting of the Centre, and establishment of the Asia-Pacific Foundation for Co-operatives Research, Training and Development.

Speech of Mr. K.H. Patil, Chairman, CICOPA-ASIA  
& Prsident, AIFEOSPIN, India

Mr.President, and Fellow Co-operators,

It is my great pleasure to participate in the Regional Council of the ICA, and to intorduce CICOPA, and its scope in the Asian Region. Mr. Yves Regis, Chairman of CICOPA, was to attend this Conference. Since he is required to attend an important Conference on industrial cooperatives at the same time at Moscow, he requested me to attend this Conference, in my capacity as Chairman of CICOPA - ASIA. I deem it a great previlege to have this opportunity of addressing this August gathering.

As you very well know, the emphasis on cooperative development all these years has been on the agricultural cooperatives and consumer cooperation, and the mass of producers and artisanal cooperatives, have not received due attention at the national and international levels. This sector ought to have received greater attention, especially when, these classes, are beset with a host of basic problems such as nonavailability of raw material, poor housing, unemployment, lack of marketing avenues and generally suffer from low levels of economic and social development. Even adequate information is not readily available about the number of workers/artisanal cooperatives, and their Federations, although they are making valuable contribution to the growth of the national economy Here, I would like to quote Mr. L.F.Laidlaw from his address at ICA Congress Moscow - 1980

"From a position of benign neglect, during seventy five or more years, they have returned to a place of high esteem in the mind of many co-operators and much can be expected of them in the remaining years of the century".

As you are aware, the International Committee for Industrial Artisanal Cooperatives, (Known as CICOPA), is a specialised organisation of the International Cooperative Alliance, which unites some 100 million workers around the world, of which half are in Asia alone. The first World Conference was held by CICOPA in 1978 in Rome, followed by the second Conference in the year 1983 in Warsaw. Recently, a World Conference of CICOPA was held from 23 - 26th February 1988 in Paris (France) with the theme: "The future of Democratic and Participative Enterprises in the year 2000". This Conference was well attended, by more than 200 participants from 63 countries. This Conference has pledged itself to the development of production and artisanal co-operatives, emphasising on models of participative enterprises, enrichment of 'human' in the man and envisaged its effective role in local development as also establishment of strong trade links among cooperatives for mutual benefit.

The main aim of CICOPA is to safeguard the interests of its member organisations, to promote

the creation of national organisations of worker's productive and artisanal co-operatives, to contribute to the development of the already existing organisations, to pursue research into the latest developments of industrial cooperatives, to promote good understanding and economic collaboration between workers cooperatives on the one hand and other types of cooperatives ( e.g. consumers, agricultural, credit, insurance etc.) on the other hand, both worldwide and at a local level.

The membership of CICOPA is open to National/ International worker's bodies affiliated to the ICA, and nonmembers ICA organisations who accept the objectives of ICA. Any worker's cooperative organisation, who cannot secure full status for any reason may be granted, "Observer Status". The CICOPA's structure consists of the Congress, Member's plenary meeting and Executive Committee. Normally, the Congress should be held every fourth year, coinciding with the ICA Congress. The annual subscription from members of CICOPA will be as determined at the members meetings. CICOPA has a membership of over 50 institutions covering around 33 countries.

As discussed in the World Congress at Paris, CICOPA has identified three-essential roles as an International Organisation of Producers/Artisanal Cooperatives. These briefly include:

- (i) Its role as a pressure group at the International Institutions to create a favourable climate for the development of producers and artisanal co-operatives all over the World. This includes among others actions for exchanging information and of Public Relations and also covers exploring of possibilities of financial support from agencies such as UNIDO, ILO, EEC, World Bank.
- (ii) Its role as catalyzer of the structuration of productive movements in all countries of the World. In this, actions in the field of training co-operative leaders & workers and establish progressively a net work of trainer experts.
- (iii) Its role as initiator of concrete actions to stimulate the best development of productive cooperative enterprises. Under this head, actions in commercial fields are covered, such as promotion of commercial exchanges between member-cooperatives, inter-co-op. trade and sell the cooperatives to the external world etc. CICOPA will also take up the Feasibility Study of Export-Import Data Bank etc. in collaboration with CECOP.

The vast co-operative panorama reveals many diverse situations, as co-operatives are deeply entrenched in their local and regional environment. In order to strengthen the activities of CICOPA, it was decided to decentralise the activities and set up five Regional Sub-Committies to strengthen the

collaboration among the member organisations. These include CECOP : (Central Europe), CICOPA - (ASIA) CICOPA (America - Latina (CAL), CICOPA Committee West Africa (CCWA), CICOPA Committee for East Africa (CCEA) These regional Sub-Committies are actively engaged in formulating work plans. While some like CECOP have made good progress, others are still in preliminary stages.

I would like to mention that CICOPA has formulated a project in close collaboration with ICA/Coops of India, for providing marketing and managerial training skills to managers and key leaders for industrial and artisanal cooperatives in India on a pilot basis. The project is to be partly funded by EEC, and CICOPA and participating institutions, A group of 90 members are to be trained over a period of three years. Negotiations are on way with EEC and this project is likely to be taken up during the year 1990-91, after final clearance from EEC and Govt. of India.

In the Asian Region, next to Agriculture, the other main source of livelihood is the industrial activity represented by artisans of cottage & village industries. Therefore, the socio-economic scenario of the Third World Countries characterised by their underdeveloped economies offers vast potential for promoting co-operative enterprises among persons

of limited means. Here, I may mention that in India, we have a large number of artisanal co-operatives, comprising of as many as seventeen broad trade-groups. Out of 300,000 cooperatives of all types, nearly 48,000 cooperatives are classified as industrial co-operatives. Of them 15000 are handloom weavers cooperatives, which have made an impact. Even so, 20% of the weaver's cooperatives are dormant for some reason or the other. Since these cooperatives cover diversified activities and trade groups, there is no nodal Governmental agency to provide the required financial and technical support. Hence, these enterprises are left high & dry. Being small in size and scattered in nature, adds to their problems. I find that the position of industrial cooperatives of other countries in this region is similar to ours in many ways. It may be recalled that the problems faced by industrial cooperatives in Asia were discussed at an International Seminar of Industrial Cooperatives of South East Asia organised by ICA. The conclusions of this seminar revealed, inadequate legal, administrative and infra-structural arrangements, absence of institutional co-ordination and support from higher level federal organisations, ineffective financial arrangements, lack of marketing arrangements from sister co-operatives, and absence of inter-cooperative relationship, unsatisfactory training arrangements for training of workers etc. I would plead with the member - countries of ICA to examine these problems

and take remedial measures, with the assistance of their country's Governments.

I would also extend an appeal to all the member Countries of ICA and State level organisations connected with artisanal cooperatives to become members of CICOPA at the earliest, so that movements of their countries can secure benefit of experiences of movements World-wide and also secure help from other International Organisations. I would also suggest that ICA may convene an ICA/CICOPA meeting of Asia to draw up action plans for development of producers/industrial cooperatives. It is essential that before such Conference is held, all the countries in this region get their data on the artisanal cooperatives updated and compile the necessary background information, about their position, performance and problems.

Cooperation being essentially self-help movement, the planning for development has to be basically developed by the movement itself. These plans could be implemented with the promotional and financial support of National Governments and International Institutional Agencies, like EEC/ILO, ICA. It is heartening to observe that the background papers of the Sydney cooperative Ministers Conference has suggested priority to "the promotion of industrial co-operatives and



conversion of existing industrial enterprises to the co-operative form of organisation, so as to contribute to : an increase in incentive and productivity ; a reduction in unemployment ; an improvement in industrial relations and the development of a policy for a more equitable distribution of incomes." I trust that the Ministers Conference will no doubt extend full and effective support in the implementation of this policy.

The productive and artisanal cooperatives have a promising future, provided the co-operative movements of the countries, and ICA/CICOPA work towards development of these enterprises vigourously. We have to work more closely to strengthen the producers/artisanal cooperative organisations in this Region.

In the end, I would like to express my sincere thanks to ICA, especially its Regional Director, for giving me this opportunity to inform this gathering about the CICOPA's activities.

K.H.PATIL  
CHAIRMAN  
(CICOPA) - ASIA  
PRESIDENT - AIFCOSPIN

**AGENDA NOTES**

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**32<sup>ND</sup> MEETING OF THE ICA REGIONAL COUNCIL  
FOR ASIA AND THE PACIFIC**

*7-8 February, 1990  
Sydney, Australia*

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**International Co-operative Alliance**  
**Regional Office for Asia & the Pacific**  
**'Bonow House'**  
**43 Friends Colony East**  
**New Delhi 110 065, India.**

AGENDA FOR THE 32ND REGIONAL COUNCIL MEETING,  
SYDNEY, AUSTRALIA  
7TH-8TH FEB 1990

Date, Time & Venue  
of the Meeting :

7th February, 1990  
3.30 - 5.00 p.m.  
~~#5 Hall Mezzanine Floor~~  
Darling Harbour

8th February, 1990  
09.00 a.m. - 5.00 p.m.  
Skyline Room 3  
Darling Harbour

1. Inauguration 1
2. Confirmation of the minutes of the 31<sup>st</sup> Meeting. 2
3. Letters and Reports from Non-Attending members. 3
4. Report by Regional Councillors on "Recent Changes, Trends & Developments in the Cooperative Movements." 4
5. Changes in Regional Membership & Administration 5
6. Reports on the activities of the Specialised Committees. 7
7. ✓ Report on the activities carried out during 89-90. 10
8. Planned Project Activities 1990-91. 18
9. ✓ Report on IDACA Activities. 19
10. Change in Nomenclature of Regional Office. 24
11. Report on Progress of TCDC Project. 25
12. ICA Central Committee Meeting in New Delhi 26
13. ✓ Relations with International Organisations. 27
14. ✓ Venue & Date of next meeting. 28
15. Any other matter with the permission of the Chair. 29
16. ✓ Vote of thanks to the Chair. 30

Annex : Minutes of the 31<sup>st</sup> Regional Council Meeting

AGENDA FOR THE 32ND REGIONAL COUNCIL MEETING  
SYDNEY, AUSTRALIA  
7th-8th February 1990

AGENDA ITEM NO. 1 : INAUGURATION

i) Welcome on behalf of host movement

ii) Introductory Remarks

AGENDA ITEM NO. 2 : CONFIRMATION OF THE MINUTES OF THE 31ST MEETING

The minutes of the 31st Meeting held at Seoul, Korea, on 15-16 May, 1989 were circulated among the members by ICA ROAP (copy enclosed).

The minutes may be confirmed.

AGENDA ITEM NO. 3 : LETTERS AND REPORTS FROM NON-ATTENDING  
MEMBERS

The Secretary will table letters and reports, if any, received from Councillors who are unable to attend the meeting.

AGENDA ITEM NO. 4 : REPORT BY REGIONAL COUNCILLORS ON "RECENT  
CHANGES, TRENDS AND DEVELOPMENTS IN THEIR COOPERATIVE MOVEMENTS"

Each Regional Councillor is requested to table a written report on the recent changes, trends and developments in their cooperative movements.

(It is suggested that Councillors bring with them 50 copies of the written statement for circulation).

AGENDA ITEM NO.5 : CHANGES IN REGIONAL MEMBERSHIP & ADMINISTRATION

New Members of the ROAP

The ICA Executive Committee at its meeting held in Salzburg on 20th June, 1989 admitted the following organisations to ICA membership:

1. Cooperative Marketing Federation Ltd., Sri Lanka
2. All India Federation of Cooperative Spinning Mills, India

The Executive Committee in the same meeting also approved the request of CENTROSOYUZ to become the member of the ICA Regional Office for Asia & the Pacific.

The ICA Executive Committee at its meeting held in New Delhi on 2nd October, 1989 admitted the following organisations to ICA membership :

1. National Cooperative Housing Federation, India
2. National Federation of Urban Cooperative Banks and Credit Societies Ltd., India
3. National Cooperative Dairy Federation of India, Ltd.

Staff Changes

1.Mr. J.M. Rana

Mr. J.M. Rana has been appointed Senior Development Advisor in the ICA Hqs. at Geneva from 1st July, 1989.

2.Mr. Sten Dahl

Mr. Sten Dahl, Cooperative Development Advisor of ICA ROAP, on completion of his assignment with the ICA ROAP left India on 12th November, 1989.

His successor will be the present Director of the SCC, Mr. Karl Johan Fogelstrom, who is expected to take up his assignment some time in January 1990.

3.Mr.Pradit Machima

Mr. Pradit Machima, a Thai national, has been appointed Consumer Cooperative Development Adviser and is expected to join in February 1990. Mr. Machima was the Director of the Cooperative League of Thailand in mid-1970's and was with ILO/Swiss Cooperative Project in Indonesia till 1988 and with ILO/UNDP in Zimbabwe until recently.



#### 4. Mr. Modesto Saonoy

Mr. Modesto Saonoy has been appointed as part-time Cooptrade Adviser to concentrate in Asean countries. He will operate from the Philippines.

#### Concessions of the Government of India

✓ The foreign experts attached to the ROAP continue to enjoy Income-Tax and Import-Duty Concessions from the Government of India. We express our sincere thanks and appreciation to our host government for the encouragement and continuing support provided.

#### ICA Domus Trust

The ICA-Domus Trust constituted in memory of Dr. Mauritz Bonow, former President of the ICA has been exempted from Income-Tax under the Income Tax Act of the Government of India.

AGENDA ITEM NO.6 : REPORT ON THE ACTIVITIES OF THE SPECIALISED COMMITTEES

Since the last Regional Council Meeting, the following meetings of the Specialised Committees were held :

1. 14th Meeting of the ICA Committee on Consumer Cooperation for Asia, 11th May, 1989, Yokohama (Japan)
2. 2nd Meeting of the ICA Committee on Human Resources Development Los Banos, College, Laguna (Philippines), 9th June, 1989.
3. 15th Meeting of the ICA Committee on Consumer Cooperation for Asia, 3rd October, 1989, New Delhi (India) along with the joint meeting with the Main Consumer Committee on 4th & 5th October, 1989.

14th Meeting of the ICA Committee on Consumer Co-operation

9 members (two from Japan, two from Malaysia, one from Singapore, one from Sri Lanka, one from Philippines and two from Thailand) attended the meeting. The following observers also attended the meeting:

- i. Mr.I.Takamura, Chairman, JCCU
- ii. Mr.Wada, Director, Ministry of Health and Welfare
- iii. Mr.Yamagishi, President, COOP Kanagawa
- iv. Mr.Bruce Thordarson, Director, ICA
- v. Mr.G.K.Sharma, Regional Director, ICA ROA.

Mr.Ohya, Chairman of the Committee welcomed the members and the special invitees and appreciated the work done by the ICA Secretariat. He also appreciated the active participation by the members of the committee.

The chairman and members expressed satisfaction on the progress made by the Consumer Co-operative Development Project of the ICA after studying a detailed report submitted by the Secretary of the Committee. Mr.I.Takamura, Chairman of the JCCU welcomed the members and hoped that the meeting would discuss current issues such as environmental protection. Mr.Bruce Thordarson, who was attending a Committee Meeting in Asia for the first time, explained the trends in the ICA structure and said that the ICA is looking for relationships with co-operative movements more closely. He also emphasized the need for the Committee to play an active role in improving the working of the ICA. He also mentioned that the JCCU would function as a donor and a catalyst in bringing about positive changes in the consumer co-operative movements in Asia.

The meeting adopted Declaration on the occasion of the Third International Consumer Day (15 March 89) endorsing the need to protect the environment and reduce the growing ecological imbalance with the use of chloro-flouro hydro-carbonic products, which destroys the ozone layer.

The meeting also decided to have a Joint meeting with the ICA Main Consumer Committee in October 89 in New Delhi.

2nd Meeting of the ICA Committee on Human Resource Development for Asia - 09 June 1989 at Los Banos, Collge, Laguna (Philippines)

This meeting of the Committee was held in conjunction with the Regional Workshop on Strengthening of Human Resource Development in Co-operative in Asia (5-9 June,1989).

10 members (two from Philippines, two from India, one from Pakistan, one from Sri Lanka, one from Singapore, one from Bangladesh, one from Indonesia and one from Thailand) attended the meeting. Gen.A.S.Lozada, the Chairman of the ICA Regional Council was the special invitee at the meeting.

The Constitution of the Committee which was adopted at the ICA Regional Council meeting at Seoul was presented and the Secretary explained the statutory rules and provisions governing the functioning of the committee under the Regional Council.

In this meeting, a work plan adopted by the HRD Planning Workshop on Strengthening of Human Resources in Co-operatives in Asia was adopted to make effective contribution towards the realization of autonomous and viable co-operative movements in the Region. The Secretary has indicated to the meeting that the work plan of the project for the next 3 years will modified to suit the objectives and priorities given in the conclusions of the above workshop and seek concurrence from the ICA authorities and the donor agencies.

15th Meeting of the ICA Committee on Consumer Co-operation has been held at New Delhi on 03 October,1989.

6 Members (two from Japan, one from India, two from Malaysia and one from Bangladesh participated. 3 observers (from JCCU, NFUCA and ANGKASA) were also present at the meeting.

Mr.G.K.Sharma, the Regional Director was a special invitee to the meeting, said that this meeting is important in view of the proposed joint meeting with the Main Consumer Committee.

During this meeting, a new member (Fiji Co-operative Association Ltd) has been admitted to the ICA Committee on Consumer Co-operation for Asia.

The Chairman explained the objective of the joint meeting with the Main Consumer Committee. The secretary gave details of the topics of the joint meeting.

AGENDA ITEM NO.7 : REPORT ON THE ACTIVITIES CARRIED OUT DURING  
1989-90

PLANNING, RESEARCH & CONSULTANCY PROJECT

With effect from 1st July 1989 the name of DCU has been changed to Planning, Research and Consultancy Project (PRCP). The PRCP continued to play a coordinating role vis-a-vis various projects of the ROAP and development activities in the region.

The PRCP assisted in holding the annual programme planning and budgeting meeting with donor agencies in New delhi in January 1990. Participating development agencies in the meeting were SCC,CCA, JCCU and AAC.

1. Conference of Cooperative Development Support Agencies

A Conference of Cooperative Development Support Agencies was held in New Delhi in October 1989 in conjunction with the Donors Forum of the ICA Central Committee Meeting.

2. NCUI/National Coop Data Bank & Monitoring and Evaluation System for Cooperative Development

The ICA ROAP together with FAO's assistance is assisting the National Cooperative Union of India in establishing a National Coop Data Bank (NCDB) and a Monitoring and Evaluation System for Coop Development (MECD) on a pilot basis. The FAO Consultant and the Cooperative Development Adviser prepared a detailed implementation programme for two States in India and presented the same to FAO and NCUI for consideration.

3. Cooperation Ministers'Conference & Trade Exhibition

As a follow-up on the recommendations of the Regional Consultation on the "Role of Government in Promoting Cooperative Development in Asia" held at Singapore last year, a Conference of the Ministers of Cooperation of Asian Countries together with a Trade Exhibition is being held at Sydney, Australia, from 8th to 11th February, 1990 supported by the Government of Australia. The Conference is being convened by the ICA ROAP in collaboration with Australian Association of Cooperatives (AAC).

In addition to the members of ICA in Asia and the Pacific region, invitations have also been extended to four other Pacific countries on the suggestion of AAC and the Government of Australia who will be covering their cost. Similarly two Ministers have been invited from Africa, namely, Ghana and Egypt at the invitation of Afro-Asian Rural Reconstruction Organisation who will be meeting their cost. Further progress will be reported in the meeting.

4. ICA/CCA/CLT Prawn Breeding Project, Thailand

The project was seriously damaged due to the flood in Southern Thailand in November-December 1988. The representatives of the three organisations carried out on the spot studies in May 1989 and are considering rehabilitation/redesigning of the project.

5. ICA/CCA/FISHCOPFED Fish Net Production Project, India

The fish-net producing hand-operated machine has been installed in the third primary fishery cooperative covered under the project. The project has thus accomplished the tasks envisaged in the project document.

The CCA contribution has been fully utilised as per the project plan. FISHCOPFED's contribution has exceeded by 47% and beneficiary societies contribution has exceeded by 50% to the outlay envisaged in the project budget.

6. Women in Development through Fishery Cooperatives in Asia

A Joint Study Mission of the three organisations, namely, ICA, CCA and SDID (Societie de Development International Desjardins, Quebec, Canada) undertook a mission to study the current status and future potential of women in fishery cooperative development and to work out specific pilot projects in three selected countries in Asia, viz., Bangladesh, Philippines and India, with a view to formulating a strategy for future action.

The members of the mission were : (1) Mr. M.M.K. Wali, India, (2) Mrs. Marietta M. Climaco, Philippines, (3) Mr. Ken Harding, Canada, and (4) Mr. Andre Carrier, Canada.

The draft report of the mission has already been submitted to the ICA ROAP.

7. Facilitation of Cooperative Legislation in Asia

In pursuance of the ICA Cooperative Development Policy and the recommendation of the ICA Regional Consultation held in Singapore in June 1988, the ICA ROAP carried out a study of cooperative legislation in Bangladesh, India, Indonesia, Philippines, Sri Lanka and Thailand for the purpose of identifying constraints to cooperative development; identifying features which are not in accordance with cooperative principles; and to suggest additional provisions which would facilitate development of cooperatives.

The study was carried out by Mr. V.P. Singh, former President of the National Cooperative Union of India and a member of the ICA Executive Committee with the support of the Country Consultants.

#### LIBRARY, DOCUMENTATION & INFORMATION SERVICES

At present library has over 18,500 books on co-operatives and allied subjects. During the reporting period, 500 books were added in the library. It receives about 150 journals on subscriptions and complimentary basis. The library has a good collection of booklets and leaflets on cooperatives, and receives 9 daily newspapers.

The Library is also responsible for the maintenance and lending of Cooperative Films. 16 films were issued during the reporting period.

Maintenance and sale of ICA publications is also being looked after by Library. 314 books worth Rs. 23,991.25 were sold during the reporting period.

Presently, Library is also associated with the compilation, production and distribution of ASIAN CO-OP NEWS. Issue Nos. 2, 3 and 4 of 1989 were produced and distributed during the reporting period.

The Review of International Co-operation was earlier distributed by ROA in India. Due to restructuring of ROAP, the distribution of Review remained suspended for some time. During the reporting period a circular was sent to all cooperative organisations in India. 28 organisations have now subscribed the Review of International Cooperation.

#### Library computerization programme

To provide efficient reference and information services to ICA/ROA Projects and member organizations, it was decided that the library collection should be computerized.

#### Promotional and developmental work

The LDO conducted the Meeting and Workshop of the International Working Party of Co-operative Librarians, Information and Documentation Officers of the ICA, held on 3rd to 6th October, 1989, at Bonow House. The meeting and workshop was attended by 14 participants.

The objectives of the Meeting and Workshop were:

1. Working Party
  - To review the working of the International Working Party.
  - To review the working of the Cooperative Libraries, Documentation and Information Services and Systems for the ICA Member Countries.
2. Workshop
  - Computerisation of Cooperative Libraries
  - Compilation of Co-operative Libraries
  - Future strategy for the development of International Cooperative Library, Documentation and Information Services & Systems and the Role of the International working party.

Recommendations:

1. A Working Group was formed to re-vitalise the National Working Party of Indian Co-operative Librarians and Documentation Officers.
2. An Asian Working Party for Co-operative Librarians, Information and Documentation Officers was formed consisting one person each from India and Sri Lanka. Efforts are being made to involve more Asian Co-operative Librarians, Information and Documentation Officers.

AGRICULTURAL COOPERATIVE DEVELOPMENT PROJECT

1. Dr. Alfred Bretschneider was made available as a short-term consultant for four months (May to July 1989) to assist the Cooperative Union of the Philippines in planning an action programme for implementing the Perspective Plan on Agricultural Cooperatives.
2. The Cooperative Development Adviser carried out several missions to assist the member organisations in the Philippines and Thailand in the implementation of their Perspective Plans.



3. A Regional Seminar on Enhancing Member Participation in Agricultural Cooperatives was held by the ICA ROAP in Tokyo, Japan, in collaboration with the IDACA from 17th July to 6th August, 1989. Nineteen participants from Bangladesh, China, India, Indonesia, Rep. of Korea, Malaysia, Nepal, Philippines, Sri Lanka and Thailand attended the seminar.

4. A Perspective Planning Mission to Gansu Province in China was carried out from 3rd to 24th September, 1989 by Mr. Sten Dahl, CDA, Mr. Upali Herath, HRD Adviser, Mr. Guo Yong Kang, Agricultural Cooperative Development Adviser from ICA ROAP, and Dr. Alfred Bretschneider, ICA short-term consultant.

#### HUMAN RESOURCE DEVELOPMENT PROJECT

##### 1. Regional Seminar on Methodology of Member Participation in Cooperative Societies

A Regional Seminar on Methodology of Member Participation (CMPP) was held in Dhaka, Bangladesh from 23-29 May, 1989. Twenty participants from 9 countries (Bangladesh, China, India, Indonesia, Korea, Malaysia, Philippines, Sri Lanka and Thailand) participated at the seminar.

##### 2. Workshop on Strengthening of Human Resources in Cooperative Societies

A Regional Workshop for the Strengthening of Human Resources in Cooperative Societies in Asia, was held from 5-9 June 1989 at the University of the Philippines at Los Banos, College, Laguna. Twelve participants from Bangladesh, India, Indonesia, Pakistan, Philippines, Singapore, Sri Lanka and Thailand attended the workshop. There were also 5 observers. The report of the workshop has been finalised.

##### 3. Meeting of the ICA Committee on Human Resources Development

The meeting of the ICA Committee on Human Resources Development was held at Los Banos, College, Laguna, Philippines, on 9th June, 1989. Ten Committee members from Bangladesh, India, Indonesia, Philippines, Pakistan, Singapore, Sri Lanka and Thailand attended the meeting. Gen A.S. Lozada, Chairman of the ICA Regional Council attended the meeting as a special invitee.

4. The HRD Adviser held preliminary discussion with the Singapore National Cooperative Union (SNCF) and Premier Computer Cooperative Society for holding a Regional Seminar on New Technology for Cooperative Education and Training. The seminar is now scheduled to be held in April 1990.

5. The HRD Adviser visited Pune in connection with the preliminary discussions for a consultancy work for establishment of a Training Materials Production Unit for Vaikunth Mehta National Institute of Cooperative Management from 20-22 October, 1989.

6. Preliminary discussions were held by the HRD Adviser for conducting National Workshops for facilitators in CMPP Methodology in Bangladesh, Philippines and Sri Lanka in the third quarter of the financial year.

7. The HRD Adviser participated in the Facilitators Training Programme conducted by the SCC Project in Dodoma, Tanzania, on Cooperative Member Participation Programme from 4-16 December, 1989.

#### CONSUMER COOPERATIVE DEVELOPMENT PROJECT

1. The 14th meeting of the ICA Committee on Consumer Cooperation for Asia was held at Yokohama, Japan, on 11th May, 1989. Nine members from Japan, Malaysia, Singapore, Sri Lanka, Philippines and Thailand attended the meeting. Five observers including Mr. Bruce thordarson, Director, ICA, and Mr. G.K. Sharma, Regional Director, ICA ROAP, also attended the meeting.

2. A Consultancy Study to Strengthen the working of the Phranakorn Consumer Cooperative Society in Bangkok has been taken up by the Consumer Adviser and Mr. A. Oka of JCCU from 10-15 August and 23-27 September, 1989 and a draft report has been prepared.

3. The 15th meeting of the ICA Committee on Consumer Cooperation has been held at New Delhi on 3rd October, 1989. Six members from Japan, India, Malaysia and Bangladesh participated. Three observers were also present at the meeting.

A Joint Meeting of the ICA Committee on Consumer Cooperation for Asia with the Main Consumer Committee has been held on 4th and 5th October, 1989, where 50 participants from several countries participated.

The Consumer Adviser acted as Secretary to the ICA Main Consumer Committee Meeting in New Delhi. Draft minutes were prepared and sent to the Secretary and the Chairperson of the Committee.

4. The Report of the Follow-up Workshop held at Osaka on Housewives Involvement in Consumer Cooperatives and an Overview of Consumer Cooperation in Asia were published.

5. The third issue of the Asian Consumer Coop News Bulletin has been published in October 1989.

6. A consultant has been appointed to conduct a feasibility study for the establishment of the National Distribution Centre for Consumer Cooperatives in the Philippines from 10th November to 10th December, 1989.

7. An exploratory mission was conducted from 16-19 November along with the representative of JCCU, to Republic of Korea for considering future activities for the strengthening of Consumer Cooperatives in Korea.

8. Preliminary work for conducting a National Follow-Up Workshop and a Consultancy Study for Consumer Cooperatives in Bangladesh has been done in November 1989.

#### FOURTH ICA/JAPAN MANAGEMENT TRAINING COURSE FOR STRENGTHENING MANAGEMENT OF AGRICULTURAL COOPERATIVES

The Fourth ICA/Japan Training Course commenced in New Delhi on 23rd October, 1989. Fifteen participants from nine Asian countries viz. Bangladesh, China, India, Korea, Malaysia, Pakistan, Philippines, Sri Lanka and Thailand are participating in this six-months course which will be spread over four countries of the Region. The first part for two months was held in India. The training sessions were held for six weeks at the ICA ROAP premises followed by field study visits in Gujarat and Maharashtra States. This was followed by a two-weeks study visits to agricultural cooperatives in Thailand. During the second week of January 1990, the participants will return to their respective home countries for preparing agricultural cooperative development projects for 45 days and will reassemble in Japan for the second part of the Course to be held at the IDACA, Tokyo. Field visits to agricultural cooperatives in two Prefectures will also be arranged during the second part in Japan. They will go to the Rep. of Korea for studying agricultural cooperatives for two weeks after the Japan part and will return to their respective countries around 10th May, 1990 after the completion of the course.

#### COOPTRADE PROJECT

The Regional Adviser on Cooptrade, Mr. Bruce Gunn, resigned and joined the Australian Association of Cooperatives (AAC) from 1st January, 1989. However, during the first quarter, he continued to look after the cooptrade activities also. Mr. Bruce Gunn's joining the AAC has been helpful in securing financial support to the Cooptrade Offices in Malaysia and the Philippines and possibly Thailand as also increased cooperative trading activities between Australia and other Asian countries.

In view of Mr. Bruce Gunn's leaving the Cooptrade Project, Mr. Modesto P. Saonoy has been employed as a part-time Trade Adviser who will particularly concentrate in countries of Asean region. Mr. Modesto has been associated with the Cooptrade Project since beginning of the project from the Philippines. The overall charge of the Cooptrade Project remains with the Regional Director.

A meeting of the Cooptrade Affiliated Offices was held on 14-15 September, 1989 in Bangkok in which Cooptrade representatives from Australia, Malaysia, Philippines, Thailand and Japan participated. One of the recommendations of this meeting was to change the nomenclature of the Cooptrade Affiliated Offices to "Cooptrade Network". There has been some problem relating to the work of the Cooptrade Office in Thailand which is being sorted out in consultation with and help of the Cooperative League of Thailand. There has also been a bit of setback in Indonesia due to Mr. Siddique leaving the Dekopin. An alternative arrangement will have to be worked out in consultation with Dekopin.

In this meeting, it was also recommended that efforts should be made to bring the following countries into Cooptrade Network within the Region : Australia, Japan, Malaysia, Philippines, Thailand, Sri Lanka, Bangkok, India, China, Indonesia, South Korea, Singapore.

The other important activity during the year has been the organisation of the Trade Exhibition along with the Cooperative Ministers Conference in Sydney in February 1990. It is expected that participation by the cooperatives from the Asian region would help in promoting inter-cooperative trade.

AGENDA ITEM NO.8 : PLANNED PROJECT ACTIVITIES 1990-91

A separate note on the agenda will follow.

AGENDA ITEM NO. 9 : REPORT ON IDACA ACTIVITIES

1. Training Programme completed after the last Council Meeting in F.Y. 1989/90.
- 1) General Course in Agricultural Cooperatives (formerly known as Colombo Plan Course)
  - Period : May 15 - July 8, 1989
  - No. of Participants 14 from 14 countries (Ghana, Haiti, Kenya, Liberia, Malawi, Nigeria, Sierra Leone, Sudan, Tanzania, Tunisia, Argentine, Bolibia, Dominica, Ethiopia)
  - Special Participant Malaysia 1
  - Place of study visit Okinawa and Kanagawa Prefectures
- 2) ICA/CUAC/IDACA Regional Seminar
  - Period July 16 - August 5, 1989
  - No. of Participants 19 from 10 ICA member countries (Bangladesh, China, India, Nepal, Indonesia, Korea, Philippines, Malaysia Sri Lanka & Thailand)
  - Theme Member Participation in Agricultural Cooperatives and its Methods
  - Place of Study visit Fukushima prefecture
- 3) Training course for cooperators from selected countries
  - Period September 25-October28,1989
  - No. of participants 13 (Indonesia 8 & Bangladesh 5)
  - Place of study visit Gunma prefecture

- 4) Training course for counter-parts on the agricultural cooperative promotion project in Thailand.

Period September 25-October 25, 1989

No. of participants 4

Place of study visit Gunma and kyoto prefectures

- 5) Training programme for national agricultural cooperative federation of Korea (NACF)

Period November 6-November 14, 1989

No. of participants 18

Place of study visit Ibaragi prefecture

- 6) Training course for associate counter-parts on agricultural promotion project in Thailand

This course was specially designed for those officials and employees who are responsible for implementing the projects at five societies involved in the projects.

Period: November 27 - December 12, 1989

No. of participants 17

Place of study visit: Shsizouka prefecture

## II Training programme to be implemented on F.Y. 1989/90.

- 1) Fourth ICA Training course for strengthening management in agricultural cooperatives in Asia

This is the Training course commissioned by ICA Regional Office in New Delhi as part II of the training project of the ICA for the purpose of strengthening and improving management of agricultural cooperatives in Asia with the financial contribution of the Japanese Government.

Period: February 24-April 27, 1990.

No. of participants 15 from 9 countries

Place of study visit Saga and Aichi prefectures

- 2) Training course for leaders of Cooperativa Agricola De Cotia Cooperativa Central (CACCC) and cooperativa agricola sul Brazil.

According to an agreement between the President of CUAC and Brazilian Cooperatives, one-month course is to be organised annually.

Period: March 3-28, 1990  
No. of Participants 7 (CACCC 5 and Sul Brazil 2)  
Place of study visit Okayama prefecture

- 3) Reunion and follow-up programme to be held in Sri Lanka from January 24 - February 2, 1990

III. Training programmes planned for F.Y. 1990 June-1991 May  
Details on the Training programmes are tentative at this stage and thus are yet to be finalized at the Board of Directors meeting of IDACA in March 1990.

1) General course in agricultural cooperatives

This is one of the oldest training courses sponsored by the Japanese Government. IDACA has been commissioned to implement the course by the Government through Japan International Cooperation Agency (JICA).

On the basis of the review discussions made among organizations concerned for the conduct of improving training, it has been decided since 1988 that the training course be conducted according to regions in which degree of cooperative development is similar.

Thus, in 1990, the course will be designed for participants from Asia and South American Regions.

Period: May 21 - July 14, 1990.  
No. of Participants: 20 from Asian and South-American countries  
Theme: Agricultural production marketing  
Place of study visit Hokkaido and Yamanashi prefecture



22 July - 11 Aug - 1990

to Paris - 1990

2) ~~AARRO Seminar~~  
ICA/CUAC/IDACA Regional Seminar

63 - ~~AARRO Seminar~~  
This is a Seminar sponsored by Afro-Asian Rural Reconstruction Organization (AARRO) and it is to be held twice in every three years at IDACA for participants from AARRO member countries in accordance with the agreement between AARRO and CUAC.

Period: August 26 - September 12, 1990

No. of participants: 20 from Asian and African countries  
Japanese experiences on role of agricultural cooperatives in agricultural development with special reference to Japanese experiences on supply and marketing of farm products

Place of study visit Wakayama prefecture

4) Training course for cooperators from selected countries

This is a training course funded directly by Ministry of Agriculture, Forestry and Fisheries of Japan. Participants are to be invited from two countries in the Asian Region. This course is designed primarily for those who are engaged in cooperative development at different levels of cooperative institutions. At the time of drafting this note, the Government Budget for 1990 is not decided.

Period: September 24 - October 25, 1990.

No. of participants: 13 (Countries yet to be decided)

Place of study visit Tottori prefecture

5) Training course for counter-parts of agricultural cooperative promotion project in Thailand

This Thai counter-part course is a project commissioned by JICA aiming at assisting the Thai Government in fostering and promoting agricultural cooperative movement in Thailand.

Period: September 25 - October 23, 1990

No. of participants 4

Place of study visit Tottori prefecture

6) Training programme for staffs on NACF (Korea)

According to an agreement between the Presidents of CUAC and NACF, this is to be organised annually.

Period : November for about two weeks

No. of Participants: Yet to be decided

Place of study visit: Yet to be decided

7) Fifth ICA Training Course for Strengthening Management of Agricultural Cooperatives in Asia

Period: February-April 1991

No. of Participants: 15 from ICA ROAP member countries

Theme: Method of Strengthening Management of Agricultural Cooperatives

Place of Study Visit: Yet to be decided

8) Training Course for Cooperativa Agricola De Cotia Cooperativa Central and Cooperativa Central Agricola Sul Brazil

Period: April for one month

No. of Participants: 7

Place of Study Visit: Yet to be decided

AGENDA ITEM NO. 10 ; CHANGE IN NOMENCLATURE OF REGIONAL OFFICE

The ICA Executive Committee at its Meeting held in New Delhi on 2nd October, 1989 has agreed to change the name of the Regional Office to "ICA Regional Office for Asia & the Pacific".

AGENDA ITEM NO. 11 : REPORT ON PROGRESS OF TCDC PROJECT

The Programme in Cooperatives in Asia has been carried out by the ICA Regional Office since February 1989 in close collaboration with the Special Unit for TCDC (Technical Cooperation among Developing Countries) of the United Nations Development Programme (UNDP). This is the first time that a programme in the cooperative sector has been taken up by the SU/TCDC in collaboration with the International Cooperative Alliance. The main purpose of the TCDC programming is to enable cooperatives both in the public and private sectors in the Asian Region to promote technical cooperation activities among each other through transfers of technology and exchange of experts, consultants, training, equipment and joint ventures.

A Regional Compendium on the "Needs and Capacities of Cooperative Organisations in the Developing Countries of the Asian Region" has been prepared by the TCDC Regional Consultant on the basis of replies received from 49 cooperative organisations from 12 invited developing countries from Asia.

The UNDP/TCDC has already forwarded the Compendium to all the UNDP ResReps and governments with a view to compile a listing of specific projects. The UNDP has also invited a number of international and other donor agencies to participate in the programme to indicate their willingness to take up some of the projects.

The listing of possible project areas is likely to be ready by the end of February 1990. The ICA and the UNDP are planning to hold a five-day Bilateral Discussions meeting in New Delhi in early April 1990 to concretise the project proposals.

The TCDC Special Unit is expected to provide logistic and financial support to the programme in various ways e.g., funding the international travels of consultants, locating institutions which could offer suitable training opportunities, and facilitating joint venture activities among the developing countries in the Asian Region.

The TCDC has made available to the ICA Regional Office the services of a Regional Consultant in order to follow-up the activities of the programme.

AGENDA ITEM NO. 12 : ICA CENTRAL COMMITTEE MEETING IN NEW DELHI

The ICA Central Committee met for the first time in Asia in ICA's 95-year history in New Delhi from 4th to 7th October, 1989. The meeting was inaugurated by the Prime Minister of India. There were over 500 participants from 76 countries at the inaugural ceremony. The meeting was hosted by the National Cooperative Union of India on behalf of the Indian Cooperative Movement.

The most popular agenda item was "The Challenge of Global Economic Integration", followed by Reports from Specialised Organisations and "Cooperatives in Asia". Discussions were designed to increase the understanding of the current position of cooperatives in this enormous continent and investigate opportunities for collaboration between Asian cooperatives and cooperatives in other continents.

On 5th October, all the delegates along with their spouses were invited to a Reception at the Bonow House. The delegates were highly impressed to see the Bonow House, its infrastructural facilities, library etc. After their visit to the Bonow House, they felt that the decision not to sell the Bonow House was a wise one.

AGENDA ITEM NO. 13 : RELATIONS WITH INTERNATIONAL ORGANISATIONS

Cordial and fruitful relations continued to exist between the ICA ROAP, the UN Specialised Agencies as well as the non-governmental organisations functioning in the region.

More specifically, the following instances of collaboration may be mentioned :

45th Session of UN/ESCAP

Mr. M.M.K. Wali, formerly Chief Executive of NCUI and Ex-Lt. Governor of Delhi, represented the ICA as an Observer at the 45th Session of UN/ESCAP held in Bangkok from 27th March to 5th April, 1989.

ILO-MATCOM

Mr. J.M. Rana participated in the ILO-MATCOM Progress Review Committee Meeting held in Geneva on 29th June, 1989 as a representative of the ICA.

ILO/NORAD

The HRD Adviser attended the ILO/NORAD Meetings on Human Resource Development held at Manila from 6-9 November, 1989 and at Dhaka, Bangladesh from 20-22 November, 1989.

CIRDAP Workshop

Dr. Daman Prakash, Regional Consultant, ICA ROAP, attended the Regional Workshop on Development of Monitoring and Evaluation Mechanism for Impact of Cooperatives on Members held by Centre on Integrated Rural Development in Asia and the Pacific (CIRDAP) from 11th to 18th September, 1989 at Hanoi, Vietnam.

AGENDA ITEM NO. 14 : VENUE & DATE OF NEXT MEETING

At the last meeting of the Regional Council held at Seoul, Korea, in May 1989, the Member for Bangladesh had extended an invitation to the Regional Council to hold its meeting in Bangladesh in 1991.

AGENDA ITEM NO. 15 : ANY OTHER MATTER WITH THE PERMISSION OF THE  
CHAIR



AGENDA ITEM NO. 16 : VOTE OF THANKS TO THE CHAIR

Annex

31ST MEETING OF THE ICA COUNCIL FOR ASIA HELD AT SEOUL, KOREA  
ON 15-16 MAY 1989

Opening Ceremony

The opening ceremony of the 31st Meeting of the ICA Council for Asia was held at the New World Hotel, Seoul (Korea) on 15th May 1989. The ceremonial meeting was presided over by Dr. Ho-Sun Han, Chairman & President of the National Agricultural Cooperative Federation (NACF), Korea. Besides the Regional Councillors and Mr. Bruce Thordarson, Director, ICA, there was a select gathering of cooperators from the Cooperative Movement of Korea who attended the meeting.

The Chief Guests were H.E. Kim Sik, Minister of Agriculture, Forestry and Fisheries and Hon'ble Mr. Chong-Ki Kim, Chairman of Agriculture, Forestry and Fisheries Committee of the National Assembly of the Rep. of Korea.

In his Opening Address, Dr. Ho-Sun Han, Chairman & President of NACF said : "On behalf of the National Agricultural Cooperative Federation and our two million member farmers, I would like to extend a warm welcome to all the distinguished delegates to the 31st Meeting of the ICA Regional Council for Asia. It is the honour of the Korean agricultural cooperative movement to host this important meeting here in Seoul. For the past 28 years since 1962, I have been working for the agricultural cooperative movement in my country and thus I am fully aware of the important role played by the ICA in propagating cooperative principles and methods and in promoting collaboration among cooperatives under the excellent leadership of ICA Director, Mr. Thordarson. Also I would like to point out that the activities of the ICA Regional Office for Asia have been significantly strengthened in recent years, led by the ICA Regional Director, Mr. Sharma. The Asian region is now emerging as the centre of the world cooperative movement by accounting for more than 60 per cent of world individual membership of the ICA numbering around 600 million persons. In this regard, this Seoul Meeting of the ICA Regional Council for Asia is the most important gathering of cooperative leaders in this Region. Furthermore, as all of you are well aware, the ICA Central Committee Meeting for this year will be held in New Delhi, India, in October, and the 1992 ICA Congress is scheduled to be held in Tokyo, Japan. It seems to be very significant that these two important ICA Meetings will be held in Asia for the first time since the establishment of the ICA in 1895. I am sure that these ICA meetings will provide an important opportunity for the Asian cooperative movement to be familiar with the cooperators in other parts of the world".

In his Congratulatory Address, H.E. Kim Sik, Minister of Agriculture, Forestry & Fisheries, said : "As I understand, the ICA was founded in 1895 as an international association of national unions of cooperative organisations. Its purpose is to propagate cooperative principles and methods throughout the world and to promote friendly and economic cooperation relations between cooperative organisations of all types. I am aware of the fact that the ICA has already become a very important global cooperative organisation with about 600 million individual members represented by 183 cooperative organisations from 72 countries around the world...In Korea, different types of cooperatives, such as agricultural cooperatives, fisheries cooperatives and livestock cooperatives, have played crucial roles for the rural development as well as for the enhancement of economic and social status of rural population. In particular, during the last two decades, the agricultural cooperatives in Korea have contributed much to increasing farmers' income and developing rural economy through improvement of agricultural credit service, efficient supply of various farm inputs and a systematic marketing of agricultural products.....Last year, in spite of difficult world economic situations, Korea recorded 12.1% economic growth rate. Per capita income jumped to 4,043 US Dollars in 1988 from 2,861 US Dollars of the previous year. In 1987, the farm population numbered 7,771 thousand persons which occupied 18.5% of the total population. The average land holding per farm household stood at 1.15 ha and the proportion of agricultural production in the gross national product stood at 11.7% in 1987.....In 1988, Korea became the second largest market for the agricultural exports of the United States. Still mounting pressure from our major trading partners to open our agricultural markets are aggravating the difficulties of our farmers. However, in order to overcome those difficulties, especially to narrow the widening income gap between the rural and urban communities and to protect farmers from the internationalisation of agriculture, the Government has been pushing ahead with a series of policy measures to increase farm household income".

In his Congratulatory Address, Hon. Chong-Ki Kim, Chairman of the Agriculture, Forestry and Fisheries Committee of the National Assembly, said : "the ideal of the cooperative movement is to enhance the economic and social status of members through mutual help. I fully understand that in developing countries the cooperative movement is considered as a critical factor for the improvement of rural economy and development of a well-balanced national economy. In this respect, I set a high value on the fact that the rural cooperatives in Korea, such as agricultural cooperatives, fisheries cooperatives and livestock cooperatives, have exerted their strenuous efforts for the establishment of high-income welfare rural communities in close collaboration with

the government. However, I may point out that the rural cooperatives operating in Korea have not enjoyed voluntary and

active participation of members due to the top-down organisation and operation and thus have not reached the development stage where they can fully satisfy the diversified demands of their members. Accordingly, it was urgently needed to promote democratic and autonomous operation of rural cooperatives in order to induce more voluntary participation of members in the cooperative movement.....I am sure that your lively discussions and the important decisions reached at this meeting will be helpful in further developing the cooperative movement in my country. Furthermore, I do also hope that the ICA Regional Office will contribute much to the development of agriculture and promotion of rural welfare in the Region".

In his address, Mr. Bruce Thordarson, Director, ICA, said : "I think this meeting is taking place at an extremely important time in the history of ICA and the history of cooperatives in Asia. The delegates at the ICA Congress in Stockholm last July essentially identified two priority areas on which ICA and its structure should be concentrating their attention during the next four years. The first priority was the intensified study of linkage between cooperative basic values and economic concepts. The ICA has begun and will be doing at the 1992 Congress a major report which will address such questions as to what is the fundamental difference between a cooperative organisation and other forms of economic enterprise, to what extent our cooperatives in different parts of the world are successful in applying basic values; does the representation of cooperative values necessitate re-formulation of Cooperative Principles. I think these are very fundamental questions for all our organisations. I hope that the Regional Council as a body and all the ICA members in Asia will take up this task of studying the linkage between cooperative basic values and economic success. I think the rest of the cooperative movement has to learn from Asia. The ICA's second priority was continued emphasis on Cooperative Development. It was already mentioned that over 50% of cooperative members around the world are to be found here in Asia. Over 60% of cooperative members are now found in the so-called developing countries and if ICA has to be a true organisation, it must reflect that and that is why in October this year the Central Committee will meet for the first time in its history not only in India, a developing country, but in Asia and the 1992 ICA Congress will meet for the first time in Japan. I think this is a very important long-term change and that is why it is an important opportunity for me to be with you here on this occasion to renew old friendship with Asian cooperators, to meet new people and to listen to your deliberations and the guidelines which you will give for the future operation of the ICA as a whole and the ICA ROA in particular".

In his address, Mr. G.K. Sharma, Regional Director, ICA ROA, said : "We are very happy and feel encouraged with the presence of Hon'ble Minister of Agriculture, Forestry & Fisheries and the

Hon'ble Chairman of the Agriculture, Forestry & Fisheries Committee of the National Assembly. This meeting of the Council in Korea is of very great significance. This is because of, as the Hon'ble Minister mentioned, the rapid growth which this country is making as also the cooperatives are making. The economy has grown by 12.1% and the per capita income increased by 30% compared to last year. Similar progress has been made in the cooperative sector also. The average turnover of a primary cooperative in 1988 was about U.S. Dollars 16.7 million which represented an increase of 33% compared to previous year. The turnover of marketing operations of NACF was U.S. Dollars 2.78 billion in 1988, which meant an increase of 25%. Similar growth has been observed in fisheries and livestock sectors. The cooperative sector in Korea is organisationally different compared to other movements in the region. In South Korea the activities are multipurpose not only at primary level, but at national level also. All activities like supply, marketing, consumer goods, insurance, banking etc. are combined at national level; they do not get diversified in specialised organisations. Perhaps combination of all the functions has been a source of strength for them. In Korea, they have made the best use of their resources in rural areas for development of the rural people. The movement has been reorganised, democratised and modernised in recent years. In the 60's the total number of cooperatives in South Korea was 21,100 which has been brought down to 1500. They have reorganised their three-tier structure into two-tier structure in order to reduce the margins at various levels.

I think the most important strategy to strengthen cooperatives in our region is to give high priority to three factors : (i) mutual cooperation at the national level in various sectors, (ii) regional and international collaboration and transfer of technology, (iii) healthy and organic human relations. At the end, I would like to express my sincere thanks to the NACF and the Cooperative Movement of Korea for agreeing to host this meeting and making excellent arrangements".

In his address, Gen A.S. Lozada, Chairman of the Regional Council for Asia, said : "At the outset, we would like to express our profound thanks and appreciation to the Korean Cooperative Movement represented by NACF for hosting the 32st Regional Council Meeting and the warm hospitality of the Korean people and the cooperatives here. I recall that in 1981 the 23rd Regional Council Meeting was held in this beautiful city of Seoul. For the past 8 years we have experienced and seen a lot of changes here. The statements of the Hon'ble Minister and the Chairman of

the Agriculture, Forestry & Fisheries Committee of the National Assembly, stated that beginning 1989 the Cooperative Law that has been amended would become applicable. This would mean that the Chairman & President of NACF will no longer be appointed by the

President of the Republic of Korea, but will be elected by 150 Presidents of the Primary Cooperatives. This is a most welcome news to us in Asia. This is in line with the Principles of the ICA that cooperatives must be open and voluntary and that they must be democratic, autonomous and independent.

ICA has responded to the needs, problems and ideals of the cooperatives throughout the world.....There is a growing concern of the first world towards the development of the third world because of the changes in the policies..In October this year, we will have the Central Committee Meeting of the ICA for the first time in our midst in Asia. There will be an innovative approach in the meeting whereby members participation in the discussions will be enhanced. In 1992 we will have the 30th ICA Congress in Japan. This is a welcome news to us.

We are also happy about the recognition given to the Asian Region, and to the Regional Council. In 1988, during the ICA'29th Congress in Stockholm, three members of our Council were elected to the Executive Committee of the ICA...The ICA ROA has not only gained momentum over the previous year's accomplishments, but it has done more innovative and responsive activities to achieve planned programmes. We express our appreciation for the assistance given by IDACA."

MINUTES OF THE 31ST MEETING OF THE ICA COUNCIL FOR ASIA  
HELD AT SEOUL, KOREA, 15-16 MAY 1989

The 31st Meeting of the ICA Regional Council for Asia was held at Seoul, Korea, on 15-16th May, 1989 under the Chairmanship of Gen A.S. Lozada.

The following were present :

1. Gen A.S. Lozada, Chairman & Member for Philippines
2. Mr. Ray Everingham, Member for Australia
3. Mr. Bruce W.M. Gunn, Member for Australia
4. Mr. Liaquat Ali, Member for Bangladesh
5. Mr. Shahid Ullah, Member for Bangladesh
6. Mr. Yang Deshou, Member for China
7. Mr. D.S. Bhuria, Member for India
8. Dr. Sri Edi Swasono, Member for Indonesia
9. Mr. Eddiwan, Member for Indonesia
10. Mr. Teruka Ishikura, Member for Japan
11. Mr. M. Ohya, Member for Japan
12. Mr. Won Ho Suh, Member for Korea
13. Mr. Hoe Yong Ryoo, Alternate Member for Korea
14. Royal Prof. Ungku A. Aziz, Member for Malaysia
15. Mr. Jose Villanueva, Alternate Member for Philippines
16. Mr. P.K. Panadam, Member for Singapore
17. Mr. Narong Markatut, Alternate Member for Thailand

Secretary: Mr. G.K. Sharma,  
Regional Director, ICA ROA

ICA Hq: Mr. Bruce Thordarson, Director, ICA

Special Mr. Alexander Starych, Vice President,  
Centrosoyus, Invitees USSR  
Mr. Alexander Leukhin, Centrosoyus, USSR  
Mr. Shiro Futagami, MD, IDACA, Tokyo

ICA ROA Mr. J.M. Rana, Dy. Regional Director  
Mr. M.V. Madane, Project Director, AGMT  
Mr. Sten Dahl, Coop Development Adviser  
Mr. W.U. Herath, Project Officer, HRD  
Mr. Guo Yong Kang, Adviser, ACDF

Observers Mr. Nobuyuki Kohashi, CUAC, Japan  
Mr. Ki Won Suh, Korea  
Mr. Hwang Hyong Sing, Korea  
Mr. Peter Doyle, AAC, Australia  
Mr. Susumu Ohta, JCCU, Japan

Observers Mr. Y. Abe, IDACA Japan  
Mr. Hirofumi Kobayashi, CUAC Japan  
Ms. He Lanchai, ACFSM, China

In attendance : Mr. Prem Kumar,  
Executive Secy to RD/Manager (Admn), ICA ROA

Agenda Item No. 2 : Confirmation of the Minutes of the 30th Meeting

The minutes of the 30th meeting of the Regional Council held in Singapore on 2nd & 3rd June, 1988, which had been circulated earlier, were confirmed.

Agenda Item No. 3 : Matters arising out of the Minutes

Royal Prof. Ungku Aziz, Member for Malaysia, referred to the appointment by ICA of Mr. R. Mathimugan as Special Adviser on Cooperative Development & Training in Australia, who was General Manager of the CCB, which has been liquidated and consequently ceased to be a member of the ICA. This man has left a horrible mess which is publicly known. As a Malaysian representative and as a member of the Regional Council, I would say that this is a strange behaviour and ever since I brought this up at Budapest Meeting, I found the central executive at Geneva vague in their reply. I would not like to bring this up time and again. I merely like to place on record that a full and detailed report of this be presented in Delhi at the Central Committee Meeting. I would be satisfied if such a report is made.

Mr. Bruce Thordarson, Director, ICA, responded by saying that this individual was hired to carry out specific activities and these activities are funded by various donor organisations. The person in our view is very capable and qualified to carry out the activities in which he has been engaged.

Agenda Item No. 4 : Letters and Reports from non-attending members

The Secretary informed the meeting that Mr. Riazudin Ahmed, Member for Pakistan, and Mr. M.R.B. Daswatte, Member for Sri Lanka, were unable to attend the meeting due to unavoidable circumstances.

Agenda Item No. 5 : Reports by Regional Councillors on "Recent Changes, Trends and Developments in their Cooperative Movements"



## Australia

- There are now over six thousand cooperatives in Australia operating virtually in every sector of the socio-economic system, AAC provides the focal point for representation of the interests of those cooperatives to the Government and community at large.
- AAC offers commercial services to its members in the following areas : (a) Commercial banking - an investment and loan service for cooperative members, (b) Insurance brokerage services for its corporate members, (c) Training and legal services offered on a fee for service basis, (d) Establishment of a commercial trading department under the chartered name CoopTrade Australia Pty Ltd. with effect from November 1988.
- AAC will be hosting the Ministerial Conference sponsored by the ICA Regional Office and the Government of Australia, together with a Cooperative Trade and Products Exhibition in Sydney, Australia, February of 1990.
- AAC has increased its services to its members and now operates offices in four states across the Australian continent.

## Bangladesh

- Agriculture sector plays a vital role in the economy of Bangladesh - 85% of total population in the country depends on agriculture which contributes 52% to the GDP.
- There are two types of cooperatives - one is 3-tier cooperatives led by National Cooperative Union of Bangladesh and the other is BRDB cooperatives supported by a rural development programme.
- The Government has set up a National Cooperative Policy-Drafting Committee with representatives from BJSU.
- The Government has set up a committee with representatives from BJSU for amendment of certain provisions of the Cooperative Act and Rules.
- On demand by BJSU, government has issued directives to all cooperatives to hold elections for restoration of democratic management and replace all government appointed committees at all levels for complete democratization of cooperatives.
- In collaboration with BJSU, the government with assistance from UNDP, conducted a study on reorganisation and restructuring of cooperatives.

## China

- Economic reforms started from the rural areas in recent years.
- In the last three years, great progress achieved in the agricultural field, but in recent two years, not much progress made in this field due to farm inputs being stabilised, introduction of high technology and know-how to farming. It has been decided to invest more capital to develop high technology.
- In order to strengthen the services from the cooperatives, primary cooperatives were reduced from 35,000 to 33,000.
- Cooperatives promote and provide technological guidance to the farmers in utilisation of farm inputs. At present, consumption of input of fertilizer is 90 M/T and it is not possible to increase it because it will produce effects.
- More attention is being paid to develop agro-processing to increase farmers' income and to increase cooperatives' profit - at present 300 million USD have been invested in building, construction and equipment.
- More attention will be given to export of agricultural produce
- last year the value of export of agricultural produce was about 7.5 billion USD.
- China is facing the problem of high inflation. So the government has decided to decrease the speed of economic development, but as far as cooperatives are concerned, the aim is still to develop cooperative economy. Last year annual turnover was 50 billion USD, an increase of 30% over the previous year. The profit of last year was about 1 billion USD.

## India

- Till 1969, cooperatives were the sole agency to provide agriculture with investment and working capital finance. After 1969, with the adoption of multi-agency approach to agricultural finance, nationalised commercial banks and regional rural banks have also been inducted for providing agricultural credit in addition to cooperatives.
- Cooperatives play an important role in supply of agricultural inputs like fertilizers, improved seeds, distribution of insecticides and pesticides.
- Creation of infrastructure for processing and marketing of agricultural produce.

- Cooperatives have been playing a very important role in strengthening infrastructure particularly for agricultural development.

- Government implementing poverty alleviation programmes like Integrated Rural Development Programme (IRDP) for providing necessary assets to the people below poverty line, National Rural Employment programme for generation of additional gainful employment in rural areas, and Rural Landless Employment Guarantee Programme for providing employment guarantee by involving them in various public works.

- Generation of employment opportunities by providing necessary institutional set-up and by providing resources to improve the productive base and income-earning capacity of the members.

- Growing diversification of cooperative movement has necessitated an effective programme for human resources development for cooperatives.

- The Government is actively involved in the development of cooperative movement.

#### Indonesia

- Village Unit Cooperatives (KUDs) have been active in promoting supply of inputs and marketing of agricultural produce.

- Fishermen's cooperatives were still facing the crucial problem of marketing the members' catch.

- Consumer Cooperatives sector has not made any important progress.

- Representatives of the movement and the government were making a study to promote the credit activities in agricultural cooperatives (KUDs).

- In 1987 Dekopin set up a coordinating body of cooperative travel agency "Bhayangkara Travel". In March this year, the

coordinating body has been developed into a Tourism, Tour and Travel Cooperative under the Cooperative Law no. 12/1967.

- DEKOPIN has set up a permanent council, called National Council for Cooperative Education, representing the government and the movement to compose policies and standards suitable to the changing needs of cooperatives.

- The DEKOPIN has established a National Cooperative Education Foundation for cooperative higher education.

- The DEKOPIN has set up a committee this year to prepare a seminar to review cooperative education, starting with the curriculum at universities.
- The DEKOPIN and the Ministry of Cooperatives have assigned the Institute for Cooperative Management to undertake a survey on cooperative manpower.
- Youth cooperatives have been organised into a national federation, the KOPINDO.
- Women's participation is widely spread over nearly each type of cooperative in Indonesia.
- According to Guidelines of State Policy 1988, cooperatives are considered as a means to uplift the standard of living of low income groups.
- Areas in which ICA should give special emphasis in Indonesia in order to promote cooperative development are : (i) the development of consumer cooperative and cooperative stores, (ii) insurance cooperative sector, and (iii) banking cooperative sector.

## Japan

### Agriculture

- Internationalisation of Japanese economy.
- Impact of internationalisation upon Japanese agriculture and agricultural cooperative movement - expansion of price gap between foreign and domestic farm products.
- Liberalisation of Japanese agricultural market.
- Japanese agricultural cooperators are now cooperating widely with consumers including the members of consumers cooperatives in a standpoint of securing perfect self-sufficiency of basic food-stuffs.
- Liberalisation of financial market - liberalisation of interest rates.
- 18th National Congress of Agricultural Cooperatives was held and the Basic Strategy looking toward the 21st century was decided - reduction of production cost and at the same time strengthening competitiveness of farm products by raising up the quality by expanding the farm scale, rationalisation and reform of management of agricultural cooperatives.

~~The Japan Joint Committee of Cooperatives set up a working group~~ on cooperative basic matters which are related with the "Cooperatives and its Basic Values" discussed in the Stockholm Congress in 1988.

#### Consumers

- Some 12 million coop members belong to more than 650 coop societies throughout the country.
- Retail Coops supplying members with a wide range of consumer products and services and embracing 80% of the total coop membership.
- Medical Coops serving members by operating hospitals and clinics.
- Insurance Coops providing many kinds of life and non-life insurance for members, mostly trade union members.
- Housing Coops supplying houses and housing plots to workers in cooperation with trade unions and labour banks.
- Coop brand products emphasize their image of "safe", "reliable", "healthy" and "reasonably priced" products.
- Coops are the pioneers of direct transactions with farmers and fishermen - 30% of the food products supplied by coops are shipped directly from the producers, bypassing the wholesalers.
- Joint buying system is very prevalent in the coop's supply system in Japan.
- Formation of "HAN" groups (small organisation group) as the basic organisational unit, each being made up of 5-10 individual members living in the same neighbourhood.

#### Korea

- Korean economy grew by 12.2%, agriculture, forestry and fisheries sector grew by 9.0%. The foodgrain production stood at 7.3 million M/T.
- In 1988, NACF concentrated its activities on improving the management of member cooperatives.
- In 1988, the Agricultural Cooperative Law has been further amended to have election of NACF President in April 1990.

## Malaysia

- Malaysia is a multi-racial country and each one tends to have its own cooperative organisation.

- We have gone through series of financial crisis - some of the financial cooperatives are being taken over by government.

- CCB has lost all its capital and members deposits, probably amounting to more than M\$ 1 billion.

- ANGKASA places great emphasis on Cooperative Principles - most of the problems have happened partly because of mismanagement of board and partly because the boards of directors surrendered their powers to professional management with the illusion that the professionals do their job better.

- ANGKASA places great emphasis on education. We have worked out a plan together with the Government's Ministry of Education to develop school cooperatives - already some 75% of the secondary schools have cooperatives and all of them are direct members of ANGKASA -in 1991-92, we hope to cover 90% of secondary schools with school cooperatives.

- More emphasis is being given to the training of internal auditors. In Malaysia, we are able to train 1600 internal auditors a year by having courses all over the country and by working together with the professional accountants as well as government and our own resources. MATCOM does not have any material on Internal Auditing and we think this should be developed.

- In order to modernise the movement in Malaysia, time has come to introduce computers in cooperatives - urban cooperatives have taken to computerisation quite well, many have their accounts computerised.

- All cooperatives organised and run by political parties have been a disaster.

## Philippines

- Rationalisation of the Cooperative Legal System/Cooperative Legislation needed.

- Withdrawal of tax incentives on cooperatives

- Restrictive government policies towards cooperatives

- Absence of formalised cooperative finance system

- Weak structure for providing cooperative education
- Lack of qualified cooperative managers
- Slow capital build up and limited support services.
- Strengthening the cooperative structure - CUP is trying to redefine, develop and strengthen regional and national cooperative structures to strengthen the entire cooperative movement.
- CUP has accepted the challenge to organise beneficiaries of land reform - cooperative laws in the country has a component of land reform programme.
- We have to rationalise the Cooperative Principles.

#### Singapore

- The new Cooperative Societies Act provides a sound legal basis for the development of cooperatives in Singapore.
- Launching of cooperative ventures by the Singapore National Trades Union Congress (NTUC).
- Today there are 59 registered cooperative societies in Singapore with a total membership of 372,408 and a paid-up capital of over \$111.4 million.
- The Singapore Cooperative Movement has, over the recent years, focused on special purpose projects to cater to the changing need of the socio-economic environment.
- Establishment of a Computer Training School in 1988 focussing on computer education for cooperative members and the general public.
- Registration of a travel service cooperative to cater to the travel needs of members.

#### Thailand

- There is increase in number of cooperative societies as well as the members. At present, there are 2,800 cooperative societies and the members increased from 2.56 million to about 2.90 million.
- The latest development in the cooperative movement in Thailand is the merging of the National Agricultural Cooperative Training Institute (NACTI) with CLT. Training activities for all types of cooperatives in the country will now be carried out by the CLT.

Agenda Item No.6 : Reports on the activities of the Specialised Sub-Committees

The information given in the agenda note was noted.

The Regional Director informed the meeting that the following two Sub-Committees had their meetings after the agenda notes were finalised:

1. Sub-Committee on Trade & Industries, Shanghai, China, from 13th to 18th March, 1989.
2. Sub-Committee on Consumer Cooperation for Asia, Yokohama, Japan, 10th May, 1989.

While the Regional Director gave a brief resume of the discussions of the Sub-Committee on Trade & Industries, Mr. W.U. Herath presented the report of the Sub-Committee on Consumer Cooperation.

Sub-Committee on Trade & Industries

Two meetings of the Sub-Committee were held during the year. The first one was held in Kuala Lumpur on 21st to 23rd October, 1988 and the second one was held from 13th to 15th March, 1989 in Shanghai, China. In both the meetings, the Cooptrade Adviser reviewed the activities and steps taken by Cooptrade Project.

The members presented country reports at both the meetings.

Mr. Ulf Bergstrom, ex-Trade Adviser, who was present at the KL meeting in October, reported on his recent visit to South-East

Asian countries and the discussions that were held with the country representatives.

In the Shanghai Meeting, which was the first meeting of any sub-committee of the ICA Asian region to be held in China, along with the field visit a mini-exhibition was also arranged of the products available for export from China.

The meeting was informed that Mr. Bruce Gunn would be leaving the Cooptrade Project as he has joined the Australian Association of Cooperatives as Manager of International Operations. Mr. Bruce Gunn as Trade Adviser gave a report of his activities since the last meeting of the SCTI in KL. The Trade Adviser reviewed the operational plan prepared by him and proposed three levels of

commitment and participation for SCTI members :



- a) As SCTI members, meetings once a year, membership fees of USD 150.
- b) Affiliated office status for trade promotion leading to actual commercial transactions, meeting twice per year with fees to cover programming, approximately USD 500 per annum.
- c) Full commercial partnerships for countries with commercially chartered companies, meeting as required and with initial investment of at least USD 10,000.

The meeting was also informed that the Ministerial Conference and Trade Exhibition in Australia would now take place from 8th to 11th February, 1990.

The committee also went through its constitution and suggested certain amendments. This has been included as a separate agenda item for the Regional Council Meeting.

#### Sub-Committee on Consumer Cooperation

Mr. W.U. Herath, Secretary to the Sub-Committee, presented the report.

The meeting of the Sub-Committee was held in Yokohama, Japan, on 10th May, 1989. The report of the previous year was discussed. All the activities were accomplished as per work programme except one i.e Study of Consumer Cooperatives in India, which had to be postponed due to change in the management of NCCF.

The committee approved the next year's programme as per agenda with the addition of one activity i.e. Orientation Seminar on the Japan University Coops in the Philippines. The committee emphasized to have more country specific and field oriented activities rather than regional activities.

There will be an exchange programme between India and Japan for leaders of consumer cooperatives to have more understanding with each other.

There will be a joint meeting with the ICA Main Consumer Committee in October 1989 at the time of the Central Committee Meeting. A comprehensive document on the regional situation in regard to consumer cooperatives and two sample case studies will be prepared for presentation at the meeting so that we could create more dialogue between the two committees and also discuss about how to strengthen the relationship between the two committees.

Action will be taken to set up a data system in regard to consumer cooperatives using computer technology.

The message of the main Consumer Committee on the Consumers Day was discussed.

The committee discussed with concern about the environment and population and hazardous commodities coming into the market and creating consumer awareness and appealed to all member organisations to have country specific action plans on this activity.

The Director, ICA, emphasized that it would be useful if all the committees of the Regional Council could follow the initiative of the consumer committee and undertake some form of joint activities with their main committees in New Delhi in order to promote more contacts.

The Member for Malaysia referred to the ICA Sub-Committee for Fisheries for Asia and said that people who went for training in various training courses were not fishermen. What is being offered in these courses is of the nature of high technology fishing. Even if they have learnt the technique, they cannot implement it. Therefore the future courses if they are planned within the ambit of ICA should come down to a lower level. Our objective should be to give them training that can make them a little bit better than what they are and therefore training programme must be designed for that purpose. People who are giving training have to be familiar with the situation of the participating countries. Then only the ICA fisheries programme/education started by Zengyoren can be effective.

Agenda Item No. 7 : Report by Chairman, ACO, on its activities

Mr. Eddiwan, Chairman, ASEAN Cooperative Organisation (ACO), presented a brief report on the activities of ACO to the Council.

Agenda Item No. 8 : Report on Activities carried out during 1988-89

Agenda Item No. 9 : Planned Project Activities during 1989-90

The agenda item Nos. 8 & 9 were taken together.

The information given in the agenda notes was noted by the Council.

Various Project Officers of the ROA reported on the activities undertaken by them.

The Regional Director said : "Our Regional Office activities can broadly be grouped under two categories, (i) the ICA ROA normal functions of bringing the movements together, organising meetings, seminars, etc. so that they can exchange ideas and experiences and benefit from each other, (ii) developing cooperatives and helping them. We carry out this category of activities with the financial support of donors; the donors include governments, government sponsored agencies and stronger cooperative movements which are both from the region and outside. As you know, 3-4 years back, our total financing on development was more or less from the SCC, but in the last 2 years this position has considerably changed, say for 1989-90, the total budget for development is around 3 million SFr, out of which about 28% comes from SCC, 27% from MAFF and Japanese Movement, around 26% from member organisations and about 19% from other donors. More or less we are coming to a situation where our members are also actively participating. They are equal partners in the financing of the projects. We are not depending on any particular major donor. We have other donors like the CCA and others who are also increasing their support. Recently, the Canadian Cooperative Association has shown interest in financing a Regional Project for Fishery Women and a feasibility study would be undertaken in the next few months. That is a new development. We had some negotiations with the TCDC of UNDP which has resulted in a separate project; we have a separate agenda item on that.

In the last Regional Council Meeting, the member from Pakistan had mentioned about the need for having some programme of orientation for top government leaders through the assistance and support of CUAC and IDACA. We had some contact with CUAC/IDACA

and it was indicated that for any programme for government officials we should know whether the governments of recipient countries are interested. We had written to the governments who had participated in the Singapore Consultation and we already have got positive response from five governments viz. Indonesia, Thailand, Bangladesh, India and Pakistan and probably we may get more responses in the near future. Based on that, we have worked out a programme according to which the top people like ministers, secretaries, registrars can be given orientation of around 2 weeks or maximum 3 weeks which could include one week in the ROA, around 2 weeks or 10 days in Japan and maybe one country in between. We do hope that CUAC and the Japanese Movement would support it. We would like to have your endorsement on this project.

The programme for the next year broadly is an extension of what we are doing. We had made a three year plan out of which second year is over. The third year will be an extension of what we have done in the current year".

Mr. Sten Dahl, CDA, then presented the reports on DCU and Agricultural Project. He said : "the coordination activities have

been limited to mainly two types. First, there have been planning meetings with the officers in the ROA. The main emphasis last year was the annual programme planning and budgeting meetings which was held in October 1988 and attended by a number of development agencies, viz. SCC, CCA and JCCU. Second, several project officers meetings were held during the reporting period to discuss progress of work, problems, solutions and to facilitate professional exchange of experiences.

This leads to the second area of coordination undertaken by the DCU i.e. the ROA coordination with cooperative development support agencies. In this field a noteworthy event was the signing of the Memorandum of Understanding of collaboration between the ROA and the Australian Association of Cooperatives. This is a significant development and goes in the right direction in our efforts to work out such agreements with the movements which are strong in the region.

The CCA together with SDID (Desjardins Society for International Development) will sponsor a Study Mission on Women and Development through Fishery Cooperatives in Bangladesh, India and the Philippines. The purpose of this Study Mission is to study the current status and future potential of women in fishery cooperative development and to formulate a strategy for future action in the form of pilot projects and a Long Term Project in selected countries in the region.

A Project on Facilitation of Cooperative Legislation in Asia has also been launched together with the CCA. The ROA has already engaged a short-term consultant to prepare a regional paper as well as holding a Regional Workshop on the subject. The final report to be prepared by ICA ROA is expected to provide a set of recommendations and guidelines for consideration of the concerned governments. In turn this will hopefully lead to improvements in cooperative legislation which will promote autonomous and effective cooperatives in those countries.

We have been able to start work on a national cooperative data bank with monitoring and evaluation system for cooperative development together with NCUI in India.

We have also finalised a project proposal on behalf of the CLT on the Establishment of Computerised Accounting Services to Primary and Secondary Cooperatives. The project proposal has been forwarded to a potential donor and negotiations are going on for funding.

The ROA assisted the CUP also in holding a conference with donor agencies on the Perspective (Long Term) Plan for Agricultural Cooperative Development in the Philippines. Ten international

agencies attended the meeting and the response was quite positive. The conference gave birth to an idea of establishing a cooperative fertilizer programme for the Philippines with possible assistance from the Government of Netherlands.

I would also like to mention that we are monitoring another ten or so projects which were started earlier".

Mr. M.V. Madane, Project Director, ICA/Japan Training Project for Strengthening Management of Agricultural Cooperatives in Asia, mentioned about the visit of a five member delegation from ICA to the Government of Japan and said that according to present indications the Government of Japan may agree to extend assistance for the next five years, as a second phase of the project. It is not a commitment yet. A more enlarged project proposal has been submitted to the Government in consultation with CUAC. It may include direct assistance to small projects. Two factors have been noted: (i) our projects are not so big that the World Bank or UN Agencies would be interested in financing, (ii) bilateral programmes also do not necessarily have priorities for such projects. In case of such projects, ICA may be able to assist them directly to a limited extent. Also, ICA would send experts to finalise these projects and get them to a level of implementation.

We have also included in the proposal a programme for senior leaders' training. To what extent it would be approved we do not know. This is for information.

We have now in each country a nucleus of a management oriented group capable of assuming leadership in management in their own situations. I would urge the member organisations to support them in their follow-up action.

Mr. Madane also told the Council that the Third Course in the series has been completed with active collaboration from member organisations in India, Japan, People's Republic of China and Thailand. He also urged the Council members to ensure that candidates to the Training Course are nominated only after obtaining government clearance, where necessary.

The Regional Director, while reporting on COOPTRADE Project activities, said : "As it stands today, the prospects are that after 1990-91 the Cooptrade Project may not continue, but it would depend on the evaluation. We will not have a full time adviser and the work of the project will be looked after from ROA and may be for Asian countries we will be utilising the services on a part-time basis e.g. of Mr Modesto Sa-Onoy".

The Member for Bangladesh wanted ICA ROA to undertake a Perspective Planning Mission in Bangladesh. The Regional Director said that there was a study going on in Bangladesh and perhaps it would be useful to have a report of the study so that we could have

enough material.

The Chairman raised the question of ICA directly funding the project of the main Fisheries Committee. For any project that is undertaken in the region, there must be some sort of direct coordination with the ROA rather than a committee of the ICA directly implementing it.

The Director ICA said : "Projects in the region should come through the ROA. The way this particular project came about was that the Fisheries Committee secretariat is currently in Zengyoren, Japan, and the secretariat of the Fisheries Committee was able to negotiate funding from the government of Japan for this project. The understanding between the two parties was that money will come to ICA and then we will send to Fisheries Committee to implement the project. We were not happy with the proposal. There was no other way of getting the money. However, there would be a possibility of changing the content of the project on the same lines as the Japan Training Project".

Agenda Item No. 10 : Report on IDACA Activities

The information given in the Agenda Note was noted by the Council.

Mr. Shiro Futagami, Managing Director, IDACA, presented the report on the activities of IDACA in F.Y. 1988-89.

Mr. Futagami said that a total of 8 courses were organised in which 103 participants took part. In addition to the courses mentioned in the agenda notes, one General Course on Agricultural Cooperatives with 18 participants was also organised.

The Council noted the proposed activities of IDACA for 1989-90:

1. General Course in Agricultural Cooperatives, May 15-July 4, 1989.
2. ICA/CUAC/IDACA Regional Seminar, July 16-August 5, 1989
3. IDACA's Refresher Course (tentative), September 3-13, 1989
4. Training Course for the Cooperators from Selected Countries, September 26-October 29, 1989.
5. Training Programme for National Agricultural Cooperative Federation (NACF), November 6-17, 1989.
6. ICA Training Course for Strengthening Management in Agricultural Cooperatives in Asia, February-April, 1990.

7. Training Course for Leaders of Cooperativa Agricola de Cotia Cooperative Central (CACCC) and Cooperativa Agricola de Cooperativa Sul Brazil, April 1990.

8. Reunion and Follow-up Programme, Sri Lanka, January 1990.

Mr. J.M. Rana said: "We have been closely associated with IDACA in the training programmes which we are conducting directly in one or two courses and indirectly we have been observing the work which they have been doing and I would like to say that the work they are doing has indeed been very impressive. As regards the results and questions which Prof. Ungku Aziz raised, there are two questions which arise. One of that was raised by Mr. Ali of Bangladesh about proper selection of participants where the member organisations can play a very critical role. The second is what do the participants do after they return to the home country. If member organisations have a plan of utilising those participants in some specific projects or specific activities then we would see the better results. Here I would like to commend what is being done in Thailand. The training course in Japan is tied up with the Agricultural Cooperative Development Project in Thailand and the results there are really excellent. I think that if we have a plan of utilising participants properly and we tie them up in certain projects, then the results

would be really very significant - something for which the training organisations will be proud of and the member organisations also will be proud of".

Agenda Item No. 11 : Contributions from member organisations to the funds of the ROA

The Council noted the recommendation of the Executive Sub-Committee that the Regional Director should continue dialogue with the member organisations and report the progress in the Regional Council Meetings and that the amount to be contributed by the members be negotiated between members and ROA and need not be determined in the Regional Council Meeting.

The Council approved the recommendation of the Executive Sub-Committee.

Agenda Item No. 12 : To consider change in nomenclatures of Regional Office, Trade & Consumer Sub-Committees

The Council considered the recommendation made by the Executive Sub-Committee that "there was no objection in changing the nomenclature of the Regional Office provided the countries to be covered by the Asia-Pacific Region are specifically defined and that the ICA Geneva be requested by the Regional Council to define the area of the ROA including the countries to be covered in the

region."

As there were differences of opinion among the Councillors, it was decided to defer the item to the next meeting for further study of the definition and area of operation.

The Regional Council supported the recommendation of the Executive Sub-Committee to call all Regional Sub-Committees as "Regional Committees for Asia".

Agenda Item No. 13 : Approval of the Constitutions of ICA Sub-Committees on Trade & Industries and Human Resource Development

The Council approved the constitutions of the SCTI and Human Resource Development as proposed in the agenda along with the suggestions made by the ROA. However, it was felt that it would be desirable to have uniform standing rules for all Sub-Committees of the Regional Council to bring uniformity in their functioning. It was recommended that the secretariat will work out draft standing rules and place them at the next meeting of the Council for consideration.

Agenda Item No. 14 : To consider recommendation of the Executive Sub-Committee on "Hall of Honour"

The Council considered the recommendation of the Executive Sub-Committee that there has been no definite guidance whether a person to be nominated be outstanding in his own country or whether any weightage has to be given for contribution made by the person to Regional Cooperation. This has been creating some difficulties for some members to recommend suitable names.

The Council, therefore, decided to defer the matter for further study.

Agenda Item No. 15 : Report on Follow-up of Government-Movement Relations Consultation

The Council noted that one of the recommendation of the Regional Consultation on "Role of Government in Promoting Cooperative Development in Asia" held in Singapore in June 1988 was that ICA should organise in collaboration with the Government of Australia and the Australian Association of Cooperatives a Ministers Conference and also a cooperative trade exhibition at that time. The ROA has now received a firm invitation to hold the conference in Sydney, Australia, from 8th to 11th February, 1990. The AAC has taken the lead to liaise with the government, get necessary funding, necessary support of the Federal Government etc. The invitations will be issued by the ICA and also by the Federal



Government of Australia as the ministers in different countries would respond better if the invitation goes on a government-government basis. It is expected that in addition to two persons who may come from government from each member country, two cooperative leaders would also participate in the Ministers Conference and for that certain assistance would be available through the AAC. The funding arrangements are yet being worked out and the ROA would be in a position to communicate with the members later.

The Member for Malaysia suggested that there should be a paper on Cooperative Principles.

Agenda Item No. 16 : Report on progress of TCDC project proposals

The information given in the agenda note was noted by the Council.

Agenda item No. 17 : Cooperative Data Bank

The information given in the agenda note was noted by the Council.

Mr. Sten Dahl in presenting the MECD Project said : "It is impossible to collect data of exactly the same nature from various kinds of cooperative movements. We are fully aware that data which is collected by i.e. consumer cooperatives must be different from that for agricultural cooperatives because the objectives of these cooperative sectors are different. The objectives of the primary agricultural cooperatives should be to assist the individual members to increase their incomes and improve their standard of living while the primary cooperative society in the consumer sector should provide goods at the cheapest possible price, and of the best possible quality. These are differences of which we are aware and it takes some time and some expertise to develop the right type of indicators. We are fully aware that we have to assist the member organisations in determining indicators which can help them to measure the well-being of the primary and secondary and national cooperatives. We believe that more personnel input in this matter will be needed. We have together with the NCUI, India, started a test case which is also supported by the FAO of the UN.

To sum up, it is important that we define the objectives of the primary cooperatives and then we will be able to establish the necessary and appropriate development indicators. Thereby we will really know what we should monitor and evaluate. Thus the development indicators should address the following questions:

Has the member really been able to benefit in terms of increased income and in terms of improved standards of living? Has the primary cooperative become more democratic in nature? Has the primary cooperative become more self-reliant in its operation? I am sure that efforts are also going on in other countries and we should be able to exchange experiences in this field in the near future".

In connection with this agenda item, the Chairman referred to the ICA Central Committee Meeting to be held in New Delhi, India, from 2nd to 8th October, 1989 and said that the meeting will have in focus a new vision, a new agenda that could make Central Committee members really oriented not only to our thinking but also to the thinking of the world. A panel discussion has been scheduled. I in my capacity as the Chairman have been asked to present a technical paper along with Mr. S.S. Puri, Mr. Eric Cheong, Dr. Ho Sun Han on Cooperative Development in Asia. I can be more pragmatic and objective in presenting this paper if I know the priority needs of the region and the role of the ROA and if you can provide me with lot of information. We came up

with a two page survey form which the Regional Councillors are kindly asked to fill up. The survey questionnaire asks about the priority needs in the region and the future role of the ROA i.e. what should the ROA really do for us member organisations. This is very important for our planning and I hope to have your suggestions".

Agenda Item No. 18 : Consideration of the application of  
CENTROSOYUS, USSR, for joining ICA  
Regional Council for Asia

The Council noted the recommendation of the Executive Sub-Committee that the representative of the Centrosoyus may be requested to explain the present status of the cooperative movement in the USSR as also the contributions which they will be able to extend to ROA for supporting the activities in the region if they are admitted as member of the Regional Council.

Mr. Alexander Starych, Vice President, CENTROSOYUS, USSR, who was present in the meeting gave a detailed statement on the present status of the cooperative movement in the USSR and the contributions it will make to the ROA. The Regional Councillors also expressed their view points. The Councillor from China expressed that while deciding this issue the position of other Asian international organisations should be ascertained. Most of the Councillors supported Centrosoyus's request and proposed their admission in the Council. After prolonged discussion it was decided that ICA Geneva be requested to take into account the views that have been expressed by the various Councillors and

take a decision while determining the area of operation of the Regional Office.

Agenda Item No. 19 : Relations with international organisations

The information given in the agenda note was noted by the Council.

Agenda item No. 20 : Venue & Date of the next meeting

The Member for Bangladesh extended an invitation to the Council to hold its next meeting in Dhaka, Bangladesh. However, the Regional Director informed the meeting that there has been another proposal from the Australian Association of Cooperatives who will be co-sponsoring the Ministers Conference in Sydney,

Australia, in February 1990 where most of the Councillors will be present. Perhaps the Council meeting could be combined with the Ministers Conference.

The Council agreed that the 32nd Regional Council Meeting be held in Sydney, Australia, in conjunction with the Ministers Conference in February 1990 and that the 33rd Regional Council Meeting be held in Dhaka, Bangladesh in 1991.

Agenda Item No. 21 : Any other matter with the permission of the chair

Mr.M. Ohya, Member for Japan, raised certain questions : (1) that the representatives of the Centrosoyus should have been out of the meeting when a decision on their application for membership in the ICA Regional Council was being discussed, (2) Mr. Bruce Gunn has changed his position. There should have been a mention of those matters in the agenda under the heading 'administration', (3) I also have another question : some of you use the terminology "Apex Organisations". What does it really mean?

The Regional Director informed the meeting about the changes in the ROA. Mr. Sten Dahl, who has served us for almost 4 years, will return to Sweden for other assignments in November 1989 and his successor will be the present Director of SCC, Mr. Karl Fogelstrom.

Upto December 1989, Mr. W.U. Herath will hold the charge as before of the Consumers Project. I think from January onwards we will need two people to carry on Human Resource Development and Consumers activities.

The Council unanimously elected Mr. Won Ho Suh as the Vice Chairman

of the Regional Council.

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

G.K. Sharma  
Secretary,  
Regional Council for Asia

ICA COUNCIL FOR ASIA  
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1. Mr. R.M. Jeddi  
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2. Mr. G.S. Bagaie  
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5. Mr. Liequat Ali  
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6. Mr. Shahid Ullah  
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13. Dr. Mehdi Mahdavi  
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16. Mr. Won Ho Suh  
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17. Mr. Park, Sun Man  
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24. Mr. A.A. David, General Secretary,  
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29. Mr. Alexander Leukhin  
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30. Dr. Nguyen Quang Quynh  
Chairman - Board of Directors  
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Hanoi, Vietnam  
31. Mr. Vu Luu  
Deputy Chairman  
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**Special Invitees**

1. Mr. Shiro Futagami  
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2. Mr. Bruce Thordarson  
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3. Mr. Bernt Adelstal  
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Additional Agenda Item

Re : Creation of a Regional Cooperative Development Fund

In the Asian and Pacific countries governments have played an important role in promotion, development and strengthening of the cooperative movements. Development of Cooperative Movement has been included in the programmes of National Planning and Development. Cooperatives have been provided financial assistance, managerial support and tax benefits. This commitment of the government and close association has accelerated the development of cooperative movement. In some cases it has also resulted into over-dependence on government assistance and directions and thus losing their basic character. The cooperative movement and national governments have common objectives in many fields of social and economic development. They need each other's support and cooperation. Cooperative movement contributing in the efforts of the government in social and economic development is needed, but in the process they should not become state agencies. Thus government-movement relations assumes great significance.

ICA have been making efforts particularly since last two decades to bring cooperative leaders and government policy makers together for a better understanding and healthy relationship between them. However, these were adhoc steps and there was no regular forum at international level or at regional level where policy makers from the governments and cooperative movement could meet and discuss common problems and work out common strategies. Thus convening of the Cooperative Ministers' Conference in Sydney in February 1990 along with cooperative leaders was the first attempt to create such a forum where the movements and government leaders could meet periodically and review strategies for cooperative development.

This approach of the ICA ROAP is in pursuance of the official policy of cooperative development as approved by the Central Committee in 1982 under which the ICA has three basic objectives in its support to cooperative development :

(1) "The establishment and growth of independent democratic and viable cooperative organisations....capable of serving their members efficiently and contributing to economic growth and social equity...";

(2) "Strengthening collaboration between cooperative organisations of various types and in different countries, thereby promoting the growth of international solidarity, which is the foundation of a constructive peace."

(3) "To influence public opinion, national authorities and international organisations in order to stimulate the growth of a favourable atmosphere for cooperation, promoting the enactment of appropriate cooperative legislation and enlist the support of governments and international organisations for the development of cooperative movements."

The main functions of the ICA Regional Office are: to serve the general purpose of the ICA and not simply the requirements of technical assistance; to contribute to the execution of the ICA Policy in all its aspects, particularly the attainment by cooperatives in the region of a full measure of self-government and independence of external support; to supplement the existing means by which organisations are able to keep in touch with one another; to give information and guidance on requests for technical assistance, and to maintain contact with projects in the course of execution; to carry out the administrative work required for a combined action on the part of the ICA and its members, for example, the organisation of conferences, seminars, working groups, initiated by the Alliance; to represent the Alliance in its relations with Cooperative Ministries and Departments of National Governments and with International Organisations in the region

At the Cooperative Ministers' Conference held in Sydney, the Federal Government of Australia provided substantial financial support to cover the cost of the conference. The Indonesian Government is also expected to provide substantial support in hosting the Conference. However, to make the conference a purposeful one, substantial advance preparation is needed which also requires financial resources. So far the Swedish Cooperative Centre and the Canadian Cooperative Association have provided financial support for the preparation of these Ministers' Conferences as also for the follow-up action. However it cannot be taken for granted that this support will continue for ever.

Therefore, if the conference is to be made a regular feature, there is need to create a Fund from which the regional conference of cooperative ministers' and cooperative leaders can be convened on a regular basis. The Fund could be created by contributions from participating governments, movements as also from donors. The Fund could be located in the ICA ROAP.

If the idea is accepted in principle, more details regarding the creation and regulation of such a fund could be worked out and placed in the next "Consultation" proposed to be convened in November 1991 as a preparatory meeting for the forthcoming Ministerial Conference in February 1992 in Jakarta.